PRESS RELEASE

PR. No. 339/2023

ASANTE GOLD CORPORATION (ASG)-

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE AND SIX MONTHS ENDED JULY 31, 2023, AND 2022

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

Issued in Accra, this 18th.
day of September 2023.

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*JD

ASANTE GOLD CORPORATION

Condensed Interim Consolidated Financial Statements

For the three and six months ended July 31, 2023 and 2022

(Unaudited - Expressed in thousands of Canadian dollars)

Notice of Disclosure of Non-auditor Review of the Condensed Interim Consolidated Financial Statements for the Three and Six Months Ended July 31, 2023 and 2022

Pursuant to National Instrument 51-102 *Continuous Disclosure Obligations*, part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of Asante Gold Corporation for the interim periods ended July 31, 2023 and 2022, have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting,* as issued by the International Accounting Standards Board, and are the responsibility of management.

The independent auditors, Ernst & Young LLP, have not performed a review of these unaudited condensed interim consolidated financial statements.

September 14, 2023

Asante Gold Corporation
Condensed Interim Consolidated Statements of Financial Position
(Unaudited - Expressed in thousands of Canadian dollars)

	Note	**July 31, 2023**	January 31, 2023
		$	$
ASSETS			
Current			
Cash		**11,785**	2,811
Restricted cash	15(b)	**30,837**	31,845
Accounts receivable	6	**11,756**	14,022
Current portion of prepaid expenses	7	**18,641**	12,017
Marketable securities	8	**4,734**	6,213
Inventories	9	**82,840**	83,532
		160,593	150,440
Prepaid expenses	7	**7,078**	5,529
Reclamation bonds	10	**10,843**	10,986
Property, plant and equipment	11	**386,847**	400,924
Mineral properties	12	**370,522**	397,335
Loans receivable		**358**	362
Exploration and evaluation assets	13	**26,281**	12,056
Total assets		**962,522**	977,632
LIABILITIES			
Current			
Trade and other payables	14	**420,473**	324,069
Due to related parties	22	**4,508**	3,203
Current portion of loans payable	15	**39,328**	46,991
Current portion of deferred payments	16	**126,752**	129,136
Current portion of rehabilitation provision	17	**332**	340
Deferred revenue	18	**34,134**	66,750
Other current liabilities	5, 19	**139,668**	141,438
		765,195	711,927
Loans payable	15	**15,388**	-
Deferred payments	16	**48,153**	47,847
Rehabilitation provision	17	**85,840**	85,247
Total liabilities		**914,576**	845,021
SHAREHOLDER’S EQUITY			
Share capital	20(b)	**296,395**	245,120
Reserve for share-based payments	20(c)(e)	**28,546**	27,948
Reserve for warrants	20(d)	**7,237**	359
Accumulated other comprehensive income		**15,736**	17,624
Accumulated deficit		**(324,269)**	(193,727)
Equity attributable to shareholders of the Company		**23,645**	97,324
Non-controlling interest	21	**24,301**	35,287
Total shareholders' equity		**47,946**	132,611
Total liabilities and shareholders' equity		**962,522**	977,632

Nature of operations and going concern (Note 1)
Subsequent event (Note 28)

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

/s/ “Alex Heath” — Director

/s/ “David Anthony” — Director

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

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

	Note	Three months ended July 31, 2023	Three months ended July 31, 2022	Six months ended July 31, 2023	Six months ended July 31, 2022
				$	$
Revenue	23	**135,761**	-	**267,631**	-
Cost of sales		**178,531**	-	**361,230**	-
Gross loss		**(42,770)**	-	**(93,599)**	-
Operating expenses					
Accretion	16, 17	**2,981**	-	**8,636**	-
Advertising, trade shows and promotions		**209**	169	**545**	311
Depreciation and depletion	11, 12	**-**	8,742	**-**	11,805
Finance charges	15, 16	**5,338**	6,184	**9,939**	6,222
Foreign exchange gain		**(6,419)**	(7,971)	**(8,245)**	(7,564)
General and administrative expenses		**3,192**	119	**6,717**	223
Management and consulting fees	22	**2,721**	1,350	**4,733**	4,100
Professional fees	22	**2,537**	299	**3,680**	514
Share-based payments	22	**139**	3,626	**733**	18,019
Shareholder communications		**122**	99	**206**	264
Transfer agent and regulatory fees		**93**	88	**110**	249
Travel expenses		**747**	129	**1,457**	232
Operating loss		**(54,430)**	(12,834)	**(122,110)**	(34,375)
Other income (expenses)					
Gain on modification of loan	16	**-**	-	**3,371**	-
Interest income		**-**	173	**-**	173
Loss on amendment of purchase agreement	5	**(8,818)**	-	**(15,830)**	-
Unrealized loss on marketable securities	8	**(592)**	(4,290)	**(1,479)**	(4,592)
Net loss before income tax		**(63,840)**	(16,951)	**(136,048)**	(38,794)
Income tax expense		**(3,722)**	-	**(5,269)**	-
Net loss		**(67,562)**	(16,951)	**(141,317)**	(38,794)
Other comprehensive income					
Gain (loss) on translation of foreign subsidiaries to presentation currency		**(9,902)**	2,972	**(2,099)**	2,693
Total comprehensive loss		**(77,464)**	(13,979)	**(143,416)**	(36,101)
Net loss attributed to:					
Shareholders of the Company		**(62,382)**	(16,076)	**(130,542)**	(37,613)
Non-controlling interest		**(5,180)**	(875)	**(10,775)**	(1,181)
		(67,562)	(16,951)	**(141,317)**	(38,794)
Total comprehensive loss attributed to:					
Shareholders of the Company		**(71,482)**	(13,104)	**(132,430)**	(34,920)
Non-controlling interest		**(5,982)**	(875)	**(10,986)**	(1,181)
		(77,464)	(13,979)	**(143,416)**	(36,101)
Net loss per share:					
Basic and diluted		**(0.14)**	(0.05)	**(0.31)**	(0.12)
Weighted average number of shares:					
Basic and diluted		**440,442,897**	315,372,571	**416,241,208**	305,189,650

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

Asante Gold Corporation
Condensed Interim Consolidated Statements of Cash Flows
(Unaudited - Expressed in thousands of Canadian dollars)

	Six months ended July 31,	
	2023	2022
	$	$
Operating activities:		
Net loss	**(141,317)**	(38,794)
Items not affecting cash:		
Accretion	**8,636**	-
Depreciation and depletion included in cost of sales	**72,893**	-
Depreciation and depletion included in operating expenses	**-**	11,805
Finance charges	**9,029**	559
Share-based payments	**733**	18,019
Gain on modification of loan	**(3,371)**	-
Loss on amendment of purchase agreement	**15,830**	-
Unrealized foreign exchange loss	**1,008**	-
Unrealized loss on marketable securities	**1,479**	4,592
Changes in non-cash working capital:		
Accounts receivable	**2,266**	(380)
Prepaid expenses	**(5,874)**	(6,225)
Inventories	**12,467**	(22,123)
Loans receivable	**4**	(236)
Trade and other payables	**81,120**	655
Due to related parties	**1,305**	(34)
Deferred revenue	**(32,264)**	130,150
Other current liabilities	**-**	1,235
Cash provided by operating activities	**23,944**	99,223
Investing activities:		
Purchases of property, plant and equipment	**(23,108)**	(54,846)
Expenditures on mineral properties	**(26,277)**	-
Investment in marketable securities	**-**	(3,000)
Expenditures on exploration and evaluation assets	**(573)**	(1,315)
Repayment of deferred payments	**(8,799)**	(38,229)
Cash used in investing activities	**(58,757)**	(97,390)
Cash flows from financing activities		
Proceeds from private placement financing	**27,348**	102,256
Issuance costs	**-**	(3,224)
Proceeds from options exercised	**190**	83
Proceeds from warrants exercised	**9,678**	479
Advances from loans payable	**34,579**	-
Repayment of loans payable	**(29,745)**	-
Cash provided by financing activities	**42,050**	99,594
Effect of foreign exchange on cash	**1,737**	1,297
Change in cash	**8,974**	102,724
Cash, beginning of period	**2,811**	5,849
Cash, end of period	**11,785**	108,573
Cash paid during the period for:		
Income taxes	**-**	-
Interest expense	**2,820**	-

Supplemental cash flow disclosures (Note 25)

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

Asante Gold Corporation
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
(Unaudited - 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, 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 exploration and evaluation assets	250,000	325	-	-	-	-	-	325
Options exercised	550,000	155	(73)	-	-	-	-	82
Warrants exercised	4,299,167	519	-	(40)	-	-	-	479
Share-based payments	-	-	18,019	-	-	-	-	18,019
Net loss for the period	-	-	-	-	-	(37,613)	(1,181)	(38,794)
Loss on translation of foreign subsidiaries to presentation currency	-	-	-	-	2,693	-	-	2,693
Balance, July 31, 2022	317,222,462	191,955	23,270	377	3,409	(54,206)	10,867	175,672
Common shares issued for acquisition	34,962,584	47,185	-	-	-	-	-	47,185
Options exercised	580,000	507	(219)	-	-	-	-	288
Warrants exercised	25,380,797	5,473	-	(18)	-	-	-	5,455
Share-based payments	-	-	4,897	-	-	-	-	4,897
Non-controlling interest on acquisition	-	-	-	-	-	-	32,502	32,502
Net loss for the period	-	-	-	-	-	(139,521)	(10,199)	(149,720)
Gain on translation of foreign subsidiaries to presentation currency	-	-	-	-	14,215	-	2,117	16,332
Balance, January 31, 2023	378,145,843	245,120	27,948	359	17,624	(193,727)	35,287	132,611
Units issued for cash	18,232,000	27,348	-	-	-	-	-	27,348
Common shares issued for exploration and evaluation assets	7,000,000	13,790	-	-	-	-	-	13,790
Options exercised	1,205,000	293	(103)	-	-	-	-	190
Warrants exercised	38,710,601	9,812	-	(134)	-	-	-	9,678
RSUs exercised	19,033	32	(32)	-	-	-	-	-
Warrants issued on amendment of purchase agreement	-	-	-	7,012	-	-	-	7,012
Share-based payments	-	-	733	-	-	-	-	733
Net loss for the period	-	-	-	-	-	(130,542)	(10,775)	(141,317)
Gain on translation of foreign subsidiaries to presentation currency	-	-	-	-	(1,888)	-	(211)	(2,099)
Balance, July 31, 2023	**443,312,477**	**296,395**	**28,546**	**7,237**	**15,736**	**(324,269)**	**24,301**	**47,946**

The accompanying notes are an integral part of these condensed interim 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. ("Mensin"), 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 Company reports on four segments being the results of operations of the Bibiani Gold Mine, the results of operations of the Chirano Gold Mine, the results of exploration and evaluation activities including mining claims and general corporate operations (Note 24).

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.

These unaudited condensed interim consolidated financial statements for the three and six months ended July 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 July 31, 2023, the Company had a working capital deficiency of $604,602 (January 31, 2023 - $561,487) and had an accumulated deficit of $324,269 (January 31, 2023 - $193,727). During the three and six months ended July 31, 2023, the Company incurred total comprehensive loss of $77,464 and $143,416 (2022 - $13,979 and $36,101), respectively. 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 September 14, 2023.

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee applicable to the preparation of interim financial statements including International Accounting Standard 34 *Interim Financial Reporting*. These financial statements do not include all disclosures required for annual audited financial statements. Accordingly, they should be read in conjunction with the notes to the Company's audited financial statements for the years ended January 31, 2023 and 2022 (the "Annual Financial Statements").

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. These financial statements have been prepared on an accrual basis, except for information presented in the condensed interim consolidated statements of cash flows.

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 United States 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 July 31, 2023 is as follows:

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

(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

In the preparation of these financial statements, the Company used the same accounting policies as in the Annual Financial Statements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the preparation of these financial statements, the Company used the same critical accounting estimates and judgements as in the Annual Financial Statements.

5. 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. On February 13, 2023, the payment terms of the second cash payment were amended. 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 (Note 16). 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. These warrants were issued to Kinross on February 17, 2023 and were valued at $1.40 per warrant (Note 20(d)). As a result of the warrant issuance, the Company recorded a loss on amendment of purchase agreement of $7,012 during the six months ended July 31, 2023.

Under a separate finder’s fee agreement with Induusi Resources Public Limited (“Induusi”), the Company agreed to pay Induusi a finder’s fee that consists of $1,318 (US$1.00 million) in cash and issuance of 5,000,000 common shares, valued at closing price of $1.50 each share. As a result of the finder’s fee, the Company recorded a loss of on amendment of purchase agreement of $8,818 during the six months ended July 31, 2023.

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.

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

5. ACQUISITION OF RED BACK MINING PTY. LTD. AND CHIRANO GOLD MINES LIMITED (continued)

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

	$
Consideration paid:	
Cash paid	77,280
Fair value of common shares issued	47,185
Present value of deferred payments, discounted at 5.68% (Note 17)	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

Current tax liabilities of $108,339 (US$84.11 million) assumed from this acquisition are included in other current liabilities on the condensed interim consolidated statements of financial position (Note 19).

6. ACCOUNTS RECEIVABLE

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

	July 31, 2023	January 31, 2023
	$	$
Trade receivables	**1,180**	1,933
Sales tax receivables	**7,969**	9,052
Advances to employees	**2,607**	3,037
	11,756	14,022

As at July 31, 2023 and January 31, 2023, 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.

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

7. PREPAID EXPENSES

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

	July 31, 2023	January 31, 2023
	$	$
Advances on capital projects	**7,078**	4,779
Prepaid materials and supplies inventory	**876**	887
Prepayments to vendors	**15,820**	8,015
Insurance expense	**652**	2,303
Prepaid management and consulting fees	**1,293**	1,562
	25,719	17,546
Current portion	**18,641**	12,017
Non-current portion	**7,078**	5,529

As at July 31, 2023, the non-current portion of prepaid expenses includes advances on capital projects that will be realized by the Company after the next twelve months. As at January 31, 2023, the non-current portion of prepaid expenses included prepaid consulting fees and advances on capital projects with terms greater than twelve months from January 31, 2023.

8. MARKETABLE SECURITIES

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

	$
Balance, January 31, 2022	7,509
Investment in Roscan Gold Corporation ("Roscan")	3,000
Unrealized loss on investment	(4,296)
Balance, January 31, 2023	6,213
Unrealized loss on investment	(1,479)
Balance, July 31, 2023	**4,734**

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 three and six months ended July 31, 2023, the Company recorded an unrealized loss on investment of $592 and $1,479 (2022 - $4,290 and $4,592), respectively.

9. INVENTORIES

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

	July 31, 2023	January 31, 2023
	$	$
Gold doré	**32,308**	30,012
Gold-in-circuit	**10,978**	7,463
Ore stockpiles	**3,414**	11,035
Materials and supplies	**36,140**	35,022
	82,840	83,532

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

10. RECLAMATION BONDS

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

	Bibiani Gold Mine	Chirano Gold Mine	Total
	$	$	$
Balance, January 31, 2022	3,466	-	3,466
Addition from Chirano acquisition	-	7,064	7,064
Currency translation adjustment	198	258	456
Balance, January 31, 2023	3,664	7,322	10,986
Currency translation adjustment	(48)	(95)	(143)
Balance, July 31, 2023	**3,616**	**7,227**	**10,843**

Reclamation bonds consist of bonds held as security by the Government of Ghana in connection with mineral properties (Note 12).

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 the EPA or (iii) failure by either MGBL or CGML to pay any penalty/sanction imposed by the EPA as a result of the occurrence of (i) or (ii) above.

11. 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, 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
Additions	-	-	-	16,506	10,773	27,279
Currency translation adjustment	(1)	(150)	(146)	(7,191)	(353)	(7,841)
Balance, July 31, 2023	**62**	**2,036**	**7,205**	**436,925**	**16,865**	**463,093**
Accumulated depreciation						
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
Depreciation	6	169	774	35,350	-	36,299
Currency translation adjustment	1	(131)	(74)	(2,580)	-	(2,784)
Balance, July 31, 2023	**24**	**527**	**1,269**	**74,426**	-	**76,246**
Carrying amount						
Balance, January 31, 2023	46	1,697	6,782	385,954	6,445	400,924
Balance, July 31, 2023	**38**	**1,509**	**5,936**	**362,499**	**16,865**	**386,847**

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

11. PROPERTY, PLANT AND EQUIPMENT (continued)

As at July 31, 2023, inventory included depreciation of $3,542 (January 31, 2023 - $3,254) and exploration and evaluation assets included depreciation of $32 (January 31, 2023 - $nil). During the three and six months ended July 31, 2023, depreciation of $15,129 and $32,725, respectively, was included in cost of sales (2022 - $8,742 and $11,805, respectively, included in operating expenses).

12. MINERAL PROPERTIES

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

	Bibiani	Chirano	Total
	$	$	$
Cost			
Balance, January 31, 2022	-	-	-
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
Additions	14,684	11,593	26,277
Currency translation adjustment	(3,069)	(3,259)	(6,328)
Balance, July 31, 2023	**229,498**	**237,014**	**466,512**
Accumulated depletion			
Balance, January 31, 2022	-	-	-
Depletion	25,711	23,104	48,815
Currency translation adjustment	533	(120)	413
Balance, January 31, 2023	26,244	22,984	49,228
Depletion	24,919	23,482	48,401
Currency translation adjustment	(867)	(772)	(1,639)
Balance, July 31, 2023	**50,296**	**45,694**	**95,990**
Net amount			
Balance, January 31, 2023	191,639	205,696	397,335
Balance, July 31, 2023	**179,202**	**191,320**	**370,522**

As at July 31, 2023, inventory included depletion of $8,233 (January 31, 2023 - $7,882). During the three and six months ended July 31, 2023, costs of sales included depletion of $21,148 and $40,168, respectively (2022 - $nil and $nil, respectively was included in operating expenses).

a) Bibiani

In August 2021, following the acquisition of Mensin, 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 year ended January 31, 2023.

b) Chirano

In August 2022, following the acquisition of Red Back (Note 5), 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.

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

13. EXPLORATION AND EVALUATION ASSETS

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

	Fahiakoba	**Betenase**	**Sraha**	**Ayiem**	**Kubi**	**Total**
	$	$	$	$	$	$
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
Geology and geophysics	35	44	4	7	173	263
Other expenditures	136	76	76	76	343	707
Currency translation adjustment	223	28	60	21	983	1,315
Balance, January 31, 2023	5,237	666	1,347	508	4,298	12,056
Acquisition and sustaining fees	-	-	-	-	13,790	13,790
Field expenditures	11	11	11	11	15	59
Geology and geophysics	12	12	1	1	129	155
Other expenditures	33	33	33	33	255	387
Currency translation adjustment	(69)	(10)	(18)	(7)	(62)	(166)
Balance, July 31, 2023	**5,224**	**712**	**1,374**	**546**	**18,425**	**26,281**

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$52 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 if it has been applied for and granted.

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 if it has been applied for and granted.

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

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

13. EXPLORATION AND EVALUATION ASSETS (continued)

d) Kubi

The Company has executed an Option Agreement between the Company, 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. On June 5, 2023, following receipt of Government approvals, the Company issued 7,000,000 common shares with fair value of $13,790 to Goknet.

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 II" 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 so registered. The Company is continuing to source funding to develop Kubi.

14. TRADE AND OTHER PAYABLES

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

	July 31, 2023	January 31, 2023
	$	$
Trade payables	**193,245**	148,598
Accrued liabilities	**201,594**	154,609
Tax liabilities	**25,634**	20,862
	420,473	324,069

As at July 31, 2023, accrued liabilities included amounts that the Company agreed to pay Induusi under the finder's fee agreement related to acquisition of Red Back, consisting of $1,318 (US$1.00 million) in cash and $7,500 through issuance of 5,000,000 common shares.

As at July 31, 2023, tax liabilities are comprised of purchase withholding tax obligations of $5,845 (January 31, 2023 - $6,523) attributed to, payroll tax liabilities of $2,955 (January 31, 2023 - $2,329), and accrued income taxes payable $16,834 (January 31, 2023 - $12,010).

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

15. LOANS PAYABLE

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

	Asante loan	MGBL bank loans	MGBL revolving credit	CGML revolving credit	Total
	$	$	$	$	$
Balance, January 31, 2022	-	-	-	-	-
Advances	-	41,421	-	9,979	51,400
Interest expense	-	901	-	11	912
Repayments	-	(4,939)	-	-	(4,939)
Currency translation adjustment	-	(282)	-	(100)	(382)
Balance, January 31, 2023	-	37,101	-	9,890	46,991
Advances	2,637	6,672	25,270	-	34,579
Interest expense	-	2,057	1,077	494	3,628
Repayments	-	(14,954)	(14,791)	-	(29,745)
Currency translation adjustment	(1)	(274)	(324)	(138)	(737)
Balance, July 31, 2023	**2,636**	**30,602**	**11,232**	**10,246**	**54,716**
Current portion	2,636	15,214	11,232	10,246	39,328
Non-current portion	-	15,388	-	-	15,388

Interest expense from loans payable was included in finance charges on the condensed interim consolidated statements of loss and comprehensive loss. During the three and six months ended July 31, 2023, total interest expense from loans payable was $1,118 and $3,628, respectively.

a) Asante loan

On July 25, 2023, the Company entered into a loan agreement with a former director of the Company for an amount of $2,637 (US$2.00 million). The loan is non-interest bearing and is due on demand.

b) MGBL bank loans

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 exchange rate. The Company 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$28.62 million) 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 to the extent that the remaining cash collateral covers at minimum 125% of the loan balance at any time. 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. There was no additional release of cash collateral in order for the Company to satisfy the 125% coverage requirement. As at July 31, 2023, cash held as collateral was $30,837 (GHS 257.49 million) and is presented as restricted cash on the statement of financial position.

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.

15. LOANS PAYABLE (continued)

On May 5, 2023, the Company, through its subsidiary MGBL, entered into a short-term loan agreement with the same local bank. The loan has principal amount of $6,672 (US$5 million), carries an interest rate of 11% and matures on November 29, 2023.

On July 7, 2023, through a refinancing agreement with the same bank that issued the short-term loans, the Company transferred the outstanding balance of the short-term bank loans of $30,428 (US$23.09 million) into a new bank loan that bears interest at 11% per annum and matures on July 7, 2025. The bank loan requires monthly payments of principal and interest. There was no profit or loss resulting from the transfer. As at July 31, 2023, the new MGBL bank loan had a principal of $30,428 (US$23.09 million) and accrued interest of $174 (US$0.13 million). During the six months ended July 31, 2023, the Company paid transaction fees of $910 in respect of the new bank loan. The transaction fees were included in finance charges on condensed interim consolidated statements of loss and comprehensive loss.

During the three and six months ended July 31, 2023, the Company had interest expense recovery of $149 and interest expense of $1,883, respectively, on the short-term bank loans (2022 - $nil and $nil). During the six months ended July 31, 2023 the Company made payments of $14,954 (US$11.08 million).

c) MGBL revolving credit

During the six months ended July 31, 2023, the Company, through its subsidiary MGBL, entered into a revolving credit facility agreement with the same bank that provided the bank loans. Under the terms of the revolving credit facilities, the Company may borrow up to US$8.50 million. The facility has an interest rate of 11% per annum and expires on November 29, 2023.

As at July 31, 2023, MGBL revolving credit included principal amount of $11,192 (US$8.49 million) that was drawn against the facility and accrued interest of $40 (US$0.03 million). During the three and six months ended July 31, 2023, interest expense on the MGBL revolving credit was $844 and $1,077 (2022 - $nil and $nil), respectively.

d) CGML revolving credit

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 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 July 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. As at July 31, 2023, CGML revolving credit included principal amount of $9,751 (US$7.40 million) that was drawn against the facility and accrued interest of $495 (US$0.38 million). During the three and six months ended July 31, 2023, interest expense on the CGML revolving credit facility was $249 and $494 (2022 - $nil and $nil), respectively.

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

16. DEFERRED PAYMENTS

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

	Resolute	Kinross	Total
	$	$	$
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
Gain on modification of loan	-	(3,371)	(3,371)
Interest expense	180	5,221	5,401
Accretion expense	-	6,906	6,906
Repayment of deferred payments	(1,994)	(6,805)	(8,799)
Currency translation adjustment	(45)	(2,170)	(2,215)
Balance, July 31, 2023	**2,634**	**172,271**	**174,905**
Current portion	2,634	124,118	126,752
Non-current portion	-	48,153	48,153

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. 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 (of which $1,994 (US$1.50 million) was repaid in May 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 for the year ended January 31, 2023. 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. 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 July 31, 2023, the remaining balance of deferred payments to Resolute included principal of $1,581 (US$1.20 million) and accrued interest of $1,053 (US$0.80 million).

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 5). 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, 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. As a result of this change in timing of cash flow, the Company recorded a gain on modification of loan of $3,371. As part of the amendment, the deferred consideration 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. The interest is determined to be interest rate quoted by Bank of Nova Scotia for USD commercial loans plus the following margin: 3% for period from February 10, 2023 to March 31, 2023; 4% for period from April 1, 2023 to April 30, 2023; and 5% for period from May 1, 2023. During the six months ended July 31, 2023, the Company repaid principal amount of $6,805 (US$5.00 million) from the second cash payment.

During the three and six months ended July 31, 2023, interest expense from deferred payments was $4,019 and $5,401 (2022 - $nil and nil), respectively, and was included in finance charges on the condensed interim consolidated statements of loss and comprehensive loss. During the three and six months ended July 31, 2023, accretion on deferred payments was $2,225 and $6,906 (2022 - $734 and $1,581), respectively.

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

17. REHABILITATION PROVISION

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

	Bibiani Gold Mine	Chirano Gold Mine	Total
	$	$	$
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
Accretion expense	425	1,305	1,730
Currency translation adjustment	(283)	(862)	(1,145)
Balance, July 31, 2023	**21,251**	**64,921**	**86,172**
Current portion	-	332	332
Non-current portion	21,251	64,589	85,840

The rehabilitation provision for Bibiani Gold Mine and Chirano Gold Mine is estimated using annual inflation rate of 7.48% and 7.50%, respectively, and a discount rate of 3.51%. During the three and six months ended July 31, 2023, accretion from rehabilitation provision was $756 and $1,730, respectively.

18. DEFERRED REVENUE

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

	$
Balance, January 31, 2022	-
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
Revenue recognized upon delivery of gold	(32,264)
Currency translation adjustment	(352)
Balance, July 31, 2023	**34,134**

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 is recognized as revenue in the corresponding periods in which 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 three and six months ended July 31, 2023, the Company recognized revenue of 25,305 and $32,264, respectively, by delivering 10,413 and 13,913 ounces of gold, respectively. As at July 31, 2023, the Company has satisfied three settlements of this arrangement. The final settlement is extended to October 31, 2023.

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

19. OTHER CURRENT LIABILITIES

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

	July 31, 2023	January 31, 2023
	$	$
Tax liabilities arising from the Mensin acquisition	**23,323**	23,630
Tax liabilities arising from the Chirano acquisition	**110,837**	112,292
Contingent consideration from Chirano acquisition	**4,830**	4,830
Other accrued liabilities	**678**	686
	139,668	141,438

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.

20. 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 six months ended July 31, 2023, the Company had the following transactions:

- 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 consists of one common share and one share purchase warrant. All the proceeds were allocated to share capital and $nil to reserve for warrants.
- On June 5, 2023, following receipt of government approval, the Company issued 7,000,000 common shares with fair value of $13,790 to Goknet pursuant to an agreement to close the acquisition of the Kubi Mining Leases (Note 13(d)).
- The Company issued 1,205,000 common shares upon the exercise of 1,205,000 options for proceeds of $190. As a result, $103 recorded in the reserve for share-based payments was reclassified to share capital.
- The Company issued 38,710,601 common shares upon the exercise of 38,710,601 warrants for proceeds of $9,678. As a result, $134 recorded in the reserve for warrants was reclassified to share capital.
- The Company issued 19,033 common shares upon exercise of 19,033 RSUs. As a result, $32 recorded in the reserve for share-based payments was reclassified to 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 13(c)).
- 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 5).
- The Company issued 1,130,000 common shares from the exercise of options for proceeds of $370. As a result, $292 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 recorded in the reserve for warrants was reclassified to share capital.

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.

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

20. SHARE CAPITAL AND RESERVES (continued)

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

	Number of options	Weighted average exercise price
	#	$
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
Exercised	(1,205,000)	0.16
Forfeited	(80,000)	1.50
Balance, July 31, 2023	**19,259,340**	**1.15**
Exercisable, July 31, 2023	**19,031,340**	**1.14**

During the six months ended July 31, 2023, the weighted average share price on the date of option exercise was $2.02 (2022 - $1.83). During the three and six months ended July 31, 2023, the Company recognized $46 and $456 (2022 - $3,290 and $9,744), respectively, as share-based payments from vested stock options.

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

Grant date	Expiry date	Number of options	Exercise price	Remaining life
		#	$	Years
June 5, 2018	June 4, 2023 (1)	200,000	0.10	-
March 21, 2019	March 20, 2024	320,000	0.10	0.64
August 28, 2019	August 27, 2024	450,000	0.10	1.08
July 6, 2020	July 5, 2025	220,000	0.10	1.93
July 21, 2020	July 20, 2025	500,000	0.10	1.97
August 18, 2020	August 17, 2025	350,000	0.10	2.05
September 21, 2020	September 20, 2025	150,000	0.15	2.14
December 21, 2020	December 20, 2025	350,000	0.12	2.39
March 4, 2021	March 3, 2026	350,000	0.15	2.59
August 9, 2021	August 8, 2026	6,470,000	0.75	3.02
February 17, 2022	February 17, 2027	5,739,340	1.75	3.55
February 17, 2022	February 17, 2024	1,200,000	1.75	0.55
March 7, 2022	March 7, 2027	500,000	1.75	3.60
March 21, 2022	March 21, 2027	1,000,000	1.75	3.64
August 31, 2022	September 13, 2023	320,000	1.50	0.12
August 31, 2022	August 31, 2027	1,140,000	1.50	4.09
		19,259,340	**1.15**	**2.89**

(1) These options were granted to a director of the Company. Pursuant to the Plan, any options with expiration dates occurring during a blackout period have their expiration date extended to the date that is 10 days following the end of the blackout period. These options remain outstanding as at July 31, 2023 due to an ongoing management blackout from trading.

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

20. SHARE CAPITAL AND RESERVES (continued)

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, 2022	68,390,565	0.23
Exercised	(29,679,964)	0.20
Balance, January 31, 2023	38,710,601	0.25
Issued	23,232,000	1.86
Exercised	(38,710,601)	0.25
Balance, July 31, 2023	**23,232,000**	**1.86**

On April 6, 2023, as part of a non-brokered private placement, the Company issued 18,232,000 share purchase warrants. Each 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.

On February 17, 2023, the Company issued 5,000,000 share purchase warrants to Kinross pursuant to the amended purchase agreement regarding the acquisition of Red Back (Note 5). Each common share purchase warrant is exercisable to one common share of the Company at exercise price of $2.25 until February 17, 2026.

During the six months ended July 31, 2023, 38,710,601 share purchase warrants were exercised into common shares of the Company. During the six months ended July 31, 2023, the weighted average share price on the date of share purchase warrant exercise was $1.57 (2022 - $1.71).

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

Date of expiry	Number of warrants	Weighted average exercise price	Weighted average remaining life
	#	$	Years
April 5, 2024	18,232,000	1.75	0.68
February 17, 2026	5,000,000	2.25	2.55
	23,232,000	**1.86**	**1.08**

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: one third on the first anniversary, one third on the second anniversary, and one third on the third anniversary. During the three and six months ended July 31, 2023, the Company recognized a total of $93 and $277 (2022 - $336 and $989), respectively, in expense related to the fair value of RSUs vested. The expense was recognized over the vesting period of the RSUs.

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

20. SHARE CAPITAL AND RESERVES (continued)

A summary of the Company's RSUs activity is as follows:

	Number of RSUs
	#
Balance, January 31, 2022	-
Granted	1,515,760
Balance, January 31, 2023	1,515,760
Exercised	(19,033)
Forfeited	(59,000)
Balance, July 31, 2023	**1,437,727**

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 three and six months ended July 31, 2023, the Company expensed a total of $nil and $nil (2022 - $nil and $7,286), respectively, as share-based payments for the value of DSUs vested.

A summary of the Company's DSUs activity is as follows:

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

21. NON-CONTROLLING INTEREST

In August 2021, following the acquisition of Mensin, 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 5), 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 activity is as follows:

	$
Balance, January 31, 2022	12,048
Initial recognition of non-controlling interest of Chirano (Note 5)	32,502
Net loss attributed to non-controlling interest	(11,380)
Currency translation adjustment	2,117
Balance, January 31, 2023	35,287
Net loss attributed to non-controlling interest	(10,775)
Currency translation adjustment	(211)
Balance, July 31, 2023	**24,301**

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

22. 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 three and six months ended July 31, 2023 and 2022 is as follows:

	Three months ended July 31,		Six months ended July 31,	
	2023	2022	**2023**	2022
	$	$	**$**	$
Management and consulting fees	**1,202**	428	**2,008**	2,662
Professional fees	**-**	119	**143**	225
Share-based payments	**109**	1,820	**413**	12,461
	1,311	2,367	**2,564**	15,348

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 July 31, 2023, due to related parties was $4,508 (January 31, 2023 - $3,203) and was comprised of expense reimbursements, director's fees, and professional fees. These amounts are unsecured, non-interest bearing and due on demand. As at July 31, 2023, there were 13,407,600 options, 470,200 RSUs, and 4,285,900 DSUs outstanding that had been granted to related parties as share-based payments.

23. REVENUE FROM CONTRACTS WITH CUSTOMERS

a) Disaggregated revenue information

A summary of revenue for the three and six months ended July 31, 2023 and 2022 is as follows:

	Three months ended July 31,		Six months ended July 31,	
	2023	2022	**2023**	2022
	$	$	**$**	$
Gold doré	**135,470**	-	**266,964**	-
Silver	**291**	-	**667**	-
	135,761	-	**267,631**	-

b) Contract balances

The Company did not have any contract assets as at January 31, 2023 and July 31, 2023. The Company's contract liabilities as at July 31, 2023 were $34,134 (January 31, 2023 - $66,750) and relate to the deferred revenue (Note 18).

24. SEGMENT INFORMATION

The Chief Operating Decision Maker ("CODM") of the Company has been identified as the Chief Financial Officer, who makes strategic decisions and allocates resources based on the information available by operating segment. The CODM determines the reportable segments of the Company based on the availability of discrete financial results and the nature of operations relating to each operating segment. The CODM has identified four reportable segments being 1) the Bibiani Gold Mine, 2) the Chirano Gold Mine, 3) the Company's exploration and evaluation and mining claims and related expenditures and 4) general corporate activities.

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

24. SEGMENT INFORMATION (continued)

A summary of the Company's segmented financial performance for the six months ended July 31, 2023 is as follows:

	Bibiani	Chirano	Mining claims	Corporate	Total
	$	$	$	$	$
Revenue	90,679	176,952	-	-	267,631
Cost of sales	157,978	203,252	-	-	361,230
Gross loss	(67,299)	(26,300)	-	-	(93,599)
Operating expenses					
Accretion	425	1,305	-	6,906	8,636
Finance charges	4,044	494	-	5,401	9,939
General and administrative expenses	2,954	2,540	148	1,075	6,717
Management and consulting fees	270	-	1,748	2,715	4,733
Professional fees	40	1,473	-	2,167	3,680
Share-based payments	-	-	-	733	733
Other operating expenses (income)	(4,092)	(540)	12	(1,307)	(5,927)
Operating loss	(70,940)	(31,572)	(1,908)	(17,690)	(122,110)
Other expenses	-	-	-	(13,938)	(13,938)
Net loss before income tax	(70,940)	(31,572)	(1,908)	(31,628)	(136,048)
Income tax expense	-	(5,269)	-	-	(5,269)
Net loss	**(70,940)**	**(36,841)**	**(1,908)**	**(31,628)**	**(141,317)**

A summary of the Company's segmented financial performance for the six months ended July 31, 2022 is as follows:

	Bibiani	Chirano	Mining claims	Corporate	Total
	$	$	$	$	$
Revenue	-	-	-	-	-
Cost of sales	-	-	-	-	-
Gross loss	-	-	-	-	-
Operating expenses					
Depreciation and depletion	11,805	-	-	-	11,805
Finance charges	4,641	-	-	1,581	6,222
General and administrative expenses	56	-	-	167	223
Management and consulting fees	116	-	414	3,570	4,100
Professional fees	2	-	3	509	514
Share-based payments	-	-	-	18,019	18,019
Other operating expenses (income)	(8,011)	-	232	1,271	(6,508)
Operating loss	(8,609)	-	(649)	(25,117)	(34,375)
Other income (expenses)	173	-	-	(4,592)	(4,419)
Net loss before income tax	(8,436)	-	(649)	(29,709)	(38,794)
Income tax expense	-	-	-	-	-
Net loss	**(8,436)**	**-**	**(649)**	**(29,709)**	**(38,794)**

A summary of the Company's segmented financial position as at July 31, 2023 is as follows:

	Bibiani	Chirano	Mining claims	Corporate	Total
	$	$	$	$	$
Assets	439,530	487,648	13,533	21,811	962,522
Liabilities	363,700	342,668	2,183	206,025	914,576

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

24. SEGMENT INFORMATION (continued)

A summary of the Company's segmented financial position as at January 31, 2023 is as follows:

	Bibiani	**Chirano**	**Mining claims**	**Corporate**	**Total**
	$	$	$	$	$
Assets	439,662	514,714	12,875	10,381	977,632
Liabilities	360,114	286,551	1,603	196,753	845,021

25. SUPPLEMENTAL CASH FLOW DISCLOSURES

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

	2023	2022
	$	$
Shares issued for exploration and evaluation assets	**13,790**	325
Exploration and evaluation costs included in trade and other payables	**-**	58
Property, plant and equipment included in trade and other payables	**22,277**	103,471
Advances on capital projects included in prepaid expenses	**7,078**	-
Depreciation included in exploration and evaluation assets	**32**	30
Depreciation included in mineral properties	**-**	2,183

26. 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 six months ended July 31, 2023 and 2022, there were no transfers between 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 July 31, 2023, the Company had one customer that owed the Company $991, which accounts for approximately 84% of total outstanding trade receivables.

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

26. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

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 July 31, 2023, the Company had a bank facility with carrying amount of $10,246 and deferred payments with carrying amount of $172,271 possessing floating interest rates and therefore, the Company is exposed to interest rate risk. The bank facility has an interest rate cap, and the 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. A change of 100 basis points in the interest rate on the deferred payment would result in a change of $483 in finance charges on condensed interim consolidated statements of loss and comprehensive loss.

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 July 31, 2023, the Company had cash of $11,785 and restricted cash of $30,837 (January 31, 2023 - $2,811 and $31,845, respectively) as well as working capital deficit of $604,602 (January 31, 2023 - $561,487).

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

	< 1 year	1 - 3 years	Total
	$	$	$
Trade and other payables	420,473	-	420,473
Due to related party	4,508	-	4,508
Loans payable	41,888	16,121	58,009
Deferred payments	129,505	48,623	178,128
	596,374	**64,744**	**661,118**

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 or continue production.

The effect on net loss and comprehensive loss for the six months ended July 31, 2023 of a 10% change in metal prices is estimated to have an increase or decrease in revenue of $26,763 (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 financial assets (liabilities) that are denominated in US dollars and Ghanaian Cedi as at July 31, 2023, is as follows:

	US$	GHS
Net financial assets (liabilities)	(434,354)	256,474
Foreign exchange rate	1.3177	0.1203
Net financial assets (liabilities) in CAD	**(572,348)**	**30,857**

26. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

The sensitivity of the Company's net loss and comprehensive loss for the six months ended July 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 $57,235 (January 31, 2023 - $51,940), and a 10% change in CAD relative to the Ghanaian Cedi would change the Company's net loss and comprehensive loss by approximately $3,086 (January 31, 2023 - $3,203).

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.

27. 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 July 31, 2023, the Company had shareholders' equity of $47,946 (January 31, 2023 - $132,611).

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 six months ended July 31, 2023.

As at July 31, 2023, the Company was not subject to any externally imposed capital requirements other than restricted cash of $30,837 (Note 15).

28. SUBSEQUENT EVENT

On August 29, 2023, the Company issued 10,467 common shares following the exercise of 10,467 RSUs.