



## **CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

For the three months ended April 30, 2019 and April 30, 2018

**UNAUDITED**

### **Notice of No Auditor Review of Interim Financial Statements**

The management of Asante Gold Corporation is responsible for the preparation of the accompanying unaudited condensed interim financial statements. The unaudited condensed interim financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards for the preparation of condensed consolidated financial statements and are in accordance with IAS 34 - Interim Financial Reporting.

The Company's auditor has not performed a review of these condensed interim consolidated financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

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**CONSOLIDATED FINANCIAL STATEMENTS**  
For the three months ended April 30, 2019  
Expressed in Canadian Dollars

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	April 30, 2019	January 31, 2019
Assets	Unaudited	Audited
Current Assets		
Cash	\$ 6,886	\$ 5,570
Receivables	7,715	10,870
Prepaid expenses and deposits	3,797	10,000
Total Current Assets	18,398	26,440
Non-current Assets		
Fixed assets	1,161	1,331
Exploration and evaluation assets (Note 5)	5,389,551	5,233,792
Total Assets	\$ 5,409,110	\$ 5,261,563
Liabilities and Equity		
Current Liabilities		
Trade and other payables	\$ 419,104	\$ 903,169
Due to related parties (Note 8)	120,298	2,125,956
Total Current Liabilities	539,402	3,029,125
Long Term Liabilities		
Due to related parties (Note 8 and 9)	2,442,516	-
Other liabilities (Note 9)	186,807	-
Total liabilities	3,168,725	3,029,125
Equity		
Share capital (Note 6)	7,167,588	7,167,588
Reserve for share-based payments (Note 6)	1,204,102	1,161,962
Reserve for warrants (Note 6)	168,859	159,856
Accumulated other comprehensive income	796,912	683,908
Accumulated deficit	(7,097,076)	(6,940,876)
Total Equity	2,240,385	2,232,438
Total Liabilities and Equity	\$ 5,409,110	\$ 5,261,563

*"Douglas MacQuarrie & Alex Heath"*

Signed on behalf of the Board of Directors

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

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS**

	Three months ended	
	April 30,	
	2019	2018
Expenses		
Advertising, trade shows and promotions	\$ 5,405	\$ 11,498
Directors' fees (Note 8)	11,214	14,499
Foreign exchange loss	-	120
Long term debt agreements (Note 9)	9,003	-
General office	5,508	17,561
Management and consulting fees (Note 8)	36,018	35,555
Professional services (Note 8)	37,949	41,868
Share-based payments (Note 6 and 8)	42,140	13,260
Shareholder communications	3,274	11,846
Transfer agent and regulatory fees	3,099	4,006
Travel	2,590	3,518
<b>Net loss for the period</b>	<b>\$ 156,200</b>	<b>\$ 153,731</b>
	(113,004)	(179,839)
<b>Total comprehensive loss/(income) for the period</b>	<b>\$ 43,196</b>	<b>\$ (26,108)</b>
Net loss per common share, basic and diluted (Note 11)	\$ 0.00	\$ 0.00

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

**CONSOLIDATED FINANCIAL STATEMENTS**  
For the three months ended April 30, 2019  
Expressed in Canadian Dollars

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital	Accumulated Deficit	Reserve for share-based payments	Reserve for warrants	Accumulated other comprehensive income	Total
<b>Balance - January 31, 2019</b>	\$ 7,167,588	\$ (6,940,876)	\$ 1,161,962	\$ 159,856	\$ 683,908	\$ 2,232,438
Net loss for the period	-	(105,057)	-	-	-	(105,057)
Share based payments	-	-	-	-	-	-
Currency translation adjustment	-	-	-	-	113,004	113,004
<b>Balance - April 30, 2019</b>	<b>\$ 7,167,588</b>	<b>\$ (7,045,933)</b>	<b>\$ 1,161,962</b>	<b>\$ 159,856</b>	<b>\$ 796,912</b>	<b>\$ 2,240,385</b>

	Share capital	Accumulated Deficit	Reserve for share-based payments	Reserve for warrants	Accumulated other comprehensive income	Total
<b>Balance - January 31, 2018</b>	\$ 7,167,588	\$ (6,351,156)	\$ 1,094,402	\$ 159,856	\$ 398,623	\$ 2,469,313
Net loss for the period	-	(153,731)	-	-	-	(153,731)
Share based payments	-	-	13,260	-	-	13,260
Currency translation adjustment	-	-	-	-	179,839	179,839
<b>Balance - April 30, 2018</b>	<b>\$ 7,167,588</b>	<b>\$ (6,504,887)</b>	<b>\$ 1,107,662</b>	<b>\$ 159,856</b>	<b>\$ 578,462</b>	<b>\$ 2,508,681</b>

**CONSOLIDATED FINANCIAL STATEMENTS**  
For the three months ended April 30, 2019  
Expressed in Canadian Dollars

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	Three months ended April 30,	
	2019	2018
<b>Cash flows from operating activities</b>		
Loss for the period	\$ (156,200)	\$ (153,731)
Items not affecting cash:		
Foreign exchange loss (gain)	-	120
Debt agreements	9,003	-
Share-based payments	42,140	13,260
Changes in non-cash working capital balances:		
Prepaid expenses and deposits	6,203	15,374
Receivables	3,155	923
Trade and other payables	(484,065)	(34,067)
Due to related parties	(2,005,658)	220,333
Total cash (outflows) from operating activities	<u>(2,585,421)</u>	<u>62,212</u>
<b>Cash flows from investing activities</b>		
Investment in exploration and evaluation assets	(22,279)	(37,860)
Total cash (outflows) from investing activities	<u>(22,279)</u>	<u>(37,860)</u>
<b>Cash flows from financing activities</b>		
Due to related parties - long term	2,442,516	-
Due to other parties - long term	186,807	-
Total cash inflows from financing activities	<u>2,629,323</u>	<u>-</u>
Effect of foreign exchange on cash	(20,308)	(29,360)
Total increase (decrease) in cash	1,316	(5,008)
Cash at beginning of the period	5,570	14,334
Cash at end of the period	<u>\$ 6,886</u>	<u>\$ 9,326</u>
	2019	2018
Interest paid	\$ -	\$ -
Income taxes paid	\$ -	\$ -

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

## 1. NATURE OF OPERATIONS

Asante Gold Corporation's business activity is the exploration and evaluation of mineral properties in Ghana, West Africa. Asante Gold Corporation (the "Company" or "Asante") was incorporated under the Canada Business Corporations Act on May 4, 2011, and has continued as a company under the Business Corporations Act of British Columbia. The Company listed on the TSX Venture Exchange on February 28, 2012 under the symbol "ASE" until it listed and commenced trading on the Canadian Securities Exchange ("CSE") on May 28, 2015. The Company is in the process of exploring its mineral properties.

The address of the Company's corporate office and principal place of business is Suite 506, 595 Howe Street, Vancouver, British Columbia, Canada, V6C 2T5.

The Company is in the process of acquiring and exploring mineral resource properties in the Republic of Ghana ("Ghana"). To date the Company has no revenue stream, and is considered to be in the exploration - pre development stage.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company's continued existence is dependent upon the preservation of its interests in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise additional financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. The Company's resource properties which are located outside of North America are subject to the risk of foreign investment, foreign political influence, including increases in taxes and royalties, renegotiation of contracts, expropriation and currency exchange fluctuations and restrictions.

## 2. BASIS OF PREPARATION

### a) Statement of Compliance

These condensed interim consolidated financial statements have been prepared in accordance and compliance 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, and should be read in conjunction with the Company's audited consolidated financial statements for the year ended January 31, 2019 which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The interim consolidated financial statements were authorized for issue by the Board of Directors on June 20, 2019.

### b) Basis of Measurement

These consolidated financial statements have been prepared on a historical cost basis except for financial instruments measured at fair value. These consolidated financial statements have been prepared 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 consolidated 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 operating loss of \$156,200 during the three months ended April 30, 2019 (2018: \$ 153,731) and as of that date the Company's accumulated deficit was \$7,097,076 (January 31, 2019: \$6,940,876). The Company intends to raise further financing through private placements, joint venture and project financing.

These consolidated 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.

## 2. BASIS OF PREPARATION (CONTINUED)

### c) Going Concern of Operations (continued)

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 consolidated 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: Asante Gold Corporation (GH) Limited, registered in Barbados, and ASG Mining Limited, registered in Ghana. 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 (the "Group") 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 the function currency by the use of the exchange rate in effect at that date. At the year-end date, monetary assets and liabilities are translated into the functional currency 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.

Non-monetary assets and liabilities that are measured at historical cost are translated into the functional currency 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 income/ loss consistent with where the gain or loss on the underlying non-monetary asset or liability has been recognized.

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 accumulated other comprehensive income and are recognized in profit or loss in the period in which the operation is disposed of.

### 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.



### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c) **Mineral Exploration and Evaluation Expenditures**

**Pre-exploration Costs**

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

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 amortization on plant and equipment used during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the period in which they occur.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances 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 profit or loss.

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.

Exploration and evaluation assets 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 amortization, less any accumulated impairment losses, with the exception of land which is not amortized. Depreciation is provided over the estimated useful lives of the assets on the following basis and rates per annum:

Vehicles	5 years on a straight line basis
Office furniture and equipment	5 years on a straight line basis
Field tools and equipment	5 years on a straight line basis

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 profit or loss for the period.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Company conducts an annual assessment of the residual balances, useful lives and amortization 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, including major inspection and overhaul expenditures, are capitalized.

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

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

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

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

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

**f) Financial Instruments**

**i. Classification**

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

The following table shows the classification under under IFRS 9:

<b>Financial assets/liabilities</b>	<b>Classification IFRS 9</b>
Cash	FVTPL
Receivables	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Due to related parties	Amortized cost

**ii. Measurement**

**Financial assets and liabilities at amortized cost**

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

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### f) Financial Instruments (continued)

##### Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of operations and comprehensive income (loss). Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of comprehensive income (loss) in the period in which they arise.

##### Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the consolidated statements of comprehensive income (loss), as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

#### iii. Derecognition

##### Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of comprehensive income (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.

#### 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 or 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 provision not necessarily limited to exploration and evaluation assets. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks.

Additional 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.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### g) Provisions (continued)

##### Other Provisions

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

#### 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 they relate 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 issuance 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 closing 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.

The treasury stock method is used to determine the dilutive effect of stock options and other dilutive instruments. Under the treasury stock method, the weighted average number of shares outstanding used in the calculation of diluted loss per share assumes that the deemed proceeds received from the exercise of stock options, share purchase warrants and their equivalents would be used to re-purchase common shares of the Company at the average market price during the period.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 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 profit or loss 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 profit or loss over the remaining vesting period.

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

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

Borrowing costs directly attributable to the acquisition, construction or production of assets requiring a substantial period of time to get ready for their intended use or sale are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense.

#### l) Interests in Joint Arrangements

A joint arrangement can take the form of a joint venture or joint operation. All joint arrangements involve a contractual arrangement that establishes joint control, which exists only when decisions about the activities that significantly affect the returns of the investee require unanimous consent of the parties sharing control. A joint operation is a joint arrangement in which we have rights to the assets and obligations for the liabilities relating to the arrangement. A joint venture is a joint arrangement in which we have rights to only the net assets of the arrangement. Joint ventures are accounted for in accordance with the policy "Investments in Associates and Joint Ventures." Joint operations are accounted for by recognizing our share of the assets, liabilities, revenue, expenses and cash flows of the joint operation.

#### m) New and Amended IFRS Standards that are Effective for the Current Year

The Company has adopted accounting standard IFRS 16 - 'Leases' effective February 1, 2019. The adoption of this accounting standard has no significant impact on the consolidated financial statements:

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### n) Standards, Amendments and Interpretations Not Yet Effective

The International Accounting Standards Board (“IASB”) has issued new and amended standards and interpretations which have not yet been adopted by the Company. The following is a brief summary of the new and amended standards and interpretations:

### 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.

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:

#### b) Exploration and Evaluation Expenditures

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

#### c) 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.

#### d) Income Taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company’s current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

## 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

d) **Income Taxes (continued)**

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.

e) **Going concern assessment**

The Company applies judgments in assessing whether material uncertainties exist that would cause significant doubt as to whether the Company could continue to exist as a going concern. Based on cash flow projections for at least the next 12 months management has determined that going concern uncertainties exist and therefore cast significant doubt as to the Company's ability to continue as a going concern (see Note 2).

## 5. EXPLORATION AND EVALUATION ASSETS

	Property:					
	Fahiakoba	Betanase	Sraha	Kubi	Ayiem	Total
<b>Balance at January 31, 2018</b>	\$ 3,566,840	\$ 251,989	\$ 784,789	\$ 140,939	\$ 24,747	\$ 4,769,304
Geology and geophysics	27,146	3,594	9,556	5,673	2,441	48,410
Acquisition and sustaining fees	-	-	-	-	-	-
Field expenses	8,106	2,548	2,548	13,655	2,817	29,674
General and administrative	20,941	13,183	12,972	11,677	13,091	71,864
Currency translation adjustment	248,393	16,306	53,042	3,954	753	314,540
<b>Balance at January 31, 2019</b>	\$ 3,871,426	\$ 287,620	\$ 862,907	\$ 167,990	\$ 43,849	\$ 5,233,792
Geology and geophysics	7,502	360	-	631	631	9,124
Acquisition and sustaining fees	-	-	-	-	-	-
Field expenses	1,376	375	-	1,575	375	3,701
General and administrative	2,689	2,173	-	2,563	2,197	9,622
Currency translation adjustment	82,318	7,602	23,257	17,932	2,203	133,312
<b>Balance at April 30, 2019</b>	\$ 3,965,311	\$ 298,130	\$ 886,164	\$ 190,691	\$ 49,255	\$ 5,389,551

### Fahiakoba

On June 15, 2011, the Company entered into a Purchase Agreement with Goknet Mining Company Limited ("Goknet"), a company with a common director, 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. This commitment has been met in full. The Company also granted Goknet a 3% net smelter return royalty on production from the Fahiakoba Concession. The prospecting license for this property is in the process of being renewed by Goknet and further exploration will be planned and conducted once the title of the license is renewed. Due to the prohibitive transfer costs, final transfer of the title will be effected on discovery of significant resources.

### Betanase

On August 4, 2015 as amended on May 15, 2018, the Company entered into an Option and Sale Agreement with Perseus Mining (Ghana) Limited ("Perseus") to acquire up to a 100% interest in their Betenase Prospecting License (pending) in Ghana. The Company may exercise the option to earn 100% interest in Betenase (subject to 10% reserved for the Government of Ghana, and 1% underlying NSR royalties) by completing US\$1million in exploration within four years of the earlier of either the issuance of the new Betenase prospecting licence, or December 31, 2019 and by paying US\$1million to Perseus. Perseus is in the process of renewing a portion of their Dunkwa prospecting license, to be called on issuance the Betenase prospecting license. The license adjoins to the east of the Kubi Mining Lease.

## 5. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

### Sraha and Ayiem

On September 8, 2016, the Company announced that it had entered into an agreement with Sikasante Mining Company Limited, a private Ghana corporation, to earn up to a 100% interest in their Keyhole Gold Project which consists of the Sraha license (under renewal) and the Ayiem license application (issued). Asante has agreed to issue to Sikasante 250,000 shares in its capital stock on final issuance of the Ayiem license to Sikasante and receipt by Sikasante of all necessary permits required to commence a drilling program (done), and to complete \$500,000 in work over four years (completed) in order to earn a 50% interest. Asante may earn an additional 50% interest by reserving for Sikasante a 2% net smelter returns royalty (the “Sika NSR Royalty”), and on the assignment of the Sikasante licenses to Asante (subject to the consent of the Minister of Lands and Natural Resources), a final payment of 1 million shares in the capital stock of Asante. Sikasante and the Company are related by one common director. All negotiations and final terms of agreement have been approved by a Special Committee of the Directors of Asante.

### Kubi

The Company has executed an Option Agreement between the Company, Goknet Mining Company Limited (“Goknet”), Kubi Gold (Barbados) Limited (“Kubi”) and Asante Gold Corporation (GH) Limited to formalize the letter agreement of September 29, 2014 as amended December 29, 2014, and January 29, 2015, to earn a 50% interest in Kubi with the right to increase such interest to 75% and ultimately 100% upon completion of certain conditions.

On December 28, 2016 the Company finalised the agreement with Goknet to close the acquisition of the Kubi Mining Leases, subject to receipt of Government approvals by issuing seven million shares and reserving for future delivery to Goknet a total of 8,000 ounces of gold from production at Kubi, and thereafter reserving for Goknet a 2% Net Smelter Return Royalty ( the “Kubi NSR” ). Royal Gold Inc. of Denver holds a 3% Net Proceeds of Production royalty, and the Ghana Government a statutory 10% free carry equity and 5% NSR royalty interest.

In addition the Company may acquire Goknet’s interests in eight prospecting licences: two adjoining to the west of the Kubi mining leases, and six contiguous licences located on the Asankrangwa Gold Belt (the “Ashanti II” concessions) 15 km to the south west and along the strike of the Asanko-Goldfield’s mine. To purchase the licences the Company will issue up to a maximum of three million shares, pro rata on a license by license basis if, as and when title is registered in the name of the Company. Goknet will retain a 2% Net Smelter Return royalty on each license.

The Company is continuing to source funding to develop Kubi.

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.

There have been no changes in common share capital in the period January 31, 2018 to April 30, 2019.

	Number of shares	Amount
<b>Balance at January 31, 2018 and April 30, 2019</b>	57,160,221	\$ 7,167,588



## 6. SHARE CAPITAL AND RESERVES (CONTINUED)

### b) Share Purchase Warrants

The Company entered into long term debt settlement agreements with various creditors. To facilitate the transaction the Company issued 262,490 share purchase warrants as a bonus. Each warrant entitles the holder to purchase one common share at an exercise price of \$0.15 per share for a period of 24 months from date of issue.

The Company extended the expiry date of 7,275,821 share purchase warrants due to expire in 2018 by one year, all other terms and exercise conditions remaining the same as issued.

The following is a summary of warrant activity from January 31, 2018 to April 30, 2019 together with warrants outstanding and exercise conditions:

	Number of Warrants
Balance at January 31, 2018	10,321,542
Expired warrants	(497,299)
<b>Balance at January 31, 2019</b>	<b>9,824,243</b>
Expired February 17, 2019	(1,944,445)
Expired April 28, 2019	(1,000,000)
Issued for debt - April 29, 2019	262,490
<b>Balance at April 30, 2019</b>	<b>7,142,288</b>

	Number of warrants		Exercise price	Expiry date
	600,000	\$	0.25	May 6, 2019 *
	1,160,821	\$	0.25	October 20, 2019
	4,350,000	\$	0.15	May 31, 2019 *
	165,000	\$	0.15	May 31, 2019 *
	603,977	\$	0.15	December 12, 2019
	262,490	\$	0.15	April 29, 2021
	<b>7,142,288</b>			

Weighted Average Remaining Life - 0.3 years

\* Warrants expired subsequent to April 30, 2019 without being exercised.

### c) Nature and Purpose of Equity and Reserves

The reserves recorded in equity on the Company's statement of financial position reflect the value of stock option grants and share warrants. 'Reserve for Share-Based Payments' and 'Reserve for Warrants' are used to recognize the value of stock option grants and share warrants respectively, prior to exercise. 'Accumulated Other Comprehensive Income' is used to record the cumulative translation adjustments arising from translating foreign operations to the presentation currency. 'Accumulated Deficit' is used to record the Company's change in deficit from profit or loss from period to period.

## 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 of the grant less any discount allowable under CSE 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 unless otherwise specified by the Directors, with the exception of personnel working in Investor Relations whose options vest 25% every three months until all options are fully vested. Under the plan, the maximum number of shares which may be reserved for issuance is 10% of the number of issued and outstanding common shares.

The following is a summary of option activity from January 31, 2018 to April 30, 2019 together with options outstanding as at April 30, 2019 and their exercise conditions.

	Number of Options	Exercise Price	Expiry
<b>Balance January 31, 2018</b>	4,110,000		
Grant of options	200,000	\$ 0.10	March 12, 2023
Grant of options	1,500,000	\$ 0.10	June 5, 2023
Expired	(300,000)	\$ 0.17	
Expired	(1,000,000)	\$ 0.20	
<b>Balance January 31, 2019</b>	4,510,000		
Expired / cancelled	(270,000)	\$ 0.17/\$0.15	
Granted March 21, 2019	500,000	\$0.10	March 20, 2024
Granted April 29, 2019	200,000	\$0.20	April 28, 2024
<b>Balance April 30, 2019</b>	4,940,000		

Options outstanding as at April 30, 2019 are as follows:

Grant Date	Expiry Date	Exercise Price	Balance	Vested and Exercisable
2014-05-15	2019-05-15	\$ 0.15	350,000	350,000 *
2015-07-02	2020-07-02	\$ 0.15	220,000	220,000
2016-05-06	2021-05-06	\$ 0.17	970,000	970,000
2017-03-07	2022-03-07	\$ 0.20	200,000	200,000
2017-05-12	2022-05-12	\$ 0.15	800,000	800,000
2018-03-12	2023-03-12	\$ 0.10	200,000	200,000
2018-06-05	2023-06-05	\$ 0.10	1,500,000	1,500,000
2019-03-21	2024-03-20	\$ 0.10	500,000	500,000
2019-04-29	2024-04-29	\$ 0.20	200,000	200,000
<b>Balance April 30, 2019</b>			4,940,000	4,590,000

Weighted Average Exercise Price: \$0.125

Weighted Average Remaining Life - 3.1 years

\*Options expired subsequent to April 30, 2019 without being exercised

## 7. SHARE-BASED PAYMENTS (CONTINUED)

### a) Option Plan Details (continued)

The estimated fair value of option grants in the period February 1, 2018 to April 30, 2019 is summarized as follows:

Grant date	12-Mar-18	05-Jun-18	21-Mar-19	29-Apr-19
Number of options	200,000	1,500,000	500,000	200,000
Estimated fair value of grant compensation	\$13,260	\$54,300	\$32,400	\$9,740
Model used to estimate fair value		BlackScholes		
Share price at date of grant	\$0.07	\$0.04	\$0.07	\$0.06
Exercise price	\$0.10	\$0.10	\$0.10	\$0.20
Risk free interest rate	1.25%	1.50%	1.50%	1.50%
Estimated annual volatility	179.18%	165.60%	165.00%	165.00%
Expected dividends	\$Nil	\$Nil	\$Nil	\$Nil
Option fair value	\$0.0663	\$0.0362	\$0.0648	\$0.0487

## 8. FINANCIAL INSTRUMENTS

### a) Disclosures:

The Company's financial instruments consist of cash, receivables, trade and other payables, due to related parties, and other liabilities.

The carrying values of the above approximate their respective fair values. All financial instruments carried at fair value at January 31, 2019 and 2018 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 and overall the Company's credit risk has not change significantly from previous year.

#### 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, 2019, the Company had current liabilities totaling \$539,402 (January 31, 2019: \$3,029,516) and cash of \$6,886 (January 31, 2019: \$5,570). The Company intends to raise funds from external sources through equity and debt.

#### 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, 2019, the Company is exposed to currency risk through the following financial instruments denominated in foreign currencies:

## 8. FINANCIAL INSTRUMENTS (CONTINUED)

	US Dollars	Ghana Cedis
Liabilities	\$ 636,945	¢ 122,223
CAD foreign exchange rate	1.3435	0.2645
CAD equivalent	\$ 855,748	\$ 32,328

A 10% increase in the Canadian (CAD) dollar against the foreign currency at January 31, 2019 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
Change in net income	\$ 85,575	\$ 3,233

b) Financial instrument risk exposure and risk management (continued):

The Company is also exposed to foreign currency risk because the Company's exploration and evaluation assets are denominated in United States dollars. A 10% increase in the CAD dollar against the United States dollar at April 30, 2019 would result in a decrease to other comprehensive income of approximately \$539,000 arising from the Company's exploration and evaluation assets.

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 \$Nil in interest bearing debt as of April 30, 2019 (January 31, 2019 \$ Nil).

vi) Other risks:

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, reserves for share-based payments and warrants, accumulated other comprehensive income 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.

## 8. 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 raise additional funds as required.

Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable given the relative size of the Company. There were no changes to the Company's approach to capital management during the three months ended April 30, 2019. The Company is not subject to any external covenants.

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

## 9. RELATED PARTY TRANSACTIONS

The following is a summary of the Company's related party transactions during the three months ended April 30, 2019:

### a) Management Fees

Management fees of \$15,000 (2018:\$15,000) incurred in connection with day-to-day management and general corporate matters were paid or accrued to a consulting firm owned by a director of the Company. At January 31, 2019, \$540,000 (January 31, 2019: \$525,000) in fees were owing to this consulting firm.

Professional services of \$22,500 (2018:\$22,500) charged by a consulting firm owned by an officer of the Company. At April 30, 2019, \$438,167 (January 31, 2019:\$415,667) in fees were owing to this consulting firm.

Professional services of \$21,664 (2018:\$20,555) charged by a director of the Company. At April 30, 2019, \$222,767 (January 31, 2019: \$201,103) in fees were owing to this director.

As at April 30, 2019, included in due to related parties was \$61,290 (January 31, 2019:\$56,953) in expense reimbursements owing to directors and officers of the Company.

As at April 30, 2019, included in due to related parties was \$139,658 (January 31, 2019:\$128,318) in directors' fees owing to directors of the Company.

### b) Key Management Compensation

Key management personnel compensation for the three months ended April 30, 2019 is summarized in the notes below.

	Three months ended April 30,	
	2019	2018
Management and consulting fees paid or payable to MIA Investments Ltd, a company controlled by an officer and director	\$ 15,000	\$ 15,000
Professional services paid or payable to 1765271 Ontario Inc., a company controlled by an officer of the Company	22,500	22,500
Management and consulting fees paid or payable to an officer and director	21,664	20,555
	\$ 59,164	\$ 58,055

## 9. RELATED PARTY TRANSACTIONS (CONTINUED)

	Three months ended April 30,	
	2019	2018
Directors fees:		
F. Riedl-Riedenstein	\$ 3,000	\$ 3,000
A. Heath	3,000	3,000
H. K. Arhin (ASG Mining Limited - Ghana)	4,030	3,824
R. Bourke (Asante Gold Cororation GH Limited - Barbados)	650	2,337
R. Holford (Asante Gold Cororation GH Limited - Barbados)	650	2,338
	\$ 11,330	\$ 14,499

During the three months ended April 30, 2019 share-based payments with a fair value of \$32,400 (2018: \$13,260) were made to related parties.

### c) Loans and advances

Included in due to related parties are loans and advances from related parties.

As at April 30, 2019, \$440,533 (January 31, 2019: \$ 435,909) was owing to Goknet Mining Company Limited, a company with a common director of the Company, in respect of loans and advances.

As at April 30, 2019, \$378,090 (January 31, 2019: \$363,006) was owing to MIA Investments Ltd. in respect of loans and 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 related parties are unsecured and non-interest bearing.

## 10. OTHER LIABILITIES

On April 29, 2019 the Company signed agreements with certain related parties and vendors to extend the repayment date of certain amounts due until April 29, 2021. Pursuant to these debt agreements, the Company issued 262,490 share purchase warrants. (See note 6b).

## 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. The Company's exploration and evaluation assets and property, plant and equipment are located in the Republic of Ghana.

## 12. LOSS PER SHARE

<u>Weighted Average Number of Common Shares Outstanding</u>	April 30,	
	2019	2018
Issued and outstanding common shares	57,160,221	57,160,221
Weighted average number of common shares outstanding (basic and diluted)	57,160,221	57,160,221
Loss per common share (basic and diluted)	\$ -	\$ 0.01

The net effect of applying the treasury-stock method to the weighted average number of common shares outstanding had an anti-dilutive effect for the three months ended April 30, 2019 and 2018.

## 13. SUBSEQUENT EVENTS

The Company reached agreement on June 11, 2019, to settle a total of C\$132,687.50 in debt, subject to final issuance and approvals. The Company will issue a total of 1,895,536 common shares at a deemed value of \$0.07 per share in settlement of the debt. The Shares will have a four (4) month and one day hold period from the date of distribution.