

ASANTE GOLD CORPORATION

Form 51-102F4

Business Acquisition Report

Item 1 Identity of Company

1.1 Name and Address of Company

Asante Gold Corporation (“**Asante**” or the “**Company**”)
800 West Pender Street, Suite 615
Vancouver, British Columbia, V6C 2V6

1.2 Executive Officer

Contact: Douglas MacQuarrie, President and CEO
Telephone: +1 604-558-1134

Item 2 Details of Acquisition

2.1 Nature of Business Acquired

Asante acquired all of the issued and outstanding shares of Mensin Bibiani Pty Ltd. (“**Mensin Bibiani**”) pursuant to the terms of a share purchase agreement dated August 4, 2021 between Asante and Resolute Mining Limited (“**Resolute**”). Mensin Bibiani holds a 100% interest in the Bibiani gold mine in Ghana.

2.2 Acquisition Date

August 19, 2021

2.3 Consideration

Asante acquired all of the issued and outstanding shares of Mensin Bibiani for total aggregate cash consideration of US\$90 million. An initial US\$30 million cash payment was made by Asante to Resolute upon closing of the transaction with the balance of the consideration payable in two equal instalments of US\$30 million on or before six and twelve months following closing.

2.4 Effect on Financial Position

Asante does not have any plans or proposals for material changes in its business affairs or the affairs of Mensin Bibiani that would have a significant effect on the financial performance and financial position of Asante.

2.5 Prior Valuations

No valuation opinion required by securities legislation or a Canadian exchange or market to support the consideration paid by Asante for the issued and outstanding shares of Mensin Bibiani was obtained within the last 12 months by Asante or Mensin Bibiani. There was however a cash bid for the asset by an arms length purchaser for US\$105 million in the months prior to the acquisition by Asante.

2.6 Parties to Transaction

The acquisition was not made with any person who, at the time of the acquisition, was an informed person, associate or affiliate of the Company as defined in Section 1.1 of National Instrument 51-102 - *Continuous Disclosure Obligations* (“**NI 51-102**”).

2.7 Date of Report

April 20, 2022

Item 3 Financial Statements and Other Information

Pursuant to Part 8 of National Instrument 51-102, the following financial statements are specifically incorporated by reference into, and form part of this Business Acquisition Report:

- (a) Audited financial statements of Mensin Bibiani as at and for the year ended December 31, 2020, together with the notes thereto and the auditor’s report thereon, attached hereto as Schedule “A”; and
- (b) Unaudited interim financial statements for Mensin Bibiani as at and for the six months ended June 30, 2021, which are attached hereto as Schedule “B”.

SCHEDULE A

**Audited Financial Statements of Mensin Bibiani
for the year ended December 31, 2020**

[See attached.]



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working world**

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Independent auditor's report to the members of Mensin Bibiani Pty Ltd

Opinion

We have audited the financial report of Mensin Bibiani Pty Ltd (the Company), which comprises the statement of financial position as at 31 December 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and cash flow statement for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 to the financial report. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern. Our opinion is not modified in respect of this matter.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such

disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Ernst & Young
Perth
26 January 2022

Mensin Bibiani Pty Ltd
(formerly Resolute (Bibiani) Pty Ltd)

GENERAL PURPOSE FINANCIAL STATEMENTS

For the year ended 31 December 2020

Mensin Bibiani Pty Ltd
Financial Report
For the year ended 31 December 2020

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**Mensin Bibiani Pty Ltd
Directors Report
For the year ended 31 December 2020**

The directors present their report on Mensin Bibiani Pty Ltd for the year ended 31 December 2020.

Corporate Information

Mensin Bibiani Pty Ltd ("MBBL" or "the Company") is a for profit company limited by shares that is incorporated and domiciled in Australia. On 24 November 2020 the Company changed its name from Resolute (Bibiani) Pty Ltd to Mensin Bibiani Pty Ltd.

Directors

The names and details of the directors of the Company in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

- John Paul Welborn (appointed 9 December 2016 and resigned 18 October 2020)
- Stuart Gale (appointed 18 October 2020 and resigned 18 October 2021)
- Douglas R. MacQuarrie (appointed 17 August 2021)
- Malik Easah (appointed 17 August 2021)
- Lloyd Flint (appointed 17 August 2021)

Company Secretary

- Richard Steenhof (appointed 16 July 2021 and resigned 19 August 2021)
- Amber Stanton (appointed 4 August 2017 and resigned 16 July 2021)
- Lloyd Flint (appointed 17 August 2021)

Activities

The Company owns 90% of a Ghanaian registered Company named Mensin Gold Bibiani Limited and 100% of two Ghanaian registered companies named Drilling & Mining Services Limited and Noble Mining Ghana Limited. Mensin Gold Bibiani Limited is the owner of the Bibiani Gold Mine which is currently under care and maintenance.

Results

The profit/(loss) for the year after tax was \$ nil (2019: \$ nil).

Dividends

The directors do not recommend the payment of a dividend for the year (2019: \$ nil). No dividend was paid in the year (2019: \$ nil).

Significant Changes in the State of Affairs

There have been no significant changes in the state of affairs of the Company.

Significant Events after the Balance Date

Resolute Mining Limited, the parent entity of Mensin Bibiani Pty Ltd completed the sale of the Company to Asante Gold Corporation on 20 August 2021 for total cash consideration of US\$90 million.

By order of the Board



Douglas R. MacQuarrie
Director, 26 January 2022

Mensin Bibiani Pty Ltd
Statement of Financial Position
As at 31 December 2020

	Notes	2020 \$	2019 \$
Non-Current Assets			
Investment in subsidiary	2	2	2
Loan receivable from subsidiary	3	-	-
		<u>2</u>	<u>2</u>
Current Liabilities			
Loan received from related entity	4	-	46,458,883
		<u>-</u>	<u>46,458,883</u>
Net current liabilities		<u>-</u>	<u>46,458,883</u>
Net assets/(liability)		<u>2</u>	<u>(46,458,881)</u>
Equity			
Contributed equity	5	46,458,885	2
Accumulated losses		<u>(46,458,883)</u>	<u>(46,458,883)</u>
Total equity/(deficit)		<u>2</u>	<u>(46,458,881)</u>

The above statement of financial position should be read in conjunction with the accompanying notes.

Mensin Bibiani Pty Ltd
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2020

	Notes	2020	2019
		\$	\$
Income		-	-
Expenses		-	-
Profit/(loss) before taxation		<u>-</u>	<u>-</u>
Income tax expense		-	-
Profit/(loss) for the year after taxation		<u>-</u>	<u>-</u>
Other comprehensive income/(loss)		-	-
Total comprehensive income/(loss) for the year		<u>-</u>	<u>-</u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Mensin Bibiani Pty Ltd
Statement of Changes in Equity
For the year ended 31 December 2020

	Contributed Equity	Accumulated losses	Total Equity
	\$	\$	\$
As at 1 January 2020	2	(46,458,883)	(46,458,881)
Contribution by parent entity (arising from debt forgiveness of inter-company loan, Note 4)	46,458,883	-	46,458,883
Profit/(loss) for the year	-	-	-
Other comprehensive income/(loss)	-	-	-
As at 31 December 2020	<u>46,458,885</u>	<u>(46,458,883)</u>	<u>2</u>
As at 1 January 2019	2	(46,458,883)	(46,458,881)
Profit/(loss) for the year	-	-	-
Other comprehensive income/(loss)	-	-	-
As at 31 December 2019	<u>2</u>	<u>(46,458,883)</u>	<u>(46,458,881)</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Mensin Bibiani Pty Ltd
Cash Flow Statement
For the year ended 31 December 2020

Note	2020	2019
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	-	-
Payments to suppliers, employees and others	-	-
Net cash flows from operating activities	-	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash flows from investing activities	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash flows from financing activities	-	-
Net increase/(decrease) in cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the year	-	-
Cash and cash equivalents at the end of the year	-	-

The above cash flow statement should be read in conjunction with the accompanying notes.

Mensin Bibiani Pty Ltd
Notes to the Financial Statements
For the year ended 31 December 2020

CORPORATE INFORMATION

This general purpose financial report of Mensin Bibiani Pty Ltd for the year ended 31 December 2020 was authorised for issue in accordance with a resolution of the Directors on 26 January 2022. Mensin Bibiani Pty Ltd is a company domiciled in Australia. The registered office of Mensin Bibiani Pty Ltd is Mensin Bibiani Pty Ltd c/o Hopgood Ganim Lawyers, Level 8, 1 Eagle Street, BRISBANE QLD 4000.

The Company owns 90% of a Ghanaian registered company named Mensin Gold Bibiani Limited and 100% of two Ghanaian registered companies named Drilling & Mining Services Limited and Noble Mining Ghana Limited. Mensin Gold Bibiani Limited is the owner of the Bibiani Gold Mine which is currently under care and maintenance.

There has been no significant change in the nature of the Company's activities during the period.

NOTE 1: BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting Preparation

The financial report is a general purpose financial report which:

- has been prepared in accordance with Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB);
- complies with International Financial Reporting Standards (IFRS) and interpretations adopted by the International Accounting Standards Board (IASB);
- has been prepared on an historical cost basis;
- is presented in Australian dollars;
- adopts all new and amended Accounting Standards and Interpretations issued by the AASB that are relevant to the operations of the Company and effective from 1 January 2020;
- does not early adopt Accounting Standards and Interpretations that have been issued or amended but are not yet effective. Refer to note 1(h)(ii) for further details.

The financial report for the year ended 31 December 2020 are the first general purpose financial statements prepared by the Company. In preparing the general purpose financial report for the year ended 31 December 2020, the Company applied AASB 1 *First-time Adoption of Australian Accounting Standards* (AASB 1) which is the Australian equivalent of IFRS 1 *First-time Adoption of International Financial Reporting Standards* (IFRS 1). In this regard the Company considered the transitional exceptions and exemptions in AASB 1. The adoption of AASB 1 had no impact on:

- total assets, total liabilities and total equity of the Company as at 31 December 2019;
- profit or loss for the year ended 31 December 2019
- Other comprehensive income/(loss) for the year ended 31 December 2019; and
- the cash flows for the year ended 31 December 2019.

(b) Going Concern Basis

For the year ended 31 December 2020, the Company had no revenue or expenses. All forecast expenditure of the Company will be met by the Company's parent entity, Asante Gold Corporation.

The Company has received a letter of financial support from Asante Gold Corporation which has confirmed that it will support the continuing operations of the Company for a period of at least twelve months from the signing of the Directors' Declaration. This specifically includes providing sufficient funding to the Company to allow it to meet its forecast expenditure and liabilities as and when they fall due. At 31 October 2021, Asante Gold Corporation had a net current liability position of \$35,573,144.

The Directors have prepared the general purpose financial report on a going concern basis taking into account that Asante Gold Corporation is the Company's parent entity and the Directors see no reason for Asante Gold Corporation not to continue to provide financial support to the Company.

NOTE 1: BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

In the event that Asante Gold Corporation is unable to provide the required financial support to the Company, there is material uncertainty whether the Company will continue as a going concern and therefore whether it will realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the general purpose financial report.

The general purpose financial report does not include any adjustment relating to the recoverability or classification of recorded asset amounts or to the amounts or classification of liabilities that may be necessary should the Company not be able to continue as a going concern.

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The financial statements are presented in Australian dollars, which is the Company’s functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in equity.

(d) Income tax

The Company is a member of the Resolute Mining Limited tax consolidated group. Resolute Mining Limited is the head entity of the tax consolidated group.

The head entity, Resolute Mining Limited, and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand-alone taxpayer in its own right.

The tax consolidated group entered into a tax funding agreement that determines the amount payable by each Member for their portion of the group’s current tax and deferred tax liability. The tax funding agreement determines that each Member’s funding amount is calculated as if the Member is a stand-alone entity and not an entity of the tax consolidated group. Payment to the head entity is to be settled in cash or set-off against the Member’s loan account then settled by adjusting the owners share capital contributions. Taxation liabilities that are set-off against the Member’s loan account are derecognised immediately after initial recognition. Tax losses at the end of each financial period/year are transferred to/from the Parent entity. Any taxation liability assumed by Resolute Mining Limited is recognised as an equity contribution to the Member.

NOTE 1: BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

(e) Receivables (measured at fair value through profit or loss)

Financial assets at fair value through profit or loss include financial assets designated upon initial recognition at fair value through profit or loss, being the receivable from Mensin Gold Bibiani Ltd.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the profit or loss.

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(f) Investment in subsidiary

Investment in subsidiary is initially measured at cost and subsequently carried at cost less accumulated impairment.

At the end of each reporting period, the company assesses whether there is any indication that the investment may be impaired. The assessment will include considering both external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss.

(g) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liability and the consideration paid, including any non-cash assets, is recognised in profit or loss.

Gains/losses arising from debt forgiveness by the parent entity (or its related entity) is reflected in contributed equity as contribution by the parent entity.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

NOTE 1: BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

(h) New, revised or amended Accounting Standards or Interpretations

(i) New and revised standards effective for the year ended 31 December 2020

Amendments to AASB 3: Definition of a Business

The amendment to AASB 3 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the Company, but may impact future periods should the Group enter into any business combinations.

Amendments to AASB 7, AASB 9 and AASB 139 Interest Rate Benchmark Reform

The amendments to AASB 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the Company as it does not have any interest rate hedge relationships.

Amendments to AASB 16 Covid-19 Related Rent Concessions

The amendments provide relief to lessees from applying AASB 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under AASB 16, if the change were not a lease modification. The amendment had no impact on the Company as the Company did not enter into any Covid-19 related rent concession arrangements with the lessors.

AASB 2018-7 Amendments to AAS – Definition of Material

The amendments align the definition of 'material' across AASB 101 and AASB 108 and clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.'

The amendments clarify that materiality will depend on the nature or magnitude of information, or both. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements. The amendment did not impact the Company's financial statements.

(ii) New and revised standards not yet effective for the year ended 31 December 2020

Certain new accounting standards and interpretations have been published that are not mandatory for the year ended 31 December 2020. The Company has reviewed these new accounting standards and interpretations and concluded that adoption of these new accounting standards and interpretations is not expected to have a significant impact on the financial performance and position of the Company.

Mensin Bibiani Pty Ltd
Notes to the Financial Statements
For the year ended 31 December 2020

NOTE 2: INVESTMENTS IN SUBSIDIARY

The Company owns 90% of a Ghanaian registered company named Mensin Gold Bibiani Limited and 100% of two Ghanaian registered companies named Drilling & Mining Services Limited and Noble Mining Ghana Limited. Mensin Gold Bibiani Limited is the owner of the Bibiani Gold Mine which is currently under care and maintenance.

Consolidated financial statements for the year ended 31 December 2020 have not been prepared as the Company meets the scope exemption under AASB 10 paragraph 4 taking into account that the Company's parent entity, Resolute Mining Ltd has prepared consolidated financial statement for the year ended 31 December 2020.

NOTE 3: LOAN RECEIVABLE FROM SUBSIDIARY

	2020	2019
	\$	\$
Loan receivable from Mensin Gold Bibiani Limited	46,458,883	46,458,883
Less: accumulated fair value loss	<u>(46,458,883)</u>	<u>(46,458,883)</u>
Carrying value of loan receivable at end of financial year	<u>-</u>	<u>-</u>

The loan receivable from Mensin Gold Bibiani Limited is non-interest bearing, unsecured and repayable on demand. As Mensin Gold Bibiani Limited is in a net liability position, the Company has assessed that the loan advanced is not expected to be recoverable and has therefore recognised a fair value of loss in prior periods.

NOTE 4: LOAN RECEIVED FROM RELATED ENTITY

	2020	2019
	\$	\$
Loan due to Resolute (Treasury) Pty Ltd	<u>-</u>	<u>46,458,883</u>

The loan due to Resolute (Treasury) Pty Ltd is non-interest bearing, unsecured and repayable on demand. Resolute (Treasury) Pty Ltd agreed to forgive the debt through a Deed of forgiveness signed on 16 September 2020.

NOTE 5: SHARE CAPITAL

	2020		2019	
	Number	\$	Number	\$
As at 1 January	2	2	2	2
Contribution by parent entity (arising from debt forgiveness of inter-company loan, Note (4))	-	46,458,883	-	-
As at 31 December	<u>2</u>	<u>46,458,885</u>	<u>2</u>	<u>2</u>

Fully paid ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholders' meetings, each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Mensin Bibiani Pty Ltd
Notes to the Financial Statements
For the year ended 31 December 2020

NOTE 5: SHARE CAPITAL (CONTINUED)

Capital management

When managing capital, the Board's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

Management is constantly adjusting the capital structure to take advantage of favourable costs of capital or high returns on assets. As the market is constantly changing, management may change the amount of dividends to be paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt or provide capital to pursue other investments. The Company is not subject to any externally imposed capital requirements.

NOTE 6: COMMITMENTS

There are no commitments at 31 December 2020 (2019: Nil).

NOTE 7: CONTINGENT LIABILITIES

Amounts Potentially payable to historical Bibiani creditors

In June 2014, Mensin Gold Bibiani Limited, Drilling and Mining Services Limited and Noble Mining Ghana Limited (collectively referred to as the "Companies") entered into court approved Schemes of Arrangement ("Scheme") with their creditors and employees ("Scheme Creditors"). The Scheme enabled Resolute Mining Ltd to secure with the endorsement of the Ghanaian government, ultimate ownership of the Bibiani Gold Mine with protection from those liabilities which had been incurred at a time when the mine was under the control of the prior owner (Noble Mineral Resources Limited). The Scheme set out the timing and amounts of payments that were to be made by the Companies to a Scheme Fund and to a Future Fund, from which funds, payments are to be made to the Scheme Creditors. The Scheme Creditors arise from transactions that occurred prior to the Companies becoming part of the Group. The Scheme Fund and the Future Fund are effectively administered by representatives of KPMG.

Subject to the issue discussed below regarding two Ghanaian creditors, the implementation of the Scheme had the effect of removing from the Companies' balance sheets all historical liabilities relating to amounts payable to Scheme Creditors and replacing those liabilities with an obligation to fund the Scheme Fund and Future Fund, as and when necessary. The unconditional obligations to make payments to the Scheme Fund were paid in 2014. In addition to those unconditional obligations to pay into the Scheme Fund, the Scheme imposed following contingent liabilities to provide funding to the Scheme Fund and Future Fund:

- Payment to the Scheme Fund of US\$3.6 million (\$4.8 million) if, following receipt of the Feasibility Study, the Board of Resolute Mining Ltd, in its absolute discretion, made a decision to proceed with the development of the Bibiani Gold Mine; and
- Payment to a Future Fund of up to US\$7.8 million (\$10.5 million) conditional upon the generation of free cashflow from Bibiani mine operations for the period of 5 years from the date that Commercial Production is declared ("Future Cashflow Payment"). Free Cashflow means 25% of effectively, Project Revenue for that year less Permitted Payments for that year, which Permitted Payments include:
 - operational expenses and capital costs paid in connection with the mining operations; and
 - repayment of principal and interest relating to funds advanced by Resolute Mining Ltd up to the commencement of mining operations.

Mensin Bibiani Pty Ltd
Notes to the Financial Statements
For the year ended 31 December 2020

NOTE 7: CONTINGENT LIABILITIES (CONTINUED)

The Scheme provided that if Commercial Production had not been achieved by June 2019, then the Bibiani Gold Mine had to be sold and the proceeds applied in the manner set out in the Scheme. On the basis that, in late 2018 it became clear that Commercial Production would not be achieved by June 2019, and in order to avoid the need to sell the Bibiani Gold Mine, an Amended Scheme was proposed to Scheme Creditors, which effectively allowed additional time to commence mining at Bibiani. In consideration for the Scheme Creditors agreeing to the extended timeframe to commence mining, the Amended Scheme provided that upon the Amended Scheme becoming operative, the payment of US\$3.6 million (\$4.8 million) referred to at 1 above would be immediately payable (i.e. it would not be dependent upon the decision of the board of Resolute Mining Ltd to proceed with the development of Bibiani). At the meetings of Scheme Creditors to consider the Amended Scheme in April 2019, the Scheme Creditors approved the Amended Scheme, which was subsequently approved by the Court and became operative in May 2019. As a consequence, in mid-2019 Resolute Mining Ltd paid the sum of US\$3.6 million (\$4.8 million) under the Amended Scheme. The obligation to make the Future Cashflow Payment in the circumstances described at 2 above remains in place under the Amended Scheme.

Notwithstanding the Scheme's approval by the Ghanaian High Court, the Scheme Creditors, and the Ghanaian Minister of Mines, two Ghanaian creditors (Riasand Ventures Limited and Scan Minerals Enterprise) sought to circumvent the operation of the Scheme (and Amended Scheme) and are seeking to enforce a winding up order against Mensin, on the basis of debts incurred prior to implementation of the Scheme. The Company is defending Mensin's right to unencumbered debt free ownership of the Bibiani Gold Mine, which was a key element of the Scheme supported by both Resolute Mining Ltd and the Ghanaian government.

The appeal proceedings involving Riasand have been settled on the basis of a payment to Riasand. The Supreme Court of Ghana issued a consent judgement giving effect to orders of settlement, including vacating the stayed winding up order, on February 23, 2021. The appeal proceedings initiated by Scan Minerals Enterprise are still before the courts. In the event that the appeal is upheld, an amount of USD\$510,689 would be payable to Scan.

NOTE 8: SUBSEQUENT EVENTS

Resolute Mining Limited, the parent entity of Mensin Bibiani Pty Ltd completed the sale of the Company to Asante Gold Corporation on 20 August 2021 for total cash consideration of US\$90 million.

NOTE 9: SUBSIDIARIES OF THE COMPANY

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Name of Entity	Percentage of Shares Held by the Company	
	31 December 2020	31 December 2019
	%	%
Mensin Gold Bibiani Limited	90	90
Drilling and Mining Services Limited	100	100
Noble Mining Ghana Limited	100	100

Mensin Bibiani Pty Ltd
Notes to the Financial Statements
For the year ended 31 December 2020

NOTE 10: PARENT ENTITY

At 31 December 2020, the parent company of Mensin Bibiani Pty Ltd was Resolute Mining Ltd.

As noted in Note 8, Resolute Mining Limited, completed the sale of Mensin Bibiani Pty Ltd to Asante Gold Corporation on 20 August 2021 for total cash consideration of US\$90 million.

Mensin Bibiani Pty Ltd
Directors Declaration
For the year ended 31 December 2020

In the opinion of the Directors:

- (a) the financial statements and notes:
 - (i) Presents fairly the Group's financial position as at 31 December 2020 and of its performance for the year ended on that date; and
 - (ii) Complies with Australian Accounting Standards;
- (b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 1; and
- (c) subject to the matters set out in Note 1, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Directors



Douglas R. MacQuarrie
Director

26 January 2022

SCHEDULE B

**Unaudited Interim Financial Statements for Mensin Bibiani
for the six months ended June 30, 2021**

[See attached.]

**Mensin Bibiani Pty
Ltd**
(formerly Resolute (Bibiani) Pty Ltd)

MANAGEMENT FINANCIAL STATEMENTS

For the six months ended 30 June 2021

Unaudited Management Accounts

Mensin Bibiani Pty Ltd
Statement of Financial Position
As at 30 June 2021

	Unaudited 30 June 2021 \$	Audited 31 December 2020 \$
Non-Current Assets		
Investment in subsidiary	2	2
Loan receivable from subsidiary	<u>-</u>	<u>-</u>
	<u>2</u>	<u>2</u>
Current Liabilities		
Loan received from related entity	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Net current liabilities	<u>-</u>	<u>-</u>
Net assets/(liability)	<u>2</u>	<u>2</u>
Equity		
Contributed equity	46,458,885	46,458,885
Accumulated losses	<u>(46,458,883)</u>	<u>(46,458,883)</u>
Total equity/(deficit)	<u>2</u>	<u>2</u>

Unaudited Management Accounts

Mensin Bibiani Pty Ltd

Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2021 and the year ended 31 December 2020

	Unaudited six months 30 June 2021 \$	Audited 12 months 31 December 2020 \$
Income	-	-
Expenses	<u>-</u>	<u>-</u>
Profit/(loss) before taxation	<u>-</u>	<u>-</u>
Income tax expense		
Profit/(loss) for the year after taxation	<u>-</u>	<u>-</u>
Other comprehensive income/(loss)	<u></u>	<u></u>
Total comprehensive income/(loss) for the year	<u>-</u>	<u>-</u>