ASANTE GOLD CORPORATION

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the three and nine months ended

October 31, 2014 and 2013

UNAUDITED

CONTENTS

Expressed in Canadian Dollars

STATEMENTS OF FINANCIAL POSITION

	October 31, 2014	January 31, 2014
Assets		
Current Assets		
Cash	$ 12,945	$ 14,058
Receivables	9,387	10,742
Prepaid expenses and deposits	11,793	12,965
	34,125	37,765
Non-current Assets		
Fixed assets (Note 5)	18,476	79,805
Exploration and evaluation assets (Note 6)	2,883,746	2,724,550
Total Assets	$ 2,936,348	$ 2,842,120
Liabilities and Shareholders' Equity		
Current Liabilities		
Trade and other payables	$ 402,706	$ 239,536
Due to related parties (Note 10)	734,676	348,659
Short term loans (Note 10)	486,050	421,802
Total Liabilities	1,623,434	1,009,997
Equity		
Share capital (Note 7)	4,115,129	4,115,129
Reserve for share based payments (Note 8)	649,520	605,400
Reserve for warrants (Note 7)	-	78,878
Cumulative translation reserve	258,834	257,520
Contributed surplus	78,878	-
Accumulated deficit	(3,789,447)	(3,224,804)
Total Equity	1,312,914	1,832,123
Total Liabilities and Equity	$ 2,936,348	$ 2,842,120

"Douglas MacQuarrie & Jagtar Sandhu"

Signed on behalf of the Board of Directors

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

Expressed in Canadian Dollars

STATEMENTS OF COMPREHENSIVE LOSS/INCOME

	Nine months ended October 31, 2014	Nine months ended October 31, 2013	Three months ended October 31, 2014	Three months ended October 31, 2013
Interest and other income	$ -	$ (435)	$ -	$ -
Expenses				
Amortization	473	581	150	184
Directors' fees (Note 10)	27,433	27,000	9,550	9,000
Foreign exchange gain	2,008	4,406	1,444	4,395
Share based compensation (Note 8)	44,120	-	-	-
Management and consulting fees (Note 10)	148,100	164,830	44,100	52,830
Professional services (Note 10)	135,782	123,248	59,480	35,687
Shareholder communications (Note 10)	80,031	143,793	24,431	38,084
Advertising,trade shows and promotions	7,613	-	1,730	-
Transfer agent and regulatory fees	11,762	12,271	1,233	1,395
Travel	13,570	34,753	-	8,751
General office	71,570	84,831	26,517	25,132
Loss on disposal of assets	22,180	-	635	-
Net loss for the period	564,643	595,278	169,270	175,458
Other comprehensive loss/(income)				
Currency translation adjustment	1,314	(89,701)	(75,934)	(31,989)
Total comprehensive loss for the period	$ 565,957	$ 505,577	$ 93,336	$ 143,469
Loss per common share, basic and diluted (Note 12)	$ 0.03	$ 0.02	$ 0.01	$ 0.01

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Expressed in Canadian Dollars

STATEMENTS OF CHANGES IN EQUITY

	Share capital	Accumulated Deficit	Reserve for share based payments	Reserve for warrants	Contributed surplus	Cumulative translation reserve	Total
Balance - January 31, 2014	$ 4,115,129	$ (3,224,804)	$ 605,400	$ 78,878	$ -	$ 257,520	$ 1,832,123
Loss for the period	-	(564,643)	-	-	-	-	(564,643)
Share based payments		-	44,120	-	-	-	44,120
Warrants expired	-	-	-	(78,878)	78,878	-	-
Foreign currency translation adjustment	-	-	-	-		1,314	1,314
Balance - October 31, 2014	$ 4,115,129	$ (3,789,447)	$ 649,520	$ -	$ 78,878	$ 258,834	$ 1,312,914

	Share capital	Accumulated Deficit	Reserve for share based payments	Reserve for warrants	Contributed surplus	Cumulative translation reserve	Total
Balance - January 31, 2013	$ 3,872,629	$ (2,434,586)	$ 605,400	$ 78,878	$ -	$ (26)	$ 2,122,295
Loss for the period	-	(595,278)	-	-	-	-	(595,278)
Share based payments	-	-	-	-	-	-	-
Warrants exercised	242,500	-	-	-	-	-	242,500
Foreign currency translation adjustment	-	-	-	-	-	89,701	89,701
Balance - October 31, 2013	$ 4,115,129	$ (3,029,864)	$ 605,400	$ 78,878	$ -	$ 89,675	$ 1,859,218

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

Expressed in Canadian Dollars

STATEMENTS OF CASH FLOWS

	Nine months ended October 31, 2014	2013
Cash flows from operating activities		
Loss for the period	$ (564,643)	$ (595,278)
Items not affecting cash:		
Amortization	473	581
Foreign exchange gain	2,008	-
Share based payments	44,120	-
Loss on dispsal of assets	22,180	-
Changes in non-cash working capital balances:		
Prepaid expenses and deposits	1,172	69,445
Receivables	1,355	18,683
Trade and other payables	163,170	115,786
Due to related parties	386,017	-
Total cash (outflows) from operating activities	55,853	(390,783)
Cash flows from investing activities		
Short term investments	-	46,000
Investment in exploration and evaluation assets	(160,347)	(237,120)
Fixed assets	-	-
Total cash (outflows) from investing activities	(160,347)	(191,120)
Cash flows from financing activities		
Proceeds exercise of warrants	-	242,500
Proceeds sale of assets	39,132	-
Short term loans	64,248	315,000
Total cash inflows from financing activities	103,380	557,500
Total increase (decrease) in cash during the period	(1,113)	(24,403)
Cash at beginning of the period	14,058	28,550
Cash at end of period	$ 12,945	$ 4,147

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

	2014	2013
Interest paid	$ -	$ -
Income taxes paid	$ -	$ -

- Included in Exploration and Evaluation assets is $145,221 in trade and other payables (2013:$318,065)

- Included in Exploration and Evaluation assets is $4,662 in amortization of fixed assets (2013:$8,681)

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 Company has also acquired a 2% net smelter returns royalty ('NSR') interest in the SENECA 1 to 9 claims, Harrison Lake area, British Columbia, CANADA (the 'NSS Property). The NSS Property consists of 208 units covering an area of 4,124 hectares, and surrounds four claims that cover the historical Seneca Deposit and two claims that cover the Vent Zone. (Neither the Seneca Deposit nor the Vent Zone are a part of the NSS Property or the NSR royalty).

On October 14th , 2014, the company announced the signing of a binding term sheet with Goknet Mining Limited of Accra, Ghana ("Goknet") re the entering into a joint venture to develop their Kubi Gold project. The agreement was subject to the Company completing due diligence and TSX Venture Exchange approval, both of which are ongoing.

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**

The Company's condensed interim consolidated financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting ("IAS 34"). The IAS 34 condensed interim consolidated financial statements do not include all of the information required for annual financial statements. These condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended January 31, 2014 which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The significant accounting policies applied in the Company's condensed interim consolidated financial statements are based on IFRS effective as of December 18, 2014, the date the Audit Committee approved the statements. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending January 31, 2015 could result in restatement of these interim consolidated financial statements.

b) **Basis of Measurement**

The consolidated 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 presented at their fair value. These consolidated financial statements have been prepared on using the accrual basis of accounting, except for cash flow information. The consolidated financial statements are presented in Canadian dollars, which is also the Company's functional currency. The functional currency of the Company's wholly owned subsidiaries is the United States dollar. The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the 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 $ 565,957 during the nine month period ended October 31, 2014 (2013:$505,577) and, as of that date the Company had a working capital deficit of $1,589,309 and an accumulated deficit of $3,789,447. The Company intends to raise further financing through debt and equity 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 have to raise funds to continue operations and, although it has been successful thus far, there is no assurance it will be

2. BASIS OF PREPARATION (CONTINUED)

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) **Foreign Currency Transactions**

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

At the transaction date, each asset, liability, revenue and expense denominated in a foreign currency is translated into 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.

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

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

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve and are recognized in the profit/loss in the period in which the operation is disposed of.

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 on 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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) **Fixed assets**

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

Fixed assets are subsequently measured at cost less accumulated depreciation, less any accumulated impairment losses, with the exception of land which is not depreciated. Depreciation is provided over the estimated useful lives of the assets on the following basis and rates per annum:

Building	25 years on a straight line basis
Vehicles	5 years on a straight line basis
Furniture and fixtures	5 years on a straight line basis
Equipment	5 years on a straight line basis
Computer equipment	3 years on a straight line basis

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

An item of fixed assets is derecognized upon disposal, when held for sale or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in income or loss for the period.

The Company conducts an annual assessment of the residual balances, useful lives and depreciation methods being used for fixed assets and any changes arising from the assessment are applied by the Company prospectively.

Where an item of fixed assets comprises major components with different useful lives, the components are accounted for as separate items. Expenditures incurred to replace a component of an item of fixed assets, plant and equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalized.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) **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 to 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.

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

f) **Financial Instruments**

Financial Assets

Financial assets are classified and subsequently measured, based on the purpose for which the asset was acquired, as presented below . All transactions related to financial instruments are recorded on a trade date basis.

Asset	Classification	Subsequent Measurement
Cash and cash equivalents	FVTPL	Fair value through profit or loss
Short term investments	FVTPL	fair value through profit or loss
Receivables	Loans and receivables	Amortised cost

Financial assets at fair value through profit or loss ("FVTPL")

FVTPL assets are initially measured at fair value without transaction costs, and subsequent gains or losses are recognized in profit or 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 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 and other payables, due to related parties and short term loans. 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 on 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.

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 and other payable amounts are unsecured and are usually paid within 30 days of recognition.

Financial liabilities at fair value through profit and loss ("FVTPL")

FVTPL liabilities are initially measured at fair value without transaction costs, and subsequent gains or losses are recognized in profit or loss.

g) **Provisions**

Rehabilitation Provision

The Company is subject to various government laws and regulations relating to environmental disturbances caused by its 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 includes 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h) **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.

i) **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, options and warrants 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.

Valuation of Warrants

The Company has adopted the residual value method with respect to the valuation of warrants issued as part of a private placement unit. The residual value method allocates the net proceeds to the common shares up to their fair value, as determined by the current quoted trading price on the announcement date, and the balance, if any, to the attached warrants.

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.

j) **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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 payments, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in reserve for share based payments 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.

k) Standards, Amendments and Interpretations Not Yet Effective

The International Accounting Standards Board has issued new and amended standards and interpretations which have not yet been adopted by the Company. The Company has not yet begun the process of assessing the impact that the new and amended standards and interpretations will have on its financial statements or whether to early adopt any of the new requirements. The following is a brief summary of the new and amended standards and interpretations:

IFRS 9 – 'Financial Instruments'

The application date of this standard has been extended and the final date of application has not been determined. This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortized cost or fair value. To be classified and measured at amortized cost, assets must satisfy the business model test for managing the financial assets and have certain contractual cash flow characteristics. All other financial instrument assets are to be classified and measured at fair value. This standard allows an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income, with dividends as a return on these investments being recognized in profit or loss. In addition, those equity instruments measured at fair value through other comprehensive income would no longer have to apply any impairment requirements nor would there be any 'recycling' of gains or losses through profit or loss on disposal. The accounting for financial liabilities continues to be classified and measured in accordance with IAS 39, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch.

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 8.

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:

a) 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.

b) 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)

c) 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.

5. FIXED ASSETS

	Field tools & equipment	Office furniture & equipment	Vehicles	Total
Cost				
Balance, January 31, 2013	18,206	2,507	74,859	95,572
Additions	-	-	-	-
Currency translation adjustment	1,927	-	9,037	10,964
Balance, January 31, 2014	$ 20,133	$ 2,507	$ 83,896	$ 106,536
Additions	-	-	-	-
Disposals	-	-	(26,653)	(26,653)
Currency translation adjustment	(200)	-	(3,758)	(3,958)
Balance, April 30, 2014	$ 19,933	$ 2,507	$ 53,485	75,925
Additions	-	-	-	-
Disposals	(18,346)	-	(19,756)	(38,102)
Currency translation adjustment	(1,587)	-	(2,740)	(4,327)
Balance, July 31, 2014	$ -	$ 2,507	$ 30,989	33,496
Additions	-	-	-	-
Disposals	-	-	-	-
Currency translation adjustment	-	-	847	847
Balance, October 31, 2014	$ -	$ 2,507	$ 31,836	$ 34,343
Amortization				
Balance, January 31, 2013	2,255	465	4,988	7,708
Additions	3,065	379	13,488	16,932
Currency translation adjustment	452	-	1,639	2,091
Balance, January 31, 2014	$ 5,772	$ 844	$ 20,115	$ 26,731
Additions	629	165	3,248	4,042
Disposals	-	-	(8,113)	(8,113)
Currency translation adjustment	(72)	-	(1,332)	(1,404)
Balance, April 30, 2014	$ 6,329	$ 1,009	$ 13,918	$ 21,256
Additions	-	157	-	157
Disposals	(6,113)	-		(6,113)
Currency translation adjustment	(216)	-	(716)	(932)
Balance, July 31, 2014	$ -	$ 1,166	$ 13,202	$ 14,368
Additions	-	150	1,071	1,221
Disposals	-	-	-	-
Currency translation adjustment	-	-	278	278
Balance, October 31, 2014	$ -	$ 1,316	$ 14,551	$ 15,867
Carrying amounts				
at January 31, 2014	$ 14,361	$ 1,663	$ 63,781	$ 79,805
at October 31, 2014	$ -	$ 1,191	$ 17,285	$ 18,476

Expressed in Canadian Dollars

6. EXPLORATION AND EVALUATION ASSETS

	Property: Fahiakoba
Balance at January 31, 2013	2,069,709
Assaying, testing and analysis	3,695
Geology and geophysics	114,906
Field expenses	108,456
General and administrative (Note 11)	148,039
Currency translation adjustment	279,745
Balance at January 31, 2014	$ 2,724,550
Assaying, testing and analysis	-
Geology and geophysics	17,570
Field expenses	12,796
General and administrative (Note 11)	33,577
Currency translation adjustment	(45,445)
Balance at April 30, 2014	$ 2,743,048
Assaying, testing and analysis	-
Geology and geophysics	14,720
Field expenses	3,491
General and administrative (Note 11)	29,630
Currency translation adjustment	(29,687)
Balance at July 31, 2014	$ 2,761,202
Assaying, testing and analysis	
Geology and geophysics	8406
Field expenses	10129
General and administrative (Note 11)	21972
Currency translation adjustment	82038
Balance at October 31, 2014	$ 2,883,746

On June 15, 2011, the Company entered into a Purchase Agreement with 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 October 12, 2011) and by agreeing to expend US$1,000,000 over a five year period. The agreement requiring a payment to Goknet of 10% of the proceeds of a sale of the Fahiakoba Concession if occurring by June 15, 2011 has expired. 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.

Expressed in Canadian Dollars

7. 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 January 31, 2013 to October 31, 2014:

	Number of shares	Issue Price	Amount
Balance at January 31, 2013	21,511,000		$ 3,872,629
Warrants exercised	970,000	$ 0.25	242,500
Balance at January 31, 2014 and October 31,2014	22,481,000		$ 4,115,129

From January 31, 2013 to October 31, 2014 the following stock transactions occurred:

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.

On February 28, 2013 294,600 warrants expired unexercised and on March 14, 2013 a further 16,000 warrants expired. On May 2, 2013 50,000 warrants were exercised at $0.25; on June 10, 2013 5,465,000 warrants expired unexercised.

Pursuant to TSX-V requirements, shares and warrants held by insiders prior to the IPO on February 28, 2012 became subject to escrow. A total of 5,285,000 shares and 2,700,000 warrants were initially placed into escrow, of which 4,492,250 shares and 1,080,000 warrants have been released to date and the remaining warrants expired on June 10, 2013. Currently 792,750 shares remain in escrow as at October 31, 2014. The next and final release of shares from escrow takes place on February 28, 2015 (note 13).

b) **Share Purchase Warrants**

The expiry date of 2,000,000 warrants originally due to expire on February 28, 2014 has been extended by one year to February 28, 2015.

The following is a summary of warrants issued and exercised from January 31, 2013 to October 31, 2014 together with warrants outstanding and exercise conditions:

Expressed in Canadian Dollars

7. SHARE CAPITAL AND RESERVES (CONTINUED)

	Number of Warrants
Balance January 31, 2013	9,045,600
Expired warrants	(5,775,600)
Exercised warrants	(970,000)
Balance January 31, 2014	**2,300,000**
Expired warrants	(300,000)
Balance October 31, 2014	**2,000,000**

Number of warrants		Exercise price	Expiry date
2,000,000	$	0.70	28-Feb-15
2,000,000			

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 profit or loss 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 25% every three months until all options are fully vested.

On May 1, 2014 the Company re-priced 450,000 options previously awarded to non-insiders and consultants from $0.75 to $0.15.

Expressed in Canadian Dollars

8. Share Based Payments (CONTINUED)

The following is a summary of options issued since January 31, 2013:

`	Number of Options	Exercise Price	Expiry
Balance January 31, 2013 and 2014	1,550,000		
Issue of options	200,000	0.15	11-Apr-19
Balance April 30, 2014	1,750,000		
Issue of options	450,000	0.15	15-May-19
Expiry of options	(200,000)		
Balance October 31, 2014	**2,000,000**		

Options outstanding as at October 31, 2014 are as follows:

Grant Date	Expiry Date	Exercise Price	Balance	Vested and Exercisable	Unvested
10/24/11	10/24/16	$ 0.75	900,000	900,000	-
10/24/11	10/24/16	$ 0.15	250,000	250,000	-
4/03/12	4/03/17	$ 0.15	200,000	200,000	-
4/11/14	4/11/19	$ 0.15	200,000	200,000	-
5/01/14	5/01/19	$ 0.15	450,000	450,000	-
Balance as at July 31, 2014			2,000,000	2,000,000	-
Weighted Average Exercise Price				$ 0.42	$ -

i) On April 11, 2014, 200,000 options were granted with a fair value of $0.05 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	$0.07
Option exercise price	$0.15
Risk free interest rate	1.16%
Estimated annual volatility	107%
Option fair value	$0.05
Fair value of compensation granted during period	$9,560

ii) On May 1, 2014, 450,000 options were granted with a fair value of $0.077 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	450,000
Estimated life	5 years
Share price at date of grant	$0.085
Option exercise price	$0.15
Risk free interest rate	1.16%
Estimated annual volatility	159%
Option fair value	$0.077
Fair value of compensation granted during period	$34,560

9. FINANCIAL INSTRUMENTS

(a) Disclosures:

The Company's financial instruments consist of cash, short term investments, receivables, trade and other payables, due to related parties, and short term loans payable.

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 October 31, 2014 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 October 31, 2014, the Company had current liabilities totaling $1,623,434 (2013:$717,813) and cash of $12,945 (2013: $4,146). 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 October 31, 2014, the Company is exposed to currency risk through the following financial instruments denominated in foreign currencies:

	US Dollars	Ghana Cedis	Euros
Cash	220	5,895	
Accounts payable and accrued liabilities	431,704	198,979	1,228
	(431,483)	(193,084)	(1,228)
CAD foreign exchange rate	**1.11926**	**0.33389**	**1.41122**
CAD equivalent	$ (482,942)	$ (64,469)	$ (1,732)

Expressed in Canadian Dollars

9. FINANCIAL INSTRUMENTS (CONTINUED)

A 10% increase in the Canadian (CAD) dollar against the foreign currency at October 31 30, 2014 would result in an increase (decrease) to net income in the amounts shown below, assuming that all other variables remain constant.

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

	US Dollars	Ghana Cedis	Euros
Change	$ (43,148)	$ (19,308)	$ (123)

(*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 $217,440 of interest bearing debt as of October 31, 2014. 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 includes cash and equity, comprising of issued common shares, reserve for share based payments, and accumulated deficit, in the definition of capital. The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

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

The Company's properties are in the exploration 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 nine months ended October 31, 2014. The Company is not subject to any external covenants.

Expressed in Canadian Dollars

10. RELATED PARTY TRANSACTIONS

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

a) **Management Fees**

Management fees of $127,500 (2013:$135,000) 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, 2014, $271,500 (2013: $90,375) was owing to this consulting firm.

Corporate communication fees of $67,500 (2013: $67,500) incurred in connection with the general corporate matters were paid to a consulting firm owned by a director of the Company. At October 31, 2014, $139,687 (2013: $45,188) was owing to this consulting firm.

Professional services of $67,500 (2013:$67,500) charged by a consulting firm owned by an officer of the Company. At October 31, 2014, $142,312 (2013:$40,613) was owing to this consulting firm.

Rent of $4,500 (2013:4,500) was charged to a company with a common director of the Company.

As at October 31, 2014, included in due to related parties was $51,730 (2013:$Nil) in expense reimbursements owing to directors and officers of the company.

As at October 31, 2104, included in due to related parties was $68,503 (2013:$Nil) in directors fees owing to directors of the company.

b) **Key Management Compensation**

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

	October 31,			
Key Management Compensation		**2014**		**2013**
Directors and officers fees:				
Douglas MacQuarrie	$	127,500	$	135,000
Jagtar Sandhu		67,500		67,500
Philip Gibbs		67,500		67,500
Directors fees:				
M. Holcombe		3,000		9,000
F. Riedl-Riedenstein		9,000		9,000
A. Heath		6,742		-
H. K. Arhin (ASG Mining Limited - Ghana)		9,523		9,384
Robert J. Bourque (Asante GH Limited - Barbado		1,863		2,000
Roger S. Holford (Asante GH Limited - Barbados)		1,863		2,000
	$	290,765	$	301,384

Note: M. Holcombe resigned as a Director March 20, 2014 and A. Heath was appointed on April 9, 2014.

During the nine months ended October 31, 2014, share based payments to related parties had a fair value of $44,120.

Expressed in Canadian Dollars

10. RELATED PARTY TRANSACTIONS (CONTINUED)

c) **Short term loans**

As at October 31, 2014, $436,472(2013 $315,000) was owing to Goknet Mining Company Limited in respect of loans and advances.

As at October 31, 2014 $99,517 (2013: $Nil) was owing to MIA Investments Ltd. in respect of advances.

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.

Short term loans are payable within 60 days of demand notice, are unsecured and bear interest at 5% per annum. Advances have no fixed terms of repayment, are unsecured and are non-interest bearing.

11. 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.

12. LOSS PER SHARE

Weighted Averge Number of Common Shares	October 31, 2014	October 31, 2013
Issued common shares	22,481,000	22,481,000
Weighted average number of common shares (basic and diluted)	22,481,000	22,334,004
Loss per common share, basic and diluted	$ 0.03	$ 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 nine months ended October 31, 2014 and 2013.