



## **CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS** (Expressed in Canadian Dollars)

For the three months ended April 30, 2021 and April 30, 2020

**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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**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**For the three months ended April 30, 2021**  
**Expressed in Canadian Dollars**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	April 30, 2021	January 31, 2021
	Unaudited	Audited
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 6,485,441	\$ 479,098
Receivables	105,794	4,644
Prepaid expenses and deposits	94,162	44,054
<b>Total Current Assets</b>	<b>6,685,397</b>	<b>527,796</b>
<b>Non-Current Assets</b>		
Fixed assets	32,412	35,358
Staff loans	19,062	19,744
Exploration and evaluation assets (Note 5)	6,460,338	5,733,466
<b>Total Assets</b>	<b>\$ 13,197,209</b>	<b>\$ 6,316,364</b>
<b>Liabilities and Equity</b>		
<b>Current Liabilities</b>		
Trade and other payables (Note 9)	\$ 780,947	\$ 339,306
Due to related parties (Note 9)	353,508	285,750
Short term loans (Note 9)	-	59,500
<b>Total Current Liabilities</b>	<b>1,134,455</b>	<b>684,556</b>
<b>Long Term Liabilities</b>		
Due to related parties (Note 9)	1,782,178	1,966,540
Other Liabilities	136,252	136,252
<b>Total Liabilities</b>	<b>3,052,885</b>	<b>2,787,348</b>
<b>Equity</b>		
Share capital (Note 6)	16,395,399	9,452,035
Reserve for share-based payments (Note 7)	1,459,712	1,392,818
Reserve for warrants (Note 6)	437,386	302,680
Accumulated other comprehensive income	250,418	496,928
Accumulated deficit	(8,398,591)	(8,115,445)
<b>Total Equity</b>	<b>10,144,324</b>	<b>3,529,016</b>
<b>Total Liabilities and Equity</b>	<b>\$ 13,197,209</b>	<b>\$ 6,316,364</b>
Going concern (Note 2c)		
Events after the reporting date (Note 13)		

*"Douglas MacQuarrie & Alex Heath"*

Signed on behalf of the Board of Directors

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

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**For the three months ended April 30, 2021**  
**Expressed in Canadian Dollars**

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS**

	Three months ended	
	April 30,	
	2021	2020
Expenses		
Advertising, trade shows and promotions	\$ 2,120	\$ 9,447
Directors' fees (Note 9)	18,035	14,514
Foreign exchange (gain) loss	35,002	-
General office	11,307	6,227
Management and consulting fees (Note 9)	70,893	37,227
Professional services (Note 9)	36,124	7,935
Share-based payments (Note 7 and 9)	92,532	3,680
Shareholder communications	13,836	17,818
Transfer agent and regulatory fees	3,075	3,576
Travel	222	2,508
<b>Net loss for the year</b>	<b>283,146</b>	<b>102,932</b>
Currency translation adjustment	246,510	(237,024)
<b>Total comprehensive loss for the year</b>	<b>\$ 529,656</b>	<b>\$ (134,092)</b>
Net loss per common share, basic and diluted (Note 11)	\$ 0.01	\$ 0.00

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

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**For the three months ended April 30, 2021**  
**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, 2021</b>	\$ 9,452,035	\$ (8,115,445)	\$ 1,392,818	\$ 302,680	\$ 496,928	\$ 3,529,016
Net loss for the period	-	(283,146)	-	-	-	(283,146)
Share based payments	-	-	92,532	-	-	92,532
Common shares and warrants issued for cash	7,016,265	-	-	-	-	7,016,265
Allocation to warrants	-	-	-	-	-	-
Issuance costs	(384,605)	-	-	-	-	(384,605)
Finders shares	219,843	-	-	-	-	219,843
Finders warrants	-	-	-	134,706	-	134,706
Options exercised	61,643	-	(25,638)	-	-	36,005
Warrants exercised	30,218	-	-	-	-	30,218
Currency translation adjustment	-	-	-	-	(246,510)	(246,510)
<b>Balance - April 30, 2021</b>	<b>\$ 16,395,399</b>	<b>\$ (8,398,591)</b>	<b>\$ 1,459,712</b>	<b>\$ 437,386</b>	<b>\$ 250,418</b>	<b>\$ 10,144,324</b>
<b>Balance - January 31, 2020</b>	<b>\$ 7,490,847</b>	<b>\$ (7,442,277)</b>	<b>\$ 1,247,257</b>	<b>\$ 177,965</b>	<b>\$ 712,604</b>	<b>\$ 2,186,396</b>
Net loss for the period	-	(102,931)	-	-	-	(102,931)
Common shares and warrants issued for cash	60,200	-	-	49,800	-	110,000
Allocation to warrants	(25,000)	-	-	25,000	-	-
Issuance costs	(6,089)	-	-	-	-	(6,089)
Finders warrants	(1,530)	-	-	1,530	-	-
Share based payments	-	-	3,680	-	-	3,680
Currency translation adjustment	-	-	-	-	237,024	237,024
<b>Balance - April 30, 2020</b>	<b>\$ 7,518,428</b>	<b>\$ (7,545,208)</b>	<b>\$ 1,250,937</b>	<b>\$ 254,295</b>	<b>\$ 949,628</b>	<b>\$ 2,428,080</b>

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**For the three months ended April 30, 2021**  
**Expressed in Canadian Dollars**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	Three months ended April 30,	
	2021	2020
<b>Cash flows from operating activities</b>		
Loss for the period	\$ (283,146)	\$ (102,931)
Items not affecting cash:		
Foreign exchange (gain) loss	35,002	-
Share-based payments	92,532	3,680
Changes in non-cash working capital balances:		
Prepaid expenses and deposits	(50,108)	3,064
Receivables	(101,150)	(1,591)
Trade and other payables	441,641	(66,705)
Staff loans	682	-
Due to related parties	67,758	116,013
<b>Total cash (outflows) from operating activities</b>	<b>203,211</b>	<b>(48,470)</b>
<b>Cash flows from investing activities</b>		
Investment in exploration and evaluation assets	(972,016)	(34,515)
<b>Total cash (outflows) from investing activities</b>	<b>(972,016)</b>	<b>(34,515)</b>
<b>Cash flows from financing activities</b>		
Shares and warrants issued for cash	7,016,265	103,911
Issuance costs	(30,056)	-
Warrants exercised	30,218	-
Options exercised	36,005	-
Short term loans	(59,500)	(15,000)
Due to related parties - long term	(184,362)	24,769
Due to other parties - long term	-	13,435
<b>Total cash inflows from financing activities</b>	<b>6,992,932</b>	<b>127,115</b>
Effect of foreign exchange on cash	(217,784)	(58,523)
<b>Total increase in cash</b>	<b>6,006,343</b>	<b>(14,393)</b>
Cash at beginning of the period	479,098	19,707
<b>Cash at end of the period</b>	<b>\$ 6,485,441</b>	<b>\$ 5,314</b>
	2021	2020
Interest paid	\$ -	\$ -
Income taxes paid	\$ -	\$ -

Supplemental cash flow information (Note 12)

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 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, exploring, and developing 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, 2021 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 22, 2021.

### 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 comprehensive loss of \$529,656 during the three months ended April 30, 2021 (2020: Gain \$134,092) and as of that date the Company's accumulated deficit was \$8,398,591 (January 31, 2021: \$8,115,445). The Company intends to raise further financing through private placements, joint ventures 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. The Company has periodically to raise funds to continue operations and was successful

## 2. BASIS OF PREPARATION (CONTINUED)

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

in raising \$7m in April. Based on projections for the next 12 months there are no immediate going concern uncertainties. However there will be continued need to raise funds until positive cash flow is achieved, and although the Company it has been successful thus far in doing so, there is no assurance it will be able to do so in the future.

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.

The global pandemic outbreak of COVID-19 has had limited impact on the day-to-day activities of the Company thus far, and various exploration programs including geophysics, trenching, auger drilling and diamond drilling have continued. Most recent progress globally with the distribution of vaccines is anticipated to have a further mitigating effect, and although the pandemic could continue to impact the volatility of stock markets, including trading prices of the Company's shares and its ability to raise new capital, the most recent capital raise of \$7m and the proposed listing on the Ghana Stock Exchange are indicators that operations can continue despite difficult conditions. Nevertheless given the spread of COVID-19 variants, the possibility of a more significant impact on the Company's operations cannot be excluded. 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 future operations and financial results.

### 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 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 other comprehensive income/loss in the period.



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

b) **Cash and Cash Equivalents**

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

c) **Mineral Exploration and Evaluation Expenditures**

**Pre-exploration Costs**

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

**Exploration and Evaluation Expenditures**

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

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

d) **Fixed Assets (continued)**

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.

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 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
Staff loans	Amortized cost

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

f) Financial Instruments (continued)

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.

**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. De-recognition

**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 de-recognition 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.

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

#### 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.

##### 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.

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

#### 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.

#### 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. Upon expiry, the fair value of unexercised options is retained in contributed surplus.

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

j) **Share-based Payments (continued)**

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 IAS 28 "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.

### 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.

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

### a) Rehabilitation Provisions (continued)

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 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 or in renewals or extensions of licences which may take considerable periods to effect. Government notice of termination is given 30 days in advance to provide time for any noted deficiencies to be corrected. The Company operates on the basis that title is secure unless notified of cancellation, and to date the Company has not received notice that any of the mineral titles it operates have been cancelled.

### 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. 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 immediate going concern uncertainties do not exist. (see Note 2).

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## 5. EXPLORATION AND EVALUATION ASSETS

	Property:					
	Fahiakoba	Betanase	Sraha	Kubi	Ayem	Total
<b>Balance at January 31, 2020</b>	\$ 3,956,563	\$ 307,902	\$ 888,821	\$ 267,028	\$ 62,862	\$ 5,483,176
Geology and geophysics	26,189	1,766	1,721	49,875	1,630	81,181
Acquisition and sustaining fees	9,751	-	-	37,435	-	47,186
Drilling	-	-	-	27,994	-	27,994
Field expenses	13,993	1,425	2,070	113,451	1,629	132,568
General and administrative	61,176	23,785	29,653	30,199	23,772	168,585
Currency translation adjustment	(143,602)	(10,620)	(31,084)	(19,683)	(2,235)	(207,224)
<b>Balance at January 31, 2021</b>	3,924,070	324,258	891,181	506,299	87,658	5,733,466
Geology and geophysics	2,746	1,639	873	44,686	873	50,817
Acquisition and sustaining fees	59,320	2,832	2,832	2,240	2,832	70,056
Drilling	-	-	-	495,135	-	495,135
Field expenses	3,812	522	522	248,185	654	253,695
General and administrative	19,745	19,488	22,059	21,282	21,353	103,927
Currency translation adjustment	(180,498)	11,279	(37,114)	(35,525)	(4,900)	(246,758)
<b>Balance at April 30, 2021</b>	\$ 3,829,195	\$ 360,018	\$ 880,353	\$ 1,282,302	\$ 108,470	\$ 6,460,338

### 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 and transferred to the Company. 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 December 31, 2019 and by paying US\$1million to Perseus. Perseus is in the process of renewing a portion of the Dunkwa prospecting license to be called on issuance the Betenase prospecting license. The license adjoins to the east of the Kubi Mining Lease.

### 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 and the Ayiem license application. 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.



## 5. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

### 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, 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.

The agreement also allows the Company to 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 mine. To purchase the licenses 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.

On April 15, 2021 the Company issued 46,775,100 units at \$0.15 per unit in connection with a private placement. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one additional common share at an exercise price of \$0.25 until April 15, 2026. The shares have a four month and one day hold period expiring August 16, 2021. In connection with the offering the Company issued 935,502 finders units with a fair value of \$354,459 comprising one common share and one share purchase warrant. The Company incurred issuance costs of \$30,057.

In March 2021 401,451 warrants were exercised for proceeds of \$30,218, and in April 150,000 options were exercised at \$0.17 and 91,348 options were exercised at \$0.115. The share price on dates of exercise were \$0.24 and \$0.235 respectively.

On December 22, 2020, 558,652 stock options were exercised at \$0.115 for proceeds of \$64,245. The share price on the date of exercise was \$0.12. On January 12, 2021 400,000 warrants were exercised at \$0.08 for proceeds of \$32,000 and on January 29, 2021 a further 400,000 warrants were exercised at \$0.08 for proceeds of \$32,000.

On October 22, 2020, the Company issued 13,500,000 units at \$0.10 per unit in connection with a private placement. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one additional common share at an exercise price of \$0.22 until October 21, 2022. The shares have a four month and one day hold period expiring February 23, 2021. In connection with the offering the Company incurred issuance costs of \$1,871.

On September 17, 2020, the Company issued 2,017,500 units and on September 18, 2020 a further 1,000,000 units at \$0.10 per unit in connection with a private placement. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one additional common share at an exercise price of \$0.15 for a period of two years. In connection with the offering the Company incurred issuance costs of \$1,954, paid finders fees of \$7,236 and issued 72,363 finders warrants with a fair market value (‘FMV’) of \$3,665.

## 6. SHARE CAPITAL AND RESERVES (CONTINUED)

### a) Common Shares (continued)

On August 5, 2020, the Company issued 3,500,000 units at \$0.05 per unit in connection with a private placement. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one additional common share at an exercise price of \$0.06 until August 4, 2022. Each warrant is subject to early conversion should the shares trade at a price equal to or greater than \$0.20 for 20 consecutive trading days. The expiry date of the warrants will be 30 days from the date of issue of a news release announcing the early conversion. In connection with the offering the Company incurred issuance costs of \$2,135, paid finders fees of \$1,750 and issued 35,000 finders warrants with a fair market value ('FMV') of \$2,120.

On March 12, 2020, the Company issued 2,490,000 units at \$0.05 per unit in connection with a private placement. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one additional common share at an exercise price of \$0.06 until March 12, 2022. Each warrant is subject to early conversion should the shares trade at a price equal to or greater than \$0.20 for 20 consecutive trading days. The expiry date of the warrants will be 30 days from the date of issue of a news release announcing the early conversion. In connection with the offering the Company incurred issuance costs of \$1,714, paid finders fees of \$4,375 and issued 87,500 finders warrants with a fair market value ('FMV') of \$1,530.

The following is a summary of changes in common share capital:

	Number of shares	Amount
<b>Balance at January 31, 2020</b>	64,055,757	\$ 7,490,847
Issued for cash	22,507,500	1,936,750 *
Allocation to warrants	-	(117,400) **
Issuance costs	-	(28,350)
Warrants exercised	800,000	64,000
Options exercised	558,652	106,188
<b>Balance at January 31, 2021</b>	87,921,909	\$ 9,452,035
Issued for cash	46,775,100	7,016,265
Finders shares	935,502	219,843
Warrants exercised	401,451	30,218
Options exercised	241,348	61,643
Issuance costs	-	(384,605)
<b>Balance at April 30, 2021</b>	136,275,310	\$ 16,395,399

\*\$14,500 subscription recorded in prior year for private placement completed in current year

\*\*Includes \$25,000 adjustment for prior year value allocated to warrants

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## 6. SHARE CAPITAL AND RESERVES (CONTINUED)

### b) Share Purchase Warrants

The following table summarizes warrants and finders warrants issued from February 1, 2020 until April 30, 2021 together with their valuations.

Issuance date	15-Apr-21	12-Mar-20	05-Aug-20	17-Sep-20	18-Sep-20	22-Oct-20
Number of warrants	46,775,100	2,490,000	3,500,000	2,017,500	1,000,000	13,500,000
Allocation of proceeds based on residual fair value	\$Nil	\$24,900	\$Nil	\$Nil	\$Nil	\$67,500
Number of Finders warrants	935,502	87,500	35,000	72,363	-	-
Estimated fair market value	\$134,706	\$1,530	\$2,120	\$3,665	-	-
Model used to estimate fair value	BlackScholes					
Share price at date of issuance	\$0.235	\$0.03	\$0.085	\$0.09	\$0.09	\$0.095
Exercise price	\$0.25	\$0.06	\$0.06	\$0.15	\$0.15	\$0.22
Risk free interest rate	0.24%	0.69%	0.41%	0.41%	N/a	N/a
Estimated annual volatility	125.20%	144.8%	133.2%	133.20%	N/a	N/a
Expected dividends	\$Nil	\$Nil	\$Nil	\$Nil	N/a	N/a
Warrant fair value	\$Nil	\$0.01	\$Nil	\$Nil	\$Nil	\$0.005
Finders warrant fair value	\$0.14	\$0.0175	\$0.0606	\$0.0506	N/a	N/a

The following is a summary of warrant activity from January 31, 2020 to April 30, 2021 together with warrants outstanding and exercise conditions:

	Number of Warrants
Balance at January 31, 2020	5,467,590
Issued March 12	2,490,000
Finders warrants	87,500
Issued August 5	3,500,000
Finders warrants	35,000
Issued September 17 and 18	3,017,500
Finders warrants	72,363
Issued October 22	13,500,000
Exercised January 2021	(800,000)
Balance January 31, 2021	27,369,953
Issued April 15	46,775,100
Finders warrants	935,502
Exercised	(401,451)
Expired	(261,039)
Balance April 30, 2021	74,418,065

	Number of warrants	Exercise price	Expiry date
	4,405,100	\$ 0.08	September 4, 2022
	2,577,500	\$ 0.06	March 12, 2022
	3,535,000	\$ 0.06	August 4, 2022
	2,089,863	\$ 0.15	September 17, 2022
	1,000,000	\$ 0.15	September 18, 2022
	13,500,000	\$ 0.22	October 21, 2022
	46,775,100	\$ 0.25	April 15, 2023
	935,502	\$ 0.25	April 15, 2023
	74,818,065	\$ 0.21	

Weighted Average Remaining Life - 3.7 years

## 6. SHARE CAPITAL AND RESERVES (CONTINUED)

### 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

### 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 since January 31, 2020 to April 30, 2021 together with options outstanding as at April 30, 2021 and their exercise conditions.

	Number of Options	Exercise Price	Expiry
<b>Balance January 31, 2020</b>	5,540,000		
Granted April 4, 2020	200,000	\$0.10	April 4, 2022
Granted July 7, 2020	300,000	\$0.10	July 6, 2021
Granted July 7, 2020	370,000	\$0.10	July 6, 2025
Granted July 21, 2020	500,000	\$0.10	July 20, 2025
Granted August 18, 2020	350,000	\$0.15	August 17, 2025
Granted September 21, 2020	100,000	\$0.15	September 20, 2023
Granted September 21, 2020	150,000	\$0.15	September 20, 2025
Granted December 21, 2020	650,000	\$0.115	December 20, 2022
Granted December 21, 2020	350,000	\$0.115	December 20, 2025
Expired / cancelled	(505,000)	\$0.10 to \$0.17	
Exercised	(558,652)	\$0.115	
<b>Balance January 31, 2021</b>	7,446,348		
Granted March 3, 2021	1,100,000	\$0.15	March 3, 2026
Exercised	(241,348)	\$0.17/0.115	
<b>Balance April 30, 2021</b>	8,305,000		

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## 7. SHARE-BASED PAYMENTS (CONTINUED)

### Option Plan Details (continued)

Options outstanding as at April 30, 2021 are as follows:

Grant date	Expiry date	Exercise price	Balance	Exercisable
2019-08-28	2024-08-27	\$ 0.10	750,000	750,000
2020-04-04	2022-04-04	\$ 0.10	200,000	200,000
2020-07-07	2025-07-06	\$ 0.10	370,000	370,000
2020-07-07	2021-07-06	\$ 0.10	300,000	300,000
2020-07-21	2025-07-20	\$ 0.10	500,000	500,000
2020-08-18	2025-08-17	\$ 0.10	350,000	350,000
2020-09-21	2023-09-20	\$ 0.15	100,000	100,000
2020-09-21	2025-09-20	\$ 0.15	150,000	150,000
2020-12-21	2022-12-20	\$ 0.115	350,000	350,000
2021-03-04	2026-03-03	\$ 0.15	1,100,000	1,100,000
Balance at April 30, 2021			8,305,000	8,305,000

Weighted Average Exercise Price: \$0.12

Weighted Average Remaining Life - 2.2 years

### Summary of option grants

Grant date	04-Apr-20	07-Jul-20	07-Jul-20	21-Jul-20	18-Aug-20	21-Sep-20	21-Sep-20	21-Dec-20	21-Dec-20	03-Mar-21
Number of options	200,000	300,000	370,000	500,000	350,000	150,000	100,000	350,000	650,000	1,100,000
Estimated fair value of compensation	\$3,680	\$6,210	\$20,794	\$27,700	\$22,941	\$12,796	\$5,085	\$39,497	\$48,801	\$92,532
Model used to estimate fair value	BlackScholes									
Share price at date of grant	\$0.035	\$0.060	\$0.060	\$0.060	\$0.070	\$0.090	\$0.090	\$0.115	\$0.115	\$0.10
Exercise price	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.15	\$0.15	\$0.115	\$0.115	\$0.150
Risk free interest rate	0.41%	0.41%	0.41%	0.41%	0.41%	0.50%	0.50%	0.43%	0.23%	0.25%
Estimated annual volatility	145.9%	127.3%	175.1%	168.0%	172.6%	182.7%	133.8%	210.0%	132.7%	135.0%
Expected dividends	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil
Option fair value	\$0.018	\$0.021	\$0.056	\$0.055	\$0.066	\$0.085	\$0.051	\$0.113	\$0.075	\$0.084

## 8. FINANCIAL INSTRUMENTS

### a) Disclosures:

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

The carrying values of the above approximate their respective fair values. All financial instruments carried at fair value at April 30, 2021 and January 31, 2021 were determined using Level 1 inputs.

The following fair value hierarchy is applied in determining the fair value of financial instruments:

Level 1 inputs, which are unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 inputs, which are inputs other than quoted prices which are observable for the asset or liability, either directly or indirectly.

Level 3 inputs, which include management assumptions which cannot be corroborated with observable market data.

## 8. FINANCIAL INSTRUMENTS (CONTINUED)

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, 2021, the Company had cash of \$6,485,441 (January 31, 2021: \$470,098) and current liabilities totaling \$1,134,455 (January 31, 2021:\$684,556). 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, 2021, the Company is exposed to currency risk through the following financial instruments denominated in foreign currencies:

	US Dollars	Ghana Cedis
Net Assets/(Liabilities)	\$ 1,557,810	¢ (354,915)
CAD foreign exchange rate	1.2285	0.2181
CAD equivalent	\$ 1,913,770	\$ (77,407)

A 10% increase in the Canadian (CAD) dollar against the foreign currency at April 30, 2021 would result in an increase (decrease) to net income in the amounts shown below, assuming that all other variables remain constant.

	US Dollars	Ghana Cedis
Change in net income	\$ 191,377	-\$ 7,741

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, 2021 would result in a decrease to other comprehensive income of approximately \$646,000 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, 2021 (January 2020: \$Nil).

## 8. FINANCIAL INSTRUMENTS (CONTINUED)

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

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 political risk, changes in government's ownership interest, sovereign risk, 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.

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 intends to 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, 2021. The Company is not subject to any external covenants.

## 9. RELATED PARTY TRANSACTIONS

During the three months ended April 30, 2021 and April 30, 2020 the Company carried out the following transaction with related parties:

a) **Management**

	April 30,	
	2021	2020
Management and consulting fees paid or payable to MIA Investments Ltd, a company controlled by an officer and director	\$ 35,000	\$ 15,000
Professional services paid or payable to 1765271 Ontario Inc., a company controlled by an officer of the Company	16,000	3,000
Management and consulting fees paid or payable to an officer and director	20,293	22,430
	\$ 71,293	\$ 40,430

## 9. RELATED PARTY TRANSACTIONS (CONTINUED)

### b) Board

Director fees paid or accrued:

	April 30,	
	2021	2020
Directors fees:		
A. Heath	3,000	3,000
C. Korch	3,000	-
R. Norwich	3,000	-
N. Abdul Aziz	3,000	-
M Easah	1,000	-
H. K. Arhin (ASG Mining Limited - Ghana)	3,776	4,136
R. Bourke (Asante Gold Cororation GH Limited - Barbados)	630	689
R. Holford (Asante Gold Cororation GH Limited - Barbados)	2,677	689
	\$ 20,083	\$ 8,514

During the three months ended April 30, 2021 share-based payments with a fair value of \$14,721 (2020:\$Nil) were made to related parties. As at April 30, 2021 included in due to related parties was \$218,666 in expense reimbursements, director's fees, professional service fees (January 31, 2021: \$285,233). As at January 31, 2021 included in trade and other payables is \$Nil (2020:\$14,734) for professional services and director fees.

### c) Loans and Advances

Included in short term loans is \$Nil (January 31, 2020:\$15,000) due to related parties.

Included in long term liabilities due to related parties are loans and advances, fees, expense reimbursements and director's fees.

As at April 30, 2021, \$107,728 (January 31, 2021:\$275,858) 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, 2021, \$425,169 (January 31:\$426,499) was owing to MIA Investments Ltd. in respect of loans and advances; \$614,250 (January 31, 2021:\$614,250) in respect of fees, and \$57,622 (January 31, 2021: \$61,852) in respect of expense reimbursements.

As at April 30, 2021, \$762,066 (January 31, 2021:\$761,225) was owing to other directors and officers in respect of fees, and \$108,151 (January 31, 2021:\$111,570) in respect of director fees.

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. Long term liabilities have a repayment date of no later than March 19, 2022.



**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
Expressed in Canadian Dollars  
For the three months ended April 30, 2021

## 10. SEGMENTAL REPORTING

The Company is organized into business units based on mineral properties and has one reportable operating segment, being that of acquisition and exploration and evaluation activities. The Company's exploration and evaluation assets and property, plant and equipment are located in the Republic of Ghana.

## 11. LOSS PER SHARE

<u>Weighted Average Number of Common Shares Outstanding</u>	April 30,	
	2021	2020
Issued and outstanding common shares	136,275,310	66,545,757
Weighted average number of common shares outstanding (basic and diluted)	96,653,696	65,439,090
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 periods ended April 30, 2021 and 2020.

## 12. SUPPLEMENTAL CASH FLOW INFORMATION

The Company had the following significant non-cash investing and financing transactions:

- At January 31, 2021, the Company had accounts payable of \$69,932 (January 2021 - \$86,509), and due to related parties of \$202,460 (January 2021 - \$202,460) related to exploration and evaluation expenditures.
- During the three months ended April 30, 2021, amortization costs of \$1,614 (2020:\$661) were capitalized.

## 13. EVENTS AFTER THE REPORTING DATE

Subsequent to April 30, 2021:

- 740,000 options expired unexercised on May 6, 2021.
- 145,000 options were exercised at an exercise price of \$0.10.
- 70,000 options were exercised at an exercise price of \$0.17
- 500,000 warrants were exercised for proceeds of \$40,000.