No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

This prospectus constitutes a public offering of securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.

The securities offered hereby have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any securities laws of any State of the United States. Accordingly, except as permitted under the Agency Agreement as defined herein, the securities offered hereby may not be offered or sold, directly or indirectly, in the United States of America, its territories, or its possessions, any State of the United States or the District of Columbia (the "United States"), or to, or for the account or benefit of, persons in the United States. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby in the United States to, for the account or benefit, persons in the United States. See "Plan of Distribution".

PROSPECTUS

INITIAL PUBLIC OFFERING January 27, 2012

206 – 595 Howe Street
Vancouver, British Columbia, V6C 2T5
Telephone: (604) 558-1134
Facsimile: (604) 558-1136

Minimum of 3,000,000 Units up to a Maximum of 4,000,000 Units

Price: $0.50 per Unit

Minimum of $1,500,000 up to a Maximum of $2,000,000

This prospectus ("**Prospectus**") qualifies for distribution (the "**Offering**") an aggregate of a minimum of 3,000,000 units (the "**Minimum Offering**") and up to a maximum of 4,000,000 (the "**Maximum Offering**") units (the "**Units**") of Asante Gold Corporation (the "**Issuer**"), at a price of $0.50 per Unit (the "**Offered Securities**"). Unless otherwise adjusted, each Unit consists of one common share in the capital of the Issuer (a "**Common Share**") and one-half of one transferable Common Share purchase warrant of the Issuer (each whole Common Share purchase warrant, a "**Warrant**"). One Warrant will entitle the holder thereof to purchase one additional Common Share (a "**Warrant Share**") for a period of two years from the date of closing (the "**Closing**") of the Offering at a price of $0.70 per Warrant Share. The Offering is being made to investors resident in British Columbia and Alberta.

	Price to public(1)		**Agent's Commission(2)(3)**		**Net Proceeds to the Issuer(2)(3)(4)**	
	Minimum	**Maximum**	**Minimum**	**Maximum**	**Minimum**	**Maximum**
Per Unit	$0.50		$0.0375		$0.4625	
Offering	$1,500,000	$2,000,000	$112,500	$150,000	$1,387,500	$1,850,000

(1) The offering price of the Offered Securities was established by negotiation between the Issuer and Canaccord Genuity Corp. (the "**Agent**").

(2) Pursuant to the terms and conditions of an agency agreement (the "**Agency Agreement**") to be entered into between the Agent and the Issuer, the Issuer has agreed to pay the Agent a commission (the "**Agent's Commission**") equal to 7.5% of the gross proceeds of the Offering, payable in cash. The Agent will also receive that number of Common Share

purchase warrants (the "**Agent Warrants**") that is equal to 7.5% of the number of Offered Securities sold in the Offering, each Agent Warrant entitling the holder to purchase one Common Share (an "**Agent Share**") for a period of two years from the Closing Date (as defined herein) at a price of $0.50 per Agent Share. The Issuer will also reimburse the Agent for its legal fees and expenses on the Closing Date (toward which a retainer of $14,000 (including HST) has been paid). The Agent Warrants are also qualified for distribution pursuant to this Prospectus.

(3) These figures do not include the corporate finance fee of 150,000 Common Shares (the "**Corporate Finance Shares**"), at a deemed price equal to the Units price upon Closing of the Offering. The Corporate Finance Shares are also qualified for distribution pursuant to this Prospectus.

(4) Before deducting the expenses of the Offering, including legal, accounting and audit costs, all filing fees with the Exchange and Securities Commissions and the Agent's expenses, estimated at $65,000.

The Agent, as exclusive agent of the Issuer for the purposes of the Offering, conditionally offers the Offered Securities referred to herein for sale on a commercially reasonable efforts basis and if, as and when issued by the Issuer, in accordance with the conditions contained in the Agency Agreement referred to under "Plan of Distribution". Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. If the Minimum Offering is not completed within 90 days of the issuance of a receipt for the Prospectus, or if a receipt has been issued for an amendment to the Prospectus, within 90 days of the issuance of such receipt and in any event not later than 180 days from the date of receipt for the Prospectus, the distribution will cease, and all subscription monies will be returned to the subscribers without interest or deduction, unless the subscribers have otherwise instructed the Agent.

The following table sets forth the number of securities issuable to the Agent:

Agent's Position	**Maximum size or number of securities available**	**Exercise period**	**Exercise Price**
Agent Warrants	300,000 Agent Shares [1]	Two years following the Closing Date	$0.50 per Agent Share
Corporate Finance Shares	150,000 Corporate Finance Shares	N/A	Nil

[1] Assumes the completion of the Maximum Offering.

AN INVESTMENT IN THE OFFERED SECURITIES SHOULD BE CONSIDERED SPECULATIVE DUE TO THE NATURE OF THE BUSINESS OF THE ISSUER, ITS PRESENT STAGE OF DEVELOPMENT AND OTHER RISK FACTORS.

AN INVESTMENT IN NATURAL RESOURCE ISSUERS INVOLVES A SIGNIFICANT DEGREE OF RISK. THE DEGREE OF RISK INCREASES SUBSTANTIALLY WHERE THE ISSUER'S PROPERTIES ARE IN THE EXPLORATION STAGE AS OPPOSED TO THE DEVELOPMENT STAGE. AN INVESTMENT IN THESE SECURITIES SHOULD ONLY BE MADE BY PERSONS WHO CAN AFFORD THE TOTAL LOSS OF THEIR INVESTMENT. SEE "RISK FACTORS".

There is no market through which these securities may be sold and purchasers may not be able to resell securities purchased under this Prospectus. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. The Exchange has conditionally accepted the listing of the Issuer's Common Shares. The listing is subject to the Issuer meeting all of the listing requirements of the Exchange including, prescribed distribution and financial requirements. See "Risk Factors".

As at the date of this Prospectus, the Issuer does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities on the Toronto Stock Exchange, a U.S. marketplace, or a marketplace outside of Canada and the United States of America other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc.

Unless otherwise noted, all currency amounts in this Prospectus are stated in Canadian dollars.

Mark Holcombe, a director of the Issuer, resides outside of Canada. Although Mr. Holcombe has appointed Asante Gold Corporation, at 206 – 595 Howe Street, Vancouver, British Columbia, V6C 2T5, as his agent for service of process in British Columbia, Canada, it may not be possible for investors to enforce judgments in Canada against Mr. Holcombe.

The Issuer is not a related or connected issuer (as such terms are defined in National Instrument 33-105 underwriting conflicts) to the Agent. See "Relationship between the Issuer and the Agent".

Certain legal matters relating to the securities offered hereby will be passed upon by DuMoulin Black LLP, Vancouver, British Columbia, and by Legacy Tax + Trust Lawyers, Vancouver, British Columbia, as to tax matters, on behalf of the Issuer, and by Miller Thomson LLP, on behalf of the Agent. No person is authorized by the Issuer to provide any information or make any representations other than those contained in this Prospectus in connection with the issue and sale of the securities offered hereunder.

It is expected that one or more global certificates evidencing the aggregate number of Offered Securities subscribed for under this Prospectus will be issued in registered form as directed by the Agent. Purchasers of Offered Securities will receive only a customer confirmation from the Agent as to the number of Offered Securities subscribed for. Certificates representing the Common Shares in registered and definitive form will be issued in certain limited circumstances.

Canaccord Genuity Corp.
PO Box 10337, Pacific Centre
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Tel: (604) 643-7300
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FORWARD-LOOKING INFORMATION

Statements contained in this Prospectus that are not historical facts are "forward-looking statements" or "forward-looking information" (collectively, "**Forward-Looking Information**") (within the meaning of applicable Canadian securities legislation). Forward-Looking Information includes, but is not limited to, statements relating to the timing, availability and amount of financings; expected use of proceeds; business objectives; the acquisition of interests in mineral properties; the timing and costs of future exploration activities on the Issuer's properties; success of exploration activities; permitting time lines and requirements for additional capital. In certain cases, Forward-Looking Information can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". In making the Forward-Looking Information in this Prospectus, the Issuer has applied several material assumptions, including, but not limited to, the assumption that this Offering will be completed for at least the minimum amount and that any additional financing needed will be available on reasonable terms, that the current exploration and other objectives concerning the Fahiakoba Concession can be achieved, that general business and economic conditions will not change in a materially adverse manner, and that all necessary governmental approvals for the planned exploration on the Fahiakoba Concession will be obtained in a timely manner and on acceptable terms. Other assumptions are discussed throughout this Prospectus and, in particular, in the "Risk Factors" section in this Prospectus. Forward-Looking Information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Issuer to be materially different from any future results, performance or achievements expressed or implied by the Forward-Looking Information. Such risks and other factors include, among others, risks related to the completion of financings and the use of proceeds; operations and contractual obligations; changes in exploration programs based upon results of exploration; future prices of metals; availability of third party contractors; availability of equipment; failure of equipment to operate as anticipated; accidents, effects of weather and other natural phenomena and other risks of the mineral exploration industry; environmental risks; community relations; and delays in obtaining governmental approvals or financing; as well as those factors discussed in the section entitled "Risk Factors" in this Prospectus. Although the Issuer has attempted to identify important factors that could affect the Issuer and may cause actual actions, events or results to differ materially from those described in Forward-Looking Information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that Forward-Looking Information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on Forward-Looking Information. The Forward-Looking Information in this Prospectus is made only as of the date hereof. The Issuer, to the extent required by applicable securities law, will release publicly any revisions to Forward-Looking Information contained in this Prospectus to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

SUMMARY OF PROSPECTUS

The following is a summary of the principal features of this distribution and should be read together with the more detailed information and financial data and statements contained elsewhere in this Prospectus.

The Issuer:	The Issuer was incorporated under the *Business Corporations Act* (British Columbia) on May 4, 2011 under the name "Asante Gold Corporation". The Issuer's head office is located at 206 – 595 Howe Street, Vancouver, British Columbia, V6C 2T5, and it's registered and records office is located at 10th Floor, 595 Howe Street, Vancouver, British Columbia, V6C 2T5. The principal business of the Issuer is the exploration and development of mineral properties in the Republic of Ghana. The Issuer intends to fund exploration activities on the Fahiakoba Concession using the proceeds from the Offering. See "Description of the Business".
The Offering:	The Offering will be comprised of a minimum of 3,000,000 Units and up to a maximum of 4,000,000 Units. This Prospectus qualifies the distribution of the Offered Securities issued under the Offering.
Price:	$0.50 per Unit.
Proceeds to the Issuer:	Minimum of $1,500,000 and up to a maximum of $2,000,000 (before commissions, fees and expenses of the Offering). See "Use of Proceeds – Funds Available".
Use of Proceeds:	The Issuer intends to use the proceeds of the Offering, together with the Issuer's working capital of $946,227 as at December 31, 2011, to primarily pay for the commissions, fees and expenses of this Offering, exploration costs on the Fahiakoba Concession, general and administrative costs and general working capital. See "Use of Proceeds" for a more detailed discussion.
Agent's Compensation:	The Agent will receive a commission equal to 7.5% of the gross proceeds of the Offering, payable in cash. The Agent will also receive that number of Agent Warrants that is equal to 7.5% of the number of Offered Securities sold in the Offering, each Agent Warrant entitling the holder thereof to purchase one Agent Share for a period of two years from the Closing Date at a price of $0.50 per Agent Share. The Agent Warrants are also qualified for distribution pursuant to this Prospectus. See "Description of Securities Distributed" and "Plan of Distribution". A Corporate Finance Fee of 150,000 Corporate Finance Shares upon Closing of the Offering. The Corporate Finance Shares are also qualified for distribution pursuant to this Prospectus. See "Description of Securities Distributed" and "Plan of Distribution".
Summary of Financial Information:	The following table summarizes selected financial data for the period from incorporation to October 31, 2011 and should be read in conjunction with the audited financial statements and related notes thereto, together with the Management's Discussion and Analysis, as included elsewhere in this Prospectus.

Selected Financial Information	For the period from incorporation to October 31, 2011 (audited)
Revenues	$Nil
Expenses	$908,981
Net loss for period	$908,981
Current assets	$1,180,273
Deferred Financing	$32,500
Mineral property acquisition	$50,630
Mineral property exploration	$208,504
Total assets	$1,471,907
Current liabilities	$25,986
Working capital	$1,154,287
Shareholders' equity	$1,445,921
Basic and diluted loss per Common Share	$0.09
Weighted average number of Common Shares outstanding-basic and diluted	10,022,439

Eligibility for Investment

In the opinion of Legacy Tax + Trust Lawyers, special tax counsel to the Issuer, on the Closing Date, provided that the Common Shares are on that date listed for trading on a designated stock exchange (which includes Tier One and Tier Two of the Exchange), the Common Shares will be qualified investments under the Tax Act for trusts governed by a registered retirement savings plan ("**RRSP**"), registered retirement income fund ("**RRIF**"), registered disability savings plan, deferred profit sharing plan, registered education savings plan or tax-free savings account ("**TFSA**"), all as defined in the Tax Act (the "**Investment Plans**").

The Warrants will be qualified investments at a particular time for a particular Investment Plan if the Common Shares are, at that time, qualified investments and the Issuer deals at arm's length with each person who is an annuitant, a beneficiary, an employer or a subscriber under the Investment Plan.

If the Common Shares are a "prohibited investment" (as defined in the Tax Act) for a trust governed by a TFSA, RRSP or RRIF (a "**Registered Plan**"), the holder of the TFSA or the annuitant of the RRSP or RRIF, as the case may be, (such holder or annuitant being a "Controlling Individual" of the Registered Plan) will be subject to a penalty tax on the Common Shares as set out in the Tax Act. A Common Share will generally not be a prohibited investment for a trust governed by a Registered Plan held by a particular holder provided that the Controlling Individual deals at arm's length with the Issuer for the purposes of the Tax Act, and does not have a "significant interest" (as defined in the Tax Act) in either the Issuer or a corporation, partnership or trust that does not deal at arm's length with the Issuer for purposes of the Tax Act. In general terms, a Controlling Individual of a Registered Plan will have a significant interest in the Issuer if the Registered Plan, the Controlling Individual, and other persons not at arm's length with the Controlling Individual together, directly or indirectly, own not less than 10% of the outstanding Common Shares of the Issuer.

See "Risk Factors" and "Certain Canadian Federal Income Tax Considerations".

Prospective purchasers who intend to hold Offered Securities in a Registered Plan should consult their own tax advisors regarding their particular circumstances.

Risk Factors: The securities of the Issuer are highly speculative due to the nature of the Issuer's business and the present stage of its development. The Issuer's activities are subject to the risks normally encountered in the resource exploration, development and mining business. There is no assurance that the Issuer's exploration will result in the discovery of an economically viable mineral deposit. The economics of developing and operating resource properties are affected by many factors including the cost of exploration and development operations, variations of the grade of ore mined and the rate of resource extraction and fluctuations in the price of resources produced, government regulations relating to royalties, taxes and environmental protection. The Issuer has generated losses to date and while, upon completion of the Offering, the Issuer will have sufficient financial resources to undertake the initial recommended exploration program, the Issuer will require additional funds to explore and develop its properties. There is no assurance such additional funding will be available to the Issuer. Additional equity financing may result in substantial dilution thereby reducing the marketability of the Offered Securities. The Issuer may become subject to liability for hazards, including environmental hazards, against which it is not insured. The Issuer competes with other mining companies with greater financial and technical resources. Certain of the Issuer's directors and officers serve as directors or officers of other public and private resource companies, and to the extent that such other companies may participate in ventures in which the Issuer may participate, such directors and officers of the Issuer may have a conflict of interest. See “Risk Factors”.

GLOSSARY OF DEFINED TERMS

The following terms used in this Prospectus have the meanings ascribed to them below. This Glossary of Defined Terms is not exhaustive of the defined terms or expressions used in this Prospectus and other terms and expressions may be defined throughout this Prospectus.

Agent – Canaccord Genuity Corp.

Agency Agreement – The agency agreement dated as of January 27, 2012 between the Agent and the Issuer.

Agent Share – A Common Share of the Issuer, issuable on exercise of an Agent Warrant.

Agent Warrant – A Common Share purchase warrant issued to the Agent entitling the Agent to purchase one Agent Share at a price of $0.50 for a period of two years from the Closing Date of the Offering.

Broker Warrants – Prior to the filing of this Prospectus the Issuer issued non-transferable share purchase warrants to the Agent as partial consideration for the Agent’s efforts in assisting the Issuer to sell 3,106,000 Common Shares. There are share purchase warrants for the purchase of up to 294,600 Common Shares exercisable up to February 28, 2013, and 16,000 Common Shares up to March 14, 2013, all at a price of $0.25 per Common Share.

Closing – The closing of the Offering.

Closing Date – Such date or dates that the Issuer and the Agent mutually determine to close the sale of the Offered Securities of the Issuer offered pursuant to this Prospectus.

Code – The Issuer’s Code of Conduct.

Common Share – A common share without par value in the capital of the Issuer.

Corporate Finance Shares – The Common Shares of the Issuer issued to the Agent as the Corporate Finance Fee.

CRA - The Canada Revenue Agency.

Effective Date – The date the Securities Commissions issue a receipt for the final prospectus.

Engagement Agreement – The engagement agreement between the Issuer and the Agent dated as of September 28, 2011 in respect of the Offering, which is superceded in its entirety by the Agency Agreement.

Escrow Agent – Computershare Investor Services Inc.

Escrow Agreement – Escrow agreement dated September 15, 2011 among the Issuer, the Escrow Agent and principals of the Issuer.

Escrowed Securities – Common Shares escrowed pursuant to the terms of the Escrow Agreement.

Exchange – TSX Venture Exchange.

Fahiakoba Concession – A prospecting licence on a Concession near Fahiakoba, in the Amansie Central District of the Ashanti Region and the Upper Denkyira East District of the Central Region, in the Republic of Ghana.

Forward-Looking Information – Statements contained in this Prospectus that are not historical facts and are forward-looking statements or forward-looking information.

Goknet – Goknet Mining Company Limited.

Issuer – Asante Gold Corporation.

Listing Date – The date the Issuer's Common Shares are listed for trading through the facilities of the Exchange.

Mining Act (Ghana) - Means the *Ghana Minerals and Mining Act, 2006 (Act 703)*, as amended by the *Minerals and Mining Act, 2010 (Act 794)*.

Named Executive Officers – Douglas MacQuarrie and Philip Gibbs.

NI 45-102 – National Instrument 45-102, Resale of Securities.

NP 46-201 – National Policy 46-201, Escrow for Initial Public Offerings.

NP 52-110 – National Policy 52-110, Audit Committees.

Offered Securities – The Units offered by this Prospectus.

Offering – Has the meaning ascribed to it on the face page of this Prospectus.

Offering Price – $0.50 per Unit.

Private Company Units – The Issuer issued a total of 7,835,000 units at the price of $0.05 per unit on June 10, 2011, prior to the filing of the Prospectus. Each unit was comprised of one Common Share and one Private Company Warrant exercisable into one additional Common Share at a price of $0.25 per Common Share up to June 10, 2013.

Private Company Warrants – 7,835,000 share purchase warrants issued as part of the 7,835,000 Private Company Units.

Purchase Agreement – The Purchase Agreement dated June 15, 2011, as amended November 10, 2011, between the Issuer and Goknet relating to the Fahiakoba Concession.

Prospectus – Has the meaning of this prospectus.

Securities Commissions – The British Columbia Securities Commission and the Alberta Securities Commission.

Stock Option Plan – The Issuer's stock option plan approved by the directors of the Issuer on September 7, 2011.

Subscriber – A subscriber for Offered Securities subscribed for under this Offering.

Tax Act - The *Income Tax Act* (Canada).

Technical Report – The technical report entitled "Technical Report on the Fahiakoba Gold Project, Ghana, West Africa" dated October 24, 2011, as amended January 25, 2012, prepared by Donald G. Allen, MASc., PEng (B.C.).

Trust Agreement – The Trust Agreement dated October 25, 2011 between the Issuer and Goknet relating to the recorded title of the Fahiakoba Concession.

Units – The aggregate minimum of 3,000,000 up to a maximum of 4,000,000 Units qualified for distribution under this Prospectus.

Warrant Shares – Common Shares acquired on the exercise of the Warrants.

Warrants – The share purchase warrants comprising part of the Units, each whole share purchase warrant being exercisable for the purchase of one additional Common Share, at a price of $0.70 per Common Share, for a period of two years from the Closing Date.

GLOSSARY OF TECHNICAL TERMS

Conversion Factors

To Convert Metric Measurement Shares	To Imperial Measurement Shares	Multiply By
Grams (g)	Ounces (troy) (oz)	0.032
Grams per tonne (g/t)	Ounces (troy) per ton (oz/ton)	0.029
Hectares (ha)	Acres	2.471
Kilometers (km)	Miles (mi)	0.621
Square kilometres (km^2)	Square mile (mi^2)	0.386
Meters (m)	Feet (ft)	3.281
Millimeters (mm)	Inches (in)	0.039
Tonnes (t)	Short tons (2,000 pds)	1.102

Mineral Elements

Ag	Silver	H	Hydrogen
Al	Aluminum	K	Potassium
Au	Gold	Mg	Magnesium
B	Boron	Mo	Molybdenum
Ba	Barium	Na	Sodium
Ca	Calcium	Ni	Nickel
Cl	Chlorine	O	Oxygen
Co	Cobalt	Pb	Lead
Cu	Copper	S	Sulphur
F	Fluorine	Si	Silicon
Fe	Iron	Zn	Zinc

Unless otherwise indicated or inconsistent in the context, the following terms used in this Prospectus have the meanings ascribed to them below.

alluvium	Sediment deposited by flowing water, as in a riverbed, flood plain, or delta
anomaly, anomalous	A deviation from a normal value, suggestive of buried mineralization
argillite	A highly compacted sedimentary or slightly metamorphosed sedimentary rock consisting primarily of particles of clay or silt
arsenopyrite	A silvery grey metallic mineral consisting of a sulphide of iron and arsenic, FeAsS; a mineral commonly associated with gold mineralization
Birimian	A thick and extensive sequence of Proterozoic age metamorphosed sediments and volcanics first identified in the Birim region of southern Ghana
chlorite, chloritized	A group of usually greenish, soft minerals, (Mg,Al,Fe)(Si,Al)O(OH), that break into thin, flexible, micalike sheets and are usually found in metamorphic rocks
colluvium	A loose deposit of rock debris accumulated through the action of rainwash or gravity at the base of a gently sloping cliff or slope

conductor	Term used to describe a group of anomalously high conductivity results from electromagnetic surveys, measured in units of Siemens or milli Siemens
craton	A large portion of a continental plate that has been stable or relatively immobile since the Precambrian era
dacite	A fine grained light gray volcanic rock containing a mixture of plagioclase and other crystalline minerals
diamond drilling	Rotary drilling using diamond-set or diamond-impregnated bits, to produce a solid continuous core of rock sample
dip	The angle that a structural surface, a bedding or fault plane, makes with the horizontal, measured perpendicular to the strike of the structure
Eburnean orogeny	Term used to describe widespread gold forming event in West Africa (2130 to 1980 Ma)
Electromagnetic survey	Measurement of the apparent conductivity or resistivity of the sub-surface by recording the response of a secondary electrical field induced by the pulsing of a current through a fixed or mobile loop
fault	A surface or zone of rock fracture along which there has been displacement
ferricrete	Iron-rich indurated, or hardened, layer in or on a soil. Soil particles are cemented together by iron oxides (such as Fe_2O_3) precipitated from the groundwater to form an erosion-resistant layer
formation	A distinct layer of sedimentary rock of similar composition
g/t	1 gram per (metric) tonne = 1 ppm = 1000 ppb = 0.0292 troy ounce per short ton
Ga	Billion years
galamsey	Local term applied to informal miners
geochemical	The distribution and amounts of the chemical elements in minerals, ores, rocks, solids, water, and the atmosphere
geophysical	The mechanical, electrical, gravitational and magnetic properties of the earth's crust
geophysical surveys	Survey methods used primarily in the mining industry as an exploration tool applying the methods of physics and engineering to the earth's surface
granite	A common, coarse-grained, light-colored, hard igneous rock consisting chiefly of quartz, orthoclase or microcline, and mica
granitoid	A general name given to coarse-grained, light-colored, hard igneous rocks
granophile	Refers to mineralization or mineral deposits associated with granitoid
greenschist	A schistose metamorphic rock with abundant chlorite, epidote, or actinolite present, giving it a green color
greenstone	Any of various altered basic igneous rocks colored green by chlorite, hornblende, or epidote
greywacke	any dark sandstone or grit having a matrix of clay minerals
host rock	The rock in which a mineral or an ore body may be contained
hydrothermal	The products of the actions of heated water, such as a mineral deposit precipitated from a hot solution
igneous	Rocks that have solidified from magma
isocline	A geologic fold that has two parallel limbs

km	Kilometre
lithostratigraphic	Stratigraphy based on the physical and petrographic properties of rocks
M	Million
Ma	million years
Magnetic survey	One of the tools used by exploration geophysicists in their search for mineral-bearing ore bodies; the essential feature is the measurement of the magnetic-field intensity. Geologists and geophysicists also routinely use it to tell them where certain rock types change and to map fault patterns
magmatism	The formation of igneous rock from magma
mesozonal	Zone of development of mineralization or magmatism at moderate depth (7-16 km) in the earth's crust.
metamorphic, metamorphism	Change in structure or composition of a rock as a result of heat and pressure
mineral	A naturally occurring inorganic crystalline material having a definite chemical composition
mineralization	A natural accumulation or concentration in rocks or soil of one or more potentially economic minerals, also the process by which minerals are introduced or concentrated in a rock
National Instrument 43-101 or NI 43-101	Standards of disclosure for mineral projects prescribed by the Canadian Securities Administration.
ore	Mineral bearing rock that can be mined and treated profitably under current or immediately foreseeable economic conditions
ore body	A mostly solid and fairly continuous mass of mineralization estimated to be economically mineable
ore grade	The average weight of the valuable metal or mineral contained in a specific weight of ore i.e. grams per tonne of ore
orogenic	The formation of mountain ranges by intense upward displacement of the earth's crust, usually associated with folding, thrust faulting, and other compressional processes
Paleoproterozoic	Of a geologic era within the Proterozoic eon; about 2500 to 1600 million years ago,
phyllite	A compact lustrous metamorphic rock, rich in mica, derived from a shale or other clay-rich rock
ppb	Parts per billion, a measurement of concentration
ppm	Parts per million, a measurement of concentration. 1 ppm = 1000 ppb = 1 gram per tonne.
Precambrian	Period of geologic time, prior to 700 million years ago
Proterozoic	The more recent time division of the Precambrian; rocks aged between 2,500 million and 550 million years old.
QA/QC	Quality Assurance/Quality Control is the process of controlling and assuring data quality for assays and other exploration and mining data

Qualified Person	The term "qualified person" refers to an individual who is an engineer or geoscientist with at least five years of experience in mineral exploration, mine development or operation or mineral project assessment, or any combination of these, has experience relevant to the subject matter of the mineral project and the technical report and is a member in good standing of a recognized professional association
RAB drilling	Rotary air blast, a drilling method where sample is forced to the surface outside drill rods
radiometric survey	Radiometrics, also known as Gamma-Ray Spectrometry, is a measure of the natural radiation from potassium, uranium and thorium in the earth's surface, which can tell us about the distribution of certain soils and rocks. Geologists and geophysicists routinely use it as a geological mapping tool to tell them where certain rock types change
RC (reverse circulation) drilling	A drilling method using a tri-cone bit, during which rock cuttings are pushed from the bottom of the drill hole to the surface through an outer tube, by liquid and/or air pressure moving through an inner tube
resistor	the inverse of a conductor, expressed in units of ohm metres
rock	Indurated naturally occurring mineral matter of various compositions
saprolite	Saprolites form in the lower zones of soil horizons and represent deep weathering of the bedrock surface
schist	Metamorphic rock having a foliated, or plated structure called schistosity, in which the component flaky minerals such as muscovite, chlorite, talc, biotite, and graphite are visible to the naked eye
stockwork	A mineral deposit in the form of a network of veinlets diffused in the country rock
Strike	The direction or trend that a structural surface, e.g. a bedding or fault plane, takes as it intersects the horizontal
sulfide	A mineral including sulfur (S) and iron (Fe) as well as other elements; metallic sulfur-bearing mineral often associated with gold mineralization
Tarkwaian	A group of sedimentary rocks of Proterozoic age named after the town of Tarkwa in southern Ghana where they were found to be gold bearing
tectonic	Relating to the forces that produce movement and deformation of the Earth's crust
tectonostratigraphic	Relating to the correlation of rock formations with each other in terms of their connection with a tectonic event
tholeite	A silica-oversaturated fine-grained, igneous rock (basalt), that occurs as plateau lavas on the continental crust and as the main extrusive component of the ocean floor
tonne	Metric ton = 1000 kilograms = 1.102311 tons (short)
turbidite	A sedimentary deposit formed by a turbidity current
vein	A thin, sheet-like crosscutting body of hydrothermal mineralization, principally quartz
volcanic arc	A usually arc-shaped chain of volcanoes located on the margin of the overriding plate at a convergent plate boundary
VTEM	A proprietary deep sensing airborne geophysical survey system that identifies electrical conductivity of rock units

CORPORATE STRUCTURE

The Issuer was incorporated under the *Business Corporations Act* (British Columbia) on May 4, 2011 under the name "Asante Gold Corporation".

The Issuer's head office is located at 206 - 595 West Howe Street, Vancouver, B.C., V6C 2T5, and its registered and records office is located at 10th Floor, 595 Howe Street, Vancouver, British Columbia, V6C 2T5.

The Issuer does not have any subsidiaries.

DESCRIPTION OF THE BUSINESS

Narrative Description of Business

The Issuer is a mineral exploration company. Its principal activities consist of evaluating, acquiring, exploring and developing mining properties in the Republic of Ghana. The Issuer intends to use net proceeds from the Offering primarily to conduct exploration program on the Fahiakoba Concession in the Ashanti and Central Regions of Ghana. Exploration will consist of 5,000 metres of dominantly diamond drilling, although both RAB and RC drilling will be considered, depending on drill availability, concentrated on graphitic conductive shear zones, anomalous soil geochemical and grab sample results, resistive and potassium radiometric anomalies on the Fahiakoba Concession.

Mineral exploration and development of mining properties are anticipated to constitute the principal business of the Issuer for the coming years. In the course of realizing its objectives, it is expected the Issuer will enter into various agreements specific to the mining industry, such as purchase or option agreements to purchase mining claims and joint venture agreements.

History Since Incorporation

<u>Financings</u>

Since the date of incorporation on May 4, 2011, the following Common Shares have been issued:

Number and Class of Securities	Price per Security	Total Proceeds	Date of Issue
1 Common Share(1)	$0.01	$0.01	May 4, 2011
2,324,999 Common Shares(1)	$0.01	$23,249.99	June 10, 2011
7,835,000 Private Company Units(2) (3)	$0.05	$391,750	June 10, 2011
5,608,000 Common Shares(4)	$0.25	$1,402,000	August 31, 2011
193,000 Common Shares	$0.25	$48,250	September 14, 2011

(1) Escrowed Securities.
(2) 2,700,000 of the Units are Escrowed Securities.
(3) Private Company Units comprised of one Common Share and one Private Company Warrant, exercisable into one additional Common Share at a price of $0.25 per Common Share up to June 10, 2013.
(4) 360,000 of these Common Shares are Escrowed Securities.

<u>Property Acquisitions</u>

Since its incorporation, the Issuer has focused on acquiring a prospecting licence in the Ashanti and Central Regions in the Republic of Ghana, pursuant to the terms of the Purchase Agreement.

Principal Property – Fahiakoba Concession

On June 15, 2011, the Issuer negotiated an exclusive option to acquire a 100% legal and beneficial ownership interest in a prospecting licence in a Concession near Fahiakoba, in the Amansie Central District of the Ashanti Region and the Upper Denkyira East District of the Central Region, in the

Republic of Ghana (the "**Fahiakoba Concession**"), pursuant to the terms of the Purchase Agreement between the Issuer and Goknet. The rights under the prospecting licence are limited to the exploration of gold. To purchase the Fahiakoba Concession from Goknet the Issuer paid Goknet the sum of $50,630 representing Goknet's prior expenditures on the Fahiakoba Concession and agreed to incur exploration expenditures of US$200,000 per year for a period of five years from June 15, 2011. In the event the Issuer sells its interest in the Fahiakoba Concessions within two years from June 15, 2011, it must pay Goknet an additional sum, in cash, equal to 10% of the sale price. The Issuer also granted Goknet a 3% net smelter return royalty on production from the Fahiakoba Concession. Net smelter returns means the actual proceeds received by the Issuer from a smelter or other place of sale or treatment in respect of all ore produced by the Issuer from the Fahiakoba Concession as evidenced by its returns or settlement sheets after deducting from the said proceeds all freight or other transportation costs from the Fahiakoba Concession, to the smelter or other place of sale or treatment, but without any other deduction whatsoever.

The Fahiakoba Concession is currently recorded in the name of Goknet and is subject to the terms of the Trust Agreement between Goknet and the Issuer that specify that Goknet holds the Fahiakoba Concession in trust for the Issuer, and Goknet will act in good faith to transfer recorded title to the Issuer upon the Issuer incorporating the appropriate subsidiary companies and obtaining the required approvals from the appropriate regulatory authorities in the Republic of Ghana. The Issuer estimates it will take approximately three months to complete this process. The Purchase Agreement and the transfer of the Fahiakoba Concession from Goknet to the Issuer are subject to regulatory approvals in the Republic of Ghana and there is no assurance these approvals will be obtained. The Issuer has become registered in the Register of External Companies in the Republic of Ghana.

Goknet is related to the Issuer. Douglas MacQuarrie, the President, Chief Executive Officer and a director of the Issuer, is a director of Goknet. MIA Investments Ltd., a company owned by the MacQuarrie Family Trust, owns 21.5% of the shares of Goknet. The trustees of the MacQuarrie Family Trust are Douglas MacQuarrie and Roberta MacQuarrie. Roberta MacQuarrie owns 0.06% of the shares of Goknet. Refer to items "Other Material Facts" and "Risk Factors" in this Prospectus.

The Fahiakoba Concession is subject to a 5% royalty payable to The Republic of Ghana.

See "Mineral Projects – Principal Project" below for a full description of the Fahiakoba Concession.

The Issuer has no other properties.

MINERAL PROJECTS

Principal Project

The Issuer's principal mineral project is the Fahiakoba Concession in The Republic of Ghana.

Ghana, formerly known as the Gold Coast, is located in West Africa immediately north of the equator and on the Greenwich meridian. Ghana shares borders with Côte d'Ivoire to the west, Togo to the east and Burkina Faso (Burkina, formerly Upper Volta) to the north. To the south are the Gulf of Guinea and the Atlantic Ocean. Ghana has a total land area of approximately 239,540 square kilometres or approximately 23,954,000 hectares. Ghana's capital city, Accra, is located along the south-eastern coast.

In 1957, Ghana was the first country in sub-Saharan Africa to gain independence from the United Kingdom. Following a national referendum in July, 1960, Ghana became a republic. Ghana has a population of approximately 24 million people, most of whom are English-speaking.

Mineral Rights and Mining in Ghana

The right to explore for minerals and to develop a mine are regulated by the Minister of Lands and Natural Resources (the "**Minister**") through the Ghana Minerals Commission ("**Mincom**"), a governmental organization designed to regulate and manage the development of Ghana's minerals in accordance with the Ghana Constitution and the Mining Act (Ghana).

In Ghana, all minerals occurring in the natural state are the property of the Government of Ghana. Obtaining a Mining Lease does not transfer ownership of the mineral estate, but creates a temporary right to explore and benefit from minerals in exchange for royalty payments so long as the mining title remains in good standing.

Under the laws of Ghana, mining may only be carried out by bodies corporate or partnerships registered or established under the laws of Ghana. There are three types of mineral rights in Ghana that are granted and registered by the Government of Ghana, being reconnaissance licenses; prospecting licenses, to carry out exploration work and mining leases (the most advanced license). These rights are acquired by making an application to the Minister through Mincom. Under the Mining Act (Ghana), the grant of these rights is discretionary, however, in practice applications are generally considered on a first-come-first-serve basis.

The holder of a reconnaissance license has the exclusive right to carry out reconnaissance for the minerals specified in the license and to conduct other ancillary or incidental activity within the area covered by the license. The holder of a reconnaissance license also has the right to install camps and temporary buildings, but is not permitted to engage in drilling or excavation.

A Prospecting License grants the exclusive right to explore for a particular mineral in a selected area for an initial period not exceeding three years. A Prospecting License may be renewed for a further period of up to three years at a time, subject to the requirement of 50% shed-off or surrender of the licensed area at the time of each renewal/extension until such time as a minimum of 125 blocks (26 sq km) remains. There is no statutory limit on the number of times a Prospecting License may be renewed/extended. The Fahiakoba Concession covers an area of 22.06 sq km and, as a result, is not subject to the shed-off or surrender of any area.

The holder of a Prospecting License ("**PL Holder**") has the right to make boreholes and excavations, install camps and conduct other incidental activities. The license holder also has the right to conduct such geographic and geophysical investigations in the licensed area as it considers necessary to confirm the existence of an adequate quantity of geologically proven and mineable reserve of precious metals. The holder of a Prospecting License is required to commence prospecting activities within three months of issue of the license. The terms and conditions of a Prospecting License include marking out the prospecting area in a prescribed manner, advising Mincom of any discovery within 30 days of the date of discovery, expending the amount specified in the license and submitting reports as and when specified, repairing any damage caused by its activities (including removing camps), and employing and training Ghanaian personnel.

The rights granted by a Prospecting License are subject to certain restrictions imposed by land owner rights including cattle grazing and land cultivation. The PL Holder must not hinder or prevent members of the local population from exercising customary rights and privileges in or over a licensed area (including hunting, gathering firewood and collecting snails). The PL Holder may however make arrangements with the local landowners for a waiver of these rights, which may include compensation. The compensation may be for deprivation of the use of the land, loss or damage to immoveable properties and loss of expected income (if the land is cultivated), but may not include compensation for access to the land, the value of any mineral derived therefrom or loss or damage that is not capable of being assessed according to applicable legal principles.

The PL Holder must obtain the prior consent of the Minister prior to conducting any operations within 20 metres of any building, installation, reservoir, dam, public road, railway or any area appropriated for a railway and in any area occupied by a market, burial ground, cemetery or within a town or village or an area set aside for, used, appropriated or dedicated to a public purpose.

The PL Holder must surrender, upon renewal, not less than 50% of the area covered by the license, provided that any such surrender would not leave the PL Holder with less than 125 blocks (with one block representing 21 hectares of land). However, a PL Holder may apply to the Minister for relief from the obligation to surrender land and the Minister may exempt that holder from the requirements of the applicable section of the Mining Act (Ghana) for a maximum period up to twelve months only.

Prospecting Licenses may be converted into Mining Leases upon application and the applicant is required to provide evidence that a mineral exists in commercial quantities. The area covered by a Mining Lease shall not be less than 21 hectares representing one block and not more than 300 contiguous blocks.

A Mining Lease confers upon its holder ("**ML Holder**") the right to mine for the specified mineral and undertake any operations that are directly or indirectly necessary or incidental thereto. A Mining Lease is granted for an initial term of up to 30 years and may be renewed for a further period of 30 years. Upon ministerial approval, the ML Holder may suspend operations for a period not exceeding 12 months.

The ML Holder is not required to meet minimum exploration expenditures but is required to implement an approved mining plan and submit quarterly, semi-annual and annual reports of the results of its activities and pay ground rent.

The Minister may enter into a stability agreement with the ML Holder to ensure that, for a period of 15 years, the ML Holder will not be adversely affected by any new enactment, regulation or order (including those relating to the payment of customs duties, royalties and taxes).

A mineral right may be cancelled if the holder fails to make payments when due, becomes insolvent or bankrupt, makes a false statement or becomes ineligible to apply for a mineral right.

Government Free Carried Interest

The Government of Ghana is granted a 10% free carried interest in all Mining Leases in Ghana, with no capital contribution. This interest is granted when a Prospecting License is converted to a Mining Lease upon completion of an application to Mincom. This 10% carried interest entitles the Government of Ghana to a pro-rata share of future dividends. The Government of Ghana also has the right to purchase up to a further 20% interest in the capital of the Ghanaian operating subsidiary, that will operate a mine in Ghana, if and when incorporated, upon such terms as may be agreed where any minerals are discovered in commercial quantities. The right of the Government of Ghana to purchase a further 20% interest is contingent on it obtaining the consent of the holder of the mining right. To date, the Issuer is not aware of any circumstances where the Government of Ghana has made such a request of any ML Holder. See "Risk Factors – Increase in Ownership Interest by the Government of Ghana".

The Government of Ghana also recently announced that it will be engaging companies to address the issue of dividend payment, exemptions and the mining sector fiscal regime, generally. As a result of these discussions, the Ghanaian government could amend the Mining Act (Ghana) or other regulations resulting in a material adverse impact on the Issuer including increases in operating costs, capital expenditures or abandonment or delays in development of mining properties.

Royalty Requirements

Under the *Mining Act* (Ghana), an ML Holder is required to pay a flat royalty of 5% on total mining revenues.

Environmental Regulations

All environmental matters in Ghana, including those related to mining, are regulated by the *Environmental Protection Agency Act*, *1994* and the *Environmental Assessment Regulations, 1999* LI 16 which are administered by the Ghana Environmental Protection Agency (the "**Ghana EPA**") and govern environmental impact statements, mine operations and mine closures and reclamation.

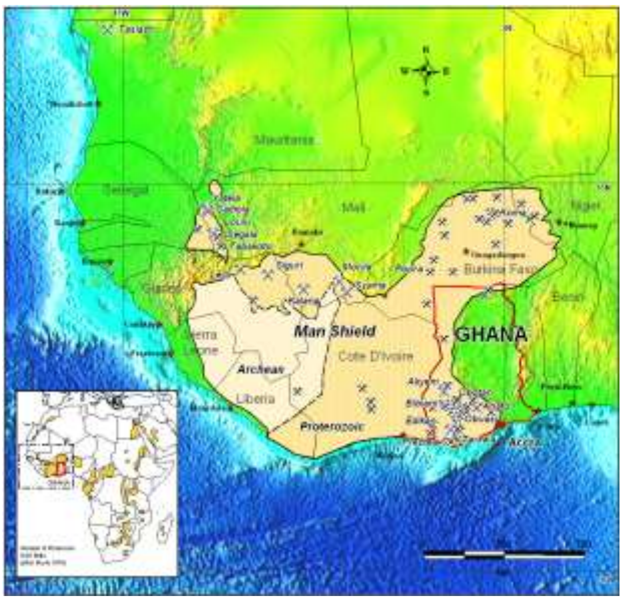
Persons proposing to undertake the mining and processing of minerals are required to register their activities with the Ghana EPA and obtain an environmental permit prior to commencing such activities. Additionally, no person may commence activities in respect of an undertaking, which in the opinion of the Ghana EPA, has, or is likely to have an adverse effect on the environment or public health unless, prior to the commencement thereof, the undertaking has been registered with the Ghana EPA and an environmental permit has been issued by the Ghana EPA in respect of the undertaking.

The following project description is derived from the Technical Report on the Fahiakoba Concession, entitled "Technical Report on the Fahiakoba Gold Project, West Africa". The Technical Report was prepared by Donald G. Allen, MASc., PEng (B.C.), who is a qualified person for the purpose of National Instrument 43-101 – Standards of Disclosure for Mineral Projects. The Technical Report is available for review under the Issuer's profile on the SEDAR website at www.sedar.com. The entire Technical Report is incorporated by reference into this Prospectus. The following sections are derived from the Technical Report and are qualified by reference to the Technical Report in its entirety. Readers are encouraged to review the Technical Report. Goknet will be the initial operator of the exploration program set out in the Technical Report.

DESCRIPTION OF PRINCIPAL MINERAL PROJECT

Property Description and Location

The Fahiakoba Prospecting Licence ("concession" or "licence" or "property") is located in south west Ghana, West Africa, and covers an area of 22.06 km². The project area on the north side of the Ofin River is located near Fahiakoba, in the Amansie Central District of the Ashanti Region, and the Upper Denkyira East District of the Central Region of Ghana. The concession covers a 10 km long section of the Ofin River valley and the adjacent low rolling hills.



Ghana Location Map – West Africa

The property lies along the western margin of the Ashanti Gold belt and along the Ashanti-Ayanfuri gold trend. It is bordered by concessions held by various groups including Perseus Mining Ltd.'s ("Perseus") Central Ashanti Gold Project ("CAGP", recently renamed Edikan) at Ayanfuri. It is situated 22 km southwest of AngloGold Ashanti's Obuasi mines, operated since 1897 with gold reserves and resources of 9.52 and 35.41 M ounces respectively; 5-11 km northeast of Perseus' Edikan Gold Project with 4.32 M ounces reserves and resources, which initiated production in 2011; and 10 km west of PMI Gold Corporation's ("PMI Gold") Kubi Main deposit with measured and indicated resources of 112,000 and 121,000 ounces (PMI Gold news release, December 10, 2010) respectively (all NI 43-101 compliant).

Dunkwa-on-Ofin (Dunkwa) is the closest major town to the concession. Access to the south side of the concession is an easy 8 km drive from Dunkwa. Access to the north side (on north side of the Ofin River) is about a 1 hour drive.

The Fahiakoba Concession is a 2 year renewable prospecting license for gold granted October 3, 2008 by the Ghana Minerals Commission, File Number LR52/2009. Pursuant to the legislation, field work was completed and a terminal report filed, resulting in a one year extension to September 25, 2012.

The Fahiakoba prospecting licence is registered in Ghana with the Mineral's Commission in the name of Goknet. Pursuant to an agreement dated June 15, 2010, the Issuer purchased a 100% interest in the license from Goknet, subject to a 3% NSR royalty to Goknet. The Issuer must expend a minimum of US$200,000 per year for 5 years to maintain its interest. On completion of the work program included herein, the Issuer will have completed its full expenditure requirements.

Should future results warrant, and a mining lease ultimately be granted to the Issuer, it will provide for the rights to exploit the mineral defined in the lease and to take surface materials required for the operations within the lease area. The Government of the Republic of Ghana is entitled to a free carried 10% interest in any mining operation in the country, and has no obligation to contribute to development or operating expenses and has the additional right to purchase up to a further 20% interest upon such terms as may be agreed where minerals are discovered in commercial quantities. The government of Ghana currently charges a 5% royalty on mining production.

The license area has been the subject of extensive historical and current alluvial mining operations along the Ofin River valley. The Fahiakoba license does not reference any outstanding environmental liabilities. Although there are numerous legal small scale and illegal alluvial gravel washing operations on the concession, these are not expected to overly interfere with the future exploration or development of the license.

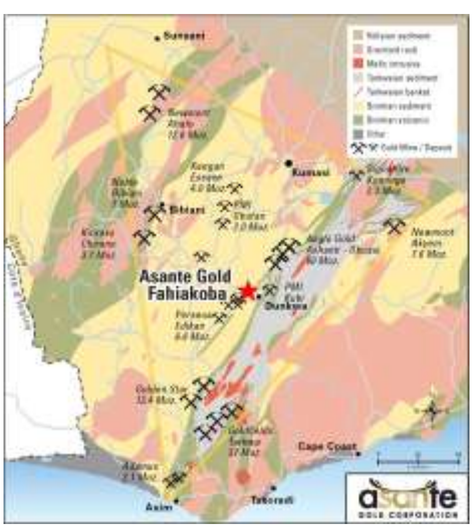
There has been no known modern exploration work conducted on the concession other than that reported herein. Other than the gold bearing ancient river deposits, no potential economic mineralization in bedrock has been found to date on the concession; however approximately a one metre grab sample of quartz veined weathered granite and wallrock returned a gold value of 2.05 g/t, and quartz veined metasedimentary rocks have returned weakly to moderately anomalous gold values (50-180 ppb, to 570 ppb on umpire analyses).

Numerous alluvial gravel washing operations which exploit ancient river channels are present in the concession area along the Ofin River. The Issuer does not expect any liabilities to develop as a result of these operations.

The Issuer will acquire as necessary the permits to conduct the proposed exploration work.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

Dunkwa, the closest major town to the concession, is 320 km northwest and 4.5 hours by paved highway from the capital Accra. It is also on the major north south highway connecting the port at Takoradi with Kumasi, Ghana's second largest city, and passes major mining operations at Tarkwa, Ayanfuri and Obuasi. The south side of the concession (south side of the Ofin River) is accessible by vehicle from Dunkwa by all weather gravel road, less than one half hour's drive, passing through the village of Pokukrom. The north side (of the Ofin River) is accessible via the Dunkwa-Obuasi highway, and all weather gravel road, about a 1 hour drive passing through the village of Fahiakoba.



Fahiakoba Concession Location and Regional Geology, Deposits

The Project area has a south western equatorial climate with seasons influenced by the moist south west monsoon winds from the South Atlantic Ocean and the dry north east trade winds. The mean annual rainfall is approximately 1,500mm with peaks of more than 17fp0mm per month in June and October. The driest period of the year is from January to March when the dry and dusty Harmattan wind blows southwards off the Sahara desert. During the dry season rainfall averages 54 mm per month. The mean annual temperature is approximately 25 degrees with daily temperatures ranging from 22 to 32 degrees. Relative humidity varies from 61% in January to a maximum of 80% in August and September. Low areas on the concession near the Ofin River may flood temporarily during periods of exceptionally heavy rainfall.

Surface rights are held by subsistence farmers. Negotiations will be held with land owners to negotiate compensation for any potential surface disturbance. Water for drilling purposes is available from the Ofin River or in pits being developed by artisanal miners. The nearby village of Fahiakoba, immediately to the north of the concession, is serviced by the Ghana national power grid. Any potential mining operations including potential tailings storage areas, waste disposal areas, heap leach pads and processing plant sites can take advantage of reclaimed land from current and past alluvial operations.

The Fahiakoba licence straddles the Ofin River which occupies a valley, about 0.5 to 1.2km wide, bordered by gently undulating hills. Elevations range from 120m to about 180m above sea level.

Much of the concession area is agricultural land comprised of farms of cocoa, casava, oil palm and corn, locally with secondary scrub forest.

History

There has been no known modern exploration work conducted on the concession other than that reported herein. The Fahiakoba concession is bisected by the Ofin River, and covers a part of the former Dunkwa Continental Mining Lease, alluvial operations. Alluvial gold deposits along the Ofin River were probably exploited for many centuries. Gold dredging activities were active from 1930 for nearly 70 years on the Ofin, and Ankobra Rivers (Asankrangwa gold belt) and the Oda and Jeni Rivers (Ashanti gold belt). The dredging operation was based in Dunkwa, and during this period some 1.45 M ounces of gold were recovered, with dredge production peaking in the early 1960's at 69,000 ounces per year (Minerals Commission, 2002).

The Issuer acquired the Fahiakoba prospecting license from Goknet, a Ghana incorporated company whose Managing Director and co-founder is the President and CEO of the Issuer. Total consideration paid to Goknet was US$51,976 to cover Goknet's acquisition, exploration and development costs to the date of the acquisition, and a 3% NSR royalty on production from the license.

Geological Setting

Regional Geologic Setting

The property lies in the Paleoproterozoic Birimian Shield of the West African craton along the Akroprong gold belt, a crustal lineament that subparallels the Ashanti gold belt. The Akropong belt, in the area of the concession, is about 15 km west of the Ashanti trend, and gradually merges with it to the north at Obuasi. It hosts the gold deposits of Edikan (Ayanfuri), Ashanti (Obuasi), Konongo and other small and/or abandoned gold occurrences (Wille and Klembd, 2004).

The following summary has been extracted from a number of sources included in the reference section of the Technical Report.

The Birimian Shield hosts a number of world-class gold deposits broadly related to a period of accretion of Paleoproterozoic juvenile volcanic-arc terranes against the Archean Man (Liberian) craton (adjacent to the west of the Birimian Shield) between 2450 and 2070 Ma. This long-lived period of episodic crustal accretion and deformation resulted in the amalgamation of this juvenile crust into the Birimian granite-greenstone belts of the West Africa craton. The Archean Man Shield was also reworked along its margins at this time, resulting in variable overprinting and isotopic resetting of 3.3 to 3.5 Ga and ~2.8 Ga crustal domains. The Birimian belts of West Africa not only provide a complete record of crustal growth, but also host a number of world-class gold deposits, many of which have been related, in some way, to the orogenic processes associated with the Eburnean orogeny. Several large tonnage examples of mesozonal deposits associated with arc related plutons have been described across West Africa (Olson et al., 1992; Oberthür et al., 1998; Pigois et al., 2003; Allibone et al., 2004), but hydrothermal alteration in these settings has typically affected both the granites and the host rocks such that the links between arc magmatism and gold mineralization are obscured. In fact, mesozonal gold deposits are not considered to be genetically linked to granites (e.g., Groves et al., 2003). However, in settings where gold mineralization is proximal to unaltered granitoid plutons, the potential applicability of intrusion-related gold models (Milési et al., 1992; Thompson et al., 1999; Baker and Lang, 2001; Blevin, 2004; Hart, 2007) to the magmatic arc belts of West Africa has recently being recognized at the Morila gold deposit in Mali.

Mineralization in southwest Ghana occurred over a protracted interval between 2100 to 2065 Ma during a minor transcurrent deformation event, soon after the cessation of regional-scale contractional deformation (Allibone et al. 2002a, b). The similar timing and structural setting of mineralization in southern Mali and southern Ghana suggest much, if not all, mineralization within the Paleoproterozoic rocks of West Africa formed during a single region-wide event at the end of ca. 300 million years of magmatism, accretion and related deformation along the margins of the Archean Man craton.

Regional and detailed geology and genesis of gold in the Birimian of Ghana, and many of the major gold deposits in West Africa and Ghana have been studied and reported by many workers (see references). As summarized by Enders, et al, the Birimian Shield consists of metasedimentary and volcanic sequences that are intruded by mafic to felsic intrusions. Mafic volcanic and sub-volcanic intrusions occur dominantly in the eastern portion of the shield in Ghana and parts of Cote d'Ivoire and Burkina Faso. Integrated lithostratigraphic, structural, metamorphic and metallogenic data indicate five distinctive tectonostratigrapic domains in the shield, including the highly prospective greenstone belts of Ghana. In southwest Ghana there are four relatively narrow north-east trending volcanic belts, from east to west they are: Kibi, Ashanti, Asankrangwa, and Sefwi. These structural zones are separated by the Cape Coast, Kumasi, and Sunyani sedimentary basins. The belts and basins contain a variety of intrusions locally distinguished as Cape Coast and Dixcove types. The Birimian volcanics and sediments are interbedded with Tarkwaian conglomerates and overlain by Voltaian sandstone.

In a study of airborne geophysical data in the southern Ashanti Belt, Perrouty et al (2010) suggest the presence of 5 deformation events, corresponding to the Eburnean orogeny and associated with magmatism between 2200 and 2000 Ma. The first phase of shortening (D1), prior to the deposition of the Tarkwaian sediments, is followed by the main tectonic sequence (D2-D3), at around 2.1 Ga, characterized by large folds oriented NE-SW in the Birimian and in the Tarkwaian. After D3, two other deformation events occurred: D4 with sub-horizontal cleavage and recumbent folds and then, D5 with a NE-SW shortening. Gold mineralization and associated sulphides could be correlated with D1, D2 and D3 deformations.

Southern Ghana is endowed with numerous world-class orogenic gold deposits in the Ashanti and Sefwi belts, including Obuasi, Edikan, Konongo, Prestea, Bibiani, Obotan and Chirano plus Newmont's Ahafo and Akyem deposits. These deposits are hosted by a variety of rock types and commonly are controlled by a network of second-order thrust faults that are splays from regional-scale faults at or near belt-basin margins.

Local Geology

The local bedrock geology of the concession is largely inferred from the regional reconnaissance geological map carried out by the Ghana Geological Survey, and by interpretation of airborne magnetic and VTEM data. The area is underlain by northeast trending Birimian metasedimentary rocks. The Birimian rocks are isoclinally folded with generally near vertical dips. The general trend of these folds is north-northeast to northeast. Northeast trending fault zones are characteristic of the region as found elsewhere in the Birimian. Gold mineralization is commonly associated with these fault zones (lineaments), which are useful exploration targets. A prominent north-northwest feature on the aeromagnetic map is an inferred mafic (dolerite) dike, presumably of Mesozoic age, that cuts through the concession.

Property Geology

At least 70% of the concession is covered by transported alluvial material. Bedrock exposures are rare, and are found mainly on roadcuts or when briefly exposed at the bottom of galamsey pits. Bedded greywackes and graphitic mudstones and foliated phyllite and schists are the dominant rock types in the few outcrops observed. Bedding and foliation strikes NNE to WNW with vertical to steep dips to the northwest. Graded bedding in two locations indicates top of the sedimentary sequence to the northwest. Quartz is present in these outcrops as interfoliated veins to 30cm wide, in narrow stockworks with sericite, and in float as cobbles and boulders to 1.5 metres in diameter. One exposure believed to be heavily weathered granite was discovered at the bottom of a galamsey pit, from which approximately a one metre wide grab sample of quartz veined granite returned a gold value of 2.05 g/t (D. R. MacQuarrie P.Geo. (B.C.), personal communication. The pit was filled with water when the author attempted to revisit and sample the exposure. In addition to examining the SGS analytical certificate for the grab sample, the author has reviewed a number of date stamped and GPS location photos of the sample site and surrounding area. The group of anomalous auger drill gold-in-soil results in the vicinity of this galamsey pit, and the heavy limonitic alteration noted in the pit and in spoil from the pit is further verification of the validity of this result. The author therefore believes that the sample was collected from a quartz veined granite where indicated (UTM WGS84 Zone 30N 628617E, 666963N), and that the grab sample result is reliable.

The weathering profile varies significantly from hilltops to valley bottoms. Overall, the profile displays weak to moderate classic saprolite development. Hilltops and ridgelines have oxidized and weathered, but in place outcrop at the surface with a thin layer (to 1.5m) of organic-rich soil cover. Down slope, the thickness of soil cover is variable, but appears to increase as does the development of a clay zone between soil and saprolite. Boulders of ferricrete have been observed in places along ridges and lower slopes.

Fahiakoba Location, Local Geology

Where soil is relatively thin and saprolite is poorly developed along ridgelines, soil geochemical samples probably are point anomalies reflecting the rock geochemistry immediately beneath the sample location with little dispersion. Samples collected in topographically low areas where saprolite and soil development is more intense and thicker need to be assessed with a lower anomaly threshold value due to dilution and weaker geochemical detection through thicker profile. Rebagliati (2005, at Keegan's Asumura project) have indicated that a relatively weak gold geochemical value (50 ppb) over thick saprolite or valley alluvium may be of equal geochemical significance as a 1000 ppb value high on a ridge over thin, poorly developed soil.

Ferricrete (ferruginous duricrust) which is mostly developed under tropical climates characterized by alternating wet and dry seasons has been observed as loose boulders in a number of localities in the Fahiakoba grid area. Their observed presence on moderate slopes and even on hilltops, suggests the presence of a former planation surface. If so the ferricrete could have a masking effect on any possible gold geochemical expression.

Exploration

Overview

The acquisition of regional airborne data in areas of poor exposure or sparse data coverage greatly enhances overall geologic understanding. In general, owing to the generally low relief conditions in Ghana and deep weathering profiles, surface exploration is conducted using an integrated approach, soil geochemistry, airborne geophysics (electromagnetics, magnetics, radiometrics) and ground geophysics. Cox and Amanor (1999), for example, report that targets at Obuasi as low as 50 ppb gold and 50 ppm arsenic are followed up by excavator trenching and drilling. They also report discovery of three oxide gold deposits that have been delineated and evaluated by the above low level soil anomalies.

Apart from ongoing surface mining of buried river channel alluvials by third party groups including galamsey, no modern exploration or drilling has been carried out on the concession. Following up on the positive results from a high resolution magnetic and radiometric survey completed by New Resolution Geophysics of South Africa for Goknet, and because of the limited presence of rock exposures, the Issuer contracted Geotech Airborne Ltd. of Barbados, to conduct an airborne Versatile Time Domain Electromagnetic (VTEM) surveys. The purpose of the surveys were to identify faulted and or bi-furcated geological contacts, granitic intrusions and zones of silica alteration (resistive rocks) and graphitic shears (conductive rocks), features commonly associated with gold mineralization in the Ashanti Belt. Intersections of secondary cross structures with the main regional structures, in particular on fold (anticline) axes, are considered to be potential targets for hosting gold mineralization. The VTEM results have outlined significant anticlinal and offset fault structures that are also considered prime drill targets.

Consulting geologist Felix Sibsa, on behalf of the Issuer, and in part supervised by the author, was contracted to organize and conduct a program of auger soil sampling. Mr. Boateng Ghymah managed the program in the field. Mr. Sibsa and Mr. Ghymah are both graduate Ghanaian geologists. Mr. Sibsa is a shareholder of the Issuer. The object of the program was to identify potential drill targets by laying out a grid across airborne defined structural trends and radiometric anomalies, and collecting and analyzing soil and saprolite samples. Samples were submitted to SGS Laboratories in Tarkwa for analysis for gold. Limited gold pathfinder element arsenic and ICP analysis was also completed.

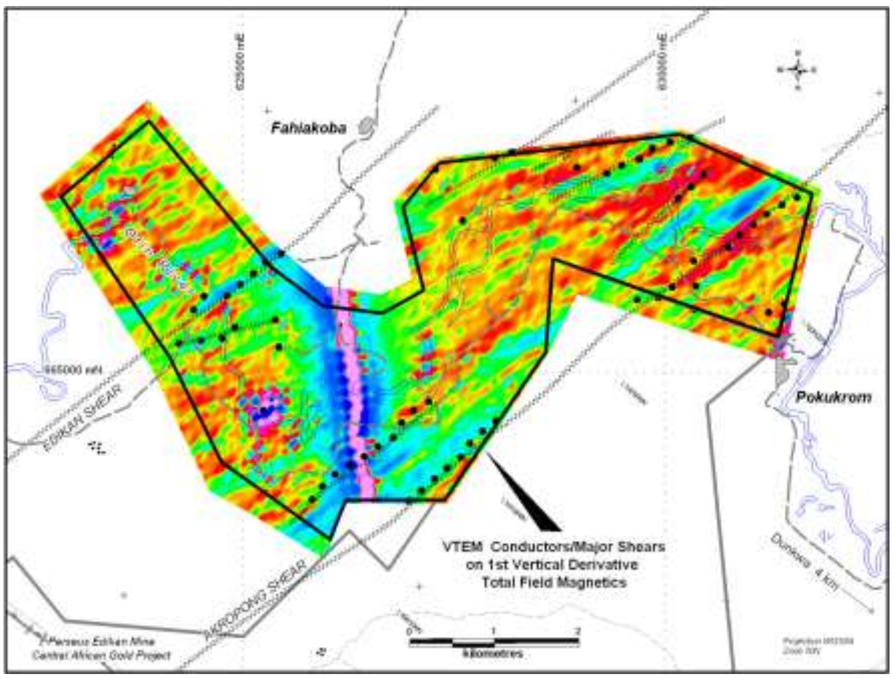
Airborne Magnetic and Radiometric survey

During 18th to 28th June, 2010, New Resolution Geophysics of South Africa (NRG) carried out a high resolution XPlorer magnetic and radiometric survey for Goknet Mining Company Ltd. of Accra.

The objective of the magnetic survey was to identify structural trends/shear zones and major cross structures. The NRG Xplorer system uses a composite fixed-boom horizontal gradient sensor configuration mounted on an ASTAR350 series helicopters.

Aerial gamma-ray radiometric surveys reflect geochemical variations of potassium, uranium and thorium in the upper 30cm of the Earth's surface. Radiometric surveying thus provides a powerful, cost-effective means of mapping outcropping and subcropping geology. Radiometric potassium has been shown to define granitoid bodies such a granite, granodiorite or monzonite which in certain mineralized belts not only host gold mineralization, (e.g. Edikan, Obuasi, Obotan, etc.), but also appear to be an important empirical indicator of gold mineralization.

A total of 1040 line kilometres covering the Fahiakoba concession and surrounding area, were flown at 100 metre line spacing. NRG utilizes a horizontal boom mounting to separate magnetic sensors that allow for measurement of the horizontal gradient of the magnetic field. Incorporating the magnetic gradient in gridding algorithms provides significant improvement in delineating line parallel features, spatial positioning of off-line anomalies and overall resolution of the magnetic data. The AS350 platform was flown at an average survey height of 30 vertical meters from ground surface. The NRG magnetic survey was effective at mapping two major NE trending shear zones – which are spatially related to the margins of the Akropong gold belt – see figure below 1st Vertical Derivative Magnetics Map (red is high magnetic gradient and blue low magnetic gradient). The shear zones are outlined by the northeasterly trending blue colourations. The major contact area between blue and red colourations is indicative of a change in lithology, unconformity or fault contact. Sharp changes in strike direction of the shear zones from the regional trend/foliation of circa Az. 040° are indicative of the presence of cross structures which elsewhere in Ghana are often intimately related with late Eburnean deformation and gold mineralization.



NRG 1st Vertical Derivative Magnetics Map (VTEM conductors, major shears noted)

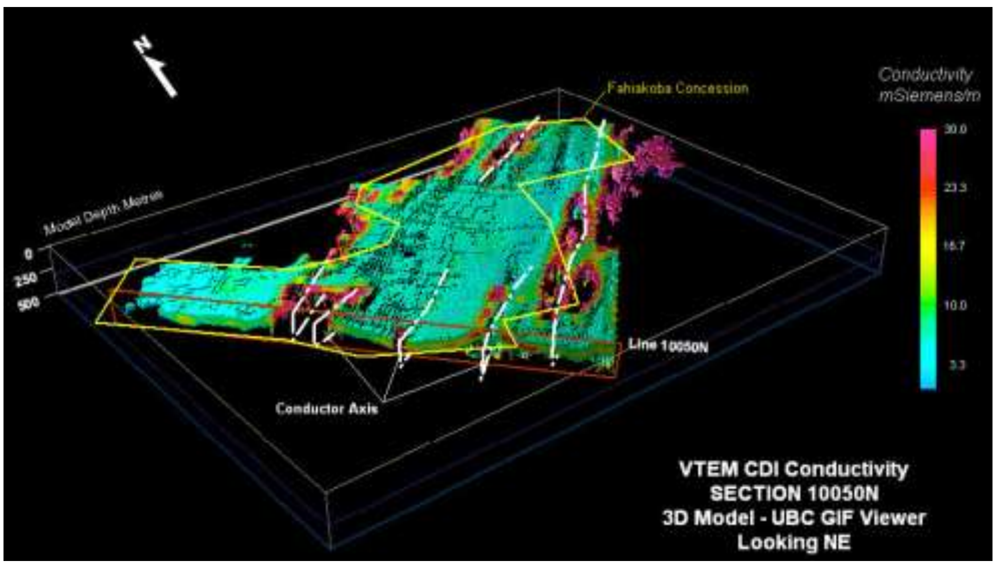
In the radiometric results, distinct potassium highs were noted on the south eastern and north western parts of the concession. Analysis of the Potassium/Thorium counts ratio map highlights areas with anomalous potassium enrichment and clearly outlines areas of recent galamsey and other surface disturbance along the Ofin River; three areas along the south eastern and north western concession boundaries, and in the north eastern part of the concession, which appear to have a geological correlation and may indicate the presence of granite emplacement or alteration.

Airborne VTEM Survey

An airborne VTEM survey was conducted over the Fahiakoba concession from July 3 to 5, 2011 by Geotech Airborne Limited of Barbados. The purpose of the survey was to map to depth the ground conductivities (which reflect geology) in order to further define the previously outlined shear zones and potential granitic bodies. The VTEM coincident vertical dipole transmitter – receiver configuration provides a symmetric system response. Any asymmetry in the measured EM profile is due to conductor dip, not the system, or direction of flying. This allows for easy identification of the conductor location and for interpretation of the EM data. The VTEM system is reported to have excellent depth penetration and high spatial resolution capabilities along with superior resistivity discrimination for detection of weaker anomalies (http://www.geotech.ca/). A total of 162 line kilometres were completed with a line spacing of 200 metres.

As stated by Thomas (2010), Airborne EM techniques are an integral exploration technology in the search for gold deposits along the greenstone belts in southwest Ghana. Berge (2011) has pointed out that gold deposits of the Ashanti gold belt occur mainly as auriferous quartz veins in graphitic shears proximal to contacts between deformed and metamorphosed turbidites and tholeiitic volcanics or alternately block-faulted Tarkwaian sediments. Since graphite is an excellent electrical conductor, graphitic shears often respond as conductive targets with electromagnetic surveys. Thomas (2010) summarized Geotech's use of VTEM surveys in Ghana with 4 case histories, the results of which demonstrated the performance of VTEM in the identification of gold targets based on the recognition of discrete conductive features and a structural analysis of the conductivity and magnetic outcomes along the greenstone belts.

Conductivity depth inversion (CDI) sections were produced for each line. The CDI 3D Isometric image below shows a bird's eye view of the conductivity model looking north east from the area of the Perseus Edikan Mine towards Fahiakoba.



Geotech Conductivity depth inversion (CDI) sections viewed as 3D image

The conductive rocks are interpreted to be metaphyllites +- graphitic phyllites; and the resistive rocks metagreywackes and or metavolcanic sediments. This figure also shows the various interpreted conductor axis, generally occurring along conductivity breaks or contacts and are interpreted to represent graphitic shears +/- stockwork or shear type sulphide mineralization.

The top 8 cells of the model were trimmed in order to remove the conductive surface layer. The model is cut at Line 10050N and clearly shows the regional scale folding and faulting. Highly folded and faulted structures are considered prime targets for follow up drilling.

Auger Soil Geochemical Survey

A program of auger sampling of soil and saprolite was conducted during the period of June 21 to August 11, 2011. A total of 21.5 km of cut and/or flagged lines were prepared at 200 m intervals perpendicular to structural trends defined by the airborne geophysical surveys. Sampling was conducted using 3 motorized hydraulic augers. Approximately 25% of the concession area was amenable to sampling, since most of the area is in alluvial flats of the Ofin River and, in part, are currently being exploited by alluvial mining.

A total of 2,304 m were drilled in 531 holes (529 sampled) at a spacing of 25 metres. In general, 2 samples were collected from each site; one grab sample of alluvium, and one composite sample of the saprolite where it could be reached. Soil and saprolite gold values range from below detection limit (0.005 ppm Au) to a maximum of 0.56 ppm (560 ppb or 0.56 g/t) Au.

The best grouping of gold anomalies in soils occur near the galamsey pit with the 2.05 g/t Au showing in weathered granite. This location is where a strong east-west structure inferred from the magnetic map truncates the northeast-southwest structural trend, and is therefore considered one of the top priority drill targets. Auger sampling on the south end of the westernmost VTEM conductor is also anomalous; as well as the VTEM anomalies on the inferred anticline structures in the southern part of the concession. In this latter area, the VTEM conductor located circa 800 m to the west of the inferred trace of the Akropong shear is also apparently truncated by an east-west structure and is therefore also considered a prime drill target.

In this program and based on others in West Africa, geostatistical analysis of gold results determined a threshold value of 25 to 50 ppb Au. Considering the thickness of alluvium over much of the Fahiakoba concession, and possible masking effect of ferricrete, all gold values above a threshold of 25 ppb (0.025 ppm) in saprolite are considered to be anomalous.

Geological Mapping

At this time only a handful of bedrock exposures have been found in and around the property. This has precluded the implementation of a detailed mapping program. Nevertheless, in a few exposures of metagreywacke with interbedded graphitic phyllite at the bottom of galamsey pits, and stockwork quartz +/- sericite veining has been observed. Of particular interest is the stockwork veining in a grab sample of weathered granite which returned a significantly anomalous gold value of 2.05 g/t.

Interpretation

Airborne magnetic and electromagnetic surveys have demonstrated that structures/lineaments hosting gold mineralization at Edikan appear to strike through the Fahiakoba concession. Intersections of east-west trending lineaments with major northeast structures are considered particularly important targets for drilling.

Airborne geophysical surveys have delineated a number of geophysical anomalies and structural features which have been shown to be associated with gold mineralization in the Ashanti Gold belt and which warrant drill testing. These features include:

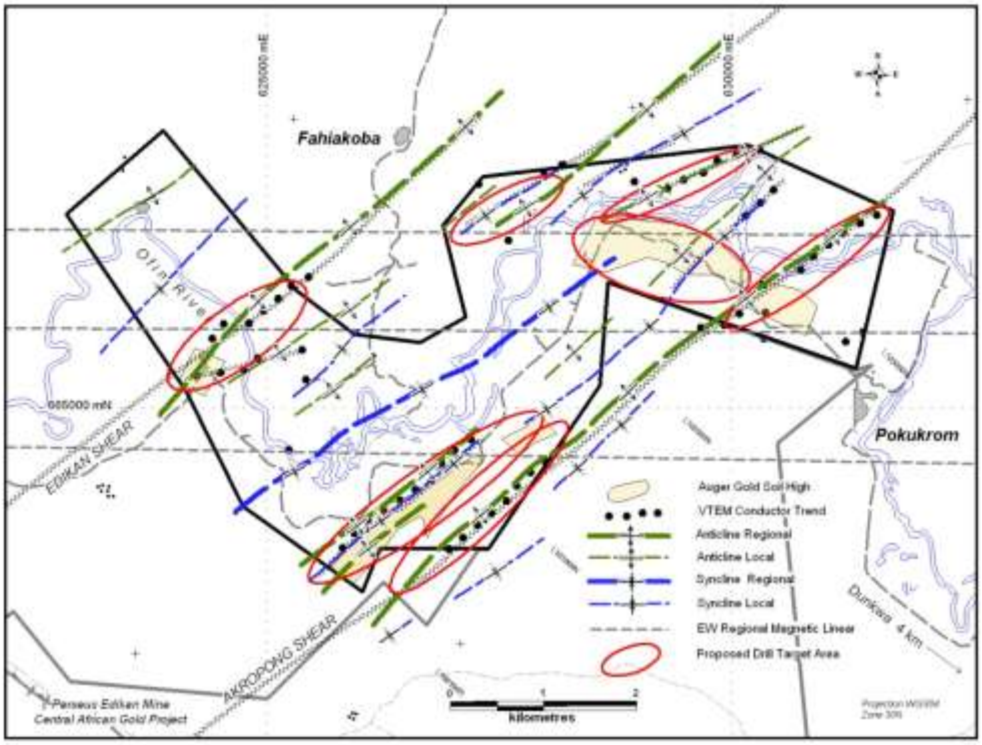
- north-northeast-south-southwest structural trends, believed to define the Akropong and Edikan fault zone (host to gold mineralization at Edikan and Pampe);
- conductive zones (possibly graphitic shearing or stockwork sulphide mineralization)
- east-west trends, faults which offset (and possibly reactivated) north-northeast-south-southwest trending shears;
- evidence of folding;
- evidence of granitoid intrusions (potassium radiometric anomalies), which host or are intimately related to the major gold mineralization at Edikan and Obuasi.

Saprolite and alluvial (in brackets) soil sample results range from below detection limit of <1 ppb Au to a maximum of 560 (460) ppb Au, with a mean value of 18 (16) ppb and a standard deviation of 50 (36) ppb Au.

Many of the anomalous soil sampling results appear to correlate with defined magnetic and VTEM lineaments and have anomalous gold values.

In particular, the soil anomalies that coincide with interpreted anticlinal axes and fault margins (truncation of VTEM and magnetic structures) such as the strong group of anomalous soil geochemical results in the vicinity of the galamsey pit where highly anomalous gold values were noted in a quartz stockwork in granite, are considered prime drill targets.

At least 7 drill targets, totalling over 10 kilometres in strike length based on strongly defined geophysical features and soil geochemical anomalies, have been identified.



Geophysical-Geochemical Compilation Map

Mineralization

The only mineralization encountered to date is stockwork quartz veining encountered in granite, similar to that encountered at Perseus' Edikan mine. In addition weakly anomalous gold values (50- 180 ppb) have been encountered in quartz veined greywackes. However the concession area is considered highly prospective because it lies along the west margin of the Ashanti Gold Belt and along a structural corridor which extends from Anglogold Ashanti's Obuasi deposits 22 km to the north northeast, to Perseus' Edikan project 5-11 km to the south.

Gold target types at Fahiakoba therefore are both granite hosted and classic "Ashanti-style" or "turbidite-hosted". The former are stockworks comprised of visible gold in quartz veinlets with arsenopyrite rhombs and pyrite cubes; and the latter are auriferous quartz veins in graphitic shears proximal to contacts between deformed and metamorphosed turbidites and tholeiitic volcanics. Both types occur at Obuasi (Cox and Amanor, 1999) and Edikan (Payne et al, 2009; Green et al, 2011) along several subparallel corridors over an interval of 5 to 7 km wide.

Drilling

Apart from auger soil sampling, the Issuer has not yet conducted any diamond or RC drilling activities on the Fahiakoba Concession, nor is the Issuer aware of any previous drilling.

Sampling and Analysis

A program of auger soil sampling was conducted during the period of June 21st to August 11th, 2011. A total of 21.5km of cut and/or flagged lines were prepared at 200m intervals perpendicular to structural trends defined by the airborne geophysical surveys. Sampling was conducted at 25m intervals using 3 motorized hydraulic augers. Approximately 25% of the concession area was amenable to sampling, since most of the area is in alluvial flats of the Ofin River, and in part are currently being exploited by alluvial mining.

The auger soil drilling program consisted of 531 holes for a total of 2,304 metres, with 1,008 samples taken for assay. Coordinates of sample sites were measured with a handheld GPS instrument with precisions generally less than 10 metres. Hole depths range from 2 to 7 metres. Type of vegetation at each sample site and colour and texture of each sample was noted. Two samples were collected at each site, one of alluvium/colluvium in the "B" soil horizon, and a second of saprolitic bedrock. Approximately 1 to 2 kg of sample material was collected by the geologist or geological technician and placed in numbered plastic bags and taken daily to the storage facility in Dunkwa.

A total of 25 rock samples were collected of bedrock where quartz veining was observed, or of float samples of ferricrete or quartz boulders. Samples generally were grab samples of an area of approximately 20 square metres in the case of float; or 0.3 to 10 metre chip, channel or grab samples in the case of bedrock exposures.

Rock soil and saprolite samples were assembled and trucked to SGS Laboratory Services Gh. Ltd. (SGS) based in Tarkwa, Ghana, where they were prepared and analyzed. The SGS quality system is stated to follow the guidelines of ISO17025 (International Organisation for Standardization accreditation). Sample preparation was completed on the entire submitted sample, including crushing and pulverization to a targeted 95% passing 75 µm. A 50 g sub-sample was analyzed by fire assay ("FA") with atomic absorption spectroscopy ("AAS") finish. The lower detection limit was stated as 0.005 ppm Au. Arsenic, a gold pathfinder element, was determined with standard atomic absorption spectroscopy. Sample pulps and coarse reject material are returned after completion of both the initial sample analysis and any additional checks which the Issuer may require following receipt of the initial sample assays.

Although saprolitic bedrock could not be reached in a number of sites, no drilling, sampling or recovery factors that could materially impact the accuracy or reliability of the results were encountered.

Sampling was conducted according to industry standard norms. Samples are considered to be representative of each site. Apart from any possible laboratory errors, there are no known factors which may have contributed to sample biases.

Very limited systematic verification of analytical procedures so far has been initiated by the Issuer. Verification procedures to date have included inspection of results of blanks and standards inserted and repeat analysis conducted by SGS. In addition, a selected set of 12 sample pulps from early in the sampling program were collected from SGS and transported and submitted to Acme Laboratories in Vancouver, B.C., for umpire comparison.

Table: Comparison of analytical results of SGS and Acme Laboratories.

Sample_id	**Description**	**East WGS84**	**North WGS84**	**Depth metres**	**Au ppm SGS**	**Au ppm SGS**	**As SGS**	**Au ppm Acme**	**As Acme**
117036	Alluvium	630175	666090	7	0.080			0.61	<2
117060	Saprolite	629835	666450	6.5	0.150			0.57	<2
117217	Alluvium	629425	666872	4	0.010			0.06	7
117218	Saprolite	629425	666872	4	0.340			0.02	6
117219	Alluvium	629396	666891	5	0.010			0.07	6
117231	Saprolite	629431	666554	6	0.080			0.01	6
117233	Saprolite	629451	666531	4	0.090			0.01	21
117247	Alluvium	629646	666662	5	0.040	0.070		0.01	<2
117250	Alluvium	629584	666719	5	0.450			0.01	<2
FAH015	Grey mottled qtz sericite schist, a few qtz veinlets parallel to foliation. 2 m channel.	630744	665860	0	0.150	0.180		0.57	133

Sample_id	Description	East WGS84	North WGS84	Depth metres	Au ppm SGS	Au ppm SGS	As SGS	Au ppm Acme	As Acme
FAH016	Weakly foliated graphitic mudstone, a few narrow qtz veinlets. 1 m channel.	628133	666651	0	0.030			0.01	<2

Note: 1 part per million (ppm) = 1000 parts per billion (ppb) = 1 gram per tonne (g/t) = 0.029 troy ounce per short ton (oz/ton)

Umpire analysis shows a lack of precision between the two laboratories. This is likely explained by extreme nugget or particle effect, which the author has noted at other projects in Ghana, and, in any event, the small sample size cannot be considered representative for assessing the results. For the type of sampling conducted to date, auger sampling and grab sampling, unlike diamond core drilling, the relative gold content is more critical than the absolute value. No resource will be calculated with these samples, and thus no standards were submitted at this stage. However, the author, based on his recent and other independent engineer evaluations of this type of sample medium, is content that the SGS procedures are adequate for this early phase of exploration and the services of SGS Laboratories are acceptable. A program of quality control, including insertion of blanks and independent industry standards, will be implemented with rigor, especially during the recommended forthcoming drilling program.

Security of Samples

Both soil and rock samples were brought at the end of each day to a locked storage facility in Dunkwa where twenty-four hour security was available. SGS, with rigorous chain of command procedures, picked up and transported the samples to the laboratory.

Mineral Resource and Mineral Reserve Estimates

Not applicable.

Mining Operations

Not applicable.

Exploration and Development

Exploration activities recently conducted by the Issuer have been summarized above.

Considering the proximity to Perseus' Edikan project, and the underlying Akropong structural trend which has been traced through the concession, sufficient geologic potential exists and enough successful exploration work has been conducted to warrant a 5,000 metre drill program to thoroughly test the outlined targets.

Work would be dominantly ground geophysics and diamond core drilling, although both RAB and RC will also be considered, depending on availability of drill rigs, and would be concentrated on the VTEM (graphitic conductive shear zones), anomalous soil geochemical and grab sample results, resistive and potassium radiometric (granitoid intrusions) anomalies especially those targets with elevated gold geochemical response.

Estimates for the proposed work program are as follows: (1US$=1CAN$)	$ US
Core drilling, 5,000 metres @ $150 per metre	750,000
VLFEM/IP/resistivity survey 20 kilometres @ $1200/kilometre	24,000
Grid cutting 30 kilometres @ $50	15,000
Auger soil sampling 1000 m @ $25/metre	25,000
Assays 3000 samples @ $30	90,000
Drill site construction, road access	50,000

Chief Geologist 3 months @ $9000	27,000
Geologist/technicians 2 x 3 months @ $1500	9,000
Labour 3 months @ $5,000	15,000
Accommodation, board 3 months @ 18,000	54,000
Vehicle rental, fuel 2 x 90 days @ $140	25,200
Field supplies	9,500
Rental of work and storage facilities in Dunkwa	15,000
Restitution to farmers, social programs, protocol to chiefs and elders	50,000
Consulting, travel, reporting	55,000
Sub-total	1,213,700
Contingency	136,300
Total for Project	$ 1,350,000

USE OF PROCEEDS

The Issuer expects to receive a minimum of $1,500,000 and up to a maximum of $2,000,000 in gross proceeds from the Offering. The funds expected to be available to the Issuer upon completion of the Offering and the expected principal purposes for which such funds will be used are described below.

Funds Available

	Minimum Offering	Maximum Offering
Gross proceeds of Offering	$1,500,000	$2,000,000
Agent's fee	$112,500	$150,000
Net proceeds of the Offering(2)	$1,387,500	$1,850,000
Estimated consolidated working capital as of December 31 (unaudited)(1)	$946,227	$946,227
Net Funds Available	$2,333,727	$2,796,227

(1) Excluded from this working capital calculation are certain liabilities of the Issuer which are to be paid out of the proceeds of the Offering as noted in the "Principal Purposes" table below.
(2) After deduction of the Agent's commission, but before deducting the other expenses of the Offering.

Principal Purposes

	Minimum Offering	Maximum Offering
To pay the balance of the estimated expenses of the Offering(1)	$65,000	$65,000
To pay the estimated costs of conducting the recommended exploration program on the Fahiakoba Concession	$1,350,000	$1,350,000
To pay estimated general and administrative costs for the next 12 months(2)	$801,900	$801,900
Unallocated working capital	$116,827	$579,327
Total:	$2,333,727	$2,796,227

(1) The estimated balance of the expenses of the Offering are $65,000, including legal fees, audit fees and filing fees with the Exchange and Securities Commissions, as well as the expenses of the Agent.
(2) General and administrative costs for the next 12 months are expected to be comprised of: legal costs of $33,000; audit and accounting costs of $94,000; filing fees and transfer agent costs of $10,474; consulting fees and directors' fees of $384,000 (see "Executive Compensation – Compensation Discussion and Analysis" and "Executive Compensation – Director Compensation"); and miscellaneous administrative costs averaging $23,369 per month (comprised of capital, equipment, office, investor relations and other miscellaneous costs).

Exploration will consist of 5,000 metres of dominantly diamond drilling, although both RAB and RC drilling will be considered, depending on drill availability, concentrated on graphitic conductive shear zones, anomalous soil geochemical and grab sample results, resistive and potassium radiometric anomalies on the Fahiakoba Concession. The Issuer anticipates a minimum of $1,350,000 in expenditures in 2012.

The Issuer intends to spend the funds available as set out above. There may be circumstances, however, where, for sound business reasons, a reallocation of funds may be necessary. The Issuer will only redirect the funds to other properties that may be acquired at a later date on the basis of a recommendation from a professional geologist or engineer. If such event occurs during distribution of the Offered Securities offered under this Prospectus, if required, an amendment to this Prospectus will be filed.

Business Objectives and Milestones

The Issuer intends to use the funds primarily to conduct the exploration work required under the Option Agreement and to conduct the exploration program on the Fahiakoba Concession estimated at $1,350,000 in accordance with the recommendations in the Technical Report. The exploration program, if successful, will help design future additional drilling. The Issuer expects to complete the exploration program in 2012 as outlined above.

DIVIDENDS OR DISTRIBUTIONS

The Issuer has not paid any dividends or distributions on its Common Shares. Any decision to pay dividends on Common Shares in the future will be made by the board of directors on the basis of the earnings, financial requirements and other conditions existing at such time. There are no restrictions on the Issuer paying dividends or distributions, except those set out in the *Business Corporations Act* (British Columbia).

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following information should be read in conjunction with the Issuer's financial statements for the period from May 4, 2011 (Date of Incorporation) to October 31, 2011 and related notes thereto. The financial statements were prepared in accordance with International Financial Reporting Standards. All currency amounts are expressed in Canadian dollars.

Overall Performance

The Issuer is a mineral exploration company involved in the acquisition and assessment of mineral properties in the Republic of Ghana. The Issuer's objective is to undertake mineral exploration on properties assessed to be of merit and to define mineral resources. Metals being targeted are precious metals with a focus on gold.

The Issuer intends to become a public entity upon completion of the Offering. The Offering is subject to regulatory approval.

Highlights of the Issuer's activities to October 31, 2011 are as follows:

On June 15, 2011, the Issuer entered into the Purchase Agreement with Goknet to acquire the Fahiakoba Concession, in the Ashanti and Central Regions in the Republic of Ghana, whereby the Issuer 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$1,000,000 over a five year period. In the event that the Issuer sells its interest in the Fahiakoba Concession within two years from June 15, 2011, it must pay Goknet a sum, in cash, equal to 10% of the sale price. The Issuer also granted Goknet a 3% net smelter return royalty on production from the Fahiakoba Concession.

Between May 4, 2011 and September 14, 2011, the Issuer raised gross proceeds of $23,250 through the issuance of 2,325,000 Common Shares at a price of $0.01 per Common Share, $391,750 through the issuance of 7,835,000 Units at a price of $0.05 per Unit, and $1,450,250 through the issuance of 5,801,000 Common Shares at a price of $0.25 per Common Share. The proceeds from the sale of these Common Shares and Units were used to pay the acquisition cost of the Fahiakoba Concession ($50,630) and exploration activities ($208,504). During the period ended October 31, 2011 the Issuer also paid $90,731 in accounting and legal fees, $122,639 in management and consulting fees, $57,773 in office, banking and general overhead expenses, and $80,437 in promotion and travel. Stock based compensation for the period totalled $557,400. The remainder of the proceeds raised was reserved for legal and financing costs related to completion of the Prospectus, office and administration overhead, and geological consulting in preparation for a work program on the Fahiakoba Concession.

The Issuer's objective is to undertake mineral exploration on properties assessed to be of merit and to define resources. Metals being targeted are precious metals with a focus on gold.

The Issuer will carry out exploration on the Fahiakoba Concession comprised of 5,000 metres of dominantly diamond drilling, although both RAB and RC drilling will be considered, depending on drill availability concentrated on graphitic conductive shear zones, anomalous soil geochemical and grab sample results, resistive and potassium radiometric anomalies. The Issuer anticipates obtaining financing in the future primarily through further equity financing.

Selected Financial Information

The following tables summarizes selected financial data from the Issuer's audited financial statements for the period from incorporation on May 4, 2011 to October 31, 2011, and should be read in conjunction with such statements and related notes contained in this Prospectus.

Selected Financial Information	**For the period from incorporation to October 31, 2011**
Revenues	$Nil
Expenses	$908,981
Net loss for the period	$908,981
Current assets	$1,180,273
Deferred financing	$32,500
Mineral property acquisition	$50,630
Mineral property exploration	$208,504
Total assets	$1,471,907
Current liabilities	$25,986
Working capital	$1,154,287
Shareholders' equity	$1,445,921
Basic and diluted loss per Common Share	$0.09
Weighted average number of Common Shares outstanding-basic and diluted	10,022,439

Dividends

There are no restrictions that could prevent the Issuer from paying dividends on its Common Shares. The Issuer has not paid any dividends on its Common Shares and it is not contemplated that the Issuer will pay any dividends in the immediate or foreseeable future. It is the Issuer's intention to use all available cash to finance operations and explore its mineral properties.

Results of Operations

The Issuer's loss from operations for the period ended October 31, 2011 was $908,981 or $0.09 per Common Share. The Issuer's loss from operations was made up of general and administrative expenses. Among these administrative expenses were audit fees of which $10,800 was accrued at October 31, 2011 (and $4,200 in the subsequent period). In addition, the Issuer incurred management fees of $112,500 charged by the Issuer's Chief Executive Officer at a rate of $15,000 per month from June 1, 2011, and a director at a rate of $7,500 per month since June 1, 2011. As at October 31, 2011, the Issuer incurred a share-based compensation expense of $464,400 related to 1,350,000 options granted and vested on October 24, 2011.

The Issuer capitalizes all mineral property acquisition and exploration costs until the properties to which the costs are related are placed into production, sold or abandoned. The decision to abandon a property is largely determined by exploration results and the amount and timing of the Issuer's write-offs of capitalized mineral property costs will vary in a fiscal period from one year to the next and typically cannot be predicted in advance.

During the period ended October 31, 2011, mineral property acquisition and exploration costs totalling $259,134 were capitalized to mineral properties. Exploration costs consisted of acquisition, aerial survey, auger drilling, associated general and administrative costs and commission of a Technical Report.

Summary of Period Results

See "Selected Information" above.

Liquidity and Capital Resources

At December 31, 2011, the Issuer had working capital of $946,227 available to fund its operations and exploration programs.

On June 15, 2011, the Issuer entered into the Purchase Agreement with Goknet to acquire the Fahiakoba Concession, in the Ashanti and Central Regions in the Republic of Ghana, whereby the Issuer 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$1,000,000 over a five year period. In the event that the Issuer sells its interest in the Fahiakoba Concession within two years from June 15, 2011, it must pay Goknet a sum, in cash, equal to 10% of the sale price. The Issuer also granted Goknet a 3% net smelter return royalty on production from the Fahiakoba Concession.

Any shortfalls in these expenditure commitments could result in the Issuer being in default of the terms of the Purchase Agreement and loss of the property.

Cash used in investing activities for the period ended October 31, 2011 was $259,134 and consisted of cash spent on mineral property acquisition and exploration costs.

At present, the Issuer's operations do not generate cash flow and its financial success is dependent on management's ability to discover economically viable mineral deposits. The mineral exploration process can take many years and is subject to factors that are beyond the Issuer's control.

In order to finance the Issuer's exploration programs and to cover general and administrative expenses, the Issuer raises money through equity sales. Many factors influence the Issuer's ability to raise funds, including the health of the resource market, the climate for mineral exploration investment, the Issuer's track record, and the experience and calibre of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activities. Management believes it will be able to raise equity capital as required in the long term, but recognizes there will be risks involved that may be beyond their control.

Cash provided by financing activities for the period ended October 31, 2011 was $1,765,002 and consisted of cash from private placements of Common Shares at $0.01, $0.05 and $0.25 per Common Share, net of share issue costs and deferred financing costs.

At October 31, 2011, there were 15,961,000 issued and outstanding common shares without par value.

Initial Public Offering

Subject to prevailing market conditions, the Issuer intends to complete an initial public offering of a minimum of 3,000,000 Units and up to a maximum of 4,000,000 Units at $0.50 for cumulative gross proceeds of $1,500,000 and up to a maximum of $2,000,000. The Agent will receive a cash commission of 7.5% of the gross proceeds, payable at Closing and that number of Agent Warrants that is equal to 7.5% of the number of Offered Securities sold in the Offering. In addition, the Issuer will issue to the Agent 150,000 Corporate Finance Shares.

Off-Balance Sheet Arrangements

The Issuer does not have any off-balance sheet arrangements.

Proposed Transactions

The Issuer intends to complete its initial public offering following filing of a final prospectus.

Additional Disclosure for Venture Issuers without Significant Revenue

	October 31, 2011
Capitalized acquisition and exploration costs for:	
(a) Fahiakoba Concession	
Acquisition	$50,630
Assays	$17,499
Soil drilling	$45,669
Geology & geophysics	$95,539
General, Administrative	$49,797
TOTAL:	$259,134

The Issuer expects that the proceeds raised under the Offering will fund operations for the twelve month period following the Closing Date. Estimated total operating costs for the period are $1,350,000 for exploration expenditures on the Fahiakoba Concession and $801,900 for general and administrative costs. No other funds are projected to be expended on capital expenditures during this time period. See “Use of Proceeds”.

Outstanding Securities Data

As at the date of this Prospectus, there are 15,961,000 Common Shares issued and outstanding. There are 7,835,000 Private Company Warrants and 310,000 Broker Warrants outstanding, all exercisable at $0.25 per Common Share. The Private Company Warrants are exercisable up to June 10, 2013. 294,000 of the Broker Warrants are exercisable up to February 28, 2013 and the remaining 16,000 Broker Warrants are exercisable up to March 14, 2013. There are also a total of 1,350,000 incentive options granted to directors, officers and consultants of the Issuer, all exercisable at $0.75 per Common Share, up to October 24, 2016.

Risks and Uncertainties

See “Risk Factors” below.

Transactions with Related Parties

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities.

The following entities transacted with the Issuer in the reporting period. The terms and conditions of the transactions with key management personnel and their related parties were no more favorable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis.

Transactions with Key Management Personnel

The aggregate value of transactions with key management personnel being directors and senior management comprising the Chief Executive Officer and Chief Financial Officer were as follows:

Compensation, for the period ended	**October 31, 2011**
Management fees (CEO) with MIA Investments Ltd., a private company wholly owned by the MacQuarrie Family Trust, the trustees of which are Douglas MacQuarrie and Roberta MacQuarrie. Douglas MacQuarrie is the President and a director of MIA Investments Ltd. and, through MIA Investments Ltd., provides strategic development planning and general management oversight of the Issuer.	$75,000
Accounting fees (CFO)	15,000
Share-based compensation	361,200
Total	$451,200

Transactions with other Related Parties

The aggregate value of transactions and outstanding balances with related parties were as follows:

Transactions, for the period ended	**October 31, 2011**
Services rendered to the Issuer	
Consulting fees incurred with JNS Capital Corp. (a private company, 50% of the shares of which are owned by Jagtar Sandhu, a director of the Issuer). JNS Capital Corp. provides corporate development and corporate communication services to the Issuer.	$37,500
Total for services rendered	$37,500

Related party balances payable, as at		**October 31, 2011**
Goknet – Purchase Agreement	$	Nil
MIA Investments Ltd.		Nil
JNS Capital Corp.		Nil
Total	$	Nil

SIGNIFICANT ACCOUNTING POLICIES

(a) *Statement of Compliance*

The 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 IFRS Interpretations Committee ("**IFRIC**").

(b) *Basis of Preparation*

These financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial assets at fair value through profit or loss, and available-for-sale which are stated at their fair value. In addition these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(c) Financial Instruments

Non-derivative financial assets:

The Issuer has the following non-derivative financial assets at fair value through profit or loss, available-for-sale financial assets, and loans and receivables.

*Financial assets at fair value through profit or loss (“**FVTPL**”)*

Financial assets are designated as at FVTPL if the Issuer manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Issuer's documented risk management or investment strategy. Attributable transaction costs are recognized in profit or loss when incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognized in profit or loss.

The Issuer does not have any assets classified as FVTPL financial assets.

Available-for-sale financial assets

Available-for-sale (“**AFS**”) financial assets are non-derivatives that are either designated as AFS or are not classified as (i) loans and receivables, (ii) held-to-maturity investments or (iii) financial assets as at FVTPL. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on AFS monetary items, are recognized in other comprehensive income or loss. When an investment is derecognized, the cumulative gain or loss in the investment revaluation reserve is transferred to profit or loss.

The fair value of AFS monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The change in fair value attributable to translation differences that result from the amortized cost of the monetary asset is recognized in profit or loss. The change in fair value of AFS equity investments is recognized in other comprehensive income or loss.

The Issuer does not have any assets classified as AFS financial assets.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Cash is classified as loans and receivables.

Impairment of financial assets:

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income or loss are reclassified to profit or loss in the period. Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been impacted. For marketable securities classified as AFS, a significant or prolonged decline in the fair value of the securities below their cost is considered to be objective evidence of impairment.

For all other financial assets objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organization.

Non-derivative financial liabilities:

The Issuer has the following non-derivative financial liabilities: accounts payable and accrued liabilities, and balances payable to related parties.

Such financial liabilities are recognized initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

(d) Mineral Exploration and Evaluation Expenditures

Pre -exploration Costs

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

Exploration and Evaluation Expenditures

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures ("**E&E**") are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment 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 Issuer may occasionally enter into farm-out arrangements, whereby the Issuer will transfer part of a mineral interest, as consideration, for an agreement by the transfer to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Issuer. The Issuer does not record any expenditures made by the transferee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Issuer, with any excess cash accounted for as a gain on disposal.

When a project is deemed to no longer have commercially viable prospects to the Issuer, 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 the statement of comprehensive loss/income.

The Issuer assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

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

As the Issuer currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

Mineral exploration and evaluation expenditures are classified as intangible assets.

(e) Cash

Cash in the statement of financial position comprises cash held at a major financial institution which is readily convertible into a known amount of cash. The Issuer's cash is invested in a business account which is available on demand by the Issuer for its program.

(f) Impairment

At the end of each reporting period the carrying amounts of the Issuer's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Issuer estimates the recoverable amount of the cash-generating unit to which the asset belongs. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

(g) Share Capital

Financial instruments issued by the Issuer are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Issuer’s common shares, share warrants and options are classified as equity instruments. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(h) Share-based Payment Transactions

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the statement of comprehensive loss/income over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

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 also charged to the statement of comprehensive loss/income over the remaining vesting period.

Where equity instruments are granted to employees, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized in comprehensive loss/income over the vesting period, described as the period during which all the vesting conditions are to be satisfied.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of comprehensive loss/income, 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 a 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 reserves, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in reserves is credited to share capital, adjusted for any consideration paid.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Issuer 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.

(i) Income Taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized in other comprehensive income or loss or directly in equity, in which case it is recognized in other comprehensive income or loss or equity.

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

Deferred tax is provided using the balance sheet liability method, providing for unused tax loss carryforwards and temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit; and differences relating to investments in subsidiaries, associates, and joint ventures to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period applicable to the period of expected realization or settlement.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Issuer intends to settle its current tax assets and liabilities on a net basis.

(j) Restoration, Rehabilitation, and Environmental Obligations

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates.

Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or the straight line method. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense recognized in profit or loss.

Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in profit or loss.

The operations of the Issuer have been, and may in the future be, affected from time to time in varying degree by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Issuer are not predictable.

The Issuer has no material restoration, rehabilitation and environmental obligations as the disturbance to date is insignificant.

(k) Loss per Share

The Issuer presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Issuer by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

(l) Deferred financing costs

Costs directly identifiable with the raising of capital will be charged against the related capital stock. Costs related to shares not yet issued are recorded as deferred financing costs. These costs will be deferred until the issuance of the shares to which the costs relate, at which time the costs will be charged against the related capital stock or charged to operations if the shares are not issued.

(m) Segment Reporting

The Issuer operates in a single reportable operating segment - the acquisition, exploration and development of mineral properties in Ghana.

The Issuer's only mineral property interest, the Fahiakoba Concession is located Ghana, West

Africa.

(n) Significant Accounting Estimates and Judgments

The preparation of these financial statements requires management to make certain estimates, judgments 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. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

i. the recoverability of amounts receivable which are included in the statements of financial position;
ii. the carrying value and the recoverability of the carrying value of the mineral property interest included in the statements of financial position;
iii the inputs used in accounting for share-based compensation expense in loss; and
iv. the provision for the income tax expense which is included in profit or loss and the composition of deferred income tax liabilities included in the statements of financial position.

Critical accounting judgments

The determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves assessments made by management.

(o) New accounting pronouncements

Certain new accounting standards and interpretations have been published that are not mandatory for the October 31, 2011 reporting period. The following standards are assessed not to have any impact on the Issuer’s financial statements:

- IFRS 9, Financial Instruments: effective for accounting periods commencing on or after January 1, 2013.

FINANCIAL RISK MANAGEMENT

The Issuer is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit Risk

Credit risk is the risk of potential loss to the Issuer if a counterparty to a financial instrument fails to meet its contractual obligations. The Issuer's credit risk is primarily attributable to its liquid financial assets, including cash, amounts receivable and balances receivable from related parties. The Issuer limits the exposure to credit risk by only investing its cash and cash equivalents with high-credit quality financial institutions in business and saving accounts, guaranteed investment certificates, and in government treasury bills which are available on demand by the Issuer.

Liquidity Risk

Liquidity risk is the risk that the Issuer will not be able to meet its financial obligations when they become due. The Issuer ensures, as far as reasonably possible, it will have sufficient capital in order to meet short to medium term business requirements, after taking into account cash flows from operations and the Issuer's holdings of cash and cash equivalents. The Issuer's cash and cash equivalents are currently invested in business accounts which are available on demand.

Foreign Exchange Risk

The Issuer is exposed to financial risk arising from fluctuations in foreign exchange rates and the degree of volatility of these rates.

Interest rate risk

The Issuer is subject to interest rate risk with respect to its investments in cash. The Issuer's policy is to invest cash at fixed rates of interest and cash reserves are to be maintained in cash and cash equivalents in order to maintain liquidity, while achieving a satisfactory return for shareholders. Fluctuations in interest rates when the cash and cash equivalents mature impact interest income earned. The Issuer is not exposed to significant interest rate risk.

Commodity Price Risk

While the value of the Issuer's only mineral resource property, Fahiakoba Concession, is related to the price of gold, the Issuer currently does not have any operating mines and hence does not have any hedging or other commodity based risks in respect of its operational activities.

Gold prices have historically fluctuated widely and are affected by numerous factors outside of the Issuer's control, including, but not limited to, industrial and retail demand, central bank lending, forward sales by producers and speculators, levels of worldwide production, short-term changes in supply and demand because of speculative hedging activities, and certain other factors related specifically to gold.

Capital Management

The Issuer's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Issuer consists of equity, comprising share capital, net of accumulated deficit.

There were no changes in the Issuer's approach to capital management during the year. The Issuer is not subject to any externally imposed capital requirements.

Fair Value

The fair value of the Issuer's financial assets and liabilities approximates the carrying amount. 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; and

Level 3 - Inputs that are not based on observable market data.

DESCRIPTION OF THE SECURITIES DISTRIBUTED

The authorized capital of the Issuer consists of an unlimited number of Common Shares without par value.

Common Shares

There are currently 15,961,000 Common Shares issued and outstanding as at the date of this Prospectus. There are no special rights or restrictions of any nature attached to any of the Common Shares, which all rank equally as to all benefits which might accrue to the holders of the Common Shares, including to receive dividends out of moneys of the Issuer properly applicable to the payment of dividends if and when declared by the board of directors and to participate rateably in the remaining assets of the Issuer in any distribution on a dissolution or winding-up.

All registered shareholders are entitled to receive a notice of any general meeting to be convened by the Issuer. At any general meeting, subject to the restrictions on joint registered owners of Common Shares, on a show of hands every shareholder who is present in person and entitled to vote has one vote and on a poll, every shareholder has one vote for each Common Share of which that shareholder is the registered owner and may exercise such vote either in person or by proxy.

This Prospectus qualifies the distribution of the Offered Securities. The Offered Securities are Units comprised of one Common Share and one-half of one transferable Warrant. One Warrant will entitle the holder thereof to purchase one additional Common Share for a period of two years from the Closing Date.

The Warrants will be represented by certificates which will, among other things, include provisions for the appropriate adjustment in the class, number and price of the Warrant Shares issued upon exercise of the Warrants upon the occurrence of certain events, including any subdivision, consolidation or reclassification of the Issuer's Common Shares, the payment of stock dividends and the amalgamation of the Issuer.

Agent Warrants and Agent Shares

On completion of the Offering pursuant to the Agency Agreement, the Agent will receive that number of non-transferable Agent Warrants that is equal to 7.5% of the number of Offered Securities sold pursuant to this Offering, with each Agent Warrant entitling the holder to purchase one Agent Share for a period of two years from the Closing Date at a price of $0.50 per Agent Share.

Corporate Finance Shares

On completion of the Offering, the Agent will receive 150,000 Corporate Finance Shares upon Closing of the Offering.

CONSOLIDATED CAPITALIZATION

The following table sets forth the number of outstanding securities of the Issuer expected to be outstanding assuming completion of the minimum and maximum amount of the Offering:

Designation of Security	Amount Authorized	Amount outstanding as of October 31, 2011	Amount outstanding assuming completion of the Minimum Offering	Amount outstanding assuming completion of the Maximum Offering
Common Shares	Unlimited	15,961,000	19,111,000(5)	20,111,000(5)
Warrants	Unlimited	Nil	1,500,000(1)	2,000,000
Private Company Warrants	Unlimited	7,835,000(2)	7,835,000	7,835,000
Agent Warrants	Unlimited	Nil	225,000	300,000
Broker Warrants	Unlimited	310,600(3)	310,600(3)	310,600(3)
Options	Unlimited	1,350,000	1,350,000(4)	1,350,000(4)

(1) Each Warrant will entitle the holder thereof to purchase on additional Common Share for a period of two years from the Closing Date at a price of $0.70 per Common Share.

(2) The Private Company Warrants are exercisable for the purchase of up to 7,835,000 Common Shares, at a price of $0.25 per Common Share, up to June 10, 2013.

(3) The Broker Warrants are exercisable for the purchase of up to 294,600 Common Shares, at a price of $0.25 per Common Share, up to February 28, 2013 and up to 16,000 Common Shares, at a price of $0.25 per Common Share, up to March 14, 2013.

(4) The options are exercisable at a price of $0.75 per Common Share, up to October 24, 2016.

(5) Includes the 150,000 Corporate Finance Shares.

The Issuer does not have any long-term liabilities.

OPTIONS TO PURCHASE SECURITIES

Outstanding Options

The following table summarises the options of the Issuer outstanding as of the date of the Prospectus:

Group	No. of Options	Securities Under Option	Grant Date	Expiry Date	Exercise Price per Common Share	Market Value of the Common Shares on the Grant Date	Market Value of the Common Shares as of the date of this Prospectus
Executive Officers (2 persons)	450,000	Common Shares	Oct. 24, 2011	Oct. 24, 2016	$0.75	N/A	N/A
Directors and Officers (not Executive Officers) (3 persons)	650,000	Common Shares	Oct. 24, 2011	Oct. 24, 2016	$0.75	N/A	N/A
Consultants (5 persons)	250,000	Common Shares	Oct. 24, 2011	Oct. 24, 2016	$0.75	N/A	N/A

All of the options have been granted pursuant to the terms of the stock option plan (the "**Stock Option Plan"**) approved by the Issuer's directors on September 7, 2011. The purpose of the Stock Option Plan is to assist the Issuer in attracting, retaining and motivating directors, officers, employees and consultants (together "service providers") of the Issuer and of its affiliates and to closely align the personal interests of such service providers with the interests of the Issuer and its shareholders. The Stock Option Plan provides that, subject to the requirements of the Exchange, the aggregate number of securities reserved for issuance, set aside and made available for issuance under the Stock Option Plan will be 10% of the number of Common Shares of the Issuer issued and outstanding after completion of the Offering. The Stock Option Plan includes the following:

(a) a condition that options are non-assignable and non-transferable;

(b) the term of an option cannot exceed five years from the date of grant;

(c) a condition that no more than 5% of the issued shares of the Issuer may be granted to any one individual in any 12 month period;

(d) a condition that no more than 2% of the issued shares of the Issuer may be granted to any one consultant in any 12 month period;

(e) the options will vest at the discretion of the Issuer's directors;

(f) a condition that no more than an aggregate of 2% of the issued shares of the Issuer may be granted to an employee conducting investor relations activities in any 12 month period;

(g) the period in which an optionee's heirs or administrators can exercise any portion of its outstanding options must not exceed one year from the optionee's death; and

(h) a provision requiring that, for stock options granted to employees, consultants or management company employees, the Issuer represents that the proposed optionee is a bona fide employee, consultant or management company employee, as the case may be.

The Stock Option Plan will be administered by the board of directors of the Issuer, which will have full and final authority with respect to the granting of all options thereunder.

PRIOR SALES

Since the date of incorporation on May 4, 2011, the following Common Shares have been issued:

Number and Class of Securities	Price per Security	Total Proceeds	Date of Issue
1 Common Share[(1)]	$0.01	$0.01	May 4, 2011
2,324,999 Common Shares[(1)]	$0.01	$23,249.99	June 10, 2011
7,835,000 Units [(2)] [(3)]	$0.05	$391,750	June 10, 2011
5,608,000 Common Shares[(4)]	$0.25	$1,402,000	August 31, 2011
294,600 Broker Warrants	Nil[(5)]	Nil[(5)]	August 31, 2011
193,000 Common Shares	$0.25	$48,250	September 14, 2011
16,000 Broker Warrants	Nil[(6)]	Nil[(6)]	September 14, 2011

(1) Escrowed Securities.

(2) 2,700,000 of the Units are Escrowed Securities.

(3) Private Company Units comprised of one Common Share and one Private Company Warrant exercisable into one additional Common Share at a price of $0.25 per Common Share up to June 10, 2013.

(4) 360,000 of these Common Shares are Escrowed Securities.

(5) The Broker Warrants were issued as part of a finder's fee to the Agent in connection with the sale by the Issuer of Private Placement Units and are exercisable for the purchase of up to 294,600 Common Shares at a price of $0.25 per Common Share up to February 28, 2013.

(6) The Broker Warrants were issued as part of a finder's fee to the Agent in connection with the sale by the Issuer of Private Placement Units and are exercisable for the purchase of up to 16,000 Common Shares at a price of $0.25 per Common Share up to March 14, 2013.

ESCROWED SECURITIES

Escrowed Securities

Designation of class	Number of securities held in escrow	Percentage of class
Common Shares	5,285,000 Common Shares 2,700,000 Private Company Warrants	27.65%[(1)] 34.46%[(2)]

(1) The percentage that the Escrowed Securities will represent of the total issued and outstanding Common Shares upon completion of the Minimum Offering.

(2) The percentage that the escrowed Private Company Warrants represent of the total number of Private Company Warrants issued.

Under National Policy 46-201 *Escrow for Initial Public Offerings* ("**NP 46-201**"), securities held by Principals (as defined below) are required to be held in escrow in accordance with the national escrow regime applicable to initial public distributions. Equity securities owned or controlled by Principals are subject to the escrow requirements.

A "**Principal**" is defined as:

(a) a person or company who acted as a promoter of the Issuer within two years before the initial public offering prospectus

(b) a director or senior officer of the Issuer or any of its material operating subsidiaries at the time of the initial public offering prospectus;

(c) a 20% holder – a person or company that holds securities carrying more than 20% of the voting rights attached to the Issuer's outstanding securities immediately before and immediately after the Issuer's initial public offering;

(d) a 10% holder – a person or company that:

(i) holds securities carrying more than 10% of the voting rights attached to the Issuer's outstanding securities immediately before and immediately after the Issuer's initial public offering and

(ii) has elected or appointed, or has the right to elect or appoint, one or more directors or senior officers of the Issuer or any of its material operating subsidiaries.

Pursuant to an escrow agreement dated September 15, 2011 (the "**Escrow Agreement**") among the Issuer, Computershare Investor Services Inc. (the "**Escrow Agent**") and the Principals of the Issuer, the Principals agreed to deposit in escrow their securities of the Issuer (the "**Escrowed Securities**") with the Escrow Agent. As an "emerging issuer" under NP 46-201, the Escrow Agreement provides that the Escrowed Securities will be released from escrow as to 10% on listing its securities on the Exchange and then in equal tranches at six month intervals over the 36 months following the listing of the Common Shares on the Exchange (that is 15% of each Principal's holdings being released in each tranche with an initial 10% tranche being released on the date the Common Shares are listed on the Exchange).

Pursuant to the terms of the Escrow Agreement, the securities held in escrow may not be transferred or otherwise dealt with during the term of the Escrow Agreement unless the transfers or dealings within escrow are:

(i) transfers to continuing or, upon their appointment, incoming directors and senior officers of the Issuer or of a material operating subsidiary, with approval of the Issuer's board of directors;

(ii) transfers to a person or company that before the proposed transfer holds more than 20% of the Issuer's outstanding Common Shares, or to a person or company that after the proposed transfer will hold more than 10% of the Issuer's outstanding Common Shares and has the right to elect or appoint one or more directors or senior officers of the Issuer or any material operating subsidiary;

(iii) transfers to a registered retirement savings plan or similar trust deed plan provided that the only beneficiaries are the transferor or the transferor's spouse, children or parents;

(iv) transfers upon bankruptcy to the trustee in bankruptcy or another person or company entitled to escrow securities on bankruptcy;

(v) pledges to a financial institution as collateral for a *bona fide* loan, provided that upon a realization the securities remain subject to escrow; and

(vi) tenders of escrowed securities to a business combination, provided that, if the tenderer is a Principal of the successor Issuer upon completion of the business combination, securities received in exchange for tendered escrowed securities are substituted in escrow on the basis of the successor Issuer's escrow classification.

The following table sets forth details of the issued and outstanding securities that are subject to the Escrow Agreements:

Name and Position	Number of Escrowed Securities(1)	Percentage of Outstanding Shares Prior to the Offering	Percentage of Outstanding Shares Subsequent to the Offering(3)
Douglas MacQuarrie, President, Chief Executive Officer and Director	2,310,000 Common Shares(2) 1,000,000 Private Company Warrants(2)	14.47%	12.09%

Name and Position	Number of Escrowed Securities[(1)]	Percentage of Outstanding Shares Prior to the Offering	Percentage of Outstanding Shares Subsequent to the Offering[(3)]
Philip Gibbs, Chief Financial Officer	100,000 Common Shares 100,000 Private Company Warrants	0.63%	0.52%
Jagtar Sandhu, Director	1,250,000 Common Shares 600,000 Private Company Warrants	7.83%	6.54%
Mark Holcombe, Director	325,000 Common Shares 200,000 Private Company Warrants	2.04%	1.70%
Florian Riedl-Riedenstein, Director	1,300,000 Common Shares 800,000 Private Company Warrants	8.14%	6.80%

(1) All Common Shares are held directly unless otherwise indicated herein.
(2) These Common Shares are held indirectly in the name of MIA Investments Ltd. a private company wholly owned by the MacQuarrie Family Trust. The trustees of the MacQuarrie Family Trust are Douglas MacQuarrie and Roberta MacQuarrie. Douglas MacQuarrie is the President and a director of MIA Investments Ltd.
(3) Assuming the Minimum Offering is completed and 19,111,000 Common Shares are issued and outstanding on Closing of the Offering.

Seed Share Resale Restrictions

"Seed Share Resale Restrictions" ("**SSRRs**") are hold periods imposed by the Exchange which apply where securities are issued to non-Principals by private companies prior to an initial public offering at a price which is below the initial public offering price. SSRRs will be imposed on the securities of the Issuer noted below through the placement of restrictive legends on the certificates representing such securities:

- 5,441,000 Common Shares issued prior to the date of this Prospectus are subject to a four month hold period following the Closing of the Offering, with 20% released on the Closing Date and 20% released on each of the dates that are one month, two months, three months and four months following the Closing Date. In addition, pursuant to the provisions of NI 45-102, 5,248,000 of these Common Shares are subject to a hold period expiring on January 1, 2012, and 193,000 of these Common Shares are subject to a hold period expiring on January 15, 2012.

- 5,135,000 Common Shares issued prior to the date of the Prospectus are subject to a two year hold period following the Closing of the Offering, with 20% released on the Closing Date and 20% released on each of the dates that are six months, twelve months, eighteen months and twenty-four months from the Closing Date.

- 100,000 Common Shares issued prior to the date of the Prospectus are subject to a three year hold period following Closing of the Offering, with 10% released on the Closing Date and 15% released on each of the dates that are six months, twelve months, eighteen months, twenty-four months and thirty-six months from the Closing Date.

- Any Common Shares issued on the exercise of 5,135,000 Private Company Warrants are subject to a four month hold period following the Closing of the Offering, with 20% released on the Closing Date and 20% released on each of the dates that are one month, two months, three months and four months following the Closing Date.

- Any Common Shares issued on the exercise of 294,600 Broker Warrants are subject to a four month hold period following the Closing of the Offering, with 20% released on the Closing Date and 20% released on each of the dates that are one month, two months, three months and four months following the Closing Date. In addition, pursuant to the provisions of NI 45-102, Common Shares issued on the exercise of the 294,600 Broker Warrants are subject to a hold period expiring on January 1, 2012.

- Any Common Shares issued on the exercise of 16,000 Broker Warrants are subject to a four month hold period following the Closing of the Offering, with 20% released on the Closing Date and 20% released on each of the dates that are one month, two months, three months and four months following the Closing Date. In addition, pursuant to the provisions of NI 45-102, Common Shares issued on the exercise of the 16,000 Broker Warrants are subject to a hold period expiring on January 15, 2012.

PRINCIPAL SHAREHOLDERS

To the knowledge of the directors and officers, no person beneficially owns, as of the date of this Prospectus, directly or indirectly, or exercises control or direction over, more than 10% of the Issuer's Common Shares other than the following:

Name of Shareholder	No. of Common Shares Held(1)	Percentage of Issued and Outstanding Common Shares as at Prospectus Date	Percentage of Issued and Outstanding Common Shares Upon Completion of the Offering(3)
Douglas MacQuarrie	2,310,000(2)	14.47%	12.09%

(1) All Common Shares are held directly unless otherwise indicated herein.
(2) These Common Shares are held indirectly in the name of MIA Investments Ltd. a private company wholly owned by the MacQuarrie Family Trust. The trustees of the MacQuarrie Family Trust are Douglas MacQuarrie and Roberta MacQuarrie. Douglas MacQuarrie is the President and a director of MIA Investments Ltd.
(3) Assuming the Minimum Offering is completed and 19,111,000 Common Shares are issued and outstanding on Closing of the Offering.

DIRECTORS AND OFFICERS

Current Directors and Officers

The name, province and country of residence and position with the Issuer of each director and officer of the Issuer, and the principal business or occupation in which each director and officer of the Issuer has been engaged during the immediately preceding five years, and the period during which each director has served as director is set out in the table below. Each director's term of office will expire at the next annual general meeting of the Issuer.

Name, Province and Country of Residence	Principal Occupation During the Past Five Years	Period as Director and/or Officer	Number of Common Shares and Percentage of Common Shares at Closing
Douglas MacQuarrie, British Columbia, Canada President, CEO and Director	President and Chief Executive Officer of the Issuer; President, MIA Investments Ltd. since May 1995; President, Director and Chief Executive Officer, PMI Gold Corporation from May 2003 to January 2011. See "Management of the Issuer" below.	Director and officer since May 4, 2011	2,310,000 (2) (12.09%) 1,000,000 Private Company Warrants 300,000 options (2)

Name, Province and Country of Residence	Principal Occupation During the Past Five Years	Period as Director and/or Officer	Number of Common Shares and Percentage of Common Shares at Closing
Philip Gibbs Ontario, Canada CFO	Chief Financial Officer of the Issuer; Chief Financial Officer, Mascusani Yellowcake Inc. since March 2010; Chief Financial Officer, Kilo Goldmines Inc. since March 2010; Chief Financial Officer, PMI Gold Corporation from March 2008 to June 2011; Controller, A & P Canada from July 2004 to October 2007. See "Management of the Issuer" below.	Officer since August 1, 2011	100,000 (0.52%) 100,000 Private Company Warrants 150,000 options
Jagtar Sandhu (1) British Columbia, Canada Director	President, JNS Capital Corp. since July 7, 2007; President, Nava Resources Inc. since July 2005; Manager of Investor Relations, Mediterranean Resources Inc. from Jan 2007 to June 2008. See "Management of the Issuer" below.	Director since May 18, 2011	1,250,000 (6.54%) 600,000 Private Company Warrants 200,000 options (3)
Mark Holcombe (1) Bahamas Director	Managing Partner, Stirling Partners (Bahamas) Limited since June 2006; Managing Director, Global Hunter Securities Inc. since September, 2011. See "Management of the Issuer" below.	Director since June 9, 2011	325,000 (1.7%) 200,000 Private Company Warrants 200,000 options
Florian Riedl-Riedenstein (1) Austria Director	Self-employed investment banker. See "Management of the Issuer" below.	Director since June 9, 2011	1,300,000 (6.80%) 800,000 Private Company Warrants 200,000 options
Janet Horbulyk British Columbia, Canada Secretary	Corporate Secretary of the Issuer and several public companies. See "Management of the Issuer" below.	Officer since August 31, 2011	Nil 50,000 options

(1) Member of the Audit Committee.
(2) These Common Shares, Private Company Warrants and options are held indirectly in the name of MIA Investments Ltd. a private company wholly owned by the MacQuarrie Family Trust. The trustees of the MacQuarrie Family Trust are Douglas MacQuarrie and Roberta MacQuarrie. Douglas MacQuarrie is the President and a director of MIA Investments Ltd.
(3) JNS Capital Corp. was granted an option to purchase up to 200,000 Common Shares of the Issuer. Jagtar Sandhu owns 50% of the outstanding shares of JNS Capital Corp.

Upon completion of the Offering, directors and executive officers of the Issuer, as a group, will beneficially own, directly or indirectly, or exercise control or direction over an aggregate of 5,285,000 Common Shares representing approximately 27.65% of the then outstanding Common Shares of the Issuer upon completion of the Minimum Offering .

The term of office of the directors expires annually at the time of the Issuer's annual general meeting. The term of office of the officers expires at the discretion of the Issuer's directors.

Except as follows, none of the directors of the Issuer have entered into non-competition or non-disclosure agreements with the Issuer. MIA Investments Ltd. and JNS Capital Corp.'s consulting agreements provide that all information related to mineral properties introduced to the Issuer be kept confidential by MIA Investments Ltd. and JNS Capital Corp.

Management of the Issuer

The following provides additional information regarding the Issuer's directors and executive officers.

Douglas MacQuarrie. Age 58, President, Chief Executive Officer, director. Mr. MacQuarrie has a combined Honours degrees in geology and geophysics and is a registered Professional Geoscientist. Mr. MacQuarrie has worked continuously in the mineral exploration industry since his graduation in 1975. He has been a consultant, director, senior officer and Chief Executive Officer of several public companies involved in gold exploration throughout North America and for the past 18 years in West Africa. Most recently, Mr. MacQuarrie was the President and Chief Executive Officer of PMI Gold Corporation, an Exchange listed exploration company from May, 2003 to January, 2011. Mr. MacQuarrie has been the President of MIA Investments Ltd. a private company wholly-owned by the MacQuarrie Family Trust, from July, 1995 to present.

As the Chief Executive Officer of the Issuer, Mr. MacQuarrie is responsible for the day-to-day operations, outside contractors and service providers, acquisitions and project development, and of the financial operations of the Issuer in conjunction with the Chief Financial Officer and with outside accounting, tax and auditing firms. Mr. MacQuarrie anticipates devoting approximately 90% of his working time for the benefit of the Issuer. Mr. MacQuarrie is not an employee but an independent consultant of the Issuer through his corporation, MIA Investments Ltd. See “Executive Compensation”.

Philip Gibbs. Age 58, Chief Financial Officer. Mr. Gibbs has extensive knowledge of the financial aspects of Exchange listed mining and mineral exploration companies operating in Africa and South America. Mr. Gibbs is currently Chief Financial Officer of KILO Goldmines Ltd., a gold exploration company operating in the Democratic Republic of the Congo, from March, 2010 to present, and Macusani Yellowcake Inc., a uranium exploration company operating in Peru from March, 2010 to present, and was formerly the Chief Financial Officer of PMI Gold Corporation, an exploration company active in Ghana, West Africa, from March, 2008 to June, 2011, and was the controller of A &P Canada, a grocery retailer from July, 2004 to October, 2007. Mr. Gibbs has a B. Compt from the University of South Africa and an MBA from the University of Durban Westville, South Africa, and is a Chartered Management Accountant (UK).

As the Chief Financial Officer of the Issuer, Mr. Gibbs is responsible for coordination of the financial operations of the Issuer in conjunction with the President and with outside accounting, tax and auditing firms. Mr. Gibbs anticipates devoting approximately 40% of his working time for the benefit of the Issuer. Mr. Gibbs is not an employee but is an independent consultant of the Issuer. See “Executive Compensation”.

Jagtar Sandhu. Age 43, director. Mr. Sandhu is the President of JNS Capital Corp., a corporate development and advisory firm from January 7, 2007 to present. Mr. Sandhu is also the President of Nava Resources Inc., a junior mining exploration company trading on the OTCBB in the United States from July, 2005 to present. Formerly, Mr. Sandhu was Manager of Investor Relations of Mediterranean Resources Inc., a junior mining exploration company trading on the Exchange and OTCBB in the United States from January, 2007 to June, 2008. Mr. Sandhu has over 14 years’ experience with public companies trading on the Exchange and has extensive knowledge of corporate development and investor relations to public companies. Mr. Sandhu received his Economics degree from Simon Fraser University in 1991.

As a director of the Issuer, Mr. Sandhu will advise the officers and the Board of Directors with regard to the corporate development of the Issuer. Mr. Sandhu anticipates devoting approximately 50% of his working time for the benefit of the Issuer. Mr. Sandhu is not an employee but is an independent consultant.

Mark Holcombe. Age 43, director. Mr. Holcombe is experienced in investment banking, corporate development and asset management. Mr. Holcombe has over 20 years of banking and corporate finance experience. He has significant experience in leveraged finance, recapitalizations and restructurings, M & A advisory, and public and private equity financings. Currently, Mr. Holcombe, a Managing Director of Madison Williams Holdings LLC (a private company merchant bank), is Managing Partner of Stirling Partners (Bahamas) Limited, a boutique financial services firm from June, 2006 to present, and Managing Director for Global Hunter Securities Inc., an investment bank from September, 2011 to present. Previously Mr. Holcombe was Managing Director of Madison Williams and Company, a financial services firm, from August, 2010 to August, 2011. Mr. Holcombe presently serves as a director of Atlantic Wind and Solar Inc., a renewable energy company trading on the OTC from May, 2011 to present; Sandfield Ventures Corp., an exploration mining company trading on the OTC from November, 2007 to present. Previously Mr. Holcombe was a director of Blacksands Petroleum Inc. an oil & gas exploration & production company trading on the OTC from November, 2007 to August, 2011 and a director of Mustang Alliance Inc., a gold exploration and production company trading on the OTC from March, 2011 to June, 2011. Mr. Holcombe is registered with the Securities Commission of the Bahamas as a Securities Investment Advisor and in the U.S. holds a FINRA Series 79 license. Mr. Holcombe acquired a B.A. (Political Science) from Colgate University.

As a director of the Issuer, Mr. Holcombe will be responsible for advising the officers and directors regarding corporate banking and investments as well as joint venture strategies and will be the chairman of the Audit Committee. Mr. Holcombe will devote the time necessary to fulfill his function. Mr. Holcombe is not an employee or independent consultant of the Issuer.

Florian Riedl-Riedenstein. Age 69, director. Mr. Riedl-Riedenstein is a director of Cresval Capital Corp, a mining exploration company listed on the Exchange from May, 2004 to present. Mr. Riedl-Riedenstein was previously a director of Levon Resources Ltd., a mining exploration company listed on the Exchange from April, 1995 to May, 2010, a director of Coral Gold Resources from March, 1994 to July, 2006, and a director of Bralorne Gold Mines Ltd., a producing gold mining company listed on the Exchange from November, 1994 to June, 2009. Mr. Riedl-Riedenstein has 30 years corporate experience as a director and officer of Canadian public companies. Formerly Mr. Riedl-Riedenstein was an investment banker in Vienna, Austria and New York. He currently resides in Vienna, Austria.

As a director of the Issuer, Mr. Riedl-Riedenstein will be responsible for European corporate development. Mr. Riedl-Riedenstein anticipates devoting approximately 25% of his working time for the benefit of the Issuer. Mr. Riedl-Riedenstein is not an employee or independent consultant of the Issuer.

Janet Horbulyk. Age 53, Corporate Secretary. Ms. Horbulyk has been the Corporate Secretary of Scorpio Gold Corporation, a junior mining company listed on the Exchange since June 2009, and previously was Corporate Secretary for Scorpio Mining Corporation, a producing mine company listed on the Exchange from October, 2002 until March, 2011, and Medallion Resources Ltd. a junior mining company listed on the Exchange from February 1994 until September 2010. Ms. Horbulyk also was secretary for PMI Gold Corporation from September 2005 until June, 2010 and Euromax Resources Ltd., from October 2004 until November, 2010, both are junior mining companies listed on the Exchange. Currently Ms. Horbulyk is secretary for Newmac Resources Ltd., a junior mining company listed on the Exchange since October, 2005. Ms. Horbulyk has 30 years' experience in public company administration and regulatory matters. She has in-depth experience with the evolving regulatory framework for public companies and documentation for financing and filings for companies listed on the Exchange.

As the Corporate Secretary of the Issuer, Ms. Horbulyk is responsible for coordinating the Issuer's legal liaison, corporate filings and regulatory matters. Ms. Horbulyk anticipates devoting approximately 20% of her working time for the benefit of the Issuer. Ms. Horbulyk is not an employee but is an independent consultant of the Issuer.

Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Except as set out below, no director or executive officer of the Issuer is, at the date of this Prospectus, or has been, within the ten years prior to the date this Prospectus, a director, chief executive officer or chief financial officer of any issuer (including the Issuer) that:

(a) was subject to an Order (as defined below) that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or

(b) was subject to an Order that was issued after the director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

"Order" means a cease trade order or an order similar to a cease trade order or an order that denied the relevant issuer access to any statutory exemption under securities legislation that was in effect for a period of more than 30 consecutive days.

In addition, other than as disclosed below, no director or executive officer or promoter of the Issuer, or shareholder holding sufficient number of securities of the Issuer to affect materially the control of the Issuer:

(a) is, at the date this Prospectus, or has been within the ten years before the date hereof, a director or executive officer of any issuer (including the Issuer) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangements or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;

(b) has, within the ten years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that person; or

(c) has been subject to:

   i. any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

   ii. any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Jagtar Sandhu was a director of metahost.net technology inc from February, 2000 to November, 2001. The business of metahost.net technologies inc was negatively affected by the event of September 11, 2001 in the United States and all directors of the company resigned. On November 1, 2001, a cease trade order was issued against the company for not maintaining the required number of directors for a reporting company.

Conflicts of Interest

The directors of the Issuer are required by law to act honestly and in good faith with a view to the best interest of the Issuer and to disclose any interests which they may have in any project or opportunity of the Issuer. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict is required to disclose his interest and abstain from voting on such matter.

To the best of the Issuer's knowledge, other than is disclosed herein, there are no known existing or potential conflicts of interest among the Issuer, its promoters, directors, officers or other members of management of the Issuer as a result of their outside business interests except that certain of the directors, officers, promoters and other members of management serve as directors, officers, promoters and members of management of other public companies.

The directors and officers of the Issuer are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosures by directors of conflicts of interest and the Issuer will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors or officers. Such directors or officers, in accordance with the *Business Corporations Act* (British Columbia) are required to disclose all such conflicts and are expected to govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The Issuer's compensation philosophy for its named executive officers ("**Named Executive Officers**") is designed to attract well qualified individuals in what is essentially an international market by paying competitive base management fees plus short and long term incentive compensation in the form of stock options or other suitable long term incentives. In making its determinations regarding the various elements of executive compensation, the directors of the Issuer do not benchmark its executive compensation program, but from time to time does review compensation practices of companies of similar size and stage of development to ensure the compensation paid is competitive within the Issuer's industry and geographic location while taking into account the financial and other resources of the Issuer. In this regard, the Issuer reviewed executive compensation of Eureka Resources, Inc., Golden Band Resources Inc., Gold Finder Explorations Ltd., P C Gold Inc., Ryan Gold Corp., Sienna Gold Inc. and Vangold Resources Ltd.

The duties and responsibilities of the president, chief executive officer and chief financial officer are typical of those of a business entity of the Issuer's size in a similar business and include direct reporting responsibility to its board of directors, overseeing the activities of all other executive and management consultants, representing the Issuer, providing leadership and responsibility for achieving corporate goals and implementing corporate policies and initiatives.

Option-Based Awards

The Issuer's Stock Option Plan has been and will be used to provide share purchase options which are granted in consideration of the level of responsibility of the executive as well as his or her impact or contribution to the longer-term operating performance of the Issuer. In determining the number of options to be granted to the executive officers, the board takes into account the number of options, if any, previously granted to each executive officer, and the exercise price of any outstanding options to ensure that such grants are in accordance with the policies of the Exchange, and closely align the interests of the executive officers with the interests of shareholders.

The directors of the Issuer as a whole have the responsibility to administer the compensation policies related to the executive management of the Issuer, including option-based awards.

Summary Compensation Table

The following table (presented in accordance with National Instrument Form 51-102F6 - "Statement of Executive Compensation" which came into force on December 31, 2008 ("**NI 51-102F6**")) sets forth all annual and long term compensation for services in all capacities to the Issuer for the most recently completed financial year of the Issuer ending on or after October 31, 2010 (to the extent required by NI 51-102F6) in respect of each of the individuals comprised of each chief executive officer and the chief financial officer who acted in such capacity for all or any portion of the most recently completed financial year, and each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, (other than the chief executive officer and the chief financial officer), as at October 31, 2010 whose total compensation was, individually, more than $150,000 for the financial year and any individual who would have satisfied these criteria but for the fact that individual was neither an executive officer of the Issuer, nor acting in a similar capacity, at the end of the most recently completed financial year.

NEO Name and Principal Position	Year	Salary ($)	Share-Based Awards ($)	Option-Based Awards ($)	Non-Equity Incentive Plan Compensation ($)		Pension Value ($)	All Other Compensation ($)	Total Compensation ($)
					Annual Incentive Plans	Long-term Incentive Plans			
Douglas MacQuarrie Chief Executive Officer	2011	Nil(1)	Nil	Nil(2)	Nil	Nil	Nil	Nil	Nil
Philip Gibbs Chief Financial Officer	2011	Nil(3)	Nil	Nil(4)	Nil	Nil	Nil	Nil	Nil

(1) On June 1, 2011, the Issuer entered into a consulting agreement with MIA Investments Ltd., pursuant to the terms of which the Issuer agreed to pay an annual management fee of $180,000 to MIA Investments Ltd. MIA Investments Ltd. provides the services of Douglas MacQuarrie in the capacity as Chief Executive Officer and President of the Issuer. MIA Investments Ltd. is a private company wholly-owned by the MacQuarrie Family Trust. The trustees of the MacQuarrie Family Trust are Douglas MacQuarrie and Roberta MacQuarrie. Douglas MacQuarrie is the President and a director of MIA Investments Ltd.

(2) On October 24, 2011, the Issuer granted Douglas MacQuarrie an option for the purchase of up to 300,000 Common Shares at a purchase price of $0.75 per Common Share, exercisable up to October 24, 2016.

(3) On August 1, 2011, the Issuer entered into a consulting agreement with 1765271 Ontario Ltd., pursuant to the terms of which the Issuer agreed to pay a fee of $90,000 per annum to 1765271 Ontario Ltd. 1765271 Ontario Ltd. provides the services of Philip Gibbs in the capacity of Chief Financial Officer of the Issuer. 1765271 Ontario Ltd. is a private company wholly-owned by Philip Gibbs.

(4) On October 24, 2011, the Issuer granted Phillip Gibbs an option for the purchase of up to 150,000 Common Shares at a purchase price of $0.75 per Common Share, exercisable up to October 24, 2016.

Outstanding Share-Based Awards and Option-Based Awards

The following option-based or share-based awards were outstanding as at October 31, 2011 for Named Executive Officers.

NEO Name	*# Options Granted*	*Price*	*Expiry Date*
Douglas MacQuarrie	300,000	$0.75	October 24, 2016
Philip Gibbs	150,000	$0.75	October 24, 2016

Incentive Plan Awards – Value Vested or Earned During the Year

Incentive plan awards vested or earned during the period ending October 31, 2011 totalled 1,350,000 options which vested upon issue.

Outstanding Share-Based Awards and Option-Based Awards

The outstanding share-based awards or option-based awards as at October 31, 2011 for directors of the Issuer are as follows:

NEO Name	*# Options Granted*	*Price*	*Expiry Date*
Jagtar Sandhu	200,000	$0.75	October 24, 2016
Mark Holcombe	200,000	$0.75	October 24, 2016
Florian Riedl-Riedenstein	200,000	$0.75	October 24, 2016

Pension Plan Benefits

The Issuer does not have a pension plan that provides for payments or benefits to the Named Executive Officers at, following, or in connection with retirement.

Termination and Change of Control Benefits

Pursuant to the terms of the consulting agreement entered into by the Issuer and MIA Investments Ltd., in the event the consulting agreement is terminated without cause or in the event of a change of control and the agreement is terminated, one year's remuneration ($180,000) is payable to MIA Investments Ltd.

Pursuant to the terms of the consulting agreement entered into by the Issuer and 1765271 Ontario Ltd., in the event the consulting agreement is terminated without cause or in the event of a change of control and the agreement is terminated, six months' remuneration ($45,000) is payable to 1765271 Ontario Ltd.

Director Compensation

The following table sets forth all amounts of compensation provided to the directors, who are each not also a Named Executive Officer, for the Issuer's most recently completed financial year:

Director Name	*Fees Earned ($)*	*Share-Based Awards ($)*	*Option-Based Awards ($)*	*Non-Equity Incentive Plan Compensation ($)*	*Pension Value ($)*	*All Other Compensa-tion ($)*	*Total ($)*
Jagtar Sandhu	Nil[(1) (2)]	Nil	Nil	Nil	Nil	Nil	Nil
Mark Holcombe	Nil[(3) (4)]	Nil	Nil	Nil	Nil	Nil	Nil
Florian Riedl-Riedenstein	Nil[(3) (5)]	Nil	Nil	Nil	Nil	Nil	Nil

(1) On June 1, 2011, the Issuer entered into a consulting agreement with JNS Capital Corp., pursuant to the terms of which the Issuer agreed to pay an annual consulting fee of $90,000 to JNS Capital Corp. JNS Capital Corp. provides the services of Jagtar Sandhu for advice on corporate development of the Issuer. JNS Capital Corp. is a private company 50% of the shares are owned by Jagtar Sandhu.

(2) On October 24, 2011, the Issuer granted JNS Capital Corp. an option for the purchase of up to 200,000 Common Shares at a purchase price of $0.75 per Common Share, exercisable up to October 24, 2016.

(3) On October 19, 2011, the Issuer entered into directors' agreements with Mark Holcombe and Florian Riedl-Riedenstein, pursuant to the terms of which the Issuer agreed to pay an annual fee of $12,000 to Mark Holcombe and Florian Riedl-Riedenstein in consideration for their agreement to act as non-executive directors of the Issuer.

(4) On October 24, 2011, the Issuer granted Mark Holcombe an option for the purchase of up to 200,000 Common Shares at a purchase price of $0.75 per Common Share, exercisable up to October 24, 2016.

(5) On October 24, 2011, the Issuer granted Florian Riedl-Riedenstein an option for the purchase of up to 200,000 Common Shares at a purchase price of $0.75 per Common Share, exercisable up to October 24, 2016.

The Issuer has no arrangements, standard or otherwise, pursuant to which directors are compensated by the Issuer for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as consultant or expert during the most recently completed financial year or subsequently, up to and including the date of this Prospectus.

The Issuer has a Stock Option Plan for the granting of incentive stock options to the officers, employees and directors. The purpose of granting such options is to assist the Issuer in compensating, attracting, retaining and motivating the directors of the Issuer and to closely align the personal interests of such persons to that of the shareholders.

Incentive Plan Awards - Outstanding Share-Based Awards and Option-Based Awards

There were no outstanding share-based awards or option-based awards outstanding as at October 31, 2011 for any director of the Issuer.

Incentive Plan Awards – Value Vested or Earned During the Year

Incentive plan awards vested or earned during the period ending October 31, 2011 totalled 1,350,000 options which vested upon issue.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director or officer of the Issuer, or associate or affiliate of any such director or officer, is indebted to the Issuer.

AUDIT COMMITTEE

The Audit Committee's Charter

The full text of the charter of the Issuer's Audit Committee is set forth below:

"Mandate

The primary function of the audit committee (the "Committee") is to assist the Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Issuer to regulatory authorities and shareholders, the Issuer's systems of internal controls regarding finance and accounting, and the Issuer's auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Issuer's policies, procedures and practices at all levels. The Committee's primary duties and responsibilities are to:

- serve as an independent and objective party to monitor the Issuer's financial reporting and internal control system and review the Issuer's financial statements.
- review and appraise the performance of the Issuer's external auditors.
- provide an open avenue of communication among the Issuer's auditors, financial and senior management and the Board of Directors.

Composition

The Committee shall be comprised of three directors as determined by the Board of Directors, each of whom shall be free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of his or her independent judgment as a member of the Committee.

At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Issuer's Charter, the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Issuer's financial statements.

The members of the Committee shall be elected by the Board of Directors at its first meeting following the annual shareholders' meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

Meetings

The Committee shall meet a least quarterly, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

Documents/Reports Review

a) Review and update this Charter annually.

b) Review the Issuer's financial statements, MD&A and any annual and interim earnings, press releases before the Issuer publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

External Auditors

a) Review annually the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the shareholders of the Issuer.

b) Obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Issuer, consistent with Independence Standards Board Standard 1.

c) Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.

d) Take, or recommend that the full Board of Directors take, appropriate action to oversee the independence of the external auditors.

e) Recommend to the Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.

f) At each meeting, consult with the external auditors, without the presence of management, about the quality of the Issuer's accounting principles, internal controls and the completeness and accuracy of the Issuer's financial statements.

g) Review and approve the Issuer's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Issuer.

h) Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.

i) Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Issuer's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:

   i. the aggregate amount of all such non-audit services provided to the Issuer constitutes not more than 5% of the total amount of revenues paid by the Issuer to its external auditors during the fiscal year in which the non-audit services are provided;

   ii. such services were not recognized by the Issuer at the time of the engagement to be non-audit services; and

   iii. such services are promptly brought to the attention of the Committee by the Issuer and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Committee.

   Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval such authority may be delegated by the Committee to one or more independent members of the Committee.

Financial Reporting Processes

a) In consultation with the external auditors, review with management the integrity of the Issuer's financial reporting process, both internal and external.

b) Consider the external auditors' judgments about the quality and appropriateness of the Issuer's accounting principles as applied in its financial reporting.

c) Consider and approve, if appropriate, changes to the Issuer's auditing and accounting principles and practices as suggested by the external auditors and management.

d) Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.

e) Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.

f) Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.

g) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.

h) Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.

i) Review certification process.

j) Establish a procedure for the confidential, anonymous submission by employees of the Issuer of concerns regarding questionable accounting or auditing matters.

Risk Management

a) To review, at least annually, and more frequently if necessary, the Issuer’s policies for risk assessment and risk management (the identification, monitoring, and mitigation of risks).

b) To inquire of management and the independent auditor about significant business, political, financial and control risks or exposure to such risk.

c) To request the external auditor’s opinion of management’s assessment of significant risks facing the Issuer and how effectively they are being managed or controlled.

d) To assess the effectiveness of the over-all process for identifying principal business risks and report thereon to the Board.

Other

Review any related-party transactions.”

Composition of the Audit Committee

The following are the members of the Audit Committee:

Mark Holcombe	Independent [(1)]	Financially literate [(1)]
Jagtar Sandhu	Not Independent [(1)]	Financially literate [(1)]
Florian Riedl-Riedenstein	Independent [(1)]	Financially literate [(1)]

(1) As defined by National Instrument 52-110 – Audit Committees (“**NI 52-110**”).

Audit Committee Member Education and Experience

Mark Holcombe is the Chairman of the Audit Committee. Mr. Holcombe is experienced in investment banking, corporate development and asset management and has over 20 years of banking and corporate finance experience. He has significant experience in leveraged finance, recapitalizations and restructurings, M & A advisory, public and private equity financings. Mr. Holcombe's business knowledge and experience has provided him with an understanding of financial reporting sufficient to enable him to act as a member of the Audit Committee. Mr. Holcombe holds a B.A. (political science) from Colgate University.

Jagtar Sandhu has been involved in public companies for over 14 years. Through his involvement with public companies, Mr. Sandhu has developed an understanding of financial reporting sufficient to enable him to act as a member of the Audit Committee. Mr. Sandhu holds a B.A. (Economics) Degree from Simon Fraser University.

Florian Riedl-Riedenstein has 30 years' corporate experience as a director and officer of Canadian public companies. Formerly, Mr. Riedl-Riedenstein was an investment banker in Vienna, Austria and New York. Through his involvement with public companies, Mr. Riedl-Riedenstein has developed an understanding of financial reporting sufficient to enable him to act as a member of the Audit Committee.

Audit Committee Oversight

At no time since the commencement of the Issuer's most recently completed fiscal period was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board of Directors.

Reliance on Certain Exemptions

At no time since the commencement of the Issuer's most recently completed fiscal period has the Issuer relied on the exemption in Section 2.4 of NI 52-110 *(De Minimis Non-audit Services)*, or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

Pre-Approval Policies and Procedures

Except as described in the Audit Committee Charter reproduced above, the Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services.

External Auditors Service Fees (By Category)

The aggregate fees billed by the Issuer's external auditors in and subsequent to the period ended October 31, 2011 for audit fees are as follows:

Fiscal Period Ended	***Audit Fees***	***Audit Related Fees***	***Tax Fees***	***All Other Fees***
October 31, 2011	Nil(1)	Nil	Nil	Nil

(1) Audit fees in the amount of $10,800 have been accrued as at October 31, 2011.

Exemption in Section 6.1 of NI 52-110

The Issuer is relying on the exemption in Section 6.1 of NI 52-110 from the requirement of Part 5 (Reporting Obligations).

CORPORATE GOVERNANCE

National Policy 58-201 establishes corporate governance guidelines which apply to all public companies. The Issuer has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Issuer's practices comply with the guidelines; however, the Board of Directors considers that some of the guidelines are not suitable for the Issuer at its current stage of development and therefore such guidelines have not been adopted. National Instrument 58-101 mandates disclosure of corporate governance practices which disclosure is set out below.

Independence of Members of Board

The Issuer's Board consists of four directors, two of whom the Issuer considers to be independent based upon the tests for independence set forth in NI 52-110. The Issuer considers Mark Holcombe and Florian Riedl-Riedenstein to be independent. Douglas MacQuarrie is not independent as his consulting company, MIA Investments Ltd., has entered into a consulting agreement with the Issuer. Jagtar Sandhu is not independent because his consulting company, JNS Capital Corp., has entered into a consulting agreement with the Issuer.

Management Supervision by Board

The size of the Issuer is such that all of the Issuer's operations are conducted by a small management team which is also represented on the Board of Directors. The Board of Directors considers that management is effectively supervised by the independent directors on an informal basis as the independent directors are actively and regularly involved in reviewing and supervising the operations of the Issuer and have regular and full access to management. Further supervision is performed through the audit committee which is composed of independent directors who meet with the Issuer's auditors without management being in attendance.

Participation of Directors in Other Reporting Issuers

None of the directors of the Issuer currently hold directorships in other reporting issuers, other than as set forth below:

Name of Director	***Name of Other Reporting Issuer***
Douglas MacQuarrie	Nil
Jagtar Sandhu	Nava Resources Inc.(1)
Mark Holcombe	Sandfield Ventures Corporation (1) Atlantic Wind & Solar Inc. (1)
Florian Riedl-Riedenstein	Cresval Capital Corp. (2)

(1) Listed on the OTCBB.
(2) Listed on the Exchange.

Orientation and Continuing Education

While the Issuer does not have formal orientation and training programs, new directors of the Issuer are provided with:

1. access to recent, publicly filed documents of the Issuer, technical reports in respect of the Issuer's mineral properties and the Issuer's internal financial information;
2. access to management and technical experts and consultants; and
3. a summary of significant corporate and securities responsibilities.

Board members are encouraged to communicate with management, auditors and technical consultants; to keep themselves current with industry trends and developments and changes in legislation with management's assistance; and to attend related industry seminars and visit the Issuer's operations. Board members have full access to the Issuer's records.

Ethical Business Conduct

The Board views good corporate governance as an integral component to the success of the Issuer and to meet responsibilities to shareholders. The Board has adopted a Code of Conduct (the “**Code**”) and intends to post the Code on its website. The Board will instruct its management and employees to abide by the Code.

The Issuer's Code is to assist all Issuer personnel in making decisions regarding the affairs of the Issuer (including its subsidiaries). The Code states basic principles to guide the affairs of the Issuer and deals with certain specific situations but is not comprehensive.

The Code

All directors, officers, employees and consultants ("**Members**") of the Issuer are committed to the following obligations, which reaffirm the Issuer's high standards of business conduct:

- respect and comply with the laws, rules and regulations in each of the jurisdictions in which the Issuer does business. In interpreting the laws, rules and regulations, strive to adopt a course that reinforces the Issuer's reputation and integrity;

- respect the confidentiality of information acquired in the course of our work, duties and responsibilities with the Issuer, make reasonable efforts to safeguard confidential corporate information and not disclose such information except when authorized or otherwise legally obliged to do so;

- provide safe and healthy working conditions and comply with all occupational health and safety laws and regulations;

- conduct the Issuer's exploration, development and mining operations using generally accepted best practices with a goal to being an environmentally responsible corporate citizen;

- act honestly and with integrity, with a view to:
  a. avoiding situations that might reasonably be perceived to conflict or have the potential to conflict with one's duties to the Issuer;
  b. handling ethically any actual or apparent conflicts of interest between personal and professional relationships, including transactions and agreements in respect of which a director or executive officer has a material interest; and
  c. ensuring fair dealing with the Issuer's securityholders, customers, suppliers, competitors and employees;

- carry out one's duties with due care, competence and diligence, and with a view to the best interests of the Issuer and to enhance shareholder value;

- to the best of one's abilities, protect the Issuer's assets and resources and help achieve the responsible use and control of all Issuer assets and resources employed or entrusted in relation to one's work, duties and responsibilities, and ensure that all Issuer assets and resources are used only for legitimate business purposes;

- take reasonable steps to ensure that the disclosure is full, fair, accurate, timely and understandable in all reports and documents that the Issuer files with, or submits to, government and regulatory agencies, self-regulatory bodies and stock exchanges and in all of the Issuer's other public communications;

- encourage and facilitate the internal reporting of any conduct that one believes to be a violation of this Code of Business Conduct and Ethics. It is against the Issuer's policy to take any action against any employee for his or her reporting in good faith any violation of this Code of Business Conduct and Ethics or any of the Issuer's other guidelines, codes of conduct or policy statements;

- provide a work environment that enables all Members to pursue their careers free from discrimination or harassment; and
- shall not use non-public information to trade in securities for one's own account, or providing a family member, friend or any other person with a "tip". All non-public information is inside information and must not be used for personal gain or the personal gain of others.

Nomination of Directors

The Board has responsibility for identifying potential Board candidates, although a formal process has not been adopted. The Board assesses potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors. Members of the Board, management and representatives of the mineral exploration industry are consulted for possible candidates.

Compensation

The Issuer considers Mark Holcombe and Florian Riedl-Riedenstein to be independent directors of the Issuer. These directors will have the responsibility for determining compensation for the directors and senior management.

To determine compensation payable, the independent directors intend to review compensation paid for directors and chief executive officers of companies of similar size and stage of development in the mineral exploration industry and determine an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the directors and senior management while taking into account the financial and other resources of the Issuer. In setting the compensation, the independent directors intend to annually review the performance of the Chief Executive Officer in light of the Issuer's objectives and consider other factors that may have impacted the success of the Issuer in achieving its objectives. See also "Executive Compensation – Compensation Discussion and Analysis".

Board Committees

As the directors are actively involved in the operations of the Issuer and the size of the Issuer's operations does not warrant a larger Board of Directors, the Board has determined that any committees in addition to the Audit Committee are not necessary at this stage of the Issuer's development.

Assessments

The Board does not consider that formal assessments would be useful at this stage of the Issuer's development. The Board conducts informal annual assessments of the Board's effectiveness, the individual directors and the Audit Committee.

PLAN OF DISTRIBUTION

Agency Agreement

Pursuant to the Agency Agreement, the Issuer appointed Canaccord Genuity Corp. as the agent to offer the Offered Securities to the public in British Columbia and Alberta on a commercially reasonable efforts basis. The Agent is not obligated to purchase any of the Offered Securities offered hereunder for its own account. The Agent may, in connection with the Offering, retain one or more licensed dealers, brokers or investment dealers as sub-agents.

The Offering is subject to the issue and sale of a minimum of 3,000,000 Units and raising minimum gross proceeds of $1,500,000. The Offering will not continue for a period of more than 90 days from the final receipt date of this Prospectus.

During the 90 day period, funds received from subscriptions will be held by the Agent and, if the minimum amount of funds is not raised, the funds will be returned to the Subscribers unless an amendment to the Prospectus is filed and Securities Commissions have issued a receipt for the amendment. If an amendment to the Prospectus is filed and the Securities Commissions have issued a receipt for the amendment, the distribution must cease within 90 days from the date of the receipt for the amendment to the Prospectus and in any event not later than 180 days from the date of the receipt for the final prospectus.

The Agent will receive a commission equal to 7.5% of the gross proceeds of the Offering payable in cash. The Agent will also receive that number of Agent Warrants that is equal to 7.5% of the number of Offered Securities sold in the Offering, each Agent Warrant entitling the holder to purchase one Agent Share for a period of 24 months from the Closing Date at a price of $0.50 per Agent Share. The Agent will also receive 150,000 Corporate Finance Shares at the Closing Date. The Agent Warrants and the Corporate Finance Shares are also qualified for distribution pursuant to this Prospectus.

The issue price of $0.50 per Unit was determined by negotiation between the Issuer and the Agent.

Pursuant to the Agency Agreement, the Issuer agrees not to issue any additional Common Shares or any securities convertible into Common Shares for a period of 60 days after the Closing Date without the prior written consent of the Agent, except in conjunction with (i) the Agency Agreement; (ii) the grant or exercise of stock options issued pursuant to the Issuer's Stock Option Plan; (iii) the exercise of stock options, warrants and other convertible securities of the Issuer outstanding as of the date of the Engagement Agreement; (iv) any outstanding Common Share issuance obligations in respect of the Option Agreement; or (v) in connection with property or share acquisitions in the normal course of business the bona fide acquisition by the Issuer of the shares or assets of other corporations or entities.

The Agency Agreement provides that, upon the occurrence of certain events or at the discretion of the Agent on the basis of its assessment of the state of financial markets or the market for the Offered Securities, the Agent may terminate the Offering and the obligations of subscribers to purchase the Offered Securities will then cease.

Subscriptions will be received for the Offered Securities subject to rejection or allotment in whole or in party and the right is reserved to close the subscription books at any time. Upon rejection of a subscription, the subscription price and the subscription will be returned to the subscriber forthwith without interest or deduction. Completion of the Offering is subject to sale of at least the number of Units comprising the Minimum Offering. If subscriptions for all of the Offered Securities have not been received by that day which falls 90 days from the date of issue of a receipt for the final prospectus, or if a receipt has been issued for an amendment to the final prospectus, within 90 days of the issuance of such receipt and in any event not later than 180 days from the date of the receipt for the final prospectus, subscription funds will be returned without interest or deduction.

The Issuer is not a related or connected issuer (as such terms are defined in National Instrument 33-105) to the Agent.

Listing Application

The Exchange has conditionally accepted the listing of the Issuer's Common Shares. The listing is subject to the Issuer meeting all of the listing requirements of the Exchange including, prescribed distribution and financial requirements.

As at the date of this Prospectus, the Issuer does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, a U.S. marketplace, or a marketplace outside of Canada and the United States of America other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc.

RISK FACTORS

The Offered Securities should be considered highly speculative due to the nature of the Issuer's business and the present stage of its development. In evaluating the Issuer and its business, investors should carefully consider, in addition to the other information contained in this Prospectus, the following risk factors. These risk factors are not a definitive list of all risk factors associated with an investment in the Issuer or in connection with the Issuer's operations.

Political Stability in West Africa

The Issuer conducts exploration activities in West Africa.

The Issuer's property in Ghana may be subject to the effects of political changes war and civil conflict, changes in government policy, lack of law enforcement and labour unrest and the creation of new laws. These changes (which may include new or modified taxes or other government levies as well as other legislation) may impact the profitability and viability of its property. The effect of unrest and instability on political, social or economic conditions in Ghana could result in the impairment of exploration operations. Any changes are beyond the control of the Issuer and may adversely affect its business.

In addition, local tribal authorities in West Africa exercise significant influence with respect to local land use, land labour and local security. From time to time, government has intervened in the export of mineral concentrates in response to concerns about the validity of export rights and payment of duties. No assurances can be given that the co-operation of such authorities, if sought by the Issuer, will be obtained, and if obtained, maintained.

In addition, in the event of a dispute arising from foreign operations, the Issuer may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of Canadian courts. The Issuer also may be hindered or prevented from enforcing its rights with respect of a governmental instrumentality because of the doctrine of sovereign immunity. It is not possible for the Issuer to accurately predict such developments or changes in laws or policy or to what extent any such development or changes may have a material adverse effect on the Issuer's operations.

The Government of Ghana also recently announced that it will be engaging companies to address the issue of dividend payment, exemptions and the mining sector fiscal regime, generally. As a result of these discussions, the Ghanaian government could amend the Mining Act (Ghana) or other regulations resulting in a material adverse impact on the Issuer including increases in operating costs, capital expenditures or abandonment or delays in development of mining properties.

Increase in Ownership Interest by the Government of Ghana

The Government of Ghana has the right to increase its current free carried 10% interest in the Issuer's Fahiakoba Concession or in a subsidiary company of the Issuer formed to hold title to the Fahiakoba Concession, for a consideration agreed upon by the parties or by arbitration and has a right to pre-emption to purchase all minerals produced by the Issuer or its Ghana operating subsidiary, that will operate a mine in Ghana, if and when incorporated. If the Government of Ghana were to exercise any of its rights, the Issuer's results of operations in further period could be adversely impacted.

The Government of Ghana currently has a 10% free carried interest in all mining leases in Ghana. The Government of Ghana also has: (a) the right to acquire an additional interest in Fahiakoba Concession for a price to be determined by agreement or arbitration; (b) the right to acquire a special share (as defined in the Mining Act (Ghana)) in Fahiakoba Concession at any time for such consideration as the Government of Ghana may determine; and (c) a right of pre-emption to purchase all minerals raised, won or obtained in Ghana.

While the Issuer is not aware of the Government of Ghana having ever exercised such right of pre-emption, the Issuer cannot assure investors that the Government of Ghana would not seek to exercise one or more of these rights which, if exercised, could have an adverse effect on the Issuer's results of operations in future periods. If the Government of Ghana should exercise its right to either acquire the additional interest in Fahiakoba Concession or its right to acquire the special share, any profit that might otherwise be reported by Fahiakoba Concession's mining operations would be proportionally reduced in the same percentage as the minority interest attributable to the Government of Ghana that subsidiary would be increased. If the Government of Ghana should exercise its right to purchase all gold and other minerals produced by Fahiakoba Concession, the price it would pay may be lower than the price the Issuer could sell the gold or other minerals for in transactions with third parties and it could result in a reduction in any revenues the Issuer might otherwise report from Fahiakoba Concession's operations.

Mandatory Relinquishment of Tenement Area

The mining laws of Ghana require that upon each renewal of a prospecting licence the holder thereof must surrender at least 50% of the area covered thereby (subject to a minimum balance of 125 blocks). The Fahiakoba Concession covers an area of 22.06 sq km and, as a result, is not subject to the shed-off or surrender of any area.

Permits and Regulatory Approvals

The Issuer may not be able to obtain, renew or continue to comply with all of the permits necessary to develop the Fahiakoba Concession which would force the Issuer to discontinue exploration and development on the Fahiakoba Concession.

Pursuant to Ghanaian law, in the event that the Issuer discovers economically mineral mineralization, it must obtain various approvals, licenses or permits pertaining to environmental protection and use of water resources in connection with the development, if any, of the Fahiakoba Concession. In addition to requiring permits for the development of its mineral concessions located at the Fahiakoba Concession, the Issuer may need to obtain other permits and approvals during the life of the Fahiakoba Concession. Obtaining, renewing and continuing to comply with the necessary governmental permits and approvals can be a complex and time-consuming process. The failure to obtain or renew the necessary permits or licenses or continue to meet their requirements could delay future development and could increase the costs related to such activities.

Sovereign Risk

The Issuer's underlying business interests are located and carried out in a foreign jurisdiction, in particular in Ghana. As a result, the Issuer is subject to significant political and other uncertainties, including but not limited to, changes in politics or the personnel administering them, nationalisation or expropriation of property, cancellation or modification of contractual rights, foreign exchange restrictions, currency fluctuations, royalty and tax increases and other risks arising out of governmental sovereignty over the areas in which the Issuer's operations are conducted.

Title Matters

While the Issuer has performed its own due diligence with respect to title of its Fahiakoba Concession, this should not be construed as a guarantee of title. The Fahiakoba Concession may be subject to prior unregistered agreements of transfer or land claims, and title may be affected by undetected defects.

Transfer of Title

Title to the Fahiakoba Concession is currently recorded in the name of Goknet. Goknet has signed the Trust Agreement pursuant to the terms of which it has acknowledged it holds the Fahiakoba Concession on behalf of the Issuer, and it has agreed to act in good faith to transfer recorded title to the Issuer upon the Issuer incorporating the appropriate subsidiary companies and obtaining the required approvals from the appropriate regulatory authorities in the Republic of Ghana. There is no assurance the Issuer will be able to obtain the required regulatory approvals to permit the transfer of title.

Loss of Licence

Interests in tenements in Ghana are governed under the Mining Act (Ghana) by the Ministry of Lands and Natural Resources and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance.

Consequently, the Issuer could lose title to or its interest in tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

Artisanal Mining

The artisanal mining sector in Ghana may interfere with and potentially cause delays to the Issuer's mineral exploration activities.

The Issuer is subject to fluctuations in currency exchange rates, which could materially adversely affect its financial position.

The Issuer's primary currency for operations is the United States dollar and, to a lesser extent, the "Cedi" the Ghanaian currency. The Issuer maintains most of its working capital in Canadian dollars. The Issuer converts its Canadian funds to foreign currencies as certain payment obligations become due. Accordingly, the Issuer is subject to fluctuations in the rates of currency exchange between the Canadian dollar and the United States dollar and these fluctuations, which are beyond its control, could materially affect the Issuer's financial position and results of operations. A significant portion of the operating costs of the Fahiakoba Concession are in Cedi. The Issuer obtains services and materials and supplies from providers in West Africa. The costs of goods and services could increase or decrease due to the changes in the value of the Canadian dollar, United States dollar or the Cedi or other currencies. Consequently, exploration and development of the Fahiakoba Concession could be more costly than anticipated.

The Issuer is subject to the effects that historically high inflation rate may have on its results.

The Issuer's mineral properties are located in Ghana, which has historically experienced relatively high rates of inflation. High inflation rates in Ghana could cause the prices of materials obtained within Ghana to be higher. As the Issuer maintains its funds in Canadian currency, the effect due to Ghanaian currency fluctuations is minimal.

General Economic Conditions

Changes in both Ghanaian and global economic conditions may affect the financial performance of the Issuer. These factors over which the Issuer has no control include general market, political and economic conditions, including inflation rates, interest rates and foreign currency exchange rates, changes in market valuations of listed stocks in general and gold, structural changes to the global mining industry, supply and demand conditions for gold, and fluctuations in the gold price.

In addition, factors such as political movements, stock market trends, commodity prices, industrial disruption, environmental and adverse weather impacts, taxation changes and legislative or regulatory changes, may all have an adverse impact on the Issuer's operating costs, profit margins and share price. These factors are beyond the control of the Issuer and the Issuer cannot, to any degree of certainty, predict how they will impact on the Issuer. Some of these factors are discussed further below.

Exploration and Development

Mineral exploration and development involves a high degree of risk and few properties which are explored are ultimately developed into producing mines.

The Issuer's property does not presently contain any commercial ore. Should any ore reserves exist, substantial expenditures will be required to confirm ore reserves which are sufficient to commercially mine its current property, and to obtain the required environmental approvals and permitting required to commence commercial operations. Should any mineral resource be defined on such properties there can be no assurance that the mineral resource on such property can be commercially mined or that the metallurgical processing will produce economically viable saleable products. The decision as to whether a property contains a commercial mineral deposit and should be brought into production will depend upon the results of exploration programs and/or feasibility studies, and the recommendations of duly qualified engineers and/or geologists, all of which involves significant expense. This decision will involve consideration and evaluation of several significant factors including, but not limited to: (1) costs of bringing a property into production, including exploration and development work, preparation of production feasibility studies and construction of production facilities; (2) availability and costs of financing; (3) ongoing costs of production; (4) market prices for the minerals to be produced; (5) environmental compliance regulations and restraints (including potential environmental liabilities associated with historical exploration activities); and (6) political climate and/or governmental regulation and control.

The ability of the Issuer to sell, and profit from the sale of any eventual production from any of the Issuer's properties will be subject to the prevailing conditions in the marketplace at the time of sale. Many of these factors are beyond the control of the Issuer and therefore represent a market risk which could impact the long term viability of the Issuer and its operations.

Equipment and Availability

The Issuer's ability to undertake exploration activities is dependent upon its ability to source and acquire appropriate equipment. Equipment is not always available and the market for equipment experiences fluctuations in supply and demand. If the Issuer is unable to source appropriate equipment economically or at all then this would have a material adverse effect on the Issuer's financial position.

Securities of the Issuer

The price at which the seed rounds of securities were sold was arbitrarily determined by the Issuer and the price of the Offered Securities offered under this Prospectus was determined by negotiation between the Issuer and the Agent and bears no relationship to earnings, book value or other valuation criteria. The Issuer plans to focus on exploration of its property and to use the proceeds of the Offering to carry out such exploration, but to further such activities and to acquire additional properties will require additional funds and it is likely that, to obtain the necessary funds, the Issuer will have to sell additional securities including, but not limited to, its Common Shares or some form of convertible securities, the effect of which would result in a substantial dilution of the present equity interests of the Issuer's shareholders.

Dilution

The purchase price of the Offered Securities exceeds the net tangible book value per Common Share and accordingly investors will suffer immediate and substantial dilution of their investment.

Funding Risk

While, upon completion of the Offering, the Issuer will have sufficient financial resources to undertake the recommended exploration program in respect of the Fahiakoba Concession, the Issuer will require additional funds to further explore and develop the Fahiakoba Concession and to acquire additional properties.

The Issuer's ability to effectively implement its business and operations plans in the future, to take advantage of opportunities for acquisitions, joint ventures or other business opportunities and to meet any unanticipated liabilities or expenses which the Issuer may incur may depend in part on its ability to raise additional funds. The Issuer may seek to raise further funds through equity or debt financing, joint ventures, production sharing arrangements or other means. Failure to obtain sufficient financing for the Issuer's activities and future projects may result in delay and indefinite postponement of exploration, development or production on the Issuer's properties or even loss of a property interest. There can be no assurance that additional financing will be available when needed or, if available, the terms of the financing might not be favourable to the Issuer and might involve substantial dilution to shareholders.

Government Regulation

The Issuer's future operations will be regulated by the national, state and local authorities in Ghana. Numerous governmental permits, approvals and licences will be required for the Issuer's future operations. The costs, liabilities and regulations applicable to the Issuer or to comply with changes to these laws and regulations or the manner in which they are applied may be substantial and time-consuming and may delay the commencement or continuation of exploration, mining or production activities.

Failure to comply with these laws or regulations or to obtain or renew the permits, approvals and licences required may have a material adverse effect on the results of the operations and financial condition of the Issuer.

Competition

Significant and increasing competition exists for mining opportunities internationally. There are a number of large established mining companies with substantial capabilities and far greater financial and technical resources than the Issuer. The Issuer may be unable to acquire additional attractive mining properties on terms it considers acceptable and there can be no assurance that the Issuer's exploration and acquisition programs will yield any new reserves or result in any commercial mining operation.

Conflicts of Interest

Goknet was the seller of the Fahiakoba Concession to the Issuer and holds a 3% net smelter return royalty on the Fahiakoba Concession. Goknet is related to the Issuer. Douglas MacQuarrie, the President, Chief Executive Officer and a director of the Issuer, is a shareholder and director of Goknet. MIA Investments Ltd., a company owned by the MacQuarrie Family Trust, owns 21.5% of the shares of Goknet. The trustees of the MacQuarrie Family Trust are Douglas MacQuarrie and Roberta MacQuarrie. Roberta MacQuarrie owns 0.06% of the shares of Goknet. Any material decisions affecting the relationship between the Issuer and Goknet will be made by the independent directors of the Issuer, and Douglas MacQuarrie will abstain from voting on the issue.

Certain directors and officers of the Issuer are, and may continue to be, involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures which are potential competitors of the Issuer. Situations may arise in connection with potential acquisitions in investments where the other interests of these directors and officers may conflict with the interests of the Issuer. Directors and officers of the Issuer with conflicts of interest will be subject to and will follow the procedures set out in applicable corporate and securities legislation, regulation, rules and policies.

Key Personnel

The Issuer's future success depends, in significant part, upon the continued service and performance of its senior management. The experience and ability of these individuals will be a factor contributing to the Issuer's success and growth. The loss of the services of some or all of these individuals could have a material adverse effect on the Issuer's business prospects. The Issuer has not obtained key man insurance with respect to any of its senior management.

No History of Earnings

The Issuer has no history of earnings, and there is no assurance that its mineral property will generate earnings, operate profitably or provide a return on investment in the future. The Issuer expects to incur losses and negative operating cash flow for the foreseeable future as it conducts its exploration activities on the Fahiakoba Concession. The Issuer has not paid dividends in the past and has no plans to pay dividends for the foreseeable future. The future dividend policy of the Issuer will be determined by its directors.

Potential Profitability Depends Upon Factors Beyond the Control of the Issuer

The potential profitability of mineral properties is dependent upon many factors beyond the Issuer's control. For instance, world prices of and markets for gold are unpredictable, highly volatile, potentially subject to governmental fixing, pegging and or controls and respond to changes in domestic, international, political, social and economic environments. Another factor is that rates of recovery of mined ore may vary from the rate experienced in tests and a reduction in the recovery rate will adversely affect profitability and, possibly, the economic viability of a property. Profitability also depends on the costs of operations, including costs of labour, equipment, electricity, environmental compliance or other production inputs. Such costs will fluctuate in ways the Issuer cannot predict and are beyond the Issuer's control, and such fluctuations will impact on profitability and may eliminate profitability altogether. Additionally, due to worldwide economic uncertainty, the availability and cost of funds for development and other costs have become increasingly difficult, if not impossible, to project. These changes and events may materially affect the financial performance of the Issuer.

Operating Hazards and Risks

In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes, may occur. It is not always possible to fully insure against such risks and the Issuer may decide not to insure against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Issuer.

The Issuer's activities are subject to environmental laws and regulations that may increase the Issuer's costs of doing business and may restrict its operations.

All of the Issuer's exploration activities in Ghana are subject to regulation by governmental agencies under various environmental laws. To the extent the Issuer conducts exploration activities or undertakes new exploration or future mining activities in other foreign countries, the Issuer will also be subject to environmental laws and regulations in those jurisdictions. These laws address emissions into the air, discharges into water, management of waste, management of hazardous substances, protection of natural resources, antiquities and endangered species, and reclamation of lands disturbed by mining operations. Environmental legislation in many countries is evolving and the trend has been towards stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and increasing responsibility for companies and their officers, directors and employees. Compliance with environmental laws and regulations may require significant capital outlays and may cause material changes or delays in the Issuer's intended activities. The Issuer cannot assure investors that future changes in environmental regulations will not adversely affect the Issuer's business, and it is possible that future changes in these laws or regulations could have a significant adverse impact on some portion of the Issuer's business, causing the Issuer to re-evaluate those activities at that time.

Uninsurable Risks

In the course of exploration, development and production of mineral properties, several risks and, in particular, unexpected or unusual geological or operating conditions, may occur. It is not always possible to fully insure against such risks, and the Issuer may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise they could reduce or eliminate any future profitability and result in an increase in costs and a decline in value of the securities of the Issuer.

The Issuer is not insured against most environmental risks. Insurance against environmental risks (including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration and production) has not been generally available to companies within the industry. The Issuer periodically evaluates the cost and coverage of the insurance against certain environmental risks that is available to determine if it would be appropriate to obtain such insurance. Without such insurance, and if the Issuer becomes subject to environmental liabilities, the payment of such liabilities would reduce or eliminate its available funds or could exceed the funds the Issuer has to pay such liabilities and result in bankruptcy. Should the Issuer be unable to fund fully the remedial cost of an environmental problem it might be required to enter into interim compliance measures pending completion of the required remedy.

Litigation Risk

Litigation risks to the Issuer may include, but are not limited to, contesting development or regulatory approvals, traditional title claims, land tenure disputes, environmental claims, and occupational health and safety claims.

Force Majeure

The Issuer's projects now or in the future may be adversely affected by risks outside the control of the Issuer, including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

Investment Speculative

The above list of risk factors should not be taken as exhaustive of the risks faced by the Issuer or by investors in the Issuer. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Issuer and the value of its securities.

Potential investors should consider that an investment in the Issuer is speculative and should consult their professional advisers before deciding whether to invest in the Issuer.

PROMOTERS

Douglas MacQuarrie may be considered the promoter of the Issuer, as that term is defined in the *Securities Act* (British Columbia). Douglas MacQuarrie has not received anything of value from the Issuer, and he is not entitled to receive anything of value, except the compensation to be issued under “Executive Compensation – Compensation Discussion and Analysis” and as follows:

- MIA Investments Ltd. acquired 1,150,000 Common Shares at a price of $0.01 per Common Share, 1,000,000 Units at a price of $0.05 per Unit, and 160,000 Common Shares at a price of $0.25 per Common Share prior to the Offering (14.47% of the outstanding Common Shares as at the date of this Prospectus). MIA Investments Ltd. is a private company wholly owned by the MacQuarrie Family Trust. The trustees of the MacQuarrie Family Trust are Douglas MacQuarrie and Roberta MacQuarrie. Douglas MacQuarrie is the President and a director of MIA Investments Ltd. The Issuer granted Goknet a 3% net smelter return royalty on the Fahiakoba Concession. MIA Investments Ltd. owns 21.5% of the shares of Goknet.

All of the foregoing Common Shares and Units are subject to the Escrow Agreement.

See “Directors and Officers – Current Directors and Officers, Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions”, “Executive Compensation” and “Interest of Management and Others in Material Transactions” for disclosure regarding the promoter.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Legal Proceedings

There are no legal proceedings that the Issuer is or was a party to, or to its knowledge that any of its property interests is or was the subject of, and no such legal proceedings are known by the Issuer to be contemplated.

Regulatory Actions

There are no legal proceedings the Issuer is or was a party to, or that any of its property is or was the subject of, since the beginning of the most recently completed financial year for which financial statements of the Issuer are included in the Prospectus, nor any such legal proceedings Issuer knows to be contemplated.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The directors, executive officers and principal shareholders of the Issuer or any associate or affiliate of the foregoing have had no material interest, direct or indirect, in any transactions in which the Issuer has participated prior to the date of this Prospectus, and will not have any material interest in any proposed transaction, which has materially affected or is reasonably expected to materially affect the Issuer, except as set out elsewhere in this Prospectus or below. Certain directors and officers of the Issuer acquired Common Shares of the Issuer prior to the date of this Prospectus.

On June 15, 2011, the Issuer entered into the Purchase Agreement with Goknet to acquire a 100% legal and beneficial ownership interest the Fahiakoba Concession. To purchase the Fahiakoba Concession from Goknet the Issuer paid Goknet the sum of $50,630 representing Goknet's prior expenditures on the Fahiakoba Concession and agreed to incur exploration expenditures of US$200,000 per year for a period of five years from June 15, 2011. In the event the Issuer sells its interest in the Fahiakoba Concessions within two years from June 15, 2011, it must pay Goknet an additional sum, in cash, equal to 10% of the sale price. The Issuer also granted Goknet a 3% net smelter return royalty on production from the Fahiakoba Concession.

Goknet is related to the Issuer. Douglas MacQuarrie, the President, Chief Executive Officer and a director of the Issuer, is a director of Goknet. MIA Investments Ltd., a company owned by the MacQuarrie Family Trust, owns 21.5% of the shares of Goknet. The trustees of the MacQuarrie Family Trust are Douglas MacQuarrie and Roberta MacQuarrie. Roberta MacQuarrie owns 0.06% of the shares of Goknet. Refer to items “Other Material Facts” and “Risk Factors” in this Prospectus.

AUDITORS, TRANSFER AGENTS AND REGISTRARS

The auditors of the Issuer are the firm of MacKay LLP, Chartered Accountants, of 1100 – 1177 West Hastings Street, Vancouver, British Columbia, V6E 4T5.

The Registrar and Transfer Agent for the Common Shares of the Issuer is Computershare Investor Services Inc., 510 Burrard Street, Vancouver, British Columbia, V6C 3B9.

MATERIAL CONTRACTS

Except for contracts made in the ordinary course of business, the following are the only material contracts entered into by the Issuer since its incorporation:

1. Purchase Agreement dated June 15, 2011, as amended November 10, 2011, between Goknet and the Issuer;

2. Trust Agreement dated October 25, 2011 between Goknet and the Issuer;

3. Agency Agreement dated for reference January 27, 2012 between the Agent and the Issuer;

4. Escrow Agreement dated September 15, 2011 among certain Principals of the Issuer (as that term is defined under NP 46-201), Computershare Investor Services Inc. and the Issuer. The terms of this agreement are referred to in "Escrowed Securities";

5. Consulting Agreement dated June 1, 2011 between the Issuer and MIA Investments Ltd. referred to under "Executive Compensation";

6. Consulting Agreement dated August 1, 2011 between the Issuer and 1765271 Ontario Ltd. referred to under "Executive Compensation";

7. Consulting Agreement dated June 1, 2011 between the Issuer and JNS Capital Corp. referred to under "Executive Compensation"; and

8. Option Agreements dated October 24, 2011 between the Issuer and its directors, officers and consultants referred to under "Options to Purchase Securities".

Copies of all material contracts may be inspected during distribution of the securities being offered under this Prospectus at the registered office of the Issuer at 10th Floor, 595 Howe Street, Vancouver, British Columbia, V6C 2T5 during normal business hours and for 30 days thereafter.

EXPERTS

The following persons or companies whose profession or business gives authority to a statement made by the person or company are named in the Prospectus as having prepared or certified a part of that document, report, valuation, statement or opinion described in the Prospectus:

(1) The information in this Prospectus under the headings "Summary of Prospectus – Eligibility for Investment" and "Certain Canadian Federal Income Tax Considerations" has been included in reliance upon the opinion of Legacy Tax + Trust Lawyers;

(2) The audited financial statements of the Issuer included with this Prospectus have been subject to audit by MacKay LLP, Chartered Accountants, and their audit report is included herein; and

(3) The information of a scientific or technical nature regarding the Fahiakoba Concession in this Prospectus is based on the Technical Report prepared by Donald G. Allen, MASc., PEng (B.C.), who is a qualified person pursuant to National Instrument 43-101.

Based on information provided by the relevant persons, none of the above persons or companies: (i) have received or will receive any direct or indirect interests in the property of the Issuer or of an associate or affiliate of the Issuer; (ii) hold any beneficial ownership, direct or indirect, in any securities of the Issuer or of any associate or affiliate of the Issuer; or (iii) is or is expected to be elected, appointed or employed as a director, officer or employee of the Issuer or of any associate or affiliate of the Issuer.

MacKay LLP has advised that they are independent with respect to the Issuer within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia.

OTHER MATERIAL FACTS

There are no other material facts concerning the Offered Securities other than as disclosed in this Prospectus.

Goknet is a related party with one common director which sold the Fahiakoba Concession to the Issuer.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Legacy Tax + Trust Lawyers, the following is, as of the date of this Prospectus, a summary of the principal Canadian federal income tax considerations under the Tax Act generally applicable to initial holders of the Offered Securities acquired under the Offering. This summary only applies to the initial holders of Offered Securities acquired under the Offering who, for the purposes of the Tax Act, are resident in Canada and who deal at arm's length and are not affiliated with the Issuer and hold each of their Offered Securities as capital property **("Holders"**).

No part of this summary is applicable to corporations which are "financial institutions" for the purposes of the "mark to market" provisions of the Tax Act, to any "specified financial institution" as defined in the Tax Act, to any person an investment in which would constitute a "tax shelter" for the purposes of the Tax Act, or to any underwriters or agents acting on behalf of the Issuer.

Whether the Offered Securities issued under this Offering are held by any particular Holder as capital property or as inventory will be determined according to the principles ordinarily applicable to the characterization of shares of a corporation. Each of the Offered Securities will generally be considered to be "capital property" to a Holder unless they are held in the course of carrying on a business of trading or dealing in securities or the Holder is engaged in an adventure in the nature of trade with respect to such Offered Securities.

Certain Holders who are resident in Canada for purposes of the Tax Act and who might not otherwise be considered to hold their Common Shares and Warrant Shares as capital property may, in certain circumstances, be entitled to have them treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. Subsection 39(4) of the Tax Act does not apply to deem the Warrants to be capital property. **Holders of Common Shares contemplating making the election permitted by subsection 39(4) of the Tax Act should consult their own independent tax advisors as such an election would affect the income tax treatment of dispositions by the Holder of other Canadian securities and may not be suitable for all Holders.**

This summary is based upon the current provisions of the Tax Act and the Regulations in force as of the date hereof, all specific proposals (the "**Proposed Amendments**") to amend the Tax Act or the Regulations that have been publicly announced by, or on behalf of, the Minister of Finance (Canada) prior to the date hereof, and counsel's understanding of the current published administrative and assessing practices of the Canada Revenue Agency. If the Proposed Amendments are not enacted as presently proposed or other relevant amendments to the Tax Act or Regulations come into force, the tax consequences may not be as described below in all cases. Except where otherwise indicated, this summary does not take into account or anticipate any other changes to the law, including retroactive tax amendments, whether by legislative, governmental or judicial decision or action, nor does it take into account provincial, territorial or foreign income tax legislation or considerations, which may differ from the Canadian federal income tax considerations.

This summary is of a general nature only, is not exhaustive of all possible Canadian federal income tax considerations and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder. Therefore, Holders should consult their own tax advisors with respect to their particular circumstances.

Offered Securities Considerations

Adjusted Cost Base

Each Common Share issued by the Issuer to a Holder should have a cost to that Holder of the subscription price of such share, plus, in the case of a Common Share acquired upon exercise of a Warrant, the subscription price allocable to such Warrant.

The “adjusted cost base” (the “**ACB**”) of each Common Share of the Issuer owned by a Holder at any particular time will generally be the average ACB to the Holder of all Common Shares of the Issuer owned at that time. The ACB of all Warrants owned by a Holder at any particular time will also be averaged.

Allocation of Cost

The total purchase price of a Unit to a Holder must be allocated on a reasonable basis between the Common Share and the one-half Warrant to determine the cost of each for purposes of the Tax Act. The administrative policy of the CRA is that the allocation of the purchase price as made by the Issuer and a Holder must be the same. For its purposes, the Issuer intends to allocate $0.499 of the issue price of each Unit as consideration for the issue of each Common Share and $0.001 of the issue price of each Unit for the issue of each one-half Warrant. Although the Issuer believes that its allocation is reasonable, the allocation is not binding on the CRA.

Exercise of Warrants

No gain or loss will be realized by a Holder upon the exercise of a Warrant to acquire a Warrant Share. When a Warrant is exercised, the Holder’s cost of the Warrant Share acquired thereby will be the aggregate of the Holder’s ACB of such Warrant and the exercise price paid for the Warrant Share. The Holder’s ACB of the Warrant Share so acquired will be determined by averaging such cost with the ACB to the Holder of all Common Shares owned by the Holder immediately prior to such acquisition.

Disposition and Expiry of Warrants

A disposition or deemed disposition by a Holder of a Warrant (other than upon the exercise thereof) will generally give rise to a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, are greater (or less) than such Holder’s ACB of the Warrant. In the event of the expiry of an unexercised Warrant, the Holder will realize a capital loss equal to the Holder’s ACB of such Warrant. The tax treatment of capital gains and losses is discussed in greater detail below under the subheading “Capital Gains or Capital Losses”.

Dividends

Dividends received or deemed to be received by a Holder on the Common Shares or Warrant Shares will be included in computing the Holder’s income and, where the Holder is an individual (other than a trust that is a registered charity), will be subject to gross-up and dividend tax credit rules applicable to dividends paid by a taxable Canadian corporation. Taxable dividends received by a Holder from a public corporation that is a taxable Canadian corporation which are designated by such corporation as “eligible dividends” in accordance with the Tax Act will be entitled to the enhanced gross-up and dividend tax credit, if the Holder is notified in writing by the Issuer at or before the time the dividend is paid.

Dividends received by a Holder that is a corporation on the Common Shares or Warrant Shares must be included in computing its income but generally will be deductible in computing its taxable income. Private corporations (as defined in the Tax Act) and certain other corporations controlled by or for the benefit of an individual (other than a trust) or related group of individuals (other than trusts) generally will be liable to pay a 33-1/3% refundable tax under Part IV of the Tax Act on dividends to the extent such dividends are deductible in computing the corporation’s taxable income. This refundable tax generally will be refunded to a corporate Holder at the rate of $1 for every $3 of taxable dividends paid while it is a private corporation.

Capital Gains or Capital Losses

Upon a disposition (or a deemed disposition) of an Offered Security to an arm’s length person (other than the Issuer), a Holder generally will realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition of such security, net of any reasonable costs of disposition, are greater (or are less) than the ACB of such security to the Holder. One-half of any capital gain will be included in income as a taxable capital gain. One-half of any capital loss may generally be deducted as an allowable capital loss against taxable capital gains realized in the year of disposition, any of the three preceding taxation years or any subsequent taxation year, subject to detailed provisions of the Tax Act.

The amount of any capital loss realized on the disposition or deemed disposition of Common Shares, or Warrant Shares by a Holder that is a corporation may be reduced by the amount of dividends received or deemed to have been received by it on such shares or shares substituted for such shares to the extent and in the circumstances prescribed by the Tax Act. Similar rules may apply where a Holder that is a corporation is a member of a partnership or beneficiary of a trust that owns such shares or that is itself a member of a partnership or a beneficiary of a trust that owns such shares.

A Holder that is throughout the relevant taxation year a "Canadian-controlled private corporation" (as defined in the Tax Act) also may be liable to pay an additional refundable tax of 6 2/3% on its "aggregate investment income" for the year which will include taxable capital gains. This refundable tax generally will be refunded to a corporate Holder at the rate of $1 for every $3 of taxable dividends paid while it is a private corporation.

Minimum Tax on Individuals

The Tax Act provides for an alternative minimum income tax applicable to individuals (including certain trusts and estates) resident in Canada, which is computed by reference to an adjusted taxable income amount under which certain tax preference items are not deductible or exempt. In calculating adjusted taxable income for the purpose of determining the minimum tax, certain deductions otherwise available are disallowed. 80% of capital gains (net of capital losses) and the actual amount of taxable dividends (not including any gross-up or dividend tax credit) is included in the adjusted taxable income. Any additional tax payable by an individual under the minimum tax provisions may be carried forward and applied against certain tax otherwise payable in any of the seven immediately following taxation years; however, this carry-forward amount will only be creditable in a particular year to the extent that the individual's tax payable for the year, calculated without reference to the minimum tax provisions, exceeds the tax payable under the minimum tax provisions for the year.

Eligibility for Investment

On the Closing Date, provided that the Offered Securities are on that date listed for trading on a designated stock exchange (which includes Tier One and Tier Two of the Exchange), the Offered Securities will be qualified investments under the Tax Act for trusts governed by an RRSP, RRIF, registered disability savings plan, deferred profit sharing plan, registered education savings plan or TFSA, all as defined in the Tax Act (the "**Investment Plans**").

The Warrants will be qualified investments at a particular time for a particular Investment Plan if the Common Shares are, at that time, qualified investments and the Issuer deals at arm's length with each person who is an annuitant, a beneficiary, an employer or a subscriber under the Investment Plan.

If the Common Shares are a "prohibited investment" (as defined in the Tax Act) for a trust governed by a Registered Plan, the Controlling Individual of the Registered Plan will be subject to a penalty tax on the Common Shares as set out in the Tax Act. A Common Share will generally not be a prohibited investment for a trust governed by a Registered Plan held by a particular Controlling Individual provided that the Controlling Individual deals at arm's length with the Issuer for the purposes of the Tax Act, and does not have a "significant interest" (as defined in the Tax Act) in either the Issuer or a corporation, partnership or trust that does not deal at arm's length with the Issuer for purposes of the Tax Act. In general terms, a Controlling Individual of a Registered Plan will have a significant interest in the Issuer if the Registered Plan, the Controlling Individual, and other persons not at arm's length with the Controlling Individual together, directly or indirectly, own not less than 10% of the outstanding Common Shares of the Issuer.

BECAUSE THE TAX CONSEQUENCES OF ACQUIRING, HOLDING OR DISPOSING OF THE OFFERED SECURITIES MAY VARY DEPENDING ON THE PARTICULAR CIRCUMSTANCES OF EACH HOLDER AND OTHER FACTORS, HOLDERS ARE URGED TO CONSULT WITH THEIR OWN TAX ADVISORS TO DETERMINE THE PARTICULAR TAX CONSEQUENCES TO THEM OF ACQUIRING, HOLDING OR DISPOSING OF THE OFFERED SECURITIES.

PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in British Columbia and Alberta provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In some jurisdictions, the securities legislation further provides a purchaser with remedies for rescission or revisions to the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions to the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal advisor.

RELATIONSHIP BETWEEN THE ISSUER AND THE AGENT

The Issuer is not a “related issuer” or a “connected issuer” of or to the Agent (as such terms are defined in National Instrument 33-105 – Underwriters Conflicts).

FINANCIAL STATEMENTS

Audited financial statements of the Issuer for the period from incorporation on May 4, 2011 to October 31, 2011 and related notes thereto are included in this Prospectus.

AUDITOR'S CONSENT

We have read the prospectus of Asante Gold Corporation (the "Issuer") dated January 27, 2012 relating to the issue of a minimum of 3,000,000 units and a maximum of 4,000,000 units of the Issuer. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use in the above-mentioned prospectus of our report to the directors of the Issuer on the statement of financial position of the Issuer as at October 31, 2011, and the statements of comprehensive loss/income, changes in equity and cash flows for the period from the date of incorporation on May 4, 2011 to October 31, 2011 and related notes thereon. Our report is dated January 27, 2012.

Vancouver BC Canada	*"MacKay LLP"*
January 27, 2012	Chartered Accountants

asante
GOLD CORPORATION

INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the period ended October 31, 2011

CONTENTS

CHARTERED ACCOUNTANTS
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Independent Auditor's Report

To the Directors of

Asante Gold Corporation

We have audited the accompanying financial statements of Asante Gold Corporation, which comprise the statement of financial position as at October 31, 2011, and the statements of comprehensive loss/income, changes in equity, and cash flows for the period then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Asante Gold Corporation as at October 31, 2011, and its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards.

Emphasis of matter

Without modifying our opinion, we draw attention to Note 1 to the financial statements which describes the material uncertainty that may cast significant doubt about the ability of Asante Gold Corporation to continue as a going concern.

“MacKay LLP”

Chartered Accountants

Vancouver, British Columbia

January 27 2012

Statement of Interim Financial Position

		October 31, 2011
Assets		
Current Assets		
Cash (Note 5)	$	1,106,152
Receivables		14,238
Prepaid expenses and deposits		59,883
		1,180,273
Non-current Assets		
Deferred financing cost (Note 14)		32,500
Exploration and evaluation assets (Note 6)		259,134
Total assets	$	1,471,907
Liabilities and shareholders' equity		
Current Liabilities		
Trade and other payables	$	25,986
Total current liabilities		25,986
Total liabilities		25,986
Shareholders'equity		
Share capital (Note 7)		1,797,502
Share subscriptions received		-
Reserve for share based payments		557,400
Accumulated deficit		(908,981)
Total shareholders' equity		1,445,921
Total liabilities and shareholders' equity	$	1,471,907

Events after the reporting period (Note 14)

"Douglas MacQuarrie" *"Jagtar Sandhu"*

Signed on behalf of the Board of Directors

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

Statement of Comprehensive Loss/Income

		October 31, 2011
Interest and other income		$ -
General administration		
Stock based compensation (Note 8)	557,400	
Management and consulting fees (Note 11)	122,639	
Professional services	90,731	
Shareholder communications (Note 11)	52,789	
Travel	27,649	
General office	57,773	908,981
Net loss		908,981
Loss after income tax		908,981
Other comprehensive income, net of tax		-
Total comprehensive loss for the period		$ 908,981
Loss per common share, basic and diluted (Note 13)		$ 0.09

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

Interim Statement of Changes in Equity

	Share capital	Deficit	Reserve for share based payments	Total
Balance at May 4, 2011	$ -	$ -	$ -	$ -
Loss for the period		(908,981)		(908,981)
Reserve for share based compensation		-	557,400	557,400
Share capital issued (Note 7)	1,865,250	-	-	1,865,250
Share issuance costs	(67,748)		-	(67,748)
Balance at October 31, 2011	$ 1,797,502	$ (908,981)	$ 557,400	$ 1,445,921

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

Interim Statement of Cash Flows

		October 31, 2011
Cash flows from operating activities		
Loss for the period	$	(908,981)
Stock based compensation		557,400
Changes in non-cash working capital balances:		
Prepaid expenses		(59,883)
Receivables		(14,238)
Trade and other payables		25,986
Total cash inflows from operating activities	$	(399,716)
Cash flows from investing activities		
Acquisition of exploration and evaluation assets	$	(50,630)
Investment in exploration and evaluation assets		(208,504)
Total cash (outflows) from investing activities	$	(259,134)
Cash flows from financing activities		
Proceeds from share issuance,net of share issue costs	$	1,797,502
Deferred financing costs		(32,500)
Total cash inflows from financing activities	$	1,765,002
Total increase in cash during the period	$	1,106,152
Cash and cash equivalents at beginning of period (Note 5)		-
Cash and cash equivalents at end of period (Note 5)	$	1,106,152

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

Interest paid	$	-
Income taxes paid	$	-

1. CORPORATE INFORMATION

Asante Gold Corporation's business activity is the exploration and evaluation of mineral properties in Ghana, West Africa. Asante Gold Corporation (the "Company") was incorporated under the Canada Business Corporations Act on May 4, 2011, and has continued as a company under the Business Corporations Act of British Columbia. The Company intends to list on the TSX Venture Exchange as a Tier 2 mining issuer; and is in the process of exploring its mineral properties.

The address of the Company's corporate office and principal place of business is Suite 206, 595 Howe Street, Vancouver, British Columbia, V6C 2T5 Canada.

2. BASIS OF PREPARATION

a) **Statement of Compliance**

These financial statements have been prepared in accordance and compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The financial statements were authorized for issue by the Board of Directors on January 27, 2012.

b) **Basis of Measurement**

The condensed interim financial statements are presented in Canadian dollars, which is also the Company's functional currency.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

c) **Going Concern of Operations**

The Company has not generated revenue from operations. The Company incurred a net loss of $908,981 during the six months ended October 31, 2011 and, as of that date the Company's deficit was $908,981. Subsequent to the period end, the Company has not raised further funds via private placement. The Company intends to raise further financing through an initial public offering and listing on the TSX Venture Exchange.

These financial statements have been prepared on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. As the Company is in the exploration stage, the recoverability of the costs incurred to date on exploration properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties and deferred exploration expenditures. The Company will periodically have to raise funds to continue operations and, although it has been successful thus far in doing so, there is no assurance it will be able to do so in the future. These material uncertainties raises substantial doubt about the Company's ability to continue as a going concern, these financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) **Foreign Currency Transactions**

Foreign currency accounts are translated into Canadian dollars as follows:
At the transaction date, each asset, liability, revenue and expense denominated in a foreign currency is translated into Canadian dollars by the use of the exchange rate in effect at that date. At the year-end date, unsettled monetary assets and liabilities are translated into Canadian dollars by using the exchange rate in effect at the year-end date and the related translation differences are recognized in net income. Exchange gains and losses arising on the retranslation of monetary available-for-sale financial assets are treated as a separate component of the change in fair value and recognized in net income. Exchange gains and losses on non-monetary available-for-sale financial assets form part of the overall gain or loss recognized in respect of that financial instrument.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

b) **Cash and Cash Equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value. Currently the Company holds only cash.

c) **Mineral Exploration and Evaluation Expenditures**

Pre-exploration Costs

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

Exploration and Evaluation Expenditures

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures ("E&E") are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment 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.

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 the statement of comprehensive loss/income.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

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

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

Mineral exploration and evaluation expenditures are classified as intangible assets.

d) **Impairment of Non-Financial Assets**

Impairment tests on intangible assets with indefinite useful economic lives are undertaken at least annually at the financial year-end. 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 accordingly.

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 in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets. The Company has one cash-generating unit for which impairment testing is performed.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

An impairment loss is charged to the profit or loss, except to the extent reverses gains previously recognized in other comprehensive loss/income.

e) **Financial Instruments**

Financial Assets

Financial assets are classified into the following categories based on the purpose for which the asset was acquired. All transactions related to financial instruments are recorded on a trade date basis. The Company's accounting policy for each category is as follows:

Financial assets 'at fair value through profit and loss' (FVTPL)

FVTPL assets are initially measured at fair value without transaction costs, and subsequent gain or loss is recognized in profit and loss.

Loans and Receivables

These assets are non-derivative financial assets resulting from the delivery of cash or other assets by a lender to a borrower in return for a promise to repay on a specified date or dates, or on demand. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue and subsequently carried at amortized cost, using the effective interest rate method, less any impairment losses. Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognized in the profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process.

Available-For-Sale Investments

Non-derivative financial assets not included in the above categories are classified as available-for-sale. Available-for-sale investments are carried at fair value with changes in fair value recognized in accumulated other comprehensive loss/income. Where there is a significant or prolonged decline in the fair value of an available-for-sale financial asset (which constitutes objective evidence of impairment), the full amount of the impairment, including any amount previously recognized in other comprehensive loss/income, is recognized in profit or loss. If there is no quoted market price in an active market and fair value cannot be readily determined, available-for-sale investments are carried at cost.

Purchases and sales of available-for-sale financial assets are recognized on a trade date basis. On sale or impairment, the cumulative amount recognized in other comprehensive loss/income is reclassified from accumulated other comprehensive loss/income to profit or loss.

Held to Maturity Investments

Held-to-maturity investments are measured at amortized cost.

Impairment on Financial Assets

At each reporting date the Company assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired, if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

Financial Liabilities

Financial liabilities are classified as other financial liabilities, based on the purpose for which the liability was incurred, and comprise of trade payables and accrued liabilities. These liabilities are initially recognized at fair value net of any transaction costs directly attributable to the issuance of the instrument and subsequently carried at amortized cost using the effective interest rate method. This ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position. Interest expense in this context includes initial transaction costs and premiums payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of the period which are unpaid. Trade payable amounts are unsecured and are usually paid within 30 days of recognition.

f) **Provisions**

Rehabilitation Provision

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

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related mining 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 environment 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.

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 expenditure required to settle the obligation at the reporting date.

g) **Income Taxes**

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in net income except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive loss/income.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

h) **Share Capital**

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 and warrants are classified as equity instruments.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Earnings / Loss per Share

Basic earnings/loss per share is computed by dividing the net income or loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant period.

Diluted earnings/loss per common share is computed by dividing the net income or loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted.

i) **Share-based Payments**

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the statement of comprehensive loss/income over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

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 also charged to the statement of comprehensive loss/income 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 the statement of comprehensive loss/income, 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 behavioural considerations.

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

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.

j) **Standards, Amendments and Interpretations Not Yet Effective**

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for accounting periods beginning after August 1, 2011 or later periods.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The following new standards, amendments and interpretations, that have not been early adopted in these interim financial statements, will or may have an effect on the Company's future results and financial position:

- IFRS 9 Financial Instruments

IFRS 9 Financial Instruments is part of the IASB's wider project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The standard is effective for annual periods beginning on or after January 1, 2013. The Company is in the process of evaluating the impact of the new standard on the accounting for the available-for-sale investment.

The following new standards, amendments and interpretations, that have not been early adopted in these interim financial statements, will not have an effect on the Company's future results and financial position:

- IFRS 1: Severe Hyperinflation (Effective for periods beginning on or after July 1, 2011)
- IAS 12: Deferred Tax: Recovery of Underlying Assets (Amendments to IAS 12 (Effective for periods beginning on or after January 1, 2012)
- Amendments to IFRS 9: Financial Instruments (Effective for periods beginning on or after January 1, 2013).

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Asante Gold Corporation makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below:

i) Rehabilitation Provisions

No rehabilitation provisions have been created based on Asante Gold Corporation's activity to date. Ongoing assumptions, based on the current economic environment, will be made on a basis 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 currently recognized rehabilitation provisions may be higher or lower than currently provided for.

ii) Exploration and Evaluation Expenditure

The application of the Company's accounting policy for exploration and evaluation expenditure 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 is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available.

Expressed in Canadian Dollars

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

iii) Title to Mineral Property Interests

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

iv) 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 there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

v) Share-based Payment Transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 8.

5. CASH

Cash at banks and on hand earns interest at floating rates based on daily bank deposit rates. The Company currently holds no cash equivalents.

6. EXPLORATION AND EVALUATION ASSETS

	Property: Fahiakoba	Total
Balance at May 4, 2011	$ -	$ -
Property acquisition	50,630	50,630
Assaying, testing and analysis	17,499	17,499
Geology and geophysics	95,539	95,539
Drilling	45,669	45,669
General and administrative	49,797	49,797
Write-off of unsuccessful exploration expenditure	-	-
Balance at October 31, 2011	$ 259,134	$ 259,134

Expressed in Canadian Dollars

6. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

On June 15, 2011, the Company entered into the Purchase Agreement with Goknet Mining Company Limited ("Goknet") to acquire the Fahiakoba Concession, in the Ashanti Region 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$1,000,000 over a five year period. In the event that the Company sells its interest in the Fahiakoba Concession within two years from June 15, 2011, it must pay Goknet a sum, in cash, equal to 10% of the sale price. The Company also granted Goknet a 3% net smelter return royalty on production from the Fahiakoba Concession.

The impairment assessment of exploration and evaluation assets resulted in no amounts being written off the Company's properties.

7. SHARE CAPITAL AND RESERVES

a) **Common Shares**

The Company is authorized to issue an unlimited number of common shares.

The holders of common shares will be entitled to receive dividends which will be declared from time to time, and are entitled to one vote per share at meetings of the Company. All shares are ranked equally with regards to the Company's residual assets.

The following is a summary of changes in common share capital from incorporation to October 31, 2011:

	Number of shares		Issue Price		Amount
Balance at May 4, 2011	-			$	-
Shares issued via private placement	2,325,000	$	0.01		23,250
Shares issued via private placement	7,835,000	$	0.05		391,750
Shares issued via private placement	5,608,000	$	0.25		1,402,000
Shares issued via private placement	193,000	$	0.25		48,250
Share issue costs					(67,748)
Balance at October 31, 2011	15,961,000			$	1,797,502

During the period ended October 31, 2011, the following stock transactions occurred:

On June 10, 2011 pursuant to a non-brokered private placement, the Company issued 2,325,000 shares at a per share value of $0.01 for gross proceeds of $23,250. The fair value of the 2,325,000 common shares was determined to be $116,250 and therefore $93,000 of stock based compensation was expensed during the period ended October 31, 2011. $nil finder's fees were paid; and $nil warrants were issued as finder's fees.

On June 10, 2011 pursuant to a non-brokered private placement, the Company issued 7,835,000 units at a per unit value of $0.05 for gross proceeds of $391,750. Each unit is comprised of one share and one share purchase warrant exercisable for two years at $0.25. $nil finders' fees were paid, and nil warrants were issued as finders' fees. The warrants are exercisable for two years at a price of $0.25.

On August 31, 2011 the Company closed a non-brokered private placement for total gross proceeds of $1,402,000 consisting of 5,608,000 shares; 294,600 brokers' warrants exercisable at $0.25 and expiring February 29, 2013 were issued in connection with this private placement. Finder's fees totaled $44,190.

Expressed in Canadian Dollars

7. SHARE CAPITAL AND RESERVES (CONTINUED)

On September 14, 2011 the Company closed a non-brokered private placement for total proceeds of $48,250 consisting of 193,000 shares; 16,000 brokers' warrants exercisable at $0.25 and expiring March 14, 2013 were issued in connection with this private placement. Finder's fees totaled $2,400.

On October 24, 2011 the Company granted 1,340,000 options exercisable at $0.75 for a period of 5 years.

A total of 5,385,000 shares and 2,900,000 warrants held by insiders are subject to escrow and will be released in accordance with TSX-Venture requirements as relates to an intended IPO.

b) **Share-based Payments**

The following is a summary of changes in share based payments from May 4, 2011 to October 31, 2011:

	October 31, 2011	May 4, 2011
Founders Shares	$ 93,000	$ -
Share Options	464,400	-
Total Contributed Surplus	$ 557,400	$ -

c) **Share Purchase Warrants**

The following is a summary of changes in warrants from May 4, 2011 to October 31, 2011:

	Number of Warrants
Balance at May 4, 2011	**-**
Issue of warrants	8,145,600
Exercised warrants	-
Balance October 31, 2011	**8,145,600**

As at October 31, 2011, the Company had outstanding warrants as follows:

Number of warrants	Exercise price	Expiry
7,835,000	$ 0.25	10-Jun-13
294,600	$ 0.25	28-Feb-13
16,000	$ 0.25	14-Mar-13

Expressed in Canadian Dollars

7. SHARE CAPITAL AND RESERVES (CONTINUED)

d) **Nature and Purpose of Equity and Reserves**

The reserves recorded in equity on the Company's balance sheet reflect 'Reserves for Share Based Payments'.

'Reserves for Share Based Payments' is used to recognize the value of shares, stock option grants and share warrants prior to exercise.

'Accumulated Deficit' is used to record the Company's change in deficit from earnings from period to period.

8. SHARE BASED PAYMENTS

a) **Option Plan Details**

The Company has an incentive Stock Option Plan ("the Plan") under which non-transferable options to purchase common shares of the Company may be granted to directors, officers, employees or service providers of the Company. The terms of the Plan provide that the Directors have the right to grant options to acquire common shares of the Company at not less than the closing market price of the shares on the day preceding the grant less any discount allowable under TSX rules, at terms of up to five years. No amounts are paid or payable by the recipient on receipt of the option, and the options granted are not dependent on any performance-based criteria. In accordance with the Plan, options vest immediately upon grant; with the exception of personnel working in Investor Relations whose options vest at 25% upon grant and 25% every three months thereafter until all options are fully vested.

Grant Date	Expiry Date	Exercise Price	Opening Balance	During the Period			Closing Balance	Vested and Exercisable	Unvested
				Granted	Exercised	Forfeited			
24/10/2011	24/10/2016	$ 0.75	-	1,350,000	-	-	1,350,000	1,350,000	-
			-	1,350,000	-	-	1,350,000	1,350,000	-
Weighted Average Exercise Price			$ -	$ 0.75	$ -	$ -	$ -	$ -	$ -

During the period ended October 31, 2011, 1,350,000 options were granted with a fair value of $0.34 per option. The fair value of each option granted was estimated on the grant date using the Black-Scholes option-pricing model with the following weighted average assumptions:

Number of options	1,350,000
Estimated life	5 years
Share price at date of grant	$0.50
Option exercise price	$0.75
Risk free interest rate	1.11%
Estimated annual volatility	100%
Option fair value	$0.34
Fair value of compensation granted during period	$464,400

b) **Fair Value Options Issued to Employees**

The fair value at grant date is determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

8. SHARE BASED PAYMENTS (CONTINUED)

Options Issued to Non-Employees

Options issued to non-employees, are measured based on the fair value of the goods or services received, at the date of receiving those goods or services. If the fair value of the goods or services received cannot be estimated reliably, the options are measured by determining the fair value of the options granted, using a valuation model.

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

9. FINANCIAL INSTRUMENTS

(a) Disclosures:

The Company's financial instruments consist of cash, accounts payable and accrued liabilities, and due to related parties.

The carrying values of cash, accounts payable and accrued liabilities and due to related parties approximate their respective fair values due to the short-term nature of these instruments. All financial instruments carried at fair value at October 31, 2011 were determined using Level 1 inputs.

(b) Financial instrument risk exposure and risk management:

(*i*) Credit risk:
Credit risk is the unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. With very limited receivables and cash on deposit with sound financial institutions, it is management's opinion that the Company is not exposed to significant credit risks arising from the financial instruments.

(*ii*) Liquidity risk:
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's liquidity improved significantly during the year. As at October 31, 2011, the Company had current liabilities totaling $25,986 and cash reserves of $1,106,052

(*iii*) Market risk:

Market risk is the risk that changes in market prices such as commodity prices, foreign exchange rates and interest rates will affect the Company's income. The objective of market risk management is to manage and control market risk exposure within acceptable parameters.

The Company does not use derivative instruments to reduce its exposure to market risks.

Currency risk

The Company is exposed to financial risk arising from fluctuations in foreign exchange rates and the degree of volatility of these rates. At October 31, 2011, the Company is exposed to currency risk through the following financial instruments denominated in foreign currencies:

Expressed in Canadian Dollars

9. FINANCIAL INSTRUMENTS (CONTINUED)

	US Dollars
Cash	57,834
Accounts payable and accrued liabilities	10
	57,824
CAD foreign exchange rate	1.00710

A 10% change in the Canadian (CAD) dollar against the foreign currency at October 31, 2011 would result in an increase (decrease) to net income in the amounts shown below.

This analysis assumes that all other variables, in particular, interest rates, remain constant:

		Change
US Dollars	$	5,782

Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no interest bearing debt as of October 31, 2011.

A change of 100 basis points in the interest rates would not be material to the financial statements.

(*iv*) Other risk:

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

(c) Capital management

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

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

9. FINANCIAL INSTRUMENTS (CONTINUED)

The Company's properties are in the exploration stage and as such the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds 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. The Company is not subject to any external covenants.

10. INCOME TAXES

Income tax expense is recognized based on management's best estimate of the weighted average annual income tax rate for the full financial year applied to the pre-tax income of the interim period. The difference between tax expense for the period and the expected income taxes based on the statutory tax rate will be calculated and disclosed as comparable periods are established.

Deferred Tax Assets and Liabilities

The nature and tax effect of the temporary differences giving rise to the future income tax assets and liabilities will be reported as comparable periods are established.

As at October 31, 2011, the Company has estimated non-capital losses for Canadian income tax purposes of $350,000 that may be carried forward to reduce taxable income derived in future years.

Tax Losses

The potential benefits of these carry-forward non-capital losses, capital losses and deductible temporary differences has not been recognized in these condensed interim financial statements as it is not considered probable that sufficient future taxable profit will allow the deferred tax asset to be recovered.

11. RELATED PARTY TRANSACTIONS

The following is a summary of the Company's related party transactions during the period:

a) **Management Fees**

Management fees of $75,000 incurred in connection with day-to-day management and general corporate matters, were paid to a consulting firm owned by a director of the Company. At October 31, 2011, $nil was owing to this consulting firm.

Corporate communication fees of $37,500 incurred in connection with the general corporate matters, were paid to a consulting firm owned by a director of the Company. At October 31, 2011, $nil was owing to this consulting firm.

Consulting fees of $15,000 charged by an officer of the Company.

Deferred exploration costs and expenses of $170,672 charged by a firm controlled by a director of the Company.

Expressed in Canadian Dollars

11. RELATED PARTY TRANSACTIONS (CONTINUED)

b) **Key Management Compensation**

Key management personnel are engaged as consultants and are recorded in notes above.

		October 31, 2011
Directors and officers salaries and/or fees	$	133,500
Share based payments		361,200
	$	494,700

c) **Property Acquisition**

Fees of $50,630 for the acquisition of the Fahiakoba property were paid to a firm with a common director of the Company. At October 31, 2011, $Nil was owed to the firm.

These transactions have been entered into in the normal course of operations and are recorded at their exchange amounts, which is the consideration agreed upon by the related parties. Amounts due to and from related parties have no fixed terms of repayment, are unsecured, and are non-interest bearing.

12. SEGMENTAL REPORTING

The Company is organized into business units based on mineral properties and has one reportable operating segment, being that of acquisition and exploration and evaluation activities.

13. LOSS PER SHARE

Weighted Averge Number of Common Shares	**October 31, 2011**
Issued common shares	15,961,000
Weighted average number of common shares (basic and diluted)	10,022,439

14. EVENTS AFTER THE REPORTING DATE

Subsequent to the period the Company is in the process of filing an IPO prospectus with the British Columbia and Alberta Securities Commissions to raise a minimum of $1,500,000 and a maximum of $2,000,000 by the issuance of units at $0.50 per unit, subject to regulatory approval. Pursuant to the Agency Agreement the Company will pay the Agent a commission equal to 7.5% of the proceeds, and issue warrants equal to 7.5% of the offered units exercisable at $0.50 for 2 periods of 2 years. The Company has also agreed to issue 150,000 Corporate Finance Shares and reimburse the Agent for legal fees towards which a retainer of $14,000 has been paid.

CERTIFICATE OF THE ISSUER

Dated: January 27, 2012

This Prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the securities legislation of British Columbia and Alberta.

"Douglas MacQuarrie"	*"Philip Gibbs "*
Douglas MacQuarrie	Philip Gibbs
Chief Executive Officer	Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

"Jagtar Sandhu "	*"Mark Holcombe"*
Jagtar Sandhu	Mark Holcombe
Director	Director

CERTIFICATE OF PROMOTER

Dated: January 27, 2012

This Prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the securities legislation of British Columbia and Alberta.

"Douglas MacQuarrie"
Douglas MacQuarrie

CERTIFICATE OF THE AGENT

Dated: January 27, 2012

To the best of our knowledge, information and belief, this prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of British Columbia and Alberta.

CANACCORD GENUITY CORP.

"Graeme Currie"
Graeme Currie
Director, Investment Banking