PRESS RELEASE

PR. No. 207/2023

ASANTE GOLD CORPORATION (ASG)-

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED JANUARY 31, 2023, AND 2022

ASG has released the attached announcement for the information of the general investing public.

Issued in Accra, this 1st.
day of June 2023.

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att'd.

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*JD

ASANTE GOLD CORPORATION

Consolidated Financial Statements

For the years ended January 31, 2023 and 2022

(Expressed in thousands of Canadian dollars)

Independent auditor's report

To the Shareholders of
Asante Gold Corporation

Opinion

We have audited the consolidated financial statements of **Asante Gold Corporation** and its subsidiaries [the "Group"], which comprise the consolidated statements of financial position as at January 31, 2023 and 2022, and the consolidated statements of loss and comprehensive loss, consolidated statements of cash flows and consolidated statements of changes in shareholders' equity for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at January 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ["IFRS"].

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 1 in the consolidated financial statements, which indicates that the Group incurred a total loss of $ 169.5 million during the year ended January 31, 2023 and, as of January 31, 2023, the Group's current liabilities exceeded its current assets by $561.5 million. As stated in note 1, these events or conditions, along with other matters as set forth in note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matter described below to be the key audit matter to be communicated in our report. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
Business combinations: Acquisition of Chirano Gold Mines Limited	
On August 10, 2022, the Group acquired all issued and outstanding common shares of Red Back Mining Pty Ltd. and its subsidiaries including Chirano Gold Mines Limited. As detailed in note 6 to the consolidated financial statements, the consideration comprised the issuance of 34,962,584 common shares of the Group, a cash payment of $77.3 million and undiscounted deferred cash consideration of $173.0 million. The transaction was accounted for as a business combination. The purchase consideration was allocated to the assets acquired and liabilities assumed. The values ascribed to the mineral properties and property, plant and equipment were $194.5 million and $217.4 million respectively, which represented their acquisition date fair values. Significant assumptions used in the estimate of the acquisition-date fair value of these assets included long-term commodity prices, discount rates, estimated quantities of mineralization and estimates of future operating and capital costs. This matter was identified as a key audit matter due to the significant estimation uncertainty and judgment required by management to determine the fair values of mineral properties and property plant and equipment. The significant estimation was primarily due to the complexity of inputs and assumptions to the valuation model prepared by management to measure the fair value and the sensitivity of the fair values to the significant underlying assumptions.	To test the Group's determination of the fair value of the acquired mineral properties and property plant and equipment, we performed the following procedures, among others: • Assessed the competency, objectivity and independence of the external valuation specialist and external reserve specialist; • Involved our mining specialists in obtaining an understanding of the procedures performed by management's specialists in estimating and characterizing known mineralization and determining the extent of mineralization for which value should be ascribed within the purchase accounting; • Involved our valuation specialists to assess the valuation methodology applied and the inputs utilized to determine the discount rate by referencing current industry, economic and comparable company information as well as company and cash-flow specific risk premiums; • Involved our valuation specialists to perform a sensitivity analysis over the weighted average cost of capital to assess the impact on the fair value of property, plant and mine development acquired; • Assessed the reasonableness of long-term commodity prices by comparing long-term commodity prices against market data, including a range of analyst forecasts; and • Assessed the reasonableness of future operating costs and capital costs by comparing to the historical financial performance of the acquired business.

Other information

Management is responsible for the other information. The other information is comprised of Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Brenna Daloise.

Ernst & Young LLP

Chartered Professional Accountants

Vancouver, Canada
May 29, 2023

Asante Gold Corporation
Consolidated Statements of Financial Position
(Expressed in thousands of Canadian dollars)

	Note	**January 31, 2023**	January 31, 2022
		$	$
ASSETS			
Current			
Cash		**2,811**	5,849
Restricted cash	17	**31,845**	-
Accounts receivable	7	**14,022**	96
Prepaid expenses	8	**12,017**	7,739
Marketable securities	9	**6,213**	7,509
Inventories	10	**83,532**	-
		150,440	21,193
Inventories - non-current	10	**-**	2,053
Prepaid expenses - non-current	8	**5,529**	707
Reclamation bonds	11	**10,986**	3,466
Property, plant and equipment	12	**400,924**	97,500
Mineral properties	13	**397,335**	-
Loans receivable		**362**	114
Exploration and evaluation assets	14	**12,056**	8,517
Development properties	15	**-**	93,301
Total assets		**977,632**	226,851
LIABILITIES			
Current			
Trade and other payables	16, 26	**324,069**	11,948
Due to related parties	24	**3,203**	1,980
Loans payable	17	**46,991**	-
Current portion of deferred payments	18	**129,136**	74,589
Current portion of rehabilitation provision	19	**340**	1,392
Deferred revenue	20	**66,750**	-
Current portion of other liabilities	5, 6, 21	**141,438**	32,206
		711,927	122,115
Deferred payments	18	**47,847**	-
Rehabilitation provision	19	**85,247**	10,413
Other liabilities		**-**	487
Total liabilities		**845,021**	133,015
SHAREHOLDER’S EQUITY			
Share capital	22(b)	**245,120**	91,924
Reserve for share-based payments	22(c)	**27,948**	5,324
Reserve for warrants	22(d)	**359**	417
Accumulated other comprehensive income		**17,624**	716
Accumulated deficit		**(193,727)**	(16,593)
Equity attributable to shareholders of the Company		**97,324**	81,788
Non-controlling interest	23	**35,287**	12,048
Total shareholders' equity		**132,611**	93,836
Total liabilities and shareholders' equity		**977,632**	226,851

Nature of operations and going concern (Note 1)
Subsequent events (Note 30)

Approved and authorized for issue on behalf of the Board of Directors:

/s/ “Alex Heath”	*/s/ “David Anthony”*
Director	Director

The accompanying notes are an integral part of these consolidated financial statements.

Asante Gold Corporation
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in thousands of Canadian dollars, except per share amount and number of shares)

	Note	Years ended January 31, 2023	2022
		$	$
Revenue	25	**274,729**	-
Cost of sales		**355,931**	-
Gross loss		**(81,202)**	-
Operating expenses			
Accretion	18, 19	**7,260**	-
Advertising, trade shows and promotions		**1,025**	197
Depreciation and depletion	12, 13	**-**	1,172
Finance charges	17-19, 21	**2,363**	113
Foreign exchange loss		**27,981**	116
General and administrative expenses		**6,495**	273
Management and consulting fees	24	**12,504**	2,094
Professional fees	24	**4,866**	592
Share-based payments	24	**22,916**	4,124
Shareholder communications		**559**	395
Transfer agent and regulatory fees		**366**	304
Travel expenses		**1,774**	211
Operating loss		**(169,311)**	(9,591)
Other gains (losses)			
Gain on loan adjustments	18	**513**	-
Loss on amendment of purchase agreement	18	**(3,410)**	-
Loss on disposal of property, plant and equipment		**-**	(120)
Unrealized (loss) gain on marketable securities	9	**(4,296)**	1,104
Net loss before income tax		**(176,504)**	(8,607)
Income tax expense	26	**(12,010)**	-
Net loss		**(188,514)**	(8,607)
Other comprehensive income			
Gain on translation of foreign subsidiaries to presentation currency		**19,025**	219
Total comprehensive loss		**(169,489)**	(8,388)
Net loss attributed to:			
Shareholders of the Company		**(177,134)**	(8,478)
Non-controlling interest		**(11,380)**	(129)
		(188,514)	(8,607)
Total comprehensive loss attributed to:			
Shareholders of the Company		**(160,226)**	(8,259)
Non-controlling interest		**(9,263)**	(129)
		(169,489)	(8,388)
Net loss per share:			
Basic and diluted		**(0.53)**	(0.05)
Weighted average number of common shares:			
Basic and diluted		**334,466,823**	179,439,713

The accompanying notes are an integral part of these consolidated financial statements.

Asante Gold Corporation
Consolidated Statements of Cash Flows
(Expressed in thousands of Canadian dollars)

	Years ended January 31,	
	2023	2022
	$	$
Operating activities:		
Net loss	**(188,514)**	(8,607)
Items not affecting cash		
Accretion	**7,260**	-
Depreciation and depletion	**78,179**	1,172
Finance charges	**1,809**	113
Unrealized foreign exchange loss	**3,951**	-
Share-based payments	**22,916**	4,124
Gain on loan adjustments	**(513)**	-
Loss on amendment of purchase agreement	**3,410**	-
Loss on disposal of property, plant and equipment	**-**	120
Unrealized loss (gain) on marketable securities	**4,296**	(1,104)
Changes in non-cash working capital items		
Accounts receivable	**2,035**	(91)
Prepaid expenses	**(5,416)**	(8,159)
Inventories	**(5,772)**	-
Loans receivable	**(248)**	(94)
Trade and other payables	**254,544**	10,567
Due to related parties	**1,205**	(306)
Deferred revenue	**66,750**	-
Cash provided by (used in) operating activities	**245,892**	(2,265)
Investing activities:		
Cash acquired from acquisition of Mensin	**-**	599
Cash acquired from acquisition of Red Back	**17,326**	-
Purchases of property, plant and equipment	**(98,740)**	(28,852)
Proceeds from sale of property, plant and equipment	**-**	72
Expenditures on mineral properties	**(119,823)**	-
Investment in marketable securities	**(3,000)**	(6,405)
Expenditures on exploration and evaluation assets	**(1,759)**	(2,815)
Cash paid for acquisition of Mensin	**-**	(38,075)
Cash paid for acquisition of Chirano	**(77,280)**	-
Repayment of deferred payments	**(78,474)**	-
Repayment of Scheme of Arrangement and other liabilities	**(10,274)**	-
Cash used in investing activities	**(372,024)**	(75,476)
Cash flows from financing activities		
Proceeds from private placement financing	**102,256**	81,666
Issuance costs	**(3,224)**	(70)
Proceeds from options exercised	**370**	328
Proceeds from warrants exercised	**5,934**	469
Proceeds from loans payable	**51,400**	-
Repayment of loans payable	**(4,939)**	(44)
Repayment of other liabilities	**-**	(8)
Restricted cash used as collateral in loans payable, net of amounts released	**(31,845)**	-
Cash provided by financing activities	**119,952**	82,341
Effect of foreign exchange on cash	**3,142**	770
Change in cash	**(3,038)**	5,370
Cash, beginning of year	**5,849**	479
Cash, end of year	**2,811**	5,849
Cash paid during the year for:		
Interest expense	**641**	-
Income taxes	**-**	-
Supplemental disclosures with respect to cash flows (Note 27)		

The accompanying notes are an integral part of these consolidated financial statements.

Asante Gold Corporation
Consolidated Statements of Changes in Shareholders' Equity
(Expressed in thousands of Canadian dollars, except number of shares)

	Number of Shares Issued	Share capital	Reserve for share-based payments	Reserve for warrants	Accumulated other comprehensive income	Accumulated deficit	Non-controlling interest	Total shareholders' equity
	#	$	$	$	$	$	$	$
Balance, January 31, 2021	87,921,909	9,452	1,393	303	497	(8,115)	-	3,530
Common shares and warrants issued for cash	153,417,957	81,666	-	-	-	-	-	81,666
Issuance costs	-	(2,723)	-	134	-	-	-	(2,589)
Finders' shares	3,211,216	2,518	-	-	-	-	-	2,518
Options exercised	2,711,348	521	(193)	-	-	-	-	328
Warrants exercised	6,428,951	490	-	(20)	-	-	-	470
Share-based payments	-	-	4,124	-	-	-	-	4,124
Non-controlling interest on acquisition	-	-	-	-	-	-	12,177	12,177
Net loss	-	-	-	-	-	(8,478)	(129)	(8,607)
Gain on translation of foreign subsidiaries to presentation currency	-	-	-	-	219	-	-	219
Balance, January 31, 2022	253,691,381	91,924	5,324	417	716	(16,593)	12,048	93,836
Common shares issued for cash	58,431,914	102,256	-	-	-	-	-	102,256
Issuance costs	-	(3,224)	-	-	-	-	-	(3,224)
Common shares issued for acquisition	34,962,584	47,185	-	-	-	-	-	47,185
Common shares issued for exploration and evaluation assets	250,000	325	-	-	-	-	-	325
Options exercised	1,130,000	662	(292)	-	-	-	-	370
Warrants exercised	29,679,964	5,992	-	(58)	-	-	-	5,934
Share-based payments	-	-	22,916	-	-	-	-	22,916
Non-controlling interest on acquisition	-	-	-	-	-	-	32,502	32,502
Net loss	-	-	-	-	-	(177,134)	(11,380)	(188,514)
Gain on translation of foreign subsidiaries to presentation currency	-	-	-	-	16,908	-	2,117	19,025
Balance, January 31, 2023	**378,145,843**	**245,120**	**27,948**	**359**	**17,624**	**(193,727)**	**35,287**	**132,611**

The accompanying notes are an integral part of these consolidated financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

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 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 currently listed on the Canadian Securities Exchange (“CSE”) under the symbol “ASE” and the Ghana Stock Exchange (“GSE”) under the symbol “ASG”.

The Company’s business activity is the exploration, evaluation and development of mineral properties, and production of various minerals in the Republic of Ghana (“Ghana”) with a primary focus on gold.

In August 2021, the Company completed the acquisition of all issued and outstanding common shares of Mensin Bibiani Pty. Ltd., resulting in a holding of a 90% interest in its subsidiary Mensin Gold Bibiani Ltd., which had a mining operation in care and maintenance status (the “Bibiani Gold Mine”). Upon completion of refurbishment activities, first gold pour was achieved in July 2022.

In August 2022, the Company completed the acquisition of all issued and outstanding shares in the capital of Red Back Mining Pty Ltd, resulting in a holding of a 90% interest in Chirano Gold Mines Limited which operates a mine in the commercial production stage (the “Chirano Gold Mine”).

The Company has acquired, or has options to acquire, the mining concessions rights to additional properties in Ghana where it is actively engaged in exploration and evaluation activities.

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.

Going concern

The Company’s consolidated financial statements for the years ended January 31, 2023 and 2022 (the “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 at January 31, 2023, the Company had a working capital deficiency of $561,487 (January 31, 2022 - $100,922) and had an accumulated deficit of $193,727 (January 31, 2022 - $93,836). During the year ended January 31, 2023, the Company incurred total comprehensive loss of $169,489 (2022 - $8,388). These conditions together indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. The year ended January 31, 2023 was the first year that the Company has generated revenue from operations and the Company intends to generate cash through the continued sale of gold and through further financing in the form of the issuance of debt and/or equity. 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 these properties and upon future profitable production or proceeds from the disposition of the properties. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

2. BASIS OF PREPARATION

a) Statement of compliance

These financial statements were approved by the Board of Directors and authorized for issue on May 29, 2023.

These financial statements have been 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").

b) Basis of presentation

These financial statements have been prepared using the historical cost basis, except for certain financial assets and liabilities which are measured at fair value, as specified by IFRS for each type of asset, liability, income, and expense as set out in the accounting policies in Note 3 below.

c) Functional and presentation currency

The financial statements are presented in thousands of Canadian dollars ("CAD") which is functional currency of the Company. An entity's functional currency is the currency of the primary economic environment in which an entity operates and is listed in Note 2(d) for each of the Company's subsidiaries. References to "$" are to Canadian dollars, references to "US$" or "USD" are to US dollars, references to "GHS" are to Ghanaian cedi, references to "AUD" are to Australian dollars.

d) Basis of consolidation

These financial statements include the accounts of the Company and its subsidiaries. All intercompany transactions and balances are eliminated on consolidation. Control exists where the parent entity has power over the investee and is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are included in the financial statements from the date control commences until the date control ceases.

A summary of the Company's subsidiaries included in these financial statements as at January 31, 2023 is as follows:

			Percentage ownership	
Name of subsidiaries	**Country of incorporation**	**Functional currency**	**January 31, 2023**	**January 31, 2022**
Asante Gold Corporation (GH) Limited	Barbados	USD	100%	100%
ASG Mining Limited	Ghana	USD	100%	100%
Asante Gold (Ghana) Ltd	Ghana	USD	100%	100%
Mensin Bibiani Pty Ltd ("MB PTY")	Australia	AUD	100%	100%
Mensin Gold Bibiani Ltd ("MGBL")(1)	Ghana	USD	90%	90%
Noble Mining Ghana Limited	Ghana	USD	100%	100%
Drilling and Mining Services Limited	Ghana	USD	100%	100%
Asante Chirano Australia Pty Ltd (2)	Australia	USD	100%	0%
Chirano Mines Limited (3)	British Virgin Islands	USD	100%	0%
Chirano Gold Mines Limited ("CGML") (1)	Ghana	USD	90%	0%
Chirano Explorer Limited (4)	British Virgin Islands	USD	100%	0%
Chirano Exploration Limited (5)	Ghana	USD	100%	0%

(1) The Government of Ghana retains a free carried 10% interest.
(2) Formerly Red Back Mining Pty Ltd and was renamed following the acquisition.
(3) Formerly Red Back Mining (Ghana) Limited and was renamed following the acquisition.
(4) Formerly Red Back Mining No 2 (Ghana) Limited and was renamed following the acquisition.
(5) Formerly Red Back Mining Ghana Limited and was renamed following the acquisition.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Foreign currency transactions

For foreign currency transactions, the Company translates each transaction by applying the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. At the end of the reporting period, monetary assets and liabilities denominated in foreign currency are restated using the closing exchange rate at the reporting date, and non-monetary assets and liabilities measured at fair value are translated using the exchange rate at the date when fair value was measured. Exchange differences are recognized in profit or loss for the period in which they arise. However, if fair value changes for a non-monetary item measured at fair value are recognized in other comprehensive income, the exchange difference component of the change in fair value is also recognized in other comprehensive income.

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 the closing exchange rate prevailing at the reporting date.
- Income and expenses are translated at the average exchange rate for the period.

Exchange differences arising from translation of foreign operations are recognized in other comprehensive income in the period.

b) Exploration and evaluation assets, development properties, and mineral properties

<u>Pre-exploration costs</u>

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

<u>Exploration and evaluation assets</u>

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures 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 property, 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 indicate 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 transferred to ‘development properties’. Exploration and evaluation assets are tested for impairment before the assets are transferred to development properties.

<u>Development properties</u>

The expenditures related to the acquisition of mines are capitalized to development properties. When technical feasibility and economic viability of projects have been determined and the decision to proceed with development has been approved, mines are transferred to mineral properties. Construction and development of the mines as well as costs associated with the commissioning of new assets, and costs incurred in the pre-commercial period before assets are operating in the way intended by management, are capitalized to mineral properties. Commercial production is deemed to have occurred when management determines that certain production parameters have been 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 assets to development properties, at which point, the Company performs an impairment test.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Mineral properties

Mineral properties include the costs of construction and development as well as fair value attributable to mineral reserves and resources acquired in business combinations or asset acquisitions, decommissioning assets, and restoration costs related to the reclamation of mineral properties. In addition, stripping costs incurred in surface mining operations during development phase of the mine are capitalized into mineral properties as these costs encompass the removal of overburden or waste material to expose mineral-bearing ore deposits. During the production phase, however, stripping activities are generally considered to create two benefits: being either the production of usable ore or improved access to the ore. Where the benefits are realized in the form of inventory, the stripping costs will be included in the cost of inventory produced.

Exploration expenditures are capitalized to mineral properties when the expenditures aim to convert mineral resources into mineral reserves or, in the absence of a mineral resource estimate, when they are intended to define areas to be included in the mine plan and improve the likelihood of discovering economically viable mineral reserves. Exploration costs that pertain to general and administrative functions, as well as ongoing operations at the mine sites, such as expenses for fuel, maintenance, repairs, and supplies, are expensed as they are incurred.

Costs of mineral properties are depreciated or depleted on a units of production (“UOP”) basis using estimated reserves. Depreciation or depletion is recorded against the mineral property only upon the commencement of commercial production.

Mineral 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.

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) Inventories

Inventories include gold doré, gold-in-circuit (“GIC”), stockpiled ore (including ore on leach pads), 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.

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.

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, heap leach costs, depreciation and depletion.

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.

Cost of materials and supplies is comprised of expenditures incurred and carried at weighted average costs. 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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) 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 for dismantling is recognized within rehabilitation 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. Depreciation of property, plant and equipment is calculated using straight-line method to write off the cost of each asset to its residual value over its estimated useful life 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

Capitalized pre-production costs are classified as mining plant and equipment and are comprised of expenditures incurred during the development and preparation phase leading up to the commencement of production activities. Capitalized pre-production costs are depreciated using UOP method.

The cost of replacing part of an item of property, 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 property, plant and equipment are recognized in profit or loss as incurred.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising from 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.

e) Revenue

Throughout the normal course of the Company's business, the Company primarily sells gold to independent refineries and financial institutions based on the spot market price, which is determined by the prevailing market conditions. The sales price for gold is agreed upon in the sales contract between the Company and the buyer. The sales contract outlines the terms of the sale, including the quantity of gold to be sold, the price per ounce, and the delivery terms.

The Company recognizes revenue from the sale of gold when delivery and trade settlement occurs, in accordance with IFRS 15 *Revenue from Contracts with Customers*. The delivery of gold occurs when control of the gold has been transferred to the buyer. Control of the gold is considered to be transferred when the buyer has the ability to direct the use of, and obtain substantially all of the remaining benefits from, the gold. Delivery typically occurs when the gold is physically delivered to the buyer or when the buyer takes legal ownership of the gold, depending on the terms of the sales contract.

Prior to selling gold, the Company typically enters into refining contracts with independent refineries for the purpose of refining the gold to achieve a desired purity level. As a result of these refining activities, the Company is charged refining service fees. As the refining costs incurred by the Company are directly associated with the production of the gold bullion, they are treated as cost of sales. These costs include, but are not limited to, refining fees charged by independent refineries, transportation costs associated with the delivery of gold bullion to the refinery, and any other direct costs incurred in the production of the gold doré. These costs are recognized in the same period as the revenue from the sale of gold is recognized.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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. For any metal streaming agreement, the Company needs to determine whether the arrangement has a significant financing component. This would require an adjustment to the transaction price for the time value of money, using an appropriate discount rate, in order to recognize revenue that reflects the cash price of the precious metals to be delivered.

Specifically, for the metal streaming agreement entered into with Bank of Ghana during the year ended January 31, 2023, the Company determined that the premium charged on the quantity of gold sold does not constitute a significant financing component. In addition, as the term of this arrangement is less than 12 months, the Company elected to apply practical expedient for revenue recognition for this arrangement. This practical expedient allows the Company to ignore the time value of money when determining the transaction price, and instead recognize revenue on a straight-line basis over the term of the arrangement.

g) Impairment of non-financial assets

Impairment tests on intangible assets with indefinite useful economic lives are undertaken at least annually unless there are indicators of impairment. Other non-financial assets, including exploration and evaluation assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable.

Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down to the recoverable amount.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets to which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount had no impairment loss been recognized. A reversal of an impairment loss is recognized immediately in profit or loss.

h) Financial instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI"), or at amortized cost. The Company determines the classification of its financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, the Company can make an irrevocable election (on an instrument-by-instrument basis) on the day of acquisition to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

A summary of the Company's classification of financial instruments under IFRS 9 *Financial Instruments* is as follows:

Financial instrument	**Classification**
Financial assets	
Cash	Amortized cost
Restricted cash	Amortized cost
Accounts receivable	Amortized cost
Marketable securities	FVTPL
Reclamation bonds	Amortized cost
Loans receivable	Amortized cost
Financial liabilities	
Trade and other payables	Amortized cost
Due to related parties	Amortized cost
Loans payable	Amortized cost
Deferred payments	Amortized cost

Measurement

Financial assets and financial liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are recognized as income or loss in the period in which they arise. Where management has opted to recognize financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income (loss).

Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTOCI are recognized in other comprehensive income (loss). The Company does not have any FVTOCI financial assets.

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If, at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses.

The Company shall recognize in the consolidated statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Gains and losses on derecognition are generally recognized in the consolidated statements of loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income.

Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled, or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statements of loss and comprehensive loss.

i) Income taxes

Provision for income taxes consists of current and deferred tax expense. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized either in other comprehensive income (loss) or directly in equity, in which case it is recognized in other comprehensive income (loss) or in equity, respectively. Mining duties, taxes, royalties, and withholding taxes are treated and disclosed as current and deferred taxes if they have the characteristics of an income tax. This is the case when they are imposed by a government authority and the amount payable is calculated by reference to taxable income.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates and tax laws enacted or substantively enacted at the reporting date, adjusted for amendments to tax payable or recoverable with regards to previous years.

Deferred tax expense is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax expense is not recognized for temporary differences associated with the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable income or loss and temporary differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax expense is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and deferred tax liabilities are offset only when there is a legally enforceable right to set off current tax assets against current income tax liabilities and when they relate to income taxes levied by the same taxation authority on the same taxable entity.

j) Provisions

Rehabilitation provision

The Company is subject to various government laws and regulations relating to environmental disturbances caused by its exploration and evaluation as well as production activities. The Company records the present value of the estimated costs of legal or constructive obligations required to restore the exploration or production sites in the period in which the obligation is incurred. The nature of the rehabilitation activities includes restoration, reclamation, and re-vegetation of the affected exploration sites.

When the liability is recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related provision not necessarily limited to exploration and evaluation assets. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks.

Additional environmental disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the period in which they occur.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Other provisions

Provisions are recognized for liabilities of uncertain timing or amount that have arisen as a result of past transactions, including legal or constructive obligations. The provision is measured at the best estimate of the discounted future cash flows required to settle the obligation.

k) Share capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, stock options, and warrants are classified as equity instruments.

The Company records proceeds from share issuances net of issue costs and any tax effects in equity. Common shares issued for consideration other than cash are valued based on their fair value on the date of issuance.

Valuation of common shares and warrants issued in Unit Offerings

The Company has adopted a residual value method with respect to the measurement of shares and equity-classified warrants issued as private placement units. The residual value method first allocates value to the more reliable estimate based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of the common shares issued in private placements is determined to be the more reliable estimate as they are valued at their fair value which is determined by the closing price on the issuance date. The remaining balance, if any, is allocated to the attached warrants. Any value attributed to the warrants is recorded to reserve for warrants. Upon exercise, the value attributed to the exercised warrants is transferred to share capital.

l) Share-based payments

Stock option plan

The Company adopts a stock option plan in which the Company grants stock options to directors, employees, and consultants as compensation for service provided. The fair value of the options at the date of grant is charged to profit or loss over the vesting period, with the offset recorded to reserve. The amount recognized as share-based compensation expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service conditions at the vesting date. When an optionee ceases to meet service conditions, the options granted are forfeited and the cumulative expense recognized to the date of termination is reversed Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in profit or loss, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of the Black Scholes valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations.

All equity-settled share-based payments are reflected in reserve for share-based payments, until exercised. Upon exercise, shares are issued from the treasury and the amount reflected in reserve for share-based payments is credited to share capital, adjusted for any consideration paid. Upon expiry, the fair value of unexercised options is retained in the reserve.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Restricted Share Units ("RSUs") and Deferred Share Units ("DSUs")

The RSU and DSU schemes are available to the Company's directors, certain employees and consultants. RSUs and DSUs are exchangeable, at settlement date, for (i) one common share of the Company, (ii) a lumpsum payment in cash equal to the market value of one common share of the Company on the settlement date, or (iii) any combination of the foregoing. The settlement date of RSUs is the vesting date of respective RSU issuances. The settlement date of DSUs is determined by the holder such that the settlement date is not later than the end of the first calendar year commencing immediately after the holder's termination of service. The method of settlement of the RSUs and DSUs is at the sole discretion of the Company and there is no present obligation to settle in cash. The Company accounts for the RSUs and DSUs as equity-settled share-based payments. The fair value of each RSU and DSU is measured at the grant date by reference to the Company's share price at that time. The fair value of RSUs granted is recognized as share-based payments over the vesting period. The DSUs are considered fully vested on the grant date and the fair value of DSU's granted is recognized as a share-based payment at that time.

m) Earnings (Loss) per share

Basic earnings (loss) per share is calculated by dividing the net income (loss) available to common shareholders by the weighted average number of shares issued and outstanding during the year. For all periods presented, the net income (loss) available to common shareholders equals the reported income (loss). Diluted earnings (loss) per share is calculated using the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted earnings (loss) per share assumes that the proceeds to be received on the exercise of dilutive stock options and warrants are used to repurchase common shares at the average market price during the period. In the Company's case, when a loss is incurred during the year, diluted and basic loss per share are the same because the effect on loss per share of potential issuance of shares under options and warrants would be anti-dilutive.

n) 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 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 amendment is effective for annual periods beginning on or after January 1, 2024 and are to be applied retrospectively, with early adoption permitted. The Company is currently assessing the impact of the amendment and expects to apply the amendment at the effective date.

- IAS 1 *Presentation of Financial Statements* and IFRS Practice Statement 2 *Making Materiality Judgements*: The amendments require the disclosure of material accounting policies, instead of significant accounting policies. The amendments include guidance and examples to explain and demonstrate the application of the "four-step" materiality process described in IFRS Practice Statement 2 to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after January 1, 2023, with early adoption permitted. The Company is currently assessing the impact of the amendments and expects to apply the amendment at the effective date.

- IAS 12 *Income Taxes*: On May 7, 2021, the IASB published "Deferred Tax related to Assets and Liabilities arising from a Single Transaction", which made amendment to IAS 12. The amendment clarifies that initial recognition exemption does not apply to transactions in which both deductible and taxable temporary differences arise on initial recognition that result in the recognition of equal deferred tax assets and liabilities. The amendment is effective for annual reporting periods on or after January 31, 2023, with early adoption permitted. The Company is currently assessing the impact of the amendment and expects to apply the amendment at the effective date.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

- IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*: In February 2021, the IASB issued "Definition of Accounting Estimates", which made amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*. The amendment replaced the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty. Accounting estimates are developed if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendment clarifies that a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors. A change in an accounting estimate may affect only the current period's profit or loss, or the profit or loss of both the current period and future periods. The effect of the change relating to the current period is recognized as income or expense in the current period. The effect, if any, on future periods is recognized as income or expense in those future periods. The amendments are effective for annual periods beginning on or after January 1, 2023, with early adoption permitted. The Company is currently assessing the 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. Effective February 1, 2022, the Company adopted these requirements. The Company did not have any mineral properties achieve commercial production prior to February 1, 2022 and so there was no impact to the Company's financial statements upon adoption of this amendment.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these financial statements requires management to exercise significant judgments in applying the Company's accounting policies and make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Estimates and assumptions are reviewed on an ongoing basis and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual future outcomes could differ from present estimates and assumptions, which may require material adjustments to the Company's financial statements. Revisions to accounting estimates are accounted for prospectively.

Significant estimates and judgments exercised by management in applying the Company's accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

a) Rehabilitation provision

The Company assumed certain rehabilitation provisions in connection with the acquisition of Mensin Bibiani Pty. Ltd and its subsidiary Mensin Gold Bibiani Ltd (Note 5) as well as with the acquisition of Red Back Mining Pty. Ltd and Chirano Gold Mines Limited (Note 6). 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.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

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 reserves 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. In addition, the determination of mineral reserves requires the use of estimates. The Company estimates its mineral reserves 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 reserves 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 reserve estimates.

d) Depreciation and depletion

Stripping costs and mineral properties are depreciated and depleted using the UOP method over the estimated life of the ore body based on recoverable ounces to be mined from estimated resources. Property, plant and equipment including vehicles, office furniture and equipment, field tools and equipment, mining plant and equipment are depreciated, net of residual value, on a straight-line basis, over the useful life of the asset.

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.

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. Write-downs of ore in stockpiles, ore on leach pads, in-process and finished metal inventories resulting from net realizable value 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 labor, fuel and energy, materials and supplies, as well as realized ore grades and actual production levels.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

f) Deferred revenue

The Company entered into an agreement with Bank of Ghana on July 12, 2022 which constitutes a metal streaming arrangement wherein the Company committed to delivery of future gold production from its own mines in exchange for an upfront cash payment (Note 20). The upfront cash payment 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 own future production), rather than cash or other financial assets.

The accounting treatment for the metal streaming arrangement requires significant judgement due to the complex nature of the contract. In determining the appropriate accounting treatment, the Company considered various factors, including the term of the contract, the prevailing market interest rates, the difference between the interest rate charged in the contract and the market interest rates, and the practical expedients available under IFRS 15. Based on this analysis, it was determined that the financing component in the contract was not significant, and the Company elected to apply the practical expedient available for contracts with a term of less than 12 months and a non-significant financing component.

g) Contingent liabilities

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.

h) 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 depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

i) Acquisitions

Management applied judgement relating to the acquisition of Mensin Bibiani Pty Ltd (Note 5) to assess whether the acquisition was an asset acquisition or business combination by considering the inputs, processes, and outputs of the acquiree in order to reach a conclusion. Management determined that acquisition of Mensin Bibiani Pty Ltd was an asset acquisition as it lacked the relevant inputs, processes and outputs that would together constitute a business.

The Company's acquisition of Red Back Mining Pty Ltd (Note 6) was considered a business combination and was accounted for using the acquisition method of accounting. The acquisition method of accounting requires management to measure the fair value of consideration transferred and net assets acquired. To measure the fair value of consideration transferred and assets acquired at acquisition date, management is required to make certain judgements and assumptions, including but not limited to the selection of the most appropriate valuation methodology, assessment of economic viability of the mineral reserves and resources, determination of the value of resources outside life-of-mine plans, assumptions related to gold prices, production volumes, future operating costs, capital expenditures, closure costs, discount rates, future metal prices, and long-term foreign exchange rates. Preliminary measurements of assets and liabilities acquired may be adjusted retrospectively if new information becomes available. These adjustments are made until the final measurements are determined within one year of the acquisition date.

(Expressed in thousands of Canadian dollars, except where noted)

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

On August 24, 2021, the Company completed the acquisition of all issued and outstanding common shares of Mensin Bibiani Pty Ltd and its subsidiary Mensin Gold Bibiani Ltd (collectively "Mensin") for cash consideration of $113,670 (US$90.00 million) from Resolute Mining Limited ("Resolute"). Pursuant to the agreement, the Company was required to make an upfront payment of $37,890 (US$30.00 million) on the closing date and $75,780 (US$60.00 million) in deferred payments which was repaid during the year ended January 31, 2023. On August 24, 2022, the Company entered into an agreement with Resolute, in which the Company agreed to pay Resolute an additional amount of $3,410 (US$2.70 million) to reimburse Resolute for a reclamation bond held in MGBL (Note 18). As at January 31, 2023, this amount, with accrued interest, was still outstanding.

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 retaining a 10% free carried interest in the Bibiani Gold Mine. As a result, the Company recorded non-controlling interest of $12,177. In addition, the Company incurred $185 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.

A summary of the purchase consideration as well as fair values of assets acquired and liabilities assumed as at the August 24, 2021 acquisition date is as follows:

	Total
Consideration:	$
Cash paid	37,890
Present value of deferred payments, discounted at 7.9% (Note 18)	71,516
Transaction costs	185
	109,591
Fair value of net assets acquired:	
Cash	599
Prepaid expenses	243
Inventories	2,083
Property, plant and equipment	68,071
Development properties	92,069
Reclamation bonds	3,466
Trade and other payables	(918)
Other current liabilities	(9,851)
Current tax liabilities	(22,355)
Rehabilitation provision	(11,280)
Other liabilities	(359)
Non-controlling interest	(12,177)
	109,591

Current tax liabilities of $22,355 (US$17.70 million) assumed from this acquisition are included in the current portion of other liabilities on the consolidated statements of financial position as at January 31, 2023 and January 31, 2022 (Note 21).

(Expressed in thousands of Canadian dollars, except where noted)

6. ACQUISITION OF RED BACK MINING PTY LTD AND CHIRANO GOLD MINES LIMITED

On August 10, 2022, the Company acquired all issued and outstanding common shares of Red Back Mining Pty Ltd ("Red Back") and its subsidiaries, Red Back Mining (Ghana) Limited, Chirano Gold Mines Limited, Red Back Mining No 2 (Ghana) Limited, and Red Back Mining Ghana Limited. The purchase consideration was comprised of the issuance of 34,962,584 common shares of the Company (the "Asante Shares") at a value of $1.35 per share which was the share price of the Company on closing date of this acquisition, a cash payment of $77,280 (US$60.00 million) and deferred cash consideration of $172,958 (US$134.28 million) payable to Kinross Gold Corporation ("Kinross"), as well as $4,830 (US$3.75 million) contingent consideration representing indemnifiable tax liability.

Deferred cash consideration of $77,904 (US$60.48 million) was payable on February 10, 2023 ("second cash payment"), $47,527 (US$36.90 million) was payable on August 10, 2023 and $47,527 (US$36.90 million) was payable on August 10, 2024. Subsequent to the year ended January 31, 2023, the payment terms of the second cash payment were amended (Note 30). Pursuant to the amendment, the payment schedule of the second cash payment, with total amount of US$60.48 million, was modified as follows: US$10.00 million payable on February 17, 2023, US$10.00 million payable on March 31, 2023, US$10.00 million payable on April 30, 2023, and US$30.48 million payable on May 31, 2023.

Kinross has agreed that it will hold its Asante Shares for at least 12 months following August 10, 2022.

The transaction has been accounted for by the Company as a business combination. The primary business of Red Back is the Chirano Gold Mine, an operating gold mine, in Ghana. While the acquisition resulted in Red Back becoming a wholly-owned subsidiary of the Company, the Ghanaian government retained a 10% free carried interest in the Chirano Gold Mine.

Total revenue earned from mining operations at the Chirano Gold Mine will be subject to a 5% mineral royalty imposed by the Ghana Revenue Agency and a 0.6% forestry royalty imposed by the Forestry Commission of Ghana.

A summary of the purchase consideration as well as fair values of assets acquired and liabilities assumed as at the August 10, 2022 acquisition date is as follows:

	Total
	$
Consideration paid:	
Cash paid	77,280
Fair value of common shares issued	47,185
Present value of deferred payments, discounted at 5.68% (Note 18)	163,216
Fair value of contingent consideration	4,830
	292,511
Fair value of net assets acquired:	
Cash	17,326
Accounts receivable	15,961
Prepaid expenses and deposits	3,684
Inventories	64,571
Property, plant and equipment	217,436
Mineral properties	194,507
Reclamation bonds	7,064
Trade and other payables	(36,747)
Other current liabilities	(4,901)
Current tax liabilities	(108,339)
Rehabilitation provision	(45,549)
Non-controlling interest	(32,502)
	292,511

At January 31, 2023, current tax liabilities were $112,292 (US$84,114) and is included in other current liabilities on the consolidated statements of financial position (Note 21). Red Back's results of operations are included in the Company's consolidated loss and comprehensive loss for the period since the acquisition date. From the closing date of the acquisition on August 10, 2022 to January 31, 2023, Red Back and its subsidiaries contributed revenue of $136,462 and net loss of $55,127 to the Company's operating results. If the acquisition had occurred on February 1, 2022, management estimates that revenue would have increased by $207,279 and net loss would have increased by $83,735.

(Expressed in thousands of Canadian dollars, except where noted)

7. ACCOUNTS RECEIVABLE

A summary of the Company's accounts receivable is as follows:

	January 31, 2023	January 31, 2022
	$	$
Trade receivables	**1,933**	-
Sales tax receivables	**9,052**	96
Advances to employees	**3,037**	-
	14,022	96

As at January 31, 2023 and 2022, management's estimate of lifetime expected credit losses on trade receivables was $nil and $nil, respectively. Advances to employees represents payroll advances made to non-management employees in the normal course of business. These amounts are typically deducted from future payroll remittances.

8. PREPAID EXPENSES

A summary of the Company's prepaid expenses is as follows:

	January 31, 2023	January 31, 2022
	$	$
Advances on capital projects	**4,779**	6,257
Inventory	**887**	-
Prepayments to vendors	**8,015**	867
Insurance expense	**2,303**	322
Prepaid management and consulting fees	**1,562**	1,000
	17,546	8,446
Current portion	**12,017**	7,739
Non-current portion	**5,529**	707

As at January 31, 2023, non-current portion of prepaid expenses represents the portion of prepayment for consulting services and advances on capital projects that will be realized by the Company after the next twelve months.

9. MARKETABLE SECURITIES

A summary of the Company's marketable securities is as follows:

	January 31, 2023	January 31, 2022
	$	$
Balance, beginning of year	**7,509**	-
Investment in Roscan Gold Corporation ("Roscan")	**3,000**	6,405
Unrealized gain (loss) on investment	**(4,296)**	1,104
Balance, end of year	**6,213**	7,509

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 year ended January 31, 2023, the Company recorded an unrealized loss on investment of $4,296 (2022 - unrealized gain of $1,104).

(Expressed in thousands of Canadian dollars, except where noted)

10. INVENTORIES

A summary of the Company's inventories is as follows:

	January 31, 2023	January 31, 2022
	$	$
Gold doré	**30,012**	-
Gold-in-circuit	**7,463**	-
Ore stockpiles	**11,035**	-
Materials and supplies	**35,022**	2,053
	83,532	2,053

During the year ended January 31, 2023, the Company recognized a write-off of $2,164 related to materials and supplies inventory, primarily due to obsolescence. The write-off was recorded in cost of sales in the statements of loss and comprehensive loss.

11. RECLAMATION BONDS

A summary of the Company's reclamation bonds is as follows:

	Bibiani Gold Mine	**Chirano Gold Mine**	**Total**
	$	$	$
Balance, January 31, 2021	-	-	-
Addition from acquisition of Mensin	3,466	-	3,466
Balance, January 31, 2022	3,466	-	3,466
Addition from acquisition of Red Back	-	7,064	7,064
Currency translation adjustment	198	258	456
Balance, January 31, 2023	**3,664**	**7,322**	**10,986**

Reclamation bonds consist of bonds held as security by the Government of Ghana with regard to mineral properties (Note 13).

The Company has irrevocable bank guarantees from Cal Bank Ltd. and Standard Chartered Bank Ghana Limited of US$7.07 million and US$21.90 million, for MGBL and CGML, respectively which are payable to the Environmental Protection Agency (EPA) of Ghana under the following conditions: (i) failure by either of MGBL or CGML to perform their obligations pursuant to Article 23 of LI 1652 - Environmental Assessment Regulations, 1999, which failure causes an aggravation of the environmental conditions of the related site not remedied, (ii) failure by either of MGBL or CGML to comply with site rehabilitation measures imposed/required by EPA or (iii) failure by either MGBL or CGML to pay any penalty/sanction imposed by EPA as a result of the occurrence of (i) or (ii) above.

(Expressed in thousands of Canadian dollars, except where noted)

12. PROPERTY, PLANT AND EQUIPMENT

A summary of the Company's property, plant and equipment is as follows:

	Field tools and equipment	Office furniture and equipment	Vehicles	Mining plant and equipment	Construction in progress	Total
		$	$	$	$	$
Cost						
Balance, January 31, 2021	3	5	69	-	-	77
Additions	59	2	888	97,507	-	98,456
Disposal	-	-	(36)	-	-	(36)
Currency translation adjustment	(2)	(2)	7	214	-	217
Balance, January 31, 2022	60	5	928	97,721	-	98,714
Acquired in acquisition of Red Back	-	236	980	211,750	4,470	217,436
Additions	-	1,728	5,042	106,023	1,754	114,547
Currency translation adjustment	3	217	401	12,116	221	12,958
Balance, January 31, 2023	**63**	**2,186**	**7,351**	**427,610**	**6,445**	**443,655**
Accumulated depreciation						
Balance, January 31, 2021	3	5	34	-	-	42
Depreciation	5	-	45	1,161	-	1,211
Disposal	-	-	(36)	-	-	(36)
Currency translation adjustment	(3)	(3)	-	3	-	(3)
Balance, January 31, 2022	5	2	43	1,164	-	1,214
Depreciation	9	354	531	39,606	-	40,500
Currency translation adjustment	3	133	(5)	886	-	1,017
Balance, January 31, 2023	**17**	**489**	**569**	**41,656**	-	**42,731**
Carrying amount						
Balance, January 31, 2022	55	3	885	96,557	-	97,500
Balance, January 31, 2023	**46**	**1,697**	**6,782**	**385,954**	**6,445**	**400,924**

During the years ended January 31, 2023 and 2022, depreciation of $3,254 and $39, respectively, was capitalized to inventory and cost of sales included depreciation of $37,246 and $nil, respectively.

13. MINERAL PROPERTIES

A summary of the Company's mineral properties is as follows:

	Bibiani	Chirano	Total
	$	$	$
Cost			
Balance, January 31, 2022 and 2021	-	-	-
Transfer from development properties	93,301	-	93,301
Acquired in acquisition of Red Back	-	194,507	194,507
Additions	116,852	27,217	144,069
Currency translation adjustment	7,730	6,956	14,686
Balance, January 31, 2023	**217,883**	**228,680**	**446,563**
Accumulated depletion			
Balance, January 31, 2022 and 2021	-	-	-
Depletion	25,711	23,104	48,815
Currency translation adjustment	533	(120)	413
Balance, January 31, 2023	**26,244**	**22,984**	**49,228**
Net amount			
Balance, January 31, 2022	-	-	-
Balance, January 31, 2023	**191,639**	**205,696**	**397,335**

(Expressed in thousands of Canadian dollars, except where noted)

13. MINERAL PROPERTIES (continued)

During the years ended January 31, 2023 and 2022, depletion of $7,882 and $nil, respectively, was capitalized to inventory. During the years ended January 31, 2023 and 2022, cost of sales included depletion of $40,933 and $nil, respectively.

a) 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. First gold pour was achieved in July 2022 and the Company transferred the Bibiani Gold Mine into mineral properties during the nine months ended October 31, 2022.

b) Chirano

In August 2022, following the acquisition of Red Back (Note 6), the Company holds a 90% interest to the Chirano Gold Mine situated in the western region of Ghana. The Ghanaian Government retains the remaining 10% free carried interest in the mining operations. Chirano Gold Mine was in commercial production prior to the acquisition.

14. EXPLORATION AND EVALUATION ASSETS

A summary of the Company's exploration and evaluation assets is as follows:

	Fahiakoba	**Betanase**	**Sraha**	**Ayiem**	**Kubi**	**Total**
	$	$	$	$	$	$
Balance, January 31, 2021	3,924	324	891	88	506	5,733
Acquisition and sustaining fees	59	3	4	4	83	153
Drilling	-	-	-	-	1,114	1,114
Field expenditures	25	13	11	12	548	609
Assaying testing and analysis	-	-	-	-	12	12
Other expenditures	89	85	89	87	165	515
Geology and geophysics	53	50	41	34	417	595
Currency translation adjustment	(43)	26	(8)	-	(189)	(214)
Balance, January 31, 2022	4,107	501	1,028	225	2,656	8,517
Acquisition and sustaining fees	719	-	162	162	-	1,043
Field expenditures	17	17	17	17	143	211
Other expenditures	136	76	76	76	343	707
Geology and geophysics	35	44	4	7	173	263
Currency translation adjustment	223	28	60	21	983	1,315
Balance, January 31, 2023	**5,237**	**666**	**1,347**	**508**	**4,298**	**12,056**

a) 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 and by agreeing to expend US$1.00 million over a five-year period. This commitment has been met in full. In addition, the Company 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.

(Expressed in thousands of Canadian dollars, except where noted)

14. EXPLORATION AND EVALUATION ASSETS (continued)

b) Betenase

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 Betenase prospecting license (pending) in Ghana. The Company may exercise the option to earn a 100% interest in Betenase (subject to 10% being reserved for the Government of Ghana, and a 1% underlying NSR royalty) by completing US$1.00 million in exploration within four years of December 31, 2019 and by paying US$1.00 million to Perseus. Perseus is in the process of renewing a portion of the Dunkwa prospecting license, to be called on issuance the Betenase prospecting license. The license adjoins to the east of the Kubi Mining Lease.

c) 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 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 common shares 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.

In July 2022, the Company issued 250,000 common shares to Sikasante to acquire 50% interest in Keyhold Gold Project.

d) 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 finalized 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 grants the Company the option to acquire Goknet's interests in eight prospecting licenses: two adjoining to the west of the Kubi mining leases, and six contiguous licenses located on the Asankrangwa Gold Belt (the "Ashanti ll" concessions) to the southwest 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.

15. DEVELOPMENT PROPERTIES

A summary of the Company's development properties is as follows:

	$
Balance, January 31, 2021	-
Acquisition costs	92,070
Other additions	1,231
Balance, January 31, 2022	93,301
Transferred to mineral properties	(93,301)
Balance, January 31, 2023	**-**

(Expressed in thousands of Canadian dollars, except where noted)

15. DEVELOPMENT PROPERTIES (continued)

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. First gold pour was achieved at the Bibiani Gold Mine in July 2022 and the Company transferred the Bibiani Gold Mine into mineral properties during the nine months ended October 31, 2022.

16. TRADE AND OTHER PAYABLES

A summary of the Company's trade and other payables is as follows:

	January 31, 2023	January 31, 2022
	$	$
Trade payables	**148,598**	9,365
Accrued liabilities	**154,609**	1,503
Tax liabilities (Note 26)	**20,862**	1,080
	324,069	11,948

As at January 31, 2023, tax liabilities are comprised of $6,523 attributed to purchase withholding tax obligations, $2,329 payroll tax liabilities and $12,010 of current income tax payable (Note 26).

17. LOANS PAYABLE

A summary of the Company's loans payable is as follows:

	$
Balance, January 31, 2022 and 2021	-
Additions	51,400
Interest expense	912
Repayment	(4,939)
Currency translated adjustment	(382)
Balance, January 31, 2023	**46,991**

In July 2022, the Company, through its subsidiary MGBL, entered into a foreign exchange swap agreement with a local bank which allowed the Company to convert, at a pre-determined exchange rate, GHS 346.21 million to USD over a twelve-month period through a series of foreign exchange trades. As part of the agreement, the Company was obligated to provide GHS 346.21 million as collateral which was held as restricted cash in a designated account. In November 2022, pursuant to the swap agreement, the Company received $37,929 (US$28.13 million) and recorded a liability to repay USD at a fixed rate. The Company then sought to repay the USD before the swap agreement end date and terminate the swap agreement. Termination of the agreement was subject to a termination fee of $5,479 (GHS 30.00 million) which was applied to the Company's cash held as collateral and is included in foreign exchange loss for the year ended January 31, 2023. In order to facilitate repayment and termination of the swap agreement, the Company entered into a separate loan agreement with a second local bank. On November 25, 2022, the Company, through its subsidiary MGBL, entered into a short-term bank loan with principal amount of $38,589 (US$28,615) at an interest rate of 9.5% per annum, maturing after twelve months and requiring monthly payments of principal and interest. The borrowing was secured by cash collateral of $39,107 (GHS 316.21 million) which was transferred from the first bank upon termination of the swap agreement and is held in an account with the bank that issued the loan. The cash collateral is incrementally released as the Company makes repayments on the loan. During the year ended January 31, 2023, the Company made payments of $4,451 (US$3.30 million), and $7,262 (GHS 58.72 million) was released accordingly. As at January 31, 2023, the remaining cash held as collateral was $31,845 (GHS 257.49 million) and is presented as restricted cash on the statement of financial position. In addition to the cash pledged as collateral, the loan is secured by the assignment of export proceeds from offtake gold sales of MGBL, debentures over MGBL's property, plant and equipment covering 120% of the loan amount, and a personal guarantee from a director of the Company.

On December 30, 2022, the Company, through its subsidiary MGBL, borrowed an additional amount of $2,832 (US$2.10 million) with an interest rate of 11% per annum, maturing on November 29, 2023 and requiring monthly repayment of principal and interest. During the year ended January 31, 2023, the Company repaid $488 (US$363).

(Expressed in thousands of Canadian dollars, except where noted)

17. LOANS PAYABLE (continued)

During the year ended January 31, 2023, the Company incurred interest expense of $901 (2022 - $nil) from MGBL loans and paid a facilitation fee of $554 (2022 - $nil) to the bank that issued the loan. The interest expense and facilitation fee are included in finance charges on consolidated statements of loss and comprehensive loss.

On December 28, 2022, the Company, through its subsidiary CGML, entered into a revolving credit facility agreement in which the Company may borrow up to $10,680 (US$8.00 million). The facility's maximum borrowing amount is subject to the bank's single obligor limit which is determined in GHS and is adjusted monthly. At the date the Company entered into the agreement and at January 31, 2023, the single obligor limit was GHS 99.00 million. The facility has an interest rate equal to the lower of 10% or 3-month secured overnight financing rate plus a margin of 7% and matures on December 31, 2023. The facility requires repayment of each drawdown plus interest to be made 30 days from the date of drawdown. On January 26, 2023, the Company borrowed $9,979 (US$7.40 million) on the facility. During the year ended January 31, 2023, interest expense related to this facility was $11 (2022 - $nil) and included in finance charges on consolidated statements of loss and comprehensive loss.

18. DEFERRED PAYMENTS

A summary of the Company's deferred payments is as follows:

	Resolute	Kinross	Total
	$	$	$
Balance, January 31, 2021	-	-	-
Recognition of deferred payments	71,516	-	71,516
Accretion expense	2,545	-	2,545
Currency translation adjustment	528	-	528
Balance, January 31, 2022	74,589	-	74,589
Recognition of deferred payments	-	163,216	163,216
Amendment to purchase agreement	3,410	-	3,410
Gain on modification of loan	(513)	-	(513)
Interest expense	897	-	897
Accretion expense	2,255	3,329	5,584
Repayment of deferred payments	(78,474)	-	(78,474)
Currency translation adjustment	2,329	5,945	8,274
Balance, January 31, 2023	**4,493**	**172,490**	**176,983**
Current portion	4,493	124,643	129,136
Non-current portion	-	47,847	47,847

Pursuant to the acquisition of Mensin in August 2021, the Company recognized $71,516 (US$56.62 million) being the present value of deferred consideration payable to Resolute (Note 5). On August 24, 2022, pursuant to an arbitration decision, the Company agreed to amend the amount of the final deferred payment to Resolute to increase the amount by an additional $3,410 (US$2.70 million) due on or before November 18, 2022 (which was not paid as of January 31, 2023) in order to reimburse Resolute for a reclamation bond held in MGBL. The additional deferred payment of $3,410 was recorded as a loss on amendment of purchase agreement and an increase in the deferred payments. The amendment also included an extension of the due date for the deferred payments and an interest rate of 11% per annum on outstanding amounts from August 22, 2022. As a result of modification of the timing of cash flows, the Company recorded a gain on modification of loan of $513. During the year ended January 31, 2023, the Company repaid $78,474 (US$60.00 million) which was the original principal amount of the Resolute deferred payments. As at January 31, 2023, the remaining balance of deferred payments to Resolute was the additional amount of $3,605 (US$2.70 million) and accrued interest of $888 (US$665).

Pursuant to the acquisition of Red Back in August 2022, the Company recognized $163,216 (US$126.72 million) being the present value of deferred consideration payable to Kinross (Note 6). The deferred consideration does not accrue interest.

Interest expense from deferred payments was included in finance charges on the consolidated statements of loss and comprehensive loss.

(Expressed in thousands of Canadian dollars, except where noted)

19. REHABILITATION PROVISION

A summary of the Company's rehabilitation provision is as follows:

	Bibiani Gold Mine	Chirano Gold Mine	Total
	$	$	$
Balance, January 31, 2021	-	-	-
Initial recognition of rehabilitation provision	11,280	-	11,280
Change in estimates	525	-	525
Balance, January 31, 2022	11,805	-	11,805
Initial recognition of rehabilitation provision	-	45,549	45,549
Change in estimates	8,097	16,149	24,246
Accretion expense	532	1,144	1,676
Currency translation adjustment	675	1,636	2,311
Balance, January 31, 2023	**21,109**	**64,478**	**85,587**
Current portion	-	340	340
Non-current portion	21,109	64,138	85,247

The rehabilitation provision for Bibiani Gold Mine is estimated using annual inflation rate of 7.48% and discount rate of 3.51%. The rehabilitation provision for Chirano Gold Mine is estimated using annual inflation rate of 7.50% and discount rate of 3.51%. The change in estimate in the rehabilitation provision for the Chirano Gold Mine resulted from the measurement of the present value of future cash flows of the liability immediately following acquisition.

20. DEFERRED REVENUE

A summary of the Company's deferred revenue is as follows:

	$
Balance, January 31, 2022 and 2021	-
Proceeds from deferred revenue	130,150
Revenue recognized upon delivery of gold	(67,428)
Currency translation adjustment	4,028
Balance, January 31, 2023	**66,750**

In July 2022, the Company, through its subsidiary MGBL, entered into a metal streaming arrangement with the Bank of Ghana, wherein the Company received an upfront cash payment of $130,150 (US$100.00 million) and will settle this amount through the delivery of refined gold produced at the Company's own gold mines. The agreement requires the Company to deliver a weight of refined gold at three, six, nine, and twelve months following the closing date with each delivery having a market value of US$26.88 million based on the spot rate of gold. Over the life of the contract, the Company will deliver gold with a total market value US$107.53 million. The upfront cash received in exchange for future delivery of gold has been accounted for as deferred revenue as the agreement will be satisfied through the delivery of a non-financial asset (gold from the Company's own production), rather than through cash or other financial assets. Deferred revenue will be recognized as revenue in the corresponding periods when the gold deliveries occur. In connection with this arrangement, the Company paid $5,982 (US$4.44 million) as a facilitation fee which was recorded in cost of sales for the year ended January 31, 2023. The Company applies the optional practical expedient to immediately expense costs to obtain a contract if the amortization period of the asset that would have been recognized is one year or less.

The Company's performance under this agreement has been secured by its investment in the Bibiani Gold Mine. In the event that the Company cannot deliver under the agreement, the Bank of Ghana has a right to the shares of MGBL held by Mensin Bibiani Pty Ltd.

During the year ended January 31, 2023, the Company completed the first two deliveries under this arrangement and recognized revenue of $67,428 by delivering 30,363 ounces of gold.

Subsequent to year end, on April 30, 2023, the Company delivered 13,413 ounces of gold in satisfaction of this arrangement.

(Expressed in thousands of Canadian dollars, except where noted)

21. OTHER CURRENT LIABILITIES

A summary of the Company's current portion of other liabilities is as follows:

	January 31, 2023	January 31, 2022
	$	$
Schemes of Arrangement	**-**	9,851
Tax liabilities arising from the Mensin acquisition	**23,630**	22,355
Tax liabilities arising from the Chirano acquisition	**112,292**	-
Contingent consideration from Chirano acquisition	**4,830**	-
Other accrued liabilities	**686**	-
	141,438	32,206

The tax liabilities arising from the Mensin and Chirano acquisitions are provisions for tax liabilities and are measured Ghanaian cedis. There have not been any changes in the estimated and accrued amounts since the respective acquisitions. Changes in the tax liabilities arising from the Mensin acquisition are attributed to foreign exchange when translating to Canadian dollars for presentation purposes.

In connection with the acquisition of MGBL, the Company acquired a liability (the "Schemes of Arrangement") for US$7.80 million due ($9,851 at January 31, 2022) due to historical creditors of the entity. During the year ended January 31, 2023, the Company repaid $10,274 (US$7.97 million) in connection with the final settlement of the Schemes of Arrangement.

22. SHARE CAPITAL AND RESERVES

a) Authorized share capital

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

b) Issued share capital

During the year ended January 31, 2023, the Company had the following transactions:

- In March 2022, the Company closed a private placement financing by issuing 58,431,914 common shares at $1.75 per share for gross proceeds of $102,256. In connection with the financing, the Company incurred issuance costs of $3,224.
- In July 2022, the Company issued 250,000 common shares with a fair value of $325 in accordance with the option agreement for Sraha and Ayiem (Note 14).
- In August 2022, the Company issued 34,962,584 common shares with a fair value of $47,185 in accordance with the acquisition of Red Back (Note 6).
- The Company issued 1,130,000 common shares from the exercise of options for proceeds of $370. As a result, $292 attributed to amounts recorded in the reserve for share-based payments was reclassified to share capital.
- The Company issued 29,679,964 common shares from the exercise of warrants for proceeds of $5,934. As a result, $58 attributed to amounts recorded in the reserve for warrants was reclassified to share capital.

During the year ended January 31, 2022, the Company had the following transactions:

- In August 2021, the Company issued 106,642,857 common shares at $0.70 per share for gross proceeds of $74,650 in a private placement. In connection with the offering, the Company issued 2,275,714 common shares with a fair value of $2,298 as finders' fees and incurred issuance costs of $40.
- In April 2021, the Company issued 46,775,100 units at $0.15 per unit for gross proceeds of $7,016 in a private placement. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one 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 with the same terms as the financing and incurred issuance costs of $30.
- The Company issued 2,711,348 common shares in connection with the exercise of 2,711,348 options with a weighted average exercise price of $0.12 for total proceeds of $328. As a result, the Company transferred $193 representing the fair value of the exercised options from reserve for share-based payments to share capital.
- 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 $470. As a result, the Company transferred $20 representing the fair value of the exercised warrants from reserve for warrants to share capital.

(Expressed in thousands of Canadian dollars, except where noted)

22. SHARE CAPITAL AND RESERVES (continued)

c) 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.

A summary the Company's stock options activity is as follows:

	Number of options	Weighted average exercise price
	#	$
Balance, January 31, 2021	7,446,348	0.12
Granted	8,000,000	0.67
Exercised	(2,711,348)	0.12
Expired	(740,000)	0.17
Balance, January 31, 2022	11,995,000	0.48
Granted	10,079,340	1.71
Exercised	(1,130,000)	0.33
Forfeited	(100,000)	1.75
Expired	(300,000)	0.15
Balance, January 31, 2023	**20,544,340**	**1.09**
Exercisable, January 31, 2023	**17,932,472**	**1.01**

On February 17, 2022, the Company granted 7,039,340 stock options to its employees, consultants, officers and directors of the Company. Each option has an exercise price of $1.75. Of the options granted, 5,739,340 options have an expiry date on February 17, 2027 and 1,300,000 options have an expiry date on February 17, 2024. The options vest 20% immediately and 20% on the three, six, nine, and twelve-month anniversaries.

On March 7, 2022, the Company granted 500,000 stock options to certain employees and consultants of the Company. Each option has an exercise price of $1.75 and expiry date on March 7, 2027. The options vest 20% immediately and 20% on the three, six, nine, and twelve-month anniversaries.

On March 21, 2022, the Company granted 1,000,000 stock options to an officer of the Company. Each option has an exercise price of $1.75 and expiry date on March 21, 2027. The options vest 20% immediately and 20% on the three, six, nine, and twelve-month anniversaries.

On August 31, 2022, the Company granted 1,540,000 stock options to its employees and officers of the Company. Each option has an exercise price of $1.50 and expiry date on August 31, 2027. The options vest 20% immediately and 20% on the three, six, nine, and twelve-month anniversaries.

The weighted average fair value of options granted for the year ended January 31, 2023 was $1.46 (2022 - $0.52).

The weighted average share price on the date of exercise for options exercised during the year ended January 31, 2023 was $1.56 (2022 - $0.83). During the year ended January 31, 2023, the Company recognized $13,969 (2022 - $4,124) as share-based payments from vested stock options.

A summary of the Company's assumptions used in the Black-Scholes option pricing model for stock options granted during the years ended January 31, 2023 and 2022 is as follows:

	2023	2022
Risk-free interest rate	**2.09%**	0.80%
Expected life	**4.61**	5.00
Annualized expected volatility	**159.61%**	133.28%
Dividend yield	**0.00%**	0.00%

(Expressed in thousands of Canadian dollars, except where noted)

22. SHARE CAPITAL AND RESERVES (continued)

A summary of the Company's stock options outstanding as at January 31, 2023 is as follows:

Grant date	Expiry date	Number of options	Exercise price	Remaining life
		#	$	Years
June 5, 2018	June 4, 2023	775,000	0.10	0.34
March 21, 2019	March 20, 2024	370,000	0.10	1.13
August 28, 2019	August 27, 2024	450,000	0.10	1.57
July 6, 2020	July 5, 2025	370,000	0.10	2.43
July 21, 2020	July 20, 2025	500,000	0.10	2.47
August 18, 2020	August 17, 2025	350,000	0.10	2.55
September 21, 2020	September 20, 2025	150,000	0.15	2.64
December 21, 2020	December 20, 2025	350,000	0.12	2.89
March 4, 2021	March 3, 2026	700,000	0.15	3.09
August 9, 2021	August 8, 2026	6,550,000	0.75	3.52
February 17, 2022	February 17, 2027	5,739,340	1.75	4.05
February 17, 2022	February 17, 2024	1,200,000	1.75	1.05
March 7, 2022	March 7, 2027	500,000	1.75	4.10
March 21, 2022	March 21, 2027	1,000,000	1.75	4.14
August 31, 2022	August 31, 2027	1,540,000	1.50	4.58
		20,544,340	**1.09**	**3.35**

d) Share purchase warrants

A summary of the Company's share purchase warrants activity is as follows:

	Number of warrants	Weighted average exercise price
	#	$
Balance, January 31, 2021	27,369,953	0.15
Issued in private placement	46,775,100	0.25
Finders' warrants	935,502	0.25
Exercised	(6,428,951)	0.07
Expired	(261,039)	0.15
Balance, January 31, 2022	68,390,565	0.23
Exercised	(29,679,964)	0.20
Balance, January 31, 2023	**38,710,601**	**0.25**

The weighted average share price on the date of exercise date for share purchase warrants exercised during the year ended January 31, 2023 was $1.28 (2022 - $0.87).

A summary of the Company's outstanding share purchase warrants as at January 31, 2023, is as follows:

Date of expiry	Number of warrants	Weighted average exercise price	Weighted average remaining life
	#	$	Years
April 15, 2023	38,710,601	0.25	0.20

Subsequent to January 31, 2023, all 38,710,601 warrants were exercised (Note 30).

(Expressed in thousands of Canadian dollars, except where noted)

22. SHARE CAPITAL AND RESERVES (continued)

e) Restricted share units

On February 17, 2022, the Company granted 1,515,760 RSUs to certain officers and consultants of the Company. The granted RSUs have a settlement date of February 17, 2025 at which date each RSU is exchangeable to one common share of the Company or lumpsum cash payment or a combination of both, subject to the discretion of the Company. These RSUs have been accounted for as equity-settled share-based payments. The fair value of each RSU was determined to be the Company's share price on grant date, resulting in total fair value of $2,577. Of the RSUs granted, 228,600 RSUs vested immediately. The remaining 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. During the year ended January 31, 2023, the Company recognized a total of $1,661 (2022 - $nil) in expense related to the fair value of RSUs granted. The expense was recognized over the vesting period of the RSUs.

	Number of RSUs
	#
Balance, January 31, 2022 and 2021	-
Granted	1,515,760
Balance, January 31, 2023	**1,515,760**

f) Deferred share units

In February 2022, the Company granted 4,285,900 DSUs to certain directors of the Company. These DSUs vested immediately upon granting. The fair value of each DSU was determined to be the Company's share price on grant date, resulting in total fair value of $7,286. During the year ended January 31, 2023, the Company expensed a total of $7,286 (2022 - $nil) as share-based payments for the value of DSUs vested.

	Number of DSUs
	#
Balance, January 31, 2022 and 2021	-
Granted	4,285,900
Balance, January 31, 2023	**4,285,900**

23. 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%. In August 2022, following the acquisition of Red Back (Note 6), the Company holds a 90% interest to the CGML with the Ghanaian Government retaining the remaining 10%.

A summary of the Company's non-controlling interest is as follows:

	January 31, 2023	January 31, 2022
	$	$
Balance, beginning of year	**12,048**	-
Initial recognition of non-controlling interest of Mensin (Note 5)	-	12,177
Initial recognition of non-controlling interest of Chirano (Note 6)	**32,502**	-
Net loss attributed to non-controlling interest	**(11,380)**	(130)
Currency translation adjustment	**2,117**	1
Balance, end of year	**35,287**	12,048

(Expressed in thousands of Canadian dollars, except where noted)

24. RELATED PARTY TRANSACTIONS

Key management personnel include those 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 consist of members in the Board of Directors, corporate officers and related companies.

A summary of the Company's related party transactions for the years ended January 31, 2023 and 2022 is as follows:

	2023	2022
	$	$
Management and consulting fees	4,264	1,323
Professional services	476	123
Share-based payments	17,351	2,349
	22,091	3,795

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.

As at January 31, 2023, due to related parties was $3,203 (January 31, 2022 - $1,980) and was comprised of expense reimbursements, director's fees, and professional service fees. These amounts are unsecured, non-interest bearing and due on demand. During the year ended January 31, 2023, the Company granted 6,517,600 options, 470,200 RSUs, and 4,285,900 DSUs to related parties as share-based payments.

25. REVENUE FROM CONTRACTS WITH CUSTOMERS

a) Disaggregated revenue information

A summary of revenue for the years ended January 31, 2023 and 2022 is as follows:

	2023	2022
	$	$
Gold doré	274,143	-
Silver	586	-
	274,729	-

b) Contract balances

The Company did not have any contract assets for each of the years ended January 31, 2023 and 2022. The Company's contract liabilities as at January 31, 2023 were $66,750 (2022 - $nil) and relate to the deferred revenue (Note 20).

26. INCOME TAXES

a) Income tax recovery (expense)

A summary of the Company's income tax recovery (expense) for the years ended January 31, 2023 and 2022, is as follows:

	2023	2022
	$	$
Current tax expense	12,010	-
Deferred tax recovery	-	-
Income tax expense	12,010	-

(Expressed in thousands of Canadian dollars, except where noted)

26. INCOME TAXES (continued)

A summary of the Company's reconciliation of income taxes at statutory rates for the years ended January 31, 2023 and 2022, is as follows:

	2023	2022
	$	$
Earnings (loss) for the year	**(165,124)**	(8,478)
Expected tax (recovery)	**(44,583)**	(2,289)
Impact of different statutory tax rates on earnings of subsidiaries	**(9,221)**	(572)
Non-deductible expenditures and non-taxable revenues	**14,931**	7
Changes in statutory, foreign exchange rates, tax interest and other	**9,399**	(671)
Adjustment to prior years provision versus statutory tax returns and expiry of non-capital losses	**(144)**	113
Change in unrecognized deductible temporary differences	**41,628**	3,412
Income tax expense	**12,010**	-

b) Deferred taxes

A summary of the Company's significant components of deferred tax liabilities is as follows:

	January 31, 2023	January 31, 2022
	$	$
Deferred income tax assets (liabilities)		
Non-capital losses	**16,492**	-
Mineral properties and equipment	**(15,430)**	32
Exploration and evaluation assets and development properties	**-**	(204)
Rehabilitation provision	**-**	172
Other	**(1,062)**	-
Net deferred tax liabilities	**-**	-

Deferred tax assets that are probable to be utilized are offset if they relate to the same taxable entity and same taxation authority.

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

	January 31, 2023	**Expiry date range**	January 31, 2022	Expiry date range
	$		$	
Temporary differences				
Allowable capital losses	**1,982**	**No expiry date**	-	No expiry date
Share issuance costs and financing fees	**2,633**	**2024 to 2028**	76	2024 to 2027
Mining properties and plant and equipment	**658**	**No expiry date**	93	No expiry date
Exploration and evaluation assets and development properties	**464**	**No expiry date**	-	No expiry date
Rehabilitation provision	**85,588**	**No expiry date**	11,888	No expiry date
Stores obsolescence provision, other provisions, loss on marketable securities and foreign exchange losses	**49,076**	**No expiry date**	487	No expiry date
Non-capital losses by country				
Canada	**-**	**No expiry date**	-	No expiry date
Barbados	**60**	**2024 to 2030**	64	2023 to 2029
Ghana	**96,626**	**2024 to 2028**	732	2023 to 2027

As at January 31, 2023, trade and other payables includes $12,010 (January 31, 2022 - $nil) of income taxes payable. During the year ended January 31, 2023, the Company made instalment payments of $nil (2022 - $nil) in respect of income taxes payable.

(Expressed in thousands of Canadian dollars, except where noted)

27. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

A summary of the Company's non-cash transactions that are excluded from the consolidated statements of cash flows for the years ended January 31, 2023 and 2022, is as follows:

	2023	2022
	$	$
Shares issued for exploration and evaluation asset acquisitions	**325**	-
Shares issued for acquisition of Red Back Mining Pty Ltd.	**47,185**	-
Exploration and evaluation assets included in trade and other payables	**4**	126
Exploration and evaluation assets included in due to related parties	**-**	18
Property, plant and equipment included in trade and other payables	**15,807**	-
Depreciation capitalized in inventory	**11,136**	39

28. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a) Fair value measurement of financial assets and liabilities

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities
- Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly
- Level 3 - Inputs that are not based on observable market data

The Company's financial assets and liabilities consist of cash, restricted cash, accounts receivable, marketable securities, reclamation bonds, loans receivable, trade and other payables, due to related parties, loans payable and deferred payments.

Cash, restricted cash, accounts receivable, reclamation bonds, loans receivable, trade and other payables, due to related parties, loans payable, and deferred payments are measured at amortized cost. These instruments have carrying values that approximate their fair values due to their short-term nature.

Marketable securities are measured at fair value through profit or loss and categorized as Level 1 in the fair value hierarchy. During the years ended January 31, 2023 and 2022, there were no transfers among categories in the fair value hierarchy.

b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to fulfill its contractual obligations. The Company's credit risk relates primarily to cash, accounts receivable, and loans receivable. The Company mitigates credit risk related to cash by placing cash with sound financial institutions. For trade receivables, the Company trades with recognized creditworthy third parties and regularly reviews the collectability of its accounts receivable. The Company considers credit risk to be minimal.

As at January 31, 2023, the Company had one customer that owed the Company $1,555, which accounts for approximately 80% of total outstanding trade receivables.

c) Interest rate risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As at January 31, 2023, the Company had a bank facility with carrying amount of $9,979 that has floating interest rate and therefore, the Company is exposed to interest rate risk. However, as the bank facility has interest rate cap and current floating interest rate is higher than the cap, a change of 100 basis points in interest rate would have minimal impact on consolidated statements of loss and comprehensive loss.

(Expressed in thousands of Canadian dollars, except where noted)

28. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. To mitigate this risk, the Company has a planning and budgeting process in place to determine the funds required to support its ongoing operations and capital expenditures. The Company endeavors to ensure that sufficient funds are raised from equity offerings or debt financing to meet its operating requirements, after considering existing cash and expected exercise of stock options and share purchase warrants.

As at January 31, 2023, the Company had cash of $2,811 and restricted cash of $31,845 (January 31, 2022 - $5,849 and $nil, respectively) as well as working capital deficit of $556,708 (January 31, 2022 - $100,922).

A summary of the Company's contractual undiscounted cash flow requirements as at January 31, 2023 is as follows:

	< 1 year	**1 - 3 years**	**Total**
	$	$	**$**
Trade and other payables	324,069	-	**324,069**
Due to related party	3,203	-	**3,203**
Loans payable	46,991	-	**46,991**
Deferred payments	134,501	49,262	**183,763**
	508,764	**49,262**	**558,026**

e) Price risk

Gold and silver prices have historically fluctuated significantly and are affected by numerous factors outside of the Company's control, including, but not limited to, industrial and retail demand, central bank lending, forward sales by producers and speculators, level of worldwide production, short-term changes in supply and demand due to speculative hedging activities and certain other factors. The ability of the Company to develop its mineral properties and exploration and evaluation assets is highly correlated to the market price of gold and silver. If metal prices decline for a prolonged period below the anticipated cost of production of the Company's mine, it may not be economically feasible to commence production.

The effect on net loss and comprehensive loss for the year ended January 31, 2023 of a 10% change in metal prices is estimated to have an increase or decrease in revenue of $27,473 (2022 - $nil).

f) Foreign exchange risk

The Company's functional currency is CAD and therefore the Company's loss and comprehensive loss are impacted by fluctuations in the value of foreign currencies in relation to CAD. The Company is exposed to foreign exchange risk from fluctuation in CAD to US dollars and Ghanaian Cedi.

A summary of the Company's net assets (liabilities) that are denominated in US dollars and Ghanaian Cedi as at January 31, 2023, is as follows:

	US$	**GHS**
Net assets (liabilities)	(389,062)	259,207
Foreign exchange rate	1.3350	0.1236
Net assets (liabilities) in CAD	(519,398)	32,027

The sensitivity of the Company's net loss and comprehensive loss for the year ended January 31, 2023 to changes in the exchange rates of CAD to the US dollar and the Ghanaian Cedi would be as follows: a 10% change in CAD relative to the US dollar would change the Company's net loss and comprehensive loss by approximately $51,940 (2022 - $11,574), and a 10% change in CAD relative to the Ghanaian Cedi would change the Company's net loss and comprehensive loss by approximately $3,203 (2022 - $166).

28. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

g) Other risks

As substantially all 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. In the event of increased levels of volatility in geopolitical and economic conditions, the Company's profitability, results of operations and financial condition could be affected.

29. CAPITAL MANAGEMENT

The Company's definition of capital includes equity, comprising share capital, reserve for share-based payments, reserve for warrants, accumulated other comprehensive income, accumulated deficit and non-controlling interest. 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. As at January 31, 2023, the Company had shareholders' equity of $132,611 (January 31, 2022 - $93,836).

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 has two mines in commercial production and has several properties in the exploration and development stage. As a result, the Company is dependent upon external financing to fund its 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 year ended January 31, 2023.

As at January 31, 2023, the Company was not subject to any externally imposed capital requirements other than restricted cash of $31,845 (Note 17).

30. SUBSEQUENT EVENTS

On February 13, 2023, the Company entered into an amended purchase agreement with Kinross regarding the acquisition of Red Back. Pursuant to the amendment, the payment schedule of the second cash payment, with total amount of US$60.48 million, has been modified as follows:

- US$10.00 million payable on February 17, 2023 of which $6.74 million (US$5.00 million) was paid,
- US$10.00 million payable on March 31, 2023 (unpaid),
- US$10.00 million payable on April 30, 2023 (unpaid), and
- US$30.48 million payable on May 31, 2023.

Included in the amount payable on May 31, 2023 is US$5.48 million that is for acquisition of reclamation bond of CGML. The consideration payable will accrue Interest (calculated daily and compounded semi-annually) from February 10, 2023 to the date of payment in full of such amount plus all accrued interest. As part of the amendment, the Company agreed to issue 5,000,000 common share purchase warrants to Kinross, each of which entitles the holder to acquire one common share at exercise price of $2.25 within 36 months after issuance.

On April 6, 2023, the Company closed a non-brokered private placement in which the Company issued 18,232,000 units for gross proceeds of $27,348. Each unit is comprised of one common share and one common share purchase warrant. Each common share purchase warrant entitles the holder to acquire one common share of the Company at an exercise price of $1.75 until April 6, 2024.

Subsequent to the year ended January 31, 2023, the Company issued 1,105,000 common shares upon the exercise of 1,105,000 options for gross proceeds of $180 and issued 38,710,601 common shares upon the exercise of 38,710,601 warrants for gross proceeds of $9,678.