

This Management Discussion and Analysis ("MD&A") of Asante Gold Corporation, ("Asante" or the "Company" or the "Issuer") provides an analysis of the Company's performance and financial condition for the three and six month periods ended July 31, 2020. It is prepared as at September 25, 2020 and was approved by the Board of Directors on that date.

This MD&A should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements for the three and six months ended July 31, 2020 including the related note disclosures. The Company's unaudited condensed interim consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar figures included therein and in the following discussion and analysis are quoted in the presentation currency of Canadian dollars unless otherwise specified. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com or the Company's website at www.asantegold.com.

This MD&A may contain forward-looking statements that are based on the Company's expectations, estimates and projections regarding its business and the economic environment in which it operates. These statements speak only as of the date on which they are made, are not guarantees of future performance, and involve risks and uncertainties that are difficult to control or predict. Examples of some of the specific risks associated with the operations of the Company are set out below. Actual outcomes and results may differ materially from those expressed in these forward-looking statements and readers should not place undue reliance on such statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following information should be read in conjunction with the unaudited interim condensed consolidated financial statements for the three and six months ended July 31, 2020 and related notes thereto. The unaudited interim condensed consolidated financial statements were prepared in accordance with International Financial Reporting Standards. All currency amounts are expressed in Canadian dollars unless otherwise stated.

Principal Business and Corporate History

Asante Gold Corporation is a mineral exploration company primarily involved in the acquisition and assessment of mineral properties in the Republic of Ghana. The Company's objective is to undertake mineral exploration on properties assessed to be of merit, to define mineral resources, and to take them to production when warranted. Precious metals are targeted with a focus on gold. On May 28, 2015 the Company obtained a listing on the Canadian Securities Exchange and commenced trading under the symbol "ASE".

The Company entered into a Purchase Agreement with Goknet Mining Company Limited ("Goknet"), a Company with a common director, of Accra, Ghana, on June 15, 2011 to acquire the Fahiakoba Concession, in the Ashanti and Central Regions in the Republic of Ghana. The Company acquired a 100% interest in the Fahiakoba Concession by paying Goknet the sum of US\$51,976 (C\$50,630) and by agreeing to expend US\$1,000,000 over a five year period, which commitments have been met in full. The Company also granted Goknet a 3% net smelter return royalty on production from the Fahiakoba Concession. Given the prohibitive costs in transferring title in Ghana, the Company will complete the transfer when significant resources are outlined or when significant working capital is obtained.

The Company entered into a definitive Option Agreement between the Company, Goknet Mining Company Limited ("Goknet"), Kubi Gold (Barbados) Limited ("Kubi") and Asante Gold Corporation (GH) Limited effective February 28, 2015, to earn a 50% interest in the Kubi Gold Project with the right to increase such interest to 75% and ultimately 100% upon completion of certain conditions.

On August 9, 2016 the Company announced that it had reached agreement with Goknet to close the acquisition of the Kubi Mining Lease, subject to receipt of governmental approvals, by issuing seven million shares and reserving for future delivery to Goknet a total of 8,000 ounces of gold from production from Kubi, and thereafter reserving for Goknet a 2% Net Smelter Return Royalty (the "Kubi NSR"). This agreement was formalized in a Mineral Assets Purchase and Sale Agreement between the Company and Goknet effective December 28, 2016. 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. Asante plans to further explore and if warranted develop Kubi as a custom milling and direct shipping mining operation. Goknet and the Company are related by one common director. The acquisition was negotiated and approved by a Special Committee of the Directors of Asante. The agreement is current.

In addition the Company may acquire Goknet's interests in eight prospecting licences: two totaling ~38 sq km adjoining to the west of the Kubi Mining Lease, and six contiguous licences (the "Ashanti II concessions) totaling ~270 sq km located on the Asankrangwa Gold Belt 15 km to the south west and along the strike of the Asanko-Goldfields mine. To purchase the licences the Company will issue up to a maximum of three million treasury 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 purchased by the Company. Disinterested shareholder approval for the Ashanti II and the Kubi Mining Lease transactions was obtained at the Annual General Meeting of Shareholders held on December 28, 2016.

The Company is continuing to source Joint Venture, gold loan, project backed debt or other acceptable funding to develop Kubi. Interest has increased recently and a favourable outcome is expected.

On September 8, 2016, the Company announced that it had entered into an agreement with Sikasante Mining Company Limited (“Sikasante”), a private Ghana corporation, to earn up to a 100% interest in their Keyhole Gold Project in Ghana, which consists of the Sraha and Ayiem licences. The Company has agreed (pending) 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 (completed) over four years in order to earn 50%. The Company 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 the Company (subject to the consent of the Minister of Lands and Natural Resources) a final payment of one million shares in the capital stock of the Company. 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 the Company.

On August 4, 2015 the Company announced that it has entered into an Option and Sale Agreement with Perseus Mining (Ghana) Limited (“Perseus”) to acquire up to a 100% interest in a part of their Dunkwa prospecting license, to be called on issuance the Betenase prospecting license (pending). The license adjoins to the east of the Kubi Mining Lease.

The Company amended its agreement on May 15, 2018 such that 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 by December 31, 2023 and by paying US\$1million to Perseus.

Investors are cautioned that final acquisition of Fahiakoba, the Kubi Mining Lease, any of the Ashanti II concessions, the Betenase prospecting license and the Keyhole options are dependent on additional financing, governmental renewals, approvals and consents, which though reasonably expected, may or may not be ultimately completed or obtained.

Corporate Developments

On July 7, 2020 our long-time independent director and founding shareholder, Florian Riedl-Riedenstein, passed away suddenly in Vienna. He will be greatly missed. The Company extends its heartfelt condolences to Florian’s family.

On July 21, 2020 Mr. Carsten Korch was appointed to the Board of Directors as a non-executive Director, and will serve as an independent director on the Audit Committee. Mr. Korch is one of the founding shareholders of Asante and has a long history of investing in mine development in Ghana. A highly optimistic and driven entrepreneur with more than 25 years of experience in senior Board and management positions. Mr. Korch is resourceful and forward-thinking, and a strong communicator known for establishing valuable contacts and increasing visibility for different types of businesses including intellectual property, retail, investment, mining, and data-driven marketing & sales. He is resident in Lima, Peru.

On August 18, 2020 Dr. Roger Norwich was appointed to the Board of Directors as a non-executive Director. Dr. Norwich trained as a Geologist at Manchester University, United Kingdom, and is a significant shareholder in Asante. He has a track record developed over the last twenty years of assisting smaller precious metal companies grow into much larger scale producing enterprises. As the founding director of Mexican Silver Mines Ltd., Dr. Norwich was involved in its merger into Rio Alto Mining and its development into a serious gold producer at the La Arena property in Peru including assisting in its TSX and NYSE listings and eventual sale in 2015 to Tahoe Resources Inc. for \$1.12Billion. Dr. Norwich was until very recently a director of Otis Gold Corp. (TSX-V:000) and helped develop a significant gold resource at its Kilgore property in Idaho, USA and is now on the Board of Excellon Resources Inc. (TSX:EXN) following the successful merger of the two companies in April 2020. Dr. Norwich is resident in the Channel Islands.

Key Activities

In order to obtain cash flow, the Company is currently evaluating several surface oxide mining opportunities as well as big bore drilling from surface and conventional underground mining with either shaft or decline access at Kubi. Management remains focused on sourcing financing to develop the Kubi Mining Lease towards production, and to further exploration at Keyhole and its other Ghanaian holdings.

The Company is also continuing to evaluate other high potential acquisitions, toll milling opportunities in Ghana, as well as sourcing additional management and production expertise.

Capital Stock and Financing

On September 21, 2020 the Company closed a private placement of 3,017,500 units for gross proceeds of \$301,750. Each unit comprises one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional share at an exercise price of \$0.15 until September 20, 2022. In connection with this private placement, the Company paid finders fees of \$7,236 and issued 72,363 finders warrants.

On August 5, 2020 the Company closed a private placement of 3,500,000 units for gross proceeds of \$175,000. Each unit comprises one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional share at an exercise price of \$0.06 until August 4, 2022. In connection with this private placement, the Company paid finders fees of \$1,750 and issued 35,000 finders warrants.

On March 12, 2020 the Company closed a private placement of 2,490,000 units for gross proceeds of \$124,500. Each unit comprises one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional share at an exercise price of \$0.06 until March 12, 2022 and is subject to early forced conversion should the shares trade at a price equal to or greater than \$0.20 for 20 consecutive trading days. In connection with this private placement, the Company paid finders fees of \$4,375 and issued 87,500 finders warrants.

On September 3, 2019 the Company closed a private placement of 5,000,000 units for gross proceeds of \$250,000. Each unit comprises one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional share at an exercise price of \$0.08 until September 4, 2022 and is subject to early forced conversion should the shares trade at a price equal to or greater than \$0.20 for 20 consecutive trading days. In connection with this private placement, the Company paid finders fees of \$10,255 and issued 205,100 finders warrants.

On July 11, 2019 the Company issued a total of 1,895,536 common shares with a fair market value of \$85,299 in settlement of debt amounting to C\$132,687. The Shares have a four (4) month and one day hold period from the date of distribution.

On April 24, 2018, the Company extended the expiry date of 6,115,000 share purchase warrants by one year, all other terms and exercise conditions of the warrants remaining the same as issued, and these have now expired unexercised.

Overall Performance

The Company has no operational revenue, and exploration activity has been restricted. Global financial and commodity markets have been volatile, and the Company is thus impacted by these generic industry factors which are beyond its control. The S&P TSX Venture Composite index is currently at 28% of its last high in March of 2011, indicating the continuing difficult situation the industry finds itself in. However, given the quality of the Company's gold assets and the current high and long term trending higher gold price, we anticipate obtaining additional financing.

The global pandemic outbreak of COVID-19 has had limited impact on the day-to-day activities of the Company thus far. However, the continuing actual and threatened spread of the virus globally has had a material adverse effect on the global economy and, specifically, the regional economies in which the Company operates. The pandemic could continue to have a negative impact on the stock market, including trading prices of the Company's shares and its ability to raise new capital. These factors, among others, could have a significant impact on the Company's operations. Management have given consideration as to the impact of COVID-19 on the Company and concluded that the financial statements appropriately reflect and disclose management's best estimate and uncertainty regarding the impact of COVID-19 on the Company's operations and financial results. We have reviewed the financial statement disclosures of the potential impact of COVID-19 on the Company's future operations and financial results and believe it is appropriate.

The Company has completed its initial exploration program on the Fahiakoba Concession, consisting of 4,987.5 metres of diamond drilling, ground VLF-EM geophysics and 1,200 auger drill holes. Results are considered sufficiently encouraging that further work is planned, subject to the raising of additional capital.

The Company has also completed a program of ground geophysics at Betenase, covering the strong gold in soil anomaly previously outlined by Perseus, and has completed four diamond drill holes for a total of 562 metres. Significant results to 4m @ 3.14 g/t gold and widespread alteration and quartz veining were noted in the drilling. Further trenching, ground geophysics IP and drilling is planned to test the remaining targets, subject to final issuance of the concession in the name of the Company and availability of funding.

Preliminary exploration has also been completed on the Keyhole Project optioned from Sikasante. On April 14, 2017 the Company announced the completion of a maiden 1,151 metre drill program in 12 holes, following up on ground geophysical survey results. Drillhole MEM17-001B was spotted to test directly under the old MEM shaft area and intersected 13.12g/t gold over 3.0m (estimated true width 1.50m) at a down hole depth of 139m. The intersection was vertically ~120m below the MEM shaft in a graphitic shear zone hosted in meta-greywacke/argillite, with quartz-sulfide mineralization and minor visible gold noted. Channel sampling results were also reported from trench MEM17-529 located 110m to the northeast along the inferred strike of the mineralization in drillhole 001B, with significant assay result of 10.23 g/t Au over 2.0m in vertical dipping meta-sediments with 10-15 % quartz vein material; and 1.62 g/t Au over 1.0m in saprolite in trench MEM17-002 located 110m to the northwest of the MEM showing.

In late October 2017, the Company announced final assay results from a 6 hole second phase 790m diamond drilling program. The program has extended the MEM shear zone to a length of 825m and to depths of 150m, open along strike and to depth. Visible gold was noted in multiple intersections in the sulfide and quartz mineralized shear zone, with assay grades to 15.9g/t Au. Mineralized intersections in the central 400m long section of the MEM shear averaged 9.6g/t Au over estimated average true widths of 1.2m.

Given the locally high grades encountered, the significant strike and depth potential of this shear as well as the prospect of finding numerous other mineralized shears in the MEM area and within a radius of several kilometres to the north and south, management is highly encouraged to continue exploring the Keyhole option. On conclusion of additional land acquisition and financing, further geophysical surveys will be conducted to locate and drill test any other shear zone/dilational breaks discovered, and to test down dip of the high-grade section of the MEM shear.

In December 2019 the Company completed field exploration work at Kubi consisting of clearing the north face of the Kubi pit of vegetation and fill cover in order to expose the Kubi Main garnet-gold mineralization, returning a channel sample grading 5.93g/t Au over 3.0 metre true width. In addition, detailed ground magnetic and ground penetrating radar surveys to test the geophysical signatures of the

Kubi Main gold mineralization were completed. Survey control pins were also located to provide future control for future work programs.

Field work was also completed over the 513 Zone, located 1.4km south west of the Kubi Main Gold resource, in order to test the magnetic and ground penetrating radar signatures of the gold mineralization previously identified in drilling and in order to provide the data to plan the next stages of exploration when funding permits. The 513 zone was first discovered in 2009 and 3,077m drilled to date in 25 shallow holes over a strike length of 540m. The zone is hosted in a vertical to moderately east dipping garnetized metagabbro similar to the garnet zone at Kubi Main. Best previous drill results are 4.8m at 3.76g/t from 85m depth, 8m at 3.68g/t from 64m, and 1m at 15.3 g/t from 66m. Mineralization consists of visible gold, minor pyrrhotite and arsenopyrite. Gold mineralization appears related to local magnetic highs and suggests a potential strike extension of at least another 150m to the north. The Company recently completed a program of ground geophysics consisting of a total of 5km of ground magnetic and 2km of induced polarization (IP) surveys. Proposed trench locations are currently being marked out, and trenching is expected to start when equipment is secured. Final assay results from the program are expected by mid-October.

The new data has outlined a subtle magnetic high anomaly which correlates with the known gold mineralized metagabbro. Most of the 19 proposed trenches will test the magnetic high zones over and along strike of drill tested gold mineralization; 4 will test new IP targets; and the balance will test previously defined VLF-EM targets. The purpose of the trenching is to provide width and grade information to ascertain the surface oxide gold potential of the 513 Zone, and if warranted to provide a bulk sample for test milling.

Selected Quarterly Information

The following table summarizes quarterly results for the most recent 8 quarters. The information contained in this table should be read in conjunction with the Company's financial statements.

Period ending:	Revenue	Net income (loss) for the period	Currency translation adjustment	Comprehensive Income (loss)	Net income (loss) per share
	\$	\$	\$	\$	\$
July 31, 2020	Nil	(147,320)	(169,873)	(317,193)	-
April 30, 2020	Nil	(102,931)	237,024	134,093	-
January 31, 2020	Nil	(100,704)	11,583	(89,121)	-
October 31, 2019	Nil	(185,612)	12,913	(172,699)	(0.01)
July 31, 2019	Nil	(58,885)	(108,804)	(167,689)	-
April 30, 2019	Nil	(156,200)	113,004	(43,196)	-
January 31, 2019	Nil	(177,563)	(9,834)	(187,397)	-
October 31, 2018	Nil	(65,616)	40,981	(24,635)	-

Results of Operations

The Company's net operating loss for the three months ended July 31, 2020 was \$147,320 (2019: \$58,885). Generally, costs have been contained in line with the prior year, with the increase being attributable to non-cash stock based compensation. In addition the prior year included a once-off gain on debt settlements.

MANAGEMENT DISCUSSION AND ANALYSIS
For the three and six month periods ended July 31, 2020

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

During the three months ended July 31, 2020, mineral property acquisition and exploration costs totalling \$39,782 (2019:\$29,020), exclusive of Currency Translation Adjustments, were capitalized to mineral properties. Expenditures are detailed in the exploration expenditure table, page 8.

The table below presents the key expenditure items for the three and six months ended July 31, 2020 and comparative year.

	Six months ended July 31,		Three months ended July 31,	
	2020	2019	2020	2019
Expenses				
Advertising, trade shows and promotions	\$ 12,637	\$ 16,183	\$ 3,190	\$ 10,778
Directors' fees	27,978	26,641	13,464	15,427
Gain on debt settlements	-	(38,385)	-	(47,388)
General office	14,206	12,122	7,979	6,614
Management and consulting fees	74,257	72,896	37,030	36,878
Professional services	31,314	60,274	23,379	22,325
Share-based payments	58,384	42,140	54,704	-
Shareholder communications	18,818	9,269	1,000	5,995
Transfer agent and regulatory fees	10,072	10,689	6,496	7,590
Travel	2,584	3,258	76	668
Net loss for the period	250,252	215,085	147,320	58,885

Dividends

There are no restrictions that could prevent the Issuer from paying dividends on its Common Shares. The Issuer has not paid any dividends on its Common Shares and it is not contemplated that the Issuer will pay any dividends in the immediate or foreseeable future. All available cash will be used to finance operations and explore mineral properties, until a revenue stream is generated.

Liquidity and Capital Resources

At July 31, 2020, the Company had a working capital deficiency of \$767,052.

Subsequent to the period end, on September 21, 2020, the Company closed a private placement for gross proceeds of \$301,750.

On May 14, 2020, the Company arranged a working capital loan of C\$20,000 from an arm's length shareholder. The demand loan bears an interest rate of 8.0 percent per annum, calculated yearly not in advance, and a loan bonus in the event that the US\$ price of gold bullion on the Shanghai Gold Exchange on the date of repayment exceeds US\$1730 per troy ounce (the amount of such increase referred to as the "Gold Premium"), then a bonus of: $\text{Gold Premium}/\text{US\$1730} \times 100\%$ will be payable.

Long term debt settlement agreements totalling \$2,601,331 have been entered into, which defer the maturity date of various amounts in accounts payable, accrued liabilities and amounts due to related parties until March 2021. The debt agreements are non-interest bearing and are unsecured. To facilitate the transaction the Company issued 262,490 share purchase warrants. Each warrant entitles the holder to purchase one common share of the Company at an exercise price of \$0.15 for a period of two years.

In addition, key management and directors have deferred cash compensation until the liquidity position improves.

Expenditure obligations in terms of the acquisition of its interest in the Fahiakoba Concession have been met in full by the Company.

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

In order to finance the Company's exploration programs and to cover general and administrative expenses, the Company raises money through shareholder loans and equity issues. In addition, the Company continues to source funding for the development of the Kubi Gold Project as discussed in the "Principal Business" section on page 2 above.

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

Off-Balance Sheet Arrangements

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

Exploration Expenditures

Exploration expenditures for the period January 31, 2019 to July 31, 2020 were as follows:

	Property:					
	Fahiakoba	Betanase	Sraha	Kubi	Ayiem	Total
Balance at January 31, 2020	\$ 3,956,563	\$ 307,902	\$ 888,821	\$ 267,028	\$ 62,862	\$ 5,483,176
Geology and geophysics	-	-	-	3,933	140	4,073
Field expenses	-	-	-	22,973	118	23,091
General and administrative	-	-	-	5,738	1,755	7,493
Currency translation adjustment	199,030	16,998	46,411	28,628	4,480	295,547
Balance at April 30, 2020	\$ 4,155,593	\$ 324,900	\$ 935,232	\$ 328,300	\$ 69,355	\$ 5,813,380
Geology and geophysics	-	-	-	1,109	-	1,109
Acquisition and sustaining fees	-	-	-	-	-	-
Field expenses	2,350	1,961	2,282	18,187	2,232	27,012
General and administrative	2,358	1,961	2,283	2,827	2,232	11,661
Currency translation adjustment	(151,257)	(11,894)	(34,107)	(12,363)	(2,608)	(212,229)
Balance at July 31, 2020	\$ 4,009,044	\$ 316,928	\$ 905,690	\$ 338,060	\$ 71,211	\$ 5,640,933

Outstanding Securities Data

As at September 25, 2020 there are 73,063,257 Common Shares issued and outstanding. There are 14,669,953 warrants and 7,005,000 options outstanding as at that date.

Transactions with Related Parties

Related Party transactions include transactions with key management personnel and their related parties who hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities.

For the six months ended July 31, 2020 the following transactions occurred:

a) Management Fees

	Six months ended July 31,	
	2020	2019
Management and consulting fees paid or payable to MIA Investments Ltd, a company controlled by an officer and director	\$ 30,000	\$ 30,000
Professional services paid or payable to 1765271 Ontario Inc., a company controlled by an officer of the Company	6,000	25,500
Management and consulting fees paid or payable to an officer and director	44,257	42,402
	<u>\$ 80,257</u>	<u>\$ 97,902</u>

b) Director Fees

	Six months ended July 31,	
	2020	2019
Directors fees:		
F. Riedl-Riedenstein	\$ 5,000	\$ 6,000
A. Heath	6,000	6,000
A. Haroun	6,000	4,000
H. K. Arhin (ASG Mining Limited - Ghana)	8,234	7,888
R. Bourke (Asante Gold Cororation GH Limited - Barbados)	1,367	1,000
R. Holford (Asante Gold Cororation GH Limited - Barbados)	1,367	1,000
	<u>\$ 27,968</u>	<u>\$ 25,888</u>

During the six months ended July 31, 2020 share-based payments with a fair value of \$52,174 (2019: \$42,140) were made to related parties.

As at July 31, 2020, Accounts Payable and Accrued Liabilities included \$411,340 due to various related parties above.

c) Loans and advances

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

As at July 31, 2020, \$434,449 (January 31, 2020:\$434,576) was owing to Goknet Mining Company Limited, a company with a common director of the Company, in respect of loans and advances.

As at July 31, 2020, \$406,153 (January 31, 2020: \$414,532) 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.

Executive management and directors have deferred cash compensation until the working capital position is improved, and accordingly amounts due to related parties including key management and directors have increased. On April 29, 2019, the Company reduced its current accounts payable by CDN\$2,624,905 by entering into long term debt settlement agreements with various creditors, including Directors, Officers and Insiders. To facilitate the transaction, the Company issued 262,490 share purchase warrants, each warrant will entitle the holder to purchase, for a period of 24 months from the date of issue, one common share of the Company at an exercise price of CDN\$0.15 per share. The shares will have a four (4) month hold period from the date of distribution.

Significant Accounting Policies

Significant accounting policies are detailed in the notes to the audited annual consolidated financial statements for the year ended January 31, 2020, which are available on www.sedar.com and on the Company's website.

Risks and Uncertainties

The Company is in the mineral exploration and development business and as such is exposed to a number of known and unknown risks and uncertainties common to other companies in the same business. There are a number of risks which may have a material and adverse impact on the future operating results and financial performance of the Company and could cause actual events to differ materially from those described in forward-looking statements related to the Company. These risks are in addition to those outlined in technical reports as well as the other information contained in the Company's public filings on SEDAR. Before making an investment decision, prospective investors should carefully consider the risks and uncertainties associated with any such decision and should seek independent financial advice.

Title to Mineral Properties

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. If the Company does not have title to its mineral properties, there will be adverse consequences to the Company and its business prospects

Financial Risk Management

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

Credit Risk

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

Liquidity Risk

Liquidity risk is the risk that the Issuer will not be able to meet its financial obligations when they become due. The Issuer ensures, as far as reasonably possible, it will have sufficient capital or access to debt in order to meet short to medium term business requirements, after taking into account cash flows from operations and the Issuer's holdings of cash and cash equivalents. The liquidity risk at this time is high due to the working capital deficiency and the current investment climate related to the still weak gold price effect on junior mining companies. The Company intends to raise funds from external sources through joint ventures, equity and debt.

Foreign Exchange Risk

The Issuer is exposed to financial risk arising from fluctuations in foreign exchange rates and the degree of volatility of these rates. At July 31, 2020, the Company is exposed to currency risk through the following financial instruments denominated in foreign currencies:

	US Dollars	Ghana Cedis
Liabilities	\$ 561,125	¢ 47,577
CAD foreign exchange rate	1.3404	0.2398
CAD equivalent	\$ 752,131	\$ 11,409

A 10% increase in the Canadian (CAD) dollar against the foreign currency at January 31, 2020 would result in an increase (decrease) to net income as tabled below, assuming that all other variables remain constant:

	US Dollars	Ghana Cedis
Change in net income	\$ 75,213	\$ 1,141

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 July 31, 2020 would result in a decrease to other comprehensive income of approximately \$580,000 arising from the Company's exploration and evaluation assets.

Interest rate risk

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

Commodity Price Risk

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

Gold prices have historically fluctuated widely and are affected by numerous factors outside of the Issuer's control, including, but not limited to, industrial and retail demand, central bank financial policies, forward sales by producers and speculators, levels of worldwide production, short-term changes

in supply and demand because of speculative hedging activities, and certain other factors related specifically to gold.

COVID-19 Virus Pandemic

The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and, specifically, the regional economies in which the Company operates. The pandemic could continue to have a negative impact on the stock market, including trading prices of the Company’s shares and its ability to raise new capital. These factors, among others, could have a significant impact on the Company’s future operations.

Capital Management

The Issuer’s intended policy is to maintain a strong capital base and deal flow so as to maintain investor and creditor confidence and to sustain future development of the business. Given the poor junior company equity markets over the last few years, the Company decided to rely on debt financing rather than equity in order to minimize share dilution. The capital structure of the Issuer consists of cash and equity, comprising of issued common shares, share based payment reserve, accumulated and other comprehensive income (loss) and deficit.

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

Fair Value

The fair value of the Issuer’s financial assets and liabilities approximates their carrying amount. Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 - Inputs that are not based on observable market data.

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.

The following table shows the classification of financial assets and liabilities under IFRS 9:

Financial assets/liabilities	Classification IFRS 9
Cash	FVTPL
Receivables	Amortized cost
Trade and other payables	Amortized cost
Due to related parties	Amortized cost
Short term loans	Amortized cost
Other liabilities	Amortized cost