ASANTE GOLD CORPORATION

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the three months ended April 30, 2013 and 2012

Unaudited

CONTENTS

STATEMENTS OF FINANCIAL POSITION 2

STATEMENTS OF COMPREHENSIVE LOSS / INCOME 3

STATEMENTS OF CHANGES IN EQUITY 4

STATEMENTS OF CASH FLOWS 5

1. Corporate Information 6

2. Basis of Preparation 6

3. Summary of Significant Accounting Policies 7

4. Critical Accounting Estimates and Judgments 8

5. Exploration and Evaluation Assets 9

6. Share Capital and Reserves 10

7. Share Based Payments 13

8. Financial Instruments 14

9. Related Party Transactions 16

10. Segmental Reporting 17

11. Loss Per Share 17

12. Events After the Reporting Date 17

STATEMENTS OF FINANCIAL POSITION

	April 30, 2013	January 31, 2013
Assets		
Current Assets		
Cash (Note 8)	$ 193,349	$ 28,550
Short term investments	46,000	46,000
Receivables	24,495	30,054
Prepaid expenses and deposits	8,428	89,175
	272,272	193,779
Non-current Assets		
Fixed assets	84,261	87,864
Exploration and evaluation assets (Note 5)	2,215,757	2,069,709
Total assets	$ 2,572,290	$ 2,351,352
Liabilities and shareholders' equity		
Current Liabilities		
Trade and other payables	$ 464,582	$ 229,057
Total current liabilities	464,582	229,057
Shareholders' equity		
Share capital (Note 6)	4,102,629	3,872,629
Reserve for share based payments	684,278	684,278
Cumulative translation reserve	(1,547)	(26)
Accumulated deficit	(2,677,652)	(2,434,586)
Total shareholders' equity	2,107,708	2,122,295
Total liabilities and shareholders' equity	$ 2,572,290	$ 2,351,352

Events after the reporting period (Note 12)

Signed on behalf of the Board of Directors

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

STATEMENTS OF COMPREHENSIVE LOSS/INCOME

	Three months ended April 30,			
		2013		2012
Interest and other income	$	-	$	-
Expenses				
Amortization		204		-
Directors' fees (Note 9)		9,000		6,000
Foreign exchange (gain)/loss	-	58		7,527
Stock based compensation (Note 7)		-		48,000
Management and consulting fees (Note 9)		57,000		72,107
Professional services		46,113		96,688
Shareholder communications (Note 9)		68,082		74,479
Trade shows and promotions		-		22,522
Transfer agent and regulatory fees		6,416		49,728
Travel		15,714		28,889
General office		41,030		40,784
Interest received		(435)		
Net loss for the period		243,066		446,724
Other comprehensive loss				
Currency translation adjustment		1,521		-
Total comprehensive loss for the period		244,587		446,724
Loss per common share, basic and diluted (Note 11)	$	0.01	$	0.024

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

Expressed in Canadian Dollars

STATEMENTS OF CHANGES IN EQUITY

	Share capital	Accumulated Deficit	Reserve for share based payments	Reserve for warrants	Cumulative translation reserve	Total
Balance at May 4, 2011	$ -	$ -	$ -	$ -	$ -	$ -
Loss for the period	-	(1,241,156)	-	-	-	(1,241,156)
Reserve for share based compensation	-	-	557,400	-	-	557,400
Share capital issued	1,865,250	-	-	-	-	1,865,250
Share issuance costs	(46,590)	-	-	-	-	(46,590)
Balance at January 31, 2012	$ 1,818,660	$ (1,241,156)	$ 557,400	-	-	$1,134,904
Loss for the period	c	(1,193,430)	-	-	-	(1,193,430)
Reserve for share based compensation	-	-	48,000	-	-	48,000
Share capital issued in respect of IPO	2,075,000	-	-	-	-	2,075,000
Warrants exercised	350,000	-	-	-	-	350,000
Agents warrants issued	-	-	-	78,878	-	78,878
Share issuance costs	(371,031)	-	-	-	-	(371,031)
Foreign currency translation adjustment	-	-	-	-	(26)	(26)
Balance at January 31, 2013	$ 3,872,629	$ (2,434,586)	$ 605,400	$ 78,878	$ (26)	$2,122,295
Loss for the period	-	(243,066)	-	-	-	(243,066)
Warrants exercised	230,000	-	-	-	-	230,000
Foreign currency translation adjustment	-	-	-	-	(1,521)	(1,521)
Balance at April 30, 2013	$ 4,102,629	$ (2,677,652)	$ 605,400	$ 78,878	$ (1,547)	$2,107,708

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

Expressed in Canadian Dollars

STATEMENTS OF CASH FLOWS

	April 30	
	2013	**2012**
Cash flows from operating activities		
Loss for the period	$ (243,066)	$ (446,724)
Items not affecting cash:		
Amortization	204	-
Stock based compensation	-	48,000
Changes in non-cash working capital balances:		
Prepaid expenses and deposits	80,747	(114,359)
Receivables	5,559	(28,503)
Trade and other payables	235,525	(36,778)
Total cash inflows from operating activities	78,968	(578,364)
Cash flows from investing activities		
Short term investments	-	(46,000)
Investment in exploration and evaluation assets	(144,169)	(657,092)
Fixed assets	-	(36,913)
Total cash (outflows) from investing activities	(144,169)	(740,005)
Cash flows from financing activities		
Proceeds from share issuance	230,000	2,075,000
Share issuance costs	-	(292,154)
Deferred financing costs	-	31,013
Total cash inflows from financing activities	230,000	1,813,859
Total increase (decrease) in cash during the period	164,799	$ 495,490
Cash at beginning of period (Note 8)	28,550	756,374
Cash at end of period (Note 8)	$ 193,349	1,251,864

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

	2013	2012
Interest paid	$ -	$ -
Income taxes paid	$ -	$ -

- Included in E & E assets is $3,410 in trade and other payables

- Included in E & E assets is $4,231 in amortization of fixed assets

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 listed on the TSX Venture Exchange on February 28, 2012 under the symbol "ASE" 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 ("IFRS") 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 June 20, 2013.

b) **Basis of Measurement**

The financial statements are presented in Canadian dollars, which is also the Company's functional currency. The functional currency of the Company's wholly owned subsidiaries is the United States dollar.

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

c) **Going Concern of Operations**

The Company has not generated revenue from operations. The Company incurred a comprehensive loss of $244,587 during the three months ended April 30, 2013 and, as of that, date the Company's deficit was $2,677,652. The Company intends to raise further financing through private placements.

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 raise 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.

d) **Basis of Consolidation**

These consolidated financial statements present the results of the Company and its wholly owned subsidiaries. All intercompany accounts and transactions have been eliminated.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) **Basis of Preparation**

These condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended January 31, 2013, which have been prepared in accordance with IFRS as issued by the IASB.

b) Standards, Amendments and Interpretations Not Yet Effective

The following pronouncements and amendments are effective for annual periods beginning on or after January 1, 2013 unless otherwise stated. Adopting these standards is expected to have minimal or no impact on the consolidated financial statements.

IFRS 9 – Financial Instruments: Classification and Measurement applies to classification and measurement of financial assets and liabilities as defined in IAS 39. It is effective for annual periods beginning on or after January 1, 2015 with early adoption permitted.

IFRS 10 – Consolidation replaces SIC-12 Consolidation—Special Purpose Entities and parts of IAS 27 Consolidated and Separate Financial Statements and requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

IFRS 11 – Joint Arrangements requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas joint operations, the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. IFRS 11 supersedes IAS 31 Interests in Joint Ventures, and SIC-13 Jointly Controlled Entities—Non- monetary Contributions by Venturers.

IFRS 12 – Disclosure of Interest in Other Entities establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, and special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces additional disclosures addressing the nature of, and risks associated with, an entity's interests in other entities.

IFRS 13 – Fair Value Measurement is a comprehensive standard that defines fair value, requires disclosure about fair value measurement and provides a framework for measuring fair value when it is required or permitted within the IFRS standards.

IAS 27 – Separate Financial Statement addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements.

IAS 28 – Investments in Associates and Joint Ventures has been amended to include joint ventures in its scope and to address the changes in IFRS 10 – 13.

IAS 1 – Presentation of Financial Statements amendment requires components of other comprehensive income (OCI) to be separately presented between those that may be reclassified to income and those that will not. The amendments are effective for annual periods beginning on or after July 1, 2012.

IAS 32 – Financial Instruments: Presentation amendment provides clarification on the application of offsetting rules. The amendments are effective for annual periods beginning on or after January 1, 2014.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company 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 or loss in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Estimates have been applied in the following areas:

a) Rehabilitation Provisions

No rehabilitation provisions have been created based on the Company's activity to date. Based upon the prevailing economic environment, assumptions will be made which management believes are reasonable upon which to estimate the future liability. These estimates will take into account any material changes to the assumptions that occur when reviewed regularly by management. Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to provisions from period to period. Actual rehabilitation costs will ultimately depend on future market prices for the rehabilitation costs which will reflect the market condition at the time the rehabilitation costs are actually incurred. The final cost of the currently recognized rehabilitation provisions may be higher or lower than currently provided for.

b) 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 7.

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

c) Exploration and Evaluation Expenditures

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

d) 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.

Expressed in Canadian Dollars

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

e) 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. No income taxes are currently payable.

5. EXPLORATION AND EVALUATION ASSETS

	Property: Fahiakoba
Balance at May 4, 2011	$ -
Property acquisition	50,630
Assaying, testing and analysis	18,249
Geology and geophysics	102,289
Drilling	45,669
General and administrative	65,785
Balance at January 31, 2012	$ 282,622
Property acquisition	-
Assaying, testing and analysis	47,576
Geology and geophysics	206,794
Drilling	1,084,771
Field expenses	249,499
General and administrative	190,735
Currency translation	7,713
Balance at January 31, 2013	$ 2,069,709
Assaying, testing and analysis	1,800
Geology and geophysics	42,596
Drilling	12,377
Field expenses	30,001
General and administrative	38,728
Currency translation	20,546
Balance at April 30, 2013	$ 2,215,757

Expressed in Canadian Dollars

5. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

On June 15, 2011, the Company entered into a Purchase Agreement with Goknet Mining Company Limited ("Goknet") to acquire the Fahiakoba Concession, in the Ashanti and Central Regions in the Republic of Ghana, whereby the Company acquired a 100% interest in the Fahiakoba Concession (subject to a royalty interest) by paying Goknet the sum of US$51,976 (C$50,630) (paid July 12, 2011) and by agreeing to expend US$1,000,000 over a five year period, which has been met in full. 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.

To date, assessment of exploration and evaluation assets has not resulted in any impairment of the Company's properties.

6. SHARE CAPITAL AND RESERVES

a) **Common Shares**

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

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 April 30, 2013:

	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	-		(46,590)
Balance at January 31, 2012	15,961,000		$ 1,818,660
Shares issued via IPO	4,150,000	$ 0.50	2,075,000
Share issue costs	-		(371,031)
Warrants exercised	1,400,000	$ 0.25	350,000
Balance at January 31, 2013	21,511,000		$ 3,872,629
Warrants exercised	920,000	$ 0.25	230,000
Balance at April 30, 2013	22,431,000		$ 4,102,629

6. SHARE CAPITAL AND RESERVES (CONTINUED)

From incorporation to April 30, 2013 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 finders' fees were paid; and $nil warrants were issued as finders' 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.

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 28, 2013 were issued in connection with this private placement. Finders' fees totaled $44,190.

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 1,350,000 options exercisable at $0.75 for a period of 5 years.

On February 28, 2012, upon completion of the Company's IPO, a total of 4,000,000 units were issued at a per unit value of $0.50 for gross proceeds of $2,000,000. Each unit is comprised of one share and one half of one share purchase warrant. Each full warrant is exercisable for two years at $0.70. Additionally issued were 150,000 broker compensation shares and 300,000 brokers' warrants exercisable at $0.50. Finders' Fees, Brokers Compensation Shares and share issuance costs totaled $400,207, which included $371,031 deducted from equity and $29,176 recognised as expense in the current year.

On November 22, 2012, 400,000 warrants were exercised at $0.25 and on January 7, 2013 a further 1,000,000 warrants were exercised at $0.25.

On February 27, 2013 150,000 warrants were exercised at $0.25; on March 6, 2013 520,000 warrants were exercised at $0.25; on March 21, 2013 200,000 warrants were exercised at $0.25; and on April 24, 2013 a further 50,000 warrants were exercised at $0.25.

Pursuant to TSX-V requirements, shares and warrants held by insiders prior to the IPO became subject to escrow. A total of 5,285,000 shares and 2,700,000 warrants were initially placed into escrow, of which 2,114,000 shares and 1,080,000 warrants have been released to date. Currently 3,171,000 shares and 1,620,000 warrants remain in escrow as at April 30, 2013. The remaining escrow warrants expired unexercised on June 10, 2013 and the next release of shares from escrow takes place on August 28, 2013.

b) **Share Purchase Warrants**

The following is a summary of warrants issued and exercised to April 30, 2013 together with warrants outstanding and exercise conditions:

Expressed in Canadian Dollars

6. SHARE CAPITAL AND RESERVES (CONTINUED)

	Number of Warrants
Balance at May 4, 2011	**-**
Issue of warrants	8,145,600
Exercised warrants	-
Balance January 31, 2012	**8,145,600**
Issue of warrants	2,300,000
Exercised warrants	(1,400,000)
Balance January 31, 2013	9,045,600
Expired warrants	(310,600)
Exercised warrants	(920,000)
Balance April 30, 2013	**7,815,000**

Number of warrants		Exercise price	Expiry date
5,515,000	$	0.25	10-Jun-13
2,000,000	$	0.70	27-Feb-14
300,000	$	0.50	27-Feb-14
7,815,000			

Pursuant to the initial public offering on February 28, 2012, 300,000 broker warrants were issued at a fair value of $0.26. The fair value of each warrant was estimated on the grant date using the Black-Scholes option-pricing model with the following assumptions:

Number of warrants	300,000
Estimated life	2 years
Share price at date of grant	$0.50
Option exercise price	$0.50
Risk free interest rate	1.12%
Estimated annual volatility	100%
Option fair value	$0.26

c) Nature and Purpose of Equity and Reserves

The reserves recorded in equity on the Company's statement of financial position 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.

Expressed in Canadian Dollars

7. 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	-
balance as at January 31, 2012			-	-		-	1,350,000	1,350,000	
03/04/2012	03/04/2017	$ 0.75	-	200,000	-	-	200,000	200,000	-
balance as at April 30, 2013			1,350,000	200,000	-	-	1,550,000	1,550,000	-
Weighted Average Exercise Price			$ 0.75	$ 0.75	$ -	$ -	$ 0.75	$ 0.75	$ -

i) During the year ended January 31, 2013, 200,000 options were granted with a fair value of $0.24 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	200,000
Estimated life	5 years
Share price at date of grant	$0.37
Option exercise price	$0.75
Risk free interest rate	1.11%
Estimated annual volatility	100%
Option fair value	$0.24
Fair value of compensation granted during period	$48,000

ii) During the period ended January 31, 2012, 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

Due to the comparatively recent listing and therefore limited duration of trading in the Company's stock, volatility has been estimated on the basis of comparable TSX-V listed entities in the gold sector.

8. FINANCIAL INSTRUMENTS

(a) Disclosures:

The Company's financial instruments consist of cash, short term investments, receivables and trade and other payables.

The carrying values of the above approximate their respective fair values due to the short-term nature of these instruments. All financial instruments carried at fair value at April 30, 2013 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. As at April 30, 2013, the Company had current liabilities totaling $464,582 (2012: $34,726) and cash of $193,349 (2012: $1,251,863). Exploration expenditures are largely denominated in United States dollars, and consequently any adverse movement in the Canadian dollar exchange rate against the United States dollar will have a negative impact on liquidity.

(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.

(iv) Currency risk:
The Company is exposed to financial risk arising from fluctuations in foreign exchange rates and the degree of volatility of these rates. At April 30, 2013, the Company is exposed to currency risk through the following financial instruments denominated in foreign currencies: not updated

		US Dollars	Ghana Cedis
Cash		28,157	70,963
Accounts payable and accrued liabilities		215,403	0
		(187,246)	70,963
CAD foreign exchange rate		0.99580	0.51201
CAD equivalent	$	(186,459)	₵36,334

A 10% increase in the Canadian (CAD) dollar against the foreign currency at January 31, 2013 would result in an increase (decrease) to net income in the amounts shown below, assuming that all other variables remain constant.

8. FINANCIAL INSTRUMENTS (CONTINUED)

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

		CHANGE: US Dollars	Ghana Cedis
US Dollars	$	(18,725)	₵7,096

(*v*) Interest rate risk:
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no interest bearing debt as of January 31, 2013. A change of 100 basis points in the interest rates would not be material to the financial statements.

(*vi*) 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 capital 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.

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. There were no changes to the Company's approach to capital management during the year ended January 31, 2013. The Company is not subject to any external covenants.

Expressed in Canadian Dollars

9. RELATED PARTY TRANSACTIONS

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

a) **Management Fees**

Management fees of $45,000 (2012: $45,000) 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 April 30, 2013, $nil (2012: $nil) was owing to this consulting firm.

Corporate communication fees of $22,500 (2012: $22,500) incurred in connection with the general corporate matters were paid to a consulting firm owned by a director of the Company. At April 30, 2013, $nil (2012: $Nil) was owing to this consulting firm.

Consulting fees of $22,500 (2012:$22,500) charged by a consulting firm owned by an officer of the Company. At April 30, 2013, $nil (2012: $nil) was owing to this consulting firm.

Project management expenses of $2,013 (2012:$60,550) and vehicle purchase of $24,248 (2012: $nil) were charged by a company with a common director of the Company.

Rent of $1,500 (2012: $nil) was charged to a company with a common director of the Company.

b) **Key Management Compensation**

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

		April 30,		
		2013		**2012**
Management and consulting fees:				
Management fees charged by a company controlled by a director of the company	$	45,000	$	45,000
Management fees charged by a company controlled by a director of the company		22,500		22,500
Consulting fees charged by an officer of the Company		22,500	$	22,500
Directors' fees:				
M. Holcombe		3,000		3,000
F. Riedl-Riedenstein		3,000		3,000
H. Arhin (ASG Mining)		3,000		-

During the three months ended April 30, 2013, no share based payments were made to related parties.

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.

Expressed in Canadian Dollars

10. 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.

11. LOSS PER SHARE

Weighted Averge Number of Common Shares	April 30, 2013	April 30, 2012
Issued common shares	22,431,000	20,111,000
Weighted average number of common shares (basic and diluted)	22,030,101	18,819,889
Loss per common share, basic and diluted	$ 0.01	$ 0.02

The net effect of applying the treasury-stock method to the weighted average number of common shares had an anti-dilutive effect for the three months ended April 30, 2013.

12. EVENTS AFTER THE REPORTING DATE

As disclosed in its press release available on www.sedar.com, the Company announced on November 12, 2012 that it has reached agreement with Goknet Mining Company Limited, of Accra, Ghana, ("Goknet") to purchase a 1% NSR royalty held by Goknet on PMI Gold Corporation's Obotan Gold Project in Ghana (the "Royalty").

Preparations for the finalization of the royalty purchase are in an advanced stage. Plans announced in November to raise further funds through a private placement in conjunction with the royalty acquisition were deferred per an announcement on March 21, 2013 due to the availability of funds generated through the exercise of warrants. Subsequent to January 31, 2013 a total of 970,000 warrants were exercised at a price of $0.25 per warrant for total proceeds of $242,500.

In May 2013, the Company received a loan of $200,000 from Goknet Mining Company Limited to be used for working capital purposes.

On June 10, 2013 5,465,000 warrants expired.