asante
GOLD CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the years ended January 31, 2022 and 2021

Independent auditor's report

To the Shareholders of
Asante Gold Corporation

Opinion

We have audited the consolidated financial statements of **Asante Gold Corporation** and its subsidiaries [the "Group"], which comprise the consolidated statement of financial position as at January 31, 2022, and the consolidated statement of loss and comprehensive loss, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at January 31, 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ["IFRS"] as issued by the International Accounting Standards Board.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 paragraph

We draw attention to note 2c in the consolidated financial statements, which indicates that the Group has an accumulated deficit of $17 million as at January 31, 2022 and incurred a comprehensive loss of $8 million for the year then ended. As stated in note 2c, these events or conditions, along with other matters as set forth in note 2c, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other matter

The consolidated financial statements of the Group for the year ended January 31, 2021, were audited by another auditor who expressed an unmodified opinion on those statements on May 27, 2021.

Other information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis for the year ended January 31, 2021.

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

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

We obtained the Group's Management Discussion and Analysis prior to the date of this auditor's report. 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 in this auditor's report. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are 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 Canadian generally accepted 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 these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 Group'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 consolidated financial statements 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Dean Braunsteiner.

Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
May 31, 2022

CONTENTS

Expressed in Canadian Dollars

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	January 31, 2022	January 31, 2021
	$	$
Assets		
Current Assets		
Cash	5,849,478	479,098
Receivables	95,884	4,644
Prepaid expenses and deposits	7,738,533	44,054
Marketable securities (Note 6)	7,509,281	-
Total Current Assets	21,193,176	527,796
Non-Current Assets		
Inventories	2,052,761	-
Prepaid expenses	707,006	-
Reclamation bonds (Note 7)	3,466,243	-
Plant and equipment (Note 8)	97,500,488	35,358
Loans receivable	113,856	19,744
Exploration and evaluation assets (Note 9)	8,517,471	5,733,466
Development properties (Note 10)	93,300,798	-
Total Assets	226,851,799	6,316,364
Liabilities and Equity		
Current Liabilities		
Trade and other payables	11,949,338	339,306
Due to related parties (Note 18)	495,503	285,750
Short term loans	-	44,500
Short term loans – related parties (Note 18)	1,483,684	15,000
Deferred payments (Notes 5 and 11)	74,588,849	-
Current portion of rehabilitation provision (Note 12)	1,391,909	-
Current tax liabilities (Note 5)	22,355,201	-
Other current liabilities (Note 20)	9,851,400	-
Total Current Liabilities	122,115,884	684,556
Long Term Liabilities		
Long term loans – related parties (Note 18)	-	1,966,540
Rehabilitation provision (Note 12)	10,412,567	-
Other liabilities	487,357	136,252
Total Liabilities	133,015,808	2,787,348
Equity		
Share capital (Note 13)	91,923,970	9,452,035
Reserve for share-based payments (Note 14)	5,323,838	1,392,818
Reserve for warrants (Note 13)	417,286	302,680
Accumulated other comprehensive income	716,229	496,928
Accumulated deficit	(16,593,315)	(8,115,445)
Equity attributable to shareholders of the Company	81,788,008	3,529,016
Non-controlling interest (Note 15)	12,047,983	-
Total Equity	93,835,991	3,529,016
Total Liabilities and Equity	226,851,799	6,316,364

Going concern (Note 2c)
Other current liabilities (Note 20)
Subsequent events (Note 22)

" Alex Heath & Douglas MacQuarrie"
Signed on behalf of the Board of Directors

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

Expressed in Canadian Dollars

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

	For the years ended January 31, 2022	2021
	$	$
Expenses		
Advertising, trade shows and promotions	197,565	20,112
Depreciation (Note 8)	1,171,894	-
Finance charges (Notes 11 and 12)	112,832	-
Foreign exchange loss	115,971	10,162
General office	282,103	22,781
Management and consulting fees (Note 18)	2,094,444	297,676
Professional services (Note 18)	591,623	79,128
Share-based payments (Notes 14 and 18)	4,123,854	187,504
Shareholder communications	395,353	31,831
Transfer agent and regulatory fees	304,352	16,397
Travel	201,440	7,577
	9,591,431	673,168
Other items		
Loss on sales of plant and equipment	119,927	-
Unrealized gain on investments	(1,104,306)	-
Loss for the year	(8,607,052)	(673,168)
Loss attributed to:		
Shareholders of the Company	(8,477,870)	(673,168)
Non-controlling interest	(129,182)	-
Loss for the year	(8,607,052)	(673,168)
Other comprehensive income (loss)		
Currency translation adjustment – shareholders of the Company	219,301	(215,676)
Currency translation adjustment – non-controlling interest	355	-
	219,656	(215,676)
Total comprehensive loss for the year	(8,387,396)	(888,844)
Comprehensive loss attributed to:		
Shareholders of the Company	(8,258,569)	(888,844)
Non-controlling interest	(128,827)	-
Total comprehensive loss for the year	(8,387,396)	(888,844)
Loss per common share (basic and diluted) attributed to:		
Shareholders of the Company	(0.05)	(0.01)
Weighted average number of common shares outstanding (basic and diluted)	179,439,713	72,906,511

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

Expressed in Canadian Dollars

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Number of Shares Issued	Share Capital	Reserve for options	Reserve for warrants	Accumulated Deficit	Accumulated Other Comprehensive Income	Non-Controlling interest	Total Shareholders' Equity
		$	$	$	$	$	$	$
Balance at January 31, 2020	64,055,757	7,490,847	1,247,257	177,965	(7,442,277)	712,604	-	2,186,396
Common shares and warrants issued for cash	22,507,500	1,936,750	-	-	-	-	-	1,936,750
Issuance costs	-	(21,035)	-	-	-	-	-	(21,035)
Finders warrants	-	(7,315)	-	7,315	-	-	-	-
Allocation to warrants	-	(117,400)	-	117,400	-	-	-	-
Options exercised	558,652	106,188	(41,943)	-	-	-	-	64,245
Warrants exercised	800,000	64,000	-	-	-	-	-	64,000
Share based payments	-	-	187,504	-	-	-	-	187,504
Net loss for the year	-	-	-	-	(673,168)	-	-	(673,168)
Currency translation adjustment	-	-	-	-	-	(215,676)	-	(215,676)
Balance at January 31, 2021	87,921,909	9,452,035	1,392,818	302,680	(8,115,445)	496,928	-	3,529,016
Common shares and warrants issued for cash	153,417,957	81,666,265	-	-	-	-	-	81,666,265
Issuance costs	-	(2,722,926)	-	134,706	-	-	-	(2,588,220)
Finders shares	3,211,216	2,518,314	-	-	-	-	-	2,518,314
Options exercised	2,711,348	520,739	(192,834)	-	-	-	-	327,905
Warrants exercised	6,428,951	489,543	-	(20,100)	-	-	-	469,443
Share based payments	-	-	4,123,854	-	-	-	-	4,123,854
Non-controlling interest on acquisition	-	-	-	-	-	-	12,176,810	12,176,810
Net loss for the year	-	-	-	-	(8,477,870)	-	(129,182)	(8,607,052)
Currency translation adjustment	-	-	-	-	-	219,301	355	219,656
Balance at January 31, 2022	253,691,381	91,923,970	5,323,838	417,286	(16,593,315)	716,229	12,047,983	93,835,991

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

Expressed in Canadian Dollars

CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the years ended January 31, 2022	2021
	$	$
Cash flows used in operating activities		
Net loss for the year	(8,607,052)	(673,168)
Items not affecting cash		
Depreciation	1,171,894	-
Finance charges	112,832	-
Foreign exchange	-	10,162
Share-based payments	4,123,854	187,504
Loss on sales of plant and equipment	119,927	-
Unrealized gain on investment	(1,104,306)	-
Changes in non-cash working capital items		
Prepaid expenses and deposits	(8,158,657)	(37,637)
Receivables	(91,240)	340
Trade and other payables	10,566,960	(107,309)
Loans receivable	(94,112)	(19,744)
Other liabilities	-	(667)
Due to related parties	(305,945)	(115,530)
	(2,265,845)	(756,049)
Cash flows used in investing activities		
Cash acquired from Mensin acquisition	598,908	-
Purchase of plant and equipment	(28,851,673)	(35,366)
Proceeds from sales of plant and equipment	72,447	-
Investment in marketable securities	(6,404,975)	-
Investment in exploration and evaluation assets	(2,815,022)	(762,540)
Cash paid for Mensin acquisition	(38,075,267)	-
	(75,475,582)	(797,906)
Cash flows from financing activities		
Shares and warrants issued for cash	81,666,265	1,936,750
Issuance costs	(69,906)	(21,035)
Warrants exercised	469,443	64,000
Options exercised	327,905	64,245
Repayment of short term loan	(44,500)	(15,000)
Repayment of other liabilities	(7,979)	-
	82,341,228	2,028,960
Effect of foreign exchange on cash	770,579	(15,614)
Total increase in cash	5,370,380	459,391
Cash at beginning of the year	479,098	19,707
Cash at end of the year	5,849,478	479,098
Supplemental cash-flow disclosure:		
Interest	-	-
Income taxes	-	-
Supplemental non-cash disclosure:		
Debt settled through issuance of shares	-	132,687
Finders' shares issued	2,518,314	-
Exploration and evaluation assets included in trade and other payables	125,656	86,509
Exploration and evaluation assets included in due to related parties	17,842	202,460
Reclassification of stock options exercised	192,834	-
Reclassification of warrants exercised	20,100	-
Reclassification of finders' warrants issued	134,706	-
Depreciation capitalized in exploration and evaluation assets	39,471	678

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 615, 800 West Pender Street, Vancouver, British Columbia, Canada, V6C 2V6.

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 and 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 and development 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.

Certain reclassifications have been made to prior year financial statements to conform to classifications used in the current year. These reclassifications had no impact on net loss, equity or cash flows as previously reported.

2. BASIS OF PREPARATION AND GOING CONCERN

a) Statement of Compliance

These consolidated financial statements have been prepared in accordance and compliance 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 consolidated financial statements were authorized for issue by the Board of Directors on May 31, 2022.

b) Basis of Measurement

These consolidated financial statements have been prepared on a historical cost basis except for financial instruments that are 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 $8,387,396 during the year ended January 31, 2022 (January 31, 2021: $888,844) and as of January 31, 2022, the Company's accumulated deficit was $16,593,315 (January 31, 2021: $8,115,445). The Company is intending to raise further financing through the further issuance of debt and equity.

Expressed in Canadian Dollars

2. BASIS OF PREPARATION (CONTINUED)

c) Going Concern of Operations (Continued)

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/pre-development stage, the recoverability of the costs incurred to date on exploration and development 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 to periodically raise funds to continue operations and was successful in raising $7 million in April 2021, $75 million in August 2021, and a further $102 million in March 2022. The Company will require additional financing for the upcoming fiscal year in order to maintain its operations, exploration, and development activities. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

These consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

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. The 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 $102 million 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 has 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

The consolidated financial statements include the financial statements of the Company and the following subsidiaries:

		Percentage owned	
Name	**Jurisdiction**	**January 31, 2022**	**January 31, 2021**
Asante Gold Corporation (GH) Limited	Barbados	100%	100%
ASG Mining Limited	Ghana	100%	100%
Asante Gold Ghana Ltd.	Ghana	100%	100%
Mensin Bibiani Pty. Ltd	Australia	100%	0%
Mensin Gold Bibiani Ltd	Ghana	90%	0%
Noble Mining Ghana Limited	Ghana	100%	0%
Drilling and Mining Services Limited	Ghana	100%	0%

All intercompany accounts and transactions between the Company and its subsidiaries have been eliminated upon consolidation.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Foreign Currency Transactions

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

At the transaction date, each asset, liability, revenue and expense denominated in a foreign currency is translated into the functional 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 (loss) 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 Company's accumulated other comprehensive income (loss) and are recognized in other comprehensive income (loss) in the period.

b) 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) Mineral Exploration and Evaluation Expenditures (continued)

Mines under construction and development costs

When technical feasibility and economic viability of projects have been determined and the decision to proceed with development has been approved, the expenditures related to construction are capitalized as mines under construction and classified as a component of mine properties, plant and equipment. Costs associated with the commissioning of new assets, in the pre-commercial period before they are operating in the way intended by management, are capitalized. Commercial production is deemed to have occurred when management determines certain production parameters are met.

In order for production to occur, the Company must first obtain exploitation and other permits on such properties. Such permits are subject to the approval of the local government and government controlled entities. Unless and until such permits are obtained there can be no assurance that such permits will be obtained. As such, permits need to be obtained before costs are reclassified from exploration and evaluation properties to mines under construction.

c) Inventories

Inventories are valued at the lower of cost and net realizable value. Cost of inventory includes cost of purchase (purchase price, import duties, transport, handling, and other costs directly attributable to the acquisition of inventories), and other costs incurred in bringing the inventories to their present location and condition. Net realizable value for inventories is the estimated recoverable value in the ordinary course of business. Provisions are made in profit or loss in the period for any difference between book value and net realizable value.

d) Plant and Equipment

On initial recognition, plant and equipment 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.

Plant and equipment are subsequently measured at cost less accumulated depreciation, 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
Mining plant and equipment	7 years on a straight line basis

The cost of replacing part of an item of plant and equipment 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 plant and equipment are recognized in profit or loss as incurred.

An item of plant and equipment 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 depreciation methods being used for plant and equipment and any changes arising from the assessment are applied by the Company prospectively. Where an item of plant and equipment 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 plant and equipment, including major inspection and overhaul expenditures, are capitalized.

As at January 31, 2022, the Company adopted the amendment to IAS 16 - Property, Plant and Equipment issued in May 2020 (as detailed in Note 3m).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) Impairment of Non-Financial Assets

Impairment tests on intangible assets with indefinite useful economic lives are undertaken at 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	Amortized cost
Receivables	Amortized cost
Loans receivable	Amortized cost
Marketable securities	FVTPL
Trade and other payables	Amortized cost
Due to related parties	Amortized cost
Short term loans	Amortized cost
Other liabilities	Amortized cost
Other current liabilities	Amortized cost

II. Measurement

Financial Assets and Liabilities at Amortized Cost

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

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f) Financial Instruments (continued)

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 de-recognizes 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.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h) Income Taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in net income except to the extent that they relate to a business combination or items recognized directly in equity or in other comprehensive loss/income.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

i) Share Capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, options and warrants are classified as equity instruments.

Incremental costs directly attributable to the issuance of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Unit Offerings

The Company has adopted a residual value method with respect to the measurement of shares and equity-classified warrants issued as private placement units. The residual value method first allocates value to the more reliable estimate based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of the common shares issued in private placements is determined to be the more reliable estimate as they are valued at their fair value which is determined by the closing price on the issuance date. The remaining balance, if any, is allocated to the attached warrants. Any value attributed to the warrants is recorded to reserves. Upon exercise or expiry, the value attributed to the warrants is transferred to share capital.

Valuation of Warrants Issued as Part of Unit Offerings

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

Earnings / Loss per Share

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j) Share-Based Payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

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

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

All equity-settled share-based payments are reflected in reserve for share-based payments, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in reserve for share-based payments is credited to share capital, adjusted for any consideration paid. Upon expiry, the fair value of unexercised options is retained in contributed surplus.

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 prepare them 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

m) Recent Accounting Pronouncements

The following is a listing of amendments, revisions and new International Financial Reporting Standards issued but not yet effective. The Corporation is currently assessing the impact of adopting the following standards on the consolidated financial statements, as described below:

- IAS 1 – Presentation of Financial Statements: On January 23, 2020, the IASB issued an amendment to IAS 1, *Presentation of Financial Statements* providing a more general approach to the classification of liabilities. The amendment clarifies that the classification of liabilities as current or non-current depends on the rights existing at the end of the reporting period as opposed to the expectations of exercising the right for settlement of the liability. The amendments further clarify that settlement refers to the transfer of cash, equity, instruments, other assets, or services to the counterparty. The amendments are effective for annual periods beginning on or after January 1, 2023 and are to be applied retrospectively, with early adoption permitted. The Company is currently assessing the financial impact of the amendment and expects to apply the amendment at the effective date.

- IAS 16 – Property, Plant and Equipment: On May 14, 2020, the IASB issued an amendment to IAS 16, *Property, Plant and Equipment* to prohibit deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The proceeds from selling such items, and the cost of producing those items are to be recognized in profit and loss. The amendments are effective for annual periods beginning on or after January 1, 2022 with early adoption permitted. The amendment is to be applied retrospectively only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the earliest period presented in the consolidated financial statements in the year in which the amendments are first applied. The amendment is effective for annual periods beginning on or after January 1, 2022 with early adoption permitted. The Company is currently assessing the financial impact of the amendment and expects to apply the amendment at the effective date.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions that may 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.

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 in future financial years are discussed below:

a) Rehabilitation Provision

The Company assumed certain rehabilitation provisions in connection with the acquisition of Mensin (Note 5). Based upon the prevailing economic environment, assumptions have been made which management believes are reasonable upon which to estimate the future liability. These estimates will take into account any material changes to the assumptions that occur when reviewed regularly by management. Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to provisions from period to period.

Actual rehabilitation costs will ultimately depend on future market prices for the rehabilitation costs which will reflect the market condition at the time the rehabilitation costs are actually incurred. The final cost of the rehabilitation provisions may be higher or lower than currently provided for.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

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. The Company will require additional financing for the upcoming fiscal year in order to maintain its operations and exploration activities. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern (see Note 2).

5. ACQUISITION OF MENSIN BIBIANI PTY. LTD AND MENSIN GOLD BIBIANI LTD (FORMERLY MENSIN GOLD BIBIANI LIMITED)

In August 2021, the Company completed the acquisition of all of the issued and outstanding common shares of Mensin Bibiani Pty. Ltd ("MB PTY") and its subsidiary Mensin Gold Bibiani Ltd ("MGBL") (as a group "Mensin") for consideration of US$90 million from Resolute Mining Limited ("Resolute"). Pursuant to the agreement, the Company is required to make payments of US$30 million (paid $38 million) on closing, US$30 million on or before 6 months from closing (paid subsequently), and US$30 million on or before 12 months from closing. Mensin is an exploration and development company which holds the Bibiani Gold Mine property located in Ghana. The acquisition resulted in Mensin becoming a wholly-owned subsidiary of the Company, and the Ghanaian government retains a 10% free carried interest in the Bibiani Gold Mine. As a result, the Company recorded a non-controlling interest of $12,176,810. In addition, the Company incurred $185,267 in transaction costs relating to the acquisition and these costs were capitalized as part of the acquisition of the development properties. The acquisition of Mensin has been treated as an acquisition of assets.

Expressed in Canadian Dollars

5. ACQUISITION OF MENSIN BIBIANI PTY. LTD AND MENSIN GOLD BIBIANI LTD (FORMERLY MENSIN GOLD BIBIANI LIMITED) (CONTINUED)

The total consideration for the acquisition of the assets and liabilities of Mensin assumed on acquisition was as follows:

		Total
Consideration:		
Cash paid	$	37,890,000
Present value of deferred payments		71,516,026
Transaction costs		185,267
Total consideration	**$**	**109,591,293**
Allocated as follows:		
Cash	$	598,908
Prepaid expenses and deposits		242,828
Inventories		2,082,893
Plant and equipment		68,070,702
Development properties		92,069,969
Reclamation bonds		3,466,243
Trade and other payables		(917,416)
Current tax liabilities		(22,355,201)
Other current liabilities		(9,851,400)
Rehabilitation provision		(11,280,339)
Other liabilities		(359,084)
Non-controlling interest		(12,176,810)
	$	**109,591,293**

6. MARKETABLE SECURITIES

Marketable securities are comprised of the following:

	January 31, 2022	
	Shares \#	Fair Value $
Roscan Gold Corporation ("Roscan")	22,086,121	7,509,281

In October 2021, the Company subscribed for 22,086,121 common shares of Roscan at a price of $0.29 per share as a strategic investment. During the year ended January 31, 2022, the Company recorded an unrealized gain on investment of $1,104,306 (2021 - $nil).

7. RECLAMATION BONDS

Reclamation bonds of $3,466,243 (January 31, 2021 - $nil) consist of bonds held as security by the government of Ghana, with regards to the Bibiani Property described in Note 10.

Expressed in Canadian Dollars

8. PLANT AND EQUIPMENT

	Field tools and equipment	Office furniture and equipment	Vehicles	Mining plant and equipment	Total
Cost					
Balance, January 31, 2020	3,213	4,780	32,062	-	40,055
Additions	-	-	39,327	-	39,327
Disposals	-	-	(2,287)	-	(2,287)
Currency translation adjustment	-	(1)	(20)	-	(21)
Balance, January 31, 2021	3,213	4,779	69,082	-	77,074
Additions	58,891	1,882	887,797	97,507,371	98,455,941
Disposals	-	-	(35,561)	-	(35,561)
Currency translation adjustment	(2,310)	(2,490)	7,432	214,731	217,364
Balance, January 31, 2022	59,794	4,171	928,750	97,722,102	98,714,817
Accumulated depreciation					
Balance, January 31, 2020	3,005	4,287	32,062	-	39,354
Depreciation	202	477	-	-	679
Currency translation adjustment	6	15	1,662	-	1,683
Balance, January 31, 2021	3,213	4,779	33,724	-	41,716
Depreciation	5,338	188	45,037	1,160,802	1,211,365
Disposal	-	-	(35,561)	-	(35,561)
Currency translation adjustment	(3,131)	(2,515)	(102)	2,557	(3,191)
Balance, January 31, 2022	5,420	2,452	43,098	1,163,359	1,214,329
Net Amount					
As at January 31, 2021	-	-	35,358	-	35,358
As at January 31, 2022	54,374	1,719	885,652	96,558,743	97,500,488

9. EXPLORATION AND EVALUATION ASSETS

	Fahiakoba	Betenase	Sraha	Ayiem	Kubi	Total
	$	$	$	$	$	$
Balance at January 31, 2020	3,956,563	307,902	888,821	62,862	267,028	5,483,176
Acquisition and sustaining fees	9,751	-	-	-	37,435	47,186
Drilling	-	-	-	-	27,994	27,994
Field expenses	13,993	1,425	2,070	1,629	113,451	132,568
General and administrative	61,176	23,785	29,653	23,772	30,199	168,585
Geology and geophysics	26,189	1,766	1,721	1,630	49,875	81,181
Currency translation adjustment	(143,602)	(10,620)	(31,084)	(2,235)	(19,683)	(207,224)
Balance at January 31, 2021	3,924,070	324,258	891,181	87,658	506,299	5,733,466
Acquisition and sustaining fees	59,323	2,835	3,681	3,681	82,924	152,444
Drilling	-	-	-	-	1,114,222	1,114,222
Field expenses	25,374	12,631	11,484	12,299	548,106	609,894
Assaying testing and analysis	-	-	-	-	11,558	11,558
General and administrative	88,990	85,466	88,512	87,298	164,900	515,166
Geology and geophysics	52,510	49,958	41,200	34,473	416,566	594,707
Currency translation adjustment	(43,267)	25,641	(7,618)	(195)	(188,547)	(213,986)
Balance at January 31, 2022	4,107,000	500,789	1,028,440	225,214	2,656,028	8,517,471

9. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Fahiakoba

In June 2011, the Company entered into a Purchase Agreement with Goknet Mining Company Limited ("Goknet") to acquire the Fahiakoba Concession, in the Ashanti and Central Regions in the Republic of Ghana, whereby the Company acquired a 100% interest in the Fahiakoba Concession (subject to a royalty interest) by paying Goknet the sum of US$51,976 (C$50,630) and by agreeing to expend US$1 million 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. The Ghanaian Government will retain a 10% free carried interest in the mining lease once it has been granted.

Betenase

In August 2015 and as amended in May 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 a 100% interest in Betenase (subject to 10% being reserved for the Government of Ghana, and a 1% underlying NSR royalty) by completing US$1 million in exploration within four years of December 31, 2019 and by paying US$1 million 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

In September 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 issued 250,000 shares in its capital stock to Sikasante on final issuance of the Ayiem license to Sikasante and receipt by Sikasante of all necessary permits required to commence a drilling program (completed), and is required 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 granting 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 one 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. The Ghanaian Government will retain a 10% free carried interest in the mining lease once it has been granted.

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.

In December 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 granting Goknet a 2% Net Smelter Return Royalty (the "Kubi NSR"). Royal Gold Inc. holds a 3% Net Proceeds of Production royalty. The Minister of Lands and Natural Resources approved the transfer of the Kubi Mining Lease to Asante Gold (Ghana) Limited in April 2022. The Ghanaian Government retains a 10% free carried interest in the mining lease.

The agreement also grants the Company the option 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 ll" concessions) to the south west and along the strike of the Galiano-Goldfields 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.

Expressed in Canadian Dollars

10. DEVELOPMENT PROPERTIES

	Bibiani
	$
Balance at January 31, 2020 and 2021	-
Acquisition costs	92,069,969
General and administrative	1,230,829
Balance at January 31, 2022	93,300,798

Bibiani

In August 2021, following the acquisition of MB PTY (Note 5), through the acquisition of its Ghana subsidiary, MGBL (Note 5), the Company holds a 90% interest to the Bibiani gold mine situated in the western region of Ghana. The Ghanaian Government retains the remaining 10% free carried interest in the mining operations.

11. DEFERRED PAYMENTS

Pursuant to the acquisition of Mensin, the Company shall pay US$30 million on closing (paid), US$30 million on or before 6 months from closing (paid subsequently), and US$30 million on or before 12 months from closing (Note 5). As at January 31, 2022, deferred payments of US$60 million were measured by discounting the 6-month and 12-month installments using an incremental borrowing rate of 8%.

Recognition of deferred payments	$ 71,516,026
Finance charges	2,545,464
Foreign exchange adjustment	527,359
At January 31, 2022	$ 74,588,849

The principal payments required under the deferred payments for the next fiscal year are as follows:

February 18, 2022	$ 38,157,000 (paid subsequently)
August 18, 2022	$ 38,157,000

12. REHABILITATION PROVISION

As at January 31, 2022, the Company recorded a long term portion of $10,412,567 (January 31, 2021: $nil) and a current portion of $1,391,909 (January 31, 2021: $nil) as a provision for the estimated costs of site reclamation relating to the Bibiani Gold Mine property (Note 5). The rehabilitation provision estimates the cost at an annual inflation rate of 7.48%, which is discounted at a rate of 2.53%.

	$
Balance, January 31, 2020 and 2021	-
Initial recognition of rehabilitation provision	11,280,339
Changes in estimate	524,137
	11,804,476
Less: current portion	(1,391,909)
Balance, January 31, 2022	**10,412,567**

13. SHARE CAPITAL AND RESERVES

a) Common Shares

The Company is authorized to issue an unlimited number of common shares without par value.

13. SHARE CAPITAL AND RESERVES (CONTINUED)

a) Common Shares (Continued)

During the year ended January 31, 2022:

In August 2021, the Company issued 106,642,857 common shares at $0.70 per share for gross proceeds of $75 million in connection with a private placement. In connection with the offering, the Company issued 2,275,714 common shares with a fair value of $2,298,471 as finders' fees and incurred issuance costs of $39,849.

In April 2021, the Company issued 46,775,100 units at $0.15 per unit for gross proceeds of $7,016,265 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, 2023. In connection with the offering, the Company issued 935,502 finders units with a fair value of $354,549 with the same terms as the financing and incurred issuance costs of $30,057.

The Company issued 6,428,951 common shares in connection with the exercise of 6,428,951 warrants with a weighted average exercise price of $0.07 for total proceeds of $469,443. As a result, the Company transferred $20,100 representing the fair value of the exercised warrants from reserves to share capital. The Company also issued 2,711,348 common shares in connection with the exercise of 2,711,348 stock options with a weighted average exercise price of $0.12 for total proceeds of $327,905. As a result, the Company transferred $192,834 representing the fair value of the exercised options from reserves to share capital.

During the year ended January 31, 2021:

In October 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. In connection with the offering, the Company incurred issuance costs of $1,871.

In September 2020, the Company issued 2,017,500 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 value of $3,665.

In August 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 value of $2,120.

In March 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 value of $1,531.

The Company issued 800,000 common shares in connection with the exercise of 800,000 warrants with an exercise price of $0.08 for total proceeds of $64,000. The Company also issued 558,652 common shares in connection with the exercise of 558,652 stock options with an exercise price of $0.115 for total proceeds of $64,245.

Expressed in Canadian Dollars

13. SHARE CAPITAL AND RESERVES (CONTINUED)

b) Share Purchase Warrants

The following table summarizes warrants and finders warrants issued from February 1, 2020 until January 31, 2022 together with their valuations.

Issuance date	12-Mar-20	5-Aug-20	17-Sep-20	18-Sep-20	22-Oct-20	15-Apr-21
Number of warrants	2,490,000	3,500,000	2,017,500	1,000,000	13,500,000	46,775,100
Allocation of proceeds based on residual fair value	$24,900	$nil	$nil	$nil	$67,500	$nil
Number of finders warrants	87,500	35,000	72,363	-	-	935,502
Estimated fair market value	$1,530	$2,120	$3,665	-	-	$134,706
Model used to estimate fair value	Black Scholes					
Share price at date of issuance	$0.030	$0.085	$0.090	$0.090	$0.095	$0.235
Exercise price	$0.060	$0.060	$0.150	$0.150	$0.220	$0.250
Risk free interest rate	0.69%	0.41%	0.41%	N/A	N/A	0.24%
Estimated annual volatility	144.8%	133.2%	133.20%	N/A	N/A	125.20%
Expected dividends	$nil	$nil	$nil	N/A	N/A	$nil
Warrant fair value	$0.010	$nil	$nil	$nil	$0.005	$nil
Finders warrant fair value	$0.0175	$0.0606	$0.0506	N/A	N/A	$0.1400

A summary of changes to share purchase warrants outstanding is as follows:

	Number of warrants	Exercise price
	#	$
Balance at January 31, 2020	5,467,590	
Issued March 12, 2020	2,490,000	0.06
Finders warrants	87,500	0.06
Issued August 5, 2020	3,500,000	0.06
Finders warrants	35,000	0.06
Issued September 17, 2020	2,017,500	0.15
Issued September 18, 2020	1,000,000	0.15
Finders warrants	72,363	0.15
Issued October 22, 2020	13,500,000	0.22
Exercised	(800,000)	0.08
Balance at January 31, 2021	27,369,953	
Issued April 15, 2021	46,775,100	0.25
Finders warrants	935,502	0.25
Exercised	(6,428,951)	0.06 to 0.15
Expired	(261,039)	0.15
Balance at January 31, 2022	68,390,565	

Details of share purchase warrants outstanding at January 31, 2022 is as follows:

Number of warrants	Exercise price	Expiry date
#	$	
*1,567,500	0.06	March 12, 2022
835,000	0.06	August 4, 2022
2,105,100	0.08	September 4, 2022
1,672,363	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
68,390,565	0.23	

*All exercised subsequent to the year ended January 31, 2022.

As at January 31, 2022, the weighted average remaining life of outstanding warrants is 1.03 years.

Expressed in Canadian Dollars

13. SHARE CAPITAL AND RESERVES (CONTINUED)

c) Nature and Purpose of Equity and Reserves

The reserves recorded in equity on the Company's consolidated statement of financial position reflect the value of stock options granted 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.

d) Loss Per Share

Outstanding stock options and warrants have been excluded from the calculation of diluted loss per share as the effect would be anti-dilutive. 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 years ended January 31, 2022 and 2021.

14. SHARE-BASED PAYMENTS

Stock Options

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 table summarizes stock options granted from February 1, 2020 until January 31, 2022 together with their valuations.

Grant date	4-Apr-20	7-Jul-20	7-Jul-20	21-Jul-20	18-Aug-20	21-Sep-20
Number of options	200,000	300,000	370,000	500,000	350,000	150,000
Estimated fair value of compensation	$3,680	$6,210	$20,794	$27,700	$22,941	$12,796
Model used to estimate fair value	Black Scholes					
Share price at date of grant	$0.035	$0.060	$0.060	$0.060	$0.070	$0.090
Exercise price	$0.100	$0.100	$0.100	$0.100	$0.100	$0.150
Risk free interest rate	0.41%	0.41%	0.41%	0.41%	0.41%	0.50%
Estimated annual volatility	145.9%	127.3%	175.1%	168.0%	172.6%	182.7%
Expected dividends	$nil	$nil	$nil	$nil	$nil	$nil
Option fair value	$0.018	$0.021	$0.056	$0.055	$0.066	$0.085

Grant date	21-Sep-20	21-Dec-20	21-Dec-20	4-Mar-21	9-Aug-21
Number of options	100,000	350,000	650,000	1,100,000	6,900,000
Estimated fair value of compensation	$5,085	$39,497	$48,801	$92,532	$4,031,028
Model used to estimate fair value	Black Scholes				
Share price at date of grant	$0.090	$0.115	$0.115	$0.100	$0.680
Exercise price	$0.150	$0.115	$0.115	$0.150	$0.750
Risk free interest rate	0.50%	0.43%	0.23%	0.25%	0.89%
Estimated annual volatility	133.8%	210.0%	132.7%	135.0%	133.0%
Expected dividends	$nil	$nil	$nil	$nil	$nil
Option fair value	$0.051	$0.113	$0.075	$0.084	$0.584

Expressed in Canadian Dollars

14. SHARE-BASED PAYMENTS (CONTINUED)

Stock Options (continued)

A summary of changes to stock options outstanding is as follows:

	Number of options	Exercise price
	#	$
Balance at January 31, 2020	5,540,000	
Granted April 4, 2020	200,000	0.10
Granted July 7, 2020	300,000	0.10
Granted July 7, 2020	370,000	0.10
Granted July 21, 2020	500,000	0.10
Granted August 18, 2020	350,000	0.15
Granted September 21, 2020	100,000	0.15
Granted September 21, 2020	150,000	0.15
Granted December 21,2020	350,000	0.115
Exercised	(558,652)	0.115
Expired/cancelled	(505,000)	0.10 to 0.17
Balance at January 31, 2021	7,446,348	
Granted March 4, 2021	1,100,000	0.15
Granted August 9, 2021	6,900,000	0.75
Exercised	(2,711,348)	0.08 to 0.20
Expired/cancelled	(740,000)	0.17
Balance at January 31, 2022	11,995,000	

Details of stock options outstanding at January 31, 2022 is as follows:

Grant date	Expiry date	Exercise price	Number of options	Vested and exercisable
		$	#	#
May 12, 2017	May 12, 2022	0.15	* 600,000	600,000
June 5, 2018	June 4, 2023	0.10	825,000	825,000
March 21, 2019	March 20, 2024	0.10	500,000	500,000
August 28, 2019	August 27, 2024	0.10	450,000	450,000
July 7, 2020	July 5, 2025	0.10	370,000	370,000
July 21, 2020	July 20, 2025	0.10	500,000	500,000
August 18, 2020	August 17, 2025	0.10	350,000	350,000
September 21, 2020	September 20, 2025	0.15	150,000	150,000
December 21, 2020	December 20, 2025	0.115	350,000	350,000
March 4, 2021	March 3, 2026	0.15	1,000,000	1,000,000
August 9, 2021	August 8, 2026	0.75	6,900,000	6,900,000
		0.48	11,995,000	11,995,000

*50,000 expired unexercised subsequent to year ended January 31, 2022.

As at January 31, 2022, the weighted average remaining life of outstanding stock options is 3.75 years.

15. NON-CONTROLLING INTEREST

In August 2021, following the acquisition of MB PTY (Note 5), through the acquisition of its Ghana subsidiary, MGBL (Note 5), the Company holds a 90% interest in MGBL with the Ghanaian Government retaining the remaining 10%.

	$
Balance, January 31, 2020 and 2021	-
Initial recognition of non-controlling interest of Mensin (Note 5)	12,176,810
Changes in the proportion held by non-controlling interest	(129,182)
Currency translation adjustments	355
Balance, January 31, 2022	**12,047,983**

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash, receivables, marketable securities, reclamation bonds, loans receivable, trade and other payables, due to related parties, deferred payments, short term debts, and other liabilities. The fair values of these financial instruments approximate their carrying values because of their current nature. All financial instruments carried at fair value 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.

The Company's financial instruments are exposed to the following risks:

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 January 31, 2022, the Company had cash of $5,849,478 (January 31, 2021: $479,098) and current liabilities totaling $122,115,884 (January 31, 2021: $684,556). Liquidity risk is assessed as high. The Company has lowered the liquidity risk by subsequent financing of $102 million and intends to continue to raise funds through equity and debt.

iii) Market risk:
Market risk is the risk that changes in market prices such as 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 January 31, 2022, the Company is exposed to currency risk through the following financial instruments denominated in foreign currencies:

	US Dollars	Ghana Cedis
Net Assets/(Liabilities)	$ (90,997,454)	₵ 8,136,988
CAD foreign exchange rate	1.2719	0.2033
CAD equivalent	$ (115,739,661)	$ 1,654,274

A 10% increase in the Canadian dollar against the foreign currency at January 31, 2022 would result in an increase (a decrease) to net income in the amounts shown below, assuming that all other variables remain constant.

	US Dollars	Ghana Cedis
Change in net income	$ (11,574,000)	$ 165,500

The Company is also exposed to foreign currency risk because the Company's exploration and evaluation assets and property and equipment are denominated in United States dollars. A 10% increase in the Canadian dollar against the United States dollar at January 31, 2022 would result in a decrease to other comprehensive income of approximately $3,675,000 arising from the Company's exploration and evaluation assets and development properties.

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 January 31, 2022 (January 31, 2021: $nil).

Expressed in Canadian Dollars

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

vi) Commodity price risk:
The ability of the Company to explore and develop its exploration and evaluation assets and development properties and the future profitability of the Company is directly related to the price of gold and other base metals. The Company monitors these metal prices to determine the appropriate course of action to be taken.

vii) 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.

17. CAPITAL RISK 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 and development stage and as such the Company is dependent upon external financing to fund activities. In order to carry out planned exploration and development 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 year ended January 31, 2022. The Company is not subject to any external covenants.

18. RELATED PARTY TRANSACTIONS

Key management personnel includes those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of members of the Company's Board of Directors and corporate officers and related companies and carried out the following transactions with related parties:

	For the years ended January 31,	
	2022	2021
	$	$
Management and consulting fees	1,323,458	270,362
Professional services	122,543	12,000
Share-based payments	2,349,486	110,043
	3,795,487	392,405

a) As at January 31, 2022, included in due to related parties was $495,503 (January 31, 2021: $285,750) in expense reimbursements, director's fees, and professional service fees.

b) As at January 31, 2022, $1,483,684 (January 31, 2021: $15,000) due to related parties was included in short term loans.

c) As at January 31, 2022, $nil (January 31, 2021: $1,966,540) due to related parties was included in long term loans.

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. Short term loan agreements have a repayment date of no later than March 19, 2022, and are reflected as current liabilities.

19. SEGMENTAL REPORTING

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

20. OTHER CURRENT LIABILITIES

Amounts payable to historical Bibiani creditors

In June 2014, Mensin Gold Bibiani Ltd, 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 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 Resolute 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:

1) Payment to the Scheme Fund of US$3.6 million if, following receipt of the Feasibility Study, the Board of Resolute, in its absolute discretion, made a decision to proceed with the development of the Bibiani Gold Mine; and
2) Payment to a Future Fund of up to US$7.8 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:
    a) operational expenses and capital costs paid in connection with the mining operations; and
    b) repayment of principal and interest relating to funds advanced to Mensin up to the commencement of mining operations.

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 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 paid the sum of US$3.6 million under the Amended Scheme. The obligation to make the Future Cashflow Payment of up to US$7.8 million in the circumstances described at 2 above remains in place under the Amended Scheme.

Expressed in Canadian Dollars

20. OTHER CURRENT LIABILITIES (CONTINUED)

Notwithstanding the Scheme's approval by the Ghanaian High Court, the Scheme Creditors, and the Ghanaian Minister of Mines, two Ghanaian creditors (being Riasand and Scan Minerals) 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 and the Ghanaian government at the time of the Resolute acquisition. The appeal proceedings involving Riasand have been settled on the basis of a payment to Riasand. Orders giving effect to the settlement (including vacating the stayed winding up order) are expected to be made at a hearing in the Ghanaian High Court within the coming months.

In May 2022, Scheme Creditors unanimously voted to accept payments of claims of approximately US$7.8 million and to wind up the Scheme and the Company paid the accepted claims of the Scheme. As at January 31, 2022, the Company recorded the other current liabilities balance of $9,851,400 (January 31, 2021: $nil) to reflect the payments made during May 2022 in full and final settlement of the Scheme and Amended Scheme.

21. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2022	2021
	$	$
Earnings (loss) for the year	(8,477,870)	(673,168)
Expected tax (recovery)	(2,289,000)	(182,000)
Impact of different statutory tax rates on earnings of subsidiaries	(572,000)	(6,000)
Other	(664,000)	51,000
Adjustment to prior years provision versus statutory tax returns and expiry of non-capital losses	113,000	28,000
Change in unrecognized deductible temporary differences and other	3,412,000	109,000
Total income tax expense	**-**	**-**

The significant components of the Company's recognized deferred tax assets and liabilities are as follows:

	2022	2021
	$	$
Deferred tax assets (liabilities)		
Property and equipment	32,000	24,000
Exploration and evaluation assets	-	(24,000)
Development properties	(204,000)	-
Rehabilitation provision	172,000	-
Net deferred tax assets	**-**	**-**

Expressed in Canadian Dollars

21. INCOME TAX (CONTINUED)

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

	2022	Expiry Date Range	2021	Expiry Date Range
	$		$	
Temporary Differences				
Share issue costs	76,000	2023 to 2026	32,000	2020 to 2023
Property and equipment	93,000	No expiry date	70,000	No expiry date
Exploration and evaluation assets	442,000	No expiry date	(68,000)	No expiry date
Rehabilitation provision	11,888,000	No expiry date	-	N/A
Other	487,000	No expiry date	-	N/A
Non-capital losses by country				
Canada	-	N/A	5,658,000	2032 to 2041
Barbados	64,000	2023 to 2029	64,000	2022 to 2028
Ghana	732,000	2023 to 2027	511,000	2022 to 2026

Tax attributes are subject to review, and potential adjustment, by tax authorities.

22. SUBSEQUENT EVENTS

a) In February 2022, the Company granted 1,300,000 and 5,739,340 stock options, respectively, to certain officers, directors, and consultants of the Company at an exercise price of $1.75. These options were granted for a period of two and five years, respectively, vested as follows: 1/5 on the date of grant, 1/5 three months from the date of grant, 1/5 six months from the date of grant, 1/5 nine months from the date of grant, and 1/5 on the first anniversary of the grant. In addition, the Company granted 4,285,900 DSUs to certain directors of the Company and 1,515,760 RSUs to certain officers and consultants of the Company. These DSUs vested immediately. These RSUs vest as follows: 1/3 on the first anniversary, 1/3 on the second anniversary, and 1/3 on the third anniversary.

b) In February 2022, the Company paid US$30 million ($38 million) to Resolute as first deferred payment in relation to the acquisition of Bibiani property (Note 11).

c) In March 2022, the Company closed a private placement of 58,431,914 common shares at $1.75 per share for gross proceeds of $102 million. In connection with the financing, the Company paid finders fees of $3 million.

d) In March 2022, the Company granted 500,000 stock options to certain consultants and employees of the Company at an exercise price of $1.75. These options were granted for a period of five years, vested as follows: 1/5 on the date of grant, 1/5 on the three months from the date of grant, 1/5 on the six months from the date of grant, 1/5 on the nine months from the date of grant, and 1/5 on the first anniversary. In addition, the Company granted 1,000,000 stock options to an officer and director of the Company at an exercise price of $1.75. These options were granted for a period of five years, vested as follows: 1/4 on the date of grant, 1/4 on the six months from the date of grant, 1/4 on the nine months from the date of grant, and 1/4 on the first anniversary.

e) In April 2022, the Minister for Lands and Natural Resources approved the transfer of the Kubi Mining Licence to Asante Gold (Ghana) Limited. The Ghanaian government retains the remaining 10% interest in Kubi.

f) In April 2022, the Company entered into a share purchase agreement with Kinross Gold Corporation ("Kinross") to acquire a 90% interest in the Chirano Gold mine ("Chirano") for a total consideration of US$225 million (the "Chirano Acquisition"). The Ghanaian government retains the remaining 10% interest in Chirano.

The upfront consideration for the Chirano Acquisition to be comprised of US$115 million in cash and US$50 million in common shares of Asante ("Asante Shares") based on the 30-day volume-weighted average price of the Asante Shares prior to closing of the Chirano Acquisition ("Closing") and provided the issuance of the Asante Shares will not result in Kinross exceeding a 9.9% share ownership in Asante. Kinross will also receive total deferred payments of US$60 million in cash, with 50% payable on the first anniversary of Closing and the balance payable on the second anniversary of Closing. If the 9.9% share ownership limit of the Company is exceeded, the remainder of the US$50 million in share consideration will be paid by increasing the deferred cash payments in equal portions. Kinross has agreed that it will hold its Asante Shares for at least 12 months following the Closing.

The transaction is expected to be completed on or around May 31, 2022. The Government of Ghana has issued a Letter of No Objection to the change of control of Chirano and the transaction is not subject to a financing condition.

22. SUBSEQUENT EVENTS (CONTINUED)

g) In May 2022, under a finders' fee agreement with Indussi Resources Public Limited, the Company acknowledged Indussi's prior interest in the Chirano Acquisition. Indussi also owns prospecting licences near the Chirano mining lease. It was agreed between the parties that Indussi will assign its interest in the Chirano Acquisition and further sell to the Company the Indussi owned prospecting licences together with further Indussi owned options over additional prospecting licences.

In consideration for the assignment of the Chirano interest and sale of properties and property options, it was agreed on closing of the Chirano Acquisition to issue to Indussi a finder's fee consisting of US$1 million in cash, 5,000,000 common shares in the capital of the Company and a 2% net smelter returns royalty over the Indussi prospecting licences to be transferred to the Company.

Indussi has two common directors with the Company and the conflicting interest was declared. Accordingly, the Board appointed a Special Committee of Independent Directors to assess and negotiate the purchase of the Indussi interests. The Special Committee found the purchase of the Indussi interests and the finder's fee payable to be fair and to the benefit of the Company's shareholders. The Board, excluding the conflicted directors, approved the transaction.

h) In May 2022, Scheme Creditors unanimously voted to accept payments of claims of approximately US$7.8 million and to wind up the Scheme and the Company made payments of the accepted claims of the Scheme. (Note 20)

i) Subsequent to January 31, 2022, the Company issued 2,334,167 common shares in connection with the exercise of 2,334,167 warrants with a weighted average exercise price of $0.12 for total proceeds of $268,717. In addition, the Company also issued 550,000 common shares in connection with the exercise of 550,000 stock options with an exercise price of $0.15 for total proceeds of $82,500. Also, 300,000 stock options expired unexercised.