



CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars - unaudited)

For the three and nine months ended October 31, 2022 and 2021

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the three and nine months ended October 31, 2022
Expressed in Canadian Dollars - Unaudited

Notice of No Auditor Review of Condensed Interim Consolidated Financial Statements

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

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

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the three and nine months ended October 31, 2022
Expressed in Canadian Dollars - Unaudited

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CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the three and nine months ended October 31, 2022
Expressed in Canadian Dollars - unaudited

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	October 31, 2022	January 31, 2022
	\$	\$
ASSETS		
Current Assets		
Cash	74,878,945	5,849,478
Receivables	18,202,854	95,884
Prepaid expenses and deposits	12,078,615	7,738,533
Marketable securities (Note 7)	5,325,502	7,509,281
Current tax receivable	721,991	-
Inventories (Note 8)	104,575,381	-
Total Current Assets	215,783,288	21,193,176
Non-Current Assets		
Prepaid expenses	835,170	707,006
Inventories (Note 8)	-	2,052,761
Reclamation bonds (Note 9)	11,178,415	3,466,243
Property, plant and equipment (Note 10)	470,387,888	97,500,488
Mineral properties (Note 10)	236,733,887	-
Loans receivables	373,380	113,856
Exploration and evaluation assets (Note 11)	11,258,298	8,517,471
Development properties (Note 12)	-	93,300,798
Total Assets	946,550,326	226,851,799
LIABILITIES		
Current Liabilities		
Trade and other payables (Note 21)	248,945,524	11,949,338
Due to related parties (Note 22)	2,210,282	495,503
Short term loans - related parties (Note 22)	-	1,483,684
Deferred payments (Notes 5, 6 and 13)	143,941,859	74,588,849
Current portion of rehabilitation provision (Note 14)	1,621,002	1,391,909
Current tax liabilities (Note 5)	-	22,355,201
Deferred revenue (Note 15)	102,782,629	-
Other current liabilities (Note 24)	12,030,475	9,851,400
Total Current Liabilities	511,531,771	122,115,884
Long Term Liabilities		
Deferred payments (Note 5, 6 and 13)	48,445,883	-
Rehabilitation provision (Note 14)	46,785,074	10,412,567
Deferred tax liabilities (Note 6)	99,130,480	-
Other liabilities	2,428,394	487,357
Total Liabilities	708,321,602	133,015,808
Shareholders' Equity		
Share capital (Note 16)	237,245,413	91,923,970
Reserve for share-based payments (Note 17)	25,999,995	5,323,838
Reserve for warrants (Note 16)	358,966	417,286
Accumulated other comprehensive income	52,158,012	716,229
Accumulated deficit	(121,724,843)	(16,593,315)
Equity attributable to shareholders of the Company	194,037,543	81,788,008
Non-controlling interest (Note 18)	44,191,181	12,047,983
Total Equity	238,228,724	93,835,991
Total Liabilities and Equity	946,550,326	226,851,799
Going concern (Note 2c)		
Subsequent event (Note 26)		

"Alex Heath & Douglas MacQuarrie"

Signed on behalf of the Board of Directors

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

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the three and nine months ended October 31, 2022
Expressed in Canadian Dollars - unaudited

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

	For the three months ended		For the nine months ended	
	October 31,		October 31,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Revenue				
Metal sales	116,275,654	-	116,275,654	-
Cost of sales				
Production costs	127,239,018	-	127,239,018	-
Depreciation, depletion and amortization	26,114,855	-	26,114,855	-
	153,353,873	-	153,353,873	-
Gross loss	(37,078,219)	-	(37,078,219)	-
Expenses				
Advertising, trade shows and promotions	60,291	157,192	370,924	164,144
Depreciation (Note 10)	36,456	-	11,841,813	-
Exploration expense	3,028,090	-	3,028,090	-
Finance charge (Notes 5, 13 and 15)	4,665,239	2,931,680	10,887,299	2,931,680
Foreign exchange loss (gain)	21,425,433	(1,850,287)	13,861,155	(1,785,581)
General office	306,956	58,081	530,107	99,918
Management and consulting fees (Note 21)	6,633,813	664,246	10,734,296	872,552
Professional services (Note 21)	332,249	215,870	846,454	457,028
Share-based payments (Notes 17 and 21)	3,022,561	4,031,028	21,041,085	4,123,560
Shareholder communications	187,248	159,776	451,363	200,317
Transfer agent and regulatory fees	77,109	105,791	325,960	115,976
Travel	29,346	119,587	260,904	155,021
	39,804,791	6,592,964	74,179,450	7,334,615
Other item				
Interest income	(2,400)	-	(175,498)	-
Gain on loan adjustments	(513,426)	-	(513,426)	-
Unrealized loss on investment (Note 7)	591,722	-	5,183,779	-
Loss before income taxes	(76,958,906)	(6,592,964)	(115,752,524)	(7,334,615)
Deferred income tax recovery	4,670,939	-	4,670,939	-
Loss for the period	(72,287,967)	(6,592,964)	(111,081,585)	(7,334,615)
Loss attributed to:				
Shareholders of the Company	(67,693,699)	(6,592,964)	(105,306,781)	(7,334,615)
Non-controlling interest	(4,594,268)	-	(5,774,804)	-
Loss for the period	(72,287,967)	(6,592,964)	(111,081,585)	(7,334,615)
Other comprehensive income (loss)				
Currency translation adjustment - shareholders of the Company	48,749,253	(45,694)	51,441,783	(193,057)
Currency translation adjustment - Non-controlling interest	5,648,461	-	5,648,461	-
	54,397,714	(45,694)	57,090,244	(193,057)
Total comprehensive loss for the period	(17,890,253)	(6,638,658)	(53,991,341)	(7,527,672)
Comprehensive loss attributed to:				
Shareholders of the Company	(18,944,446)	(6,638,658)	(53,864,998)	(7,527,672)
Non-controlling interest	1,054,193	-	(126,343)	-
Total comprehensive loss for the period	(17,890,253)	(6,638,658)	(53,991,341)	(7,527,672)
Loss per common share (basic and diluted) attributed to				
Shareholders of the Company	(0.05)	(0.03)	(0.17)	(0.05)
Non-controlling interest	0.00	0.00	(0.00)	0.00
Weighted average number of common shares outstanding (basic and diluted)	353,322,241	228,412,057	321,410,157	154,498,785

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

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the three and nine months ended October 31, 2022
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CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Number of Shares Issued	Share Capital	Reserve for Share- Based Payment	Reserve for Warrants	Accumulated Deficit	Accumulated Other Comprehensive Income	Non- Controlling Interest	Total Shareholders' Equity
		\$	\$	\$	\$	\$		\$
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	-	(2,857,632)	-	-	-	-	-	(2,857,632)
Finders shares	3,211,216	2,518,314	-	-	-	-	-	2,518,314
Finders warrants	-	134,706	-	134,706	-	-	-	269,412
Advance subscriptions	-	-	-	-	-	-	-	-
Options exercised	2,411,348	478,409	(180,504)	-	-	-	-	297,905
Warrants exercised	5,768,951	529,423	-	(99,580)	-	-	-	429,843
Share based payments	-	-	4,123,560	-	-	-	-	4,123,560
Net loss for the period	-	-	-	-	(7,334,615)	-	-	(7,334,615)
Currency translation adjustment	-	-	-	-	-	(193,057)	-	(193,057)
Balance at October 31, 2021	252,731,381	91,921,520	5,335,874	337,806	(15,450,060)	303,871	-	82,449,011
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
Common shares issued for cash	58,431,914	102,255,850	-	-	-	-	-	102,255,850
Common shares issued for acquisition	34,962,584	41,633,629	-	-	-	-	-	41,633,629
Common share issued for exploration and evaluation assets	250,000	325,000	-	-	-	-	-	325,000
Issuance costs	-	(3,223,610)	-	-	-	-	-	(3,223,610)
Options exercised	750,000	422,175	(189,675)	-	-	-	-	232,500
Options cancelled/expired	-	-	(175,253)	-	175,253	-	-	-
Warrants exercised	21,346,630	3,908,399	-	(58,320)	-	-	-	3,850,079
Share based payments	-	-	21,041,085	-	-	-	-	21,041,085
Non-controlling interest on acquisition	-	-	-	-	-	-	31,884,403	31,884,403
Change in non-controlling interest	-	-	-	-	-	-	385,138	385,138
Net loss for the period	-	-	-	-	(105,306,781)	-	(5,774,804)	(111,081,585)
Currency translation adjustment	-	-	-	-	-	51,441,783	5,648,461	57,090,244
Balance at October 31, 2022	369,432,509	237,245,413	25,999,995	358,966	(121,724,843)	52,158,012	44,191,181	238,228,724

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

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the three and nine months ended October 31, 2022
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CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the nine months ended October 31,	
	2022	2021
	\$	\$
Cash flows used in operating activities		
Loss for the period	(111,081,585)	(7,334,615)
Items not affecting cash		
Depreciation, depletion and amortization	37,956,668	-
Finance charge	5,089,588	2,931,680
Deferred income tax recovery	(4,670,939)	
Share-based payments	21,041,085	4,123,560
Gain on loss adjustments	(513,426)	-
Unrealized loss on investment	5,183,779	-
Changes in non-cash working capital items		
Prepaid expenses and deposits	(784,540)	(6,725,137)
Receivables	(2,361,429)	(48,999)
Trade and other payables	28,047,615	394,637
Inventories	(30,729,654)	-
Loan receivables	(259,524)	102
Due to related parties	231,095	(93,445)
	(52,851,267)	(6,752,217)
Cash flows used in investing activities		
Cash acquired from acquisition	18,398,309	598,908
Purchase of property, plant and equipment	(50,091,699)	(3,879,363)
Investment in marketable securities	(3,000,000)	(6,404,975)
Investment in exploration and evaluation assets	(1,440,446)	(2,162,150)
Cash paid for acquisition	(77,280,000)	(37,966,876)
	(113,413,836)	(49,814,456)
Cash flows from financing activities		
Shares and warrants issued for cash	102,255,850	81,666,265
Issuance costs	(3,223,610)	(69,906)
Warrants exercised	3,850,079	429,843
Options exercised	232,500	297,905
Proceeds from deferred revenue	130,150,000	-
Repayment of short term loan	-	(59,500)
Other liabilities	4,127,579	-
Due to other parties - settlement agreements	-	(612,082)
Repayment of deferred payments	(100,091,697)	-
	137,300,701	81,652,525
Effect of foreign exchange on cash	97,993,869	(1,143,831)
Total increase in cash	69,029,467	23,942,021
Cash at beginning of the period	5,849,478	479,098
Cash at end of the period	74,878,945	24,421,119

Supplementary cash flow disclosures (Note 24)

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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1. NATURE OF OPERATIONS

Asante Gold Corporation's business activity is the exploration and evaluation, development, and production 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 is currently listed on the Canadian Securities Exchange ("CSE") under the symbol "ASE" and the Ghana Stock Exchange ("GSE") under the symbol "ASG". In October 2022, the Company received conditional approval to list its common shares for trading on the TSX Venture Exchange, with the final approval currently pending.

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, developing, and operating mineral resource properties in the Republic of Ghana ("Ghana"). In August 2022, the Company completed the acquisition of all of the issued and outstanding shares in the capital of Red Back Mining Pty Ltd ("Red Back"), which indirectly holds a 90% interest in the Chirano Gold Mine ("Chirano"), which was already in the commercial production stage. Commercial production at the Bibiani Gold Mine began in July 2022.

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

2. BASIS OF PREPARATION AND GOING CONCERN

a) Statement of Compliance

These condensed interim consolidated financial statements have been prepared in accordance and compliance with IAS 34, Interim Financial Reporting ("IAS 34"). The IAS 34 condensed interim consolidated financial statements do not include all of the information required for annual financial statements, and should be read in conjunction with the Company's audited consolidated financial statements for the year ended January 31, 2022 which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The condensed interim consolidated financial statements were authorized for issue by the Board of Directors on December 17, 2022.

b) Basis of Measurement

These condensed interim consolidated financial statements have been prepared on a historical cost basis except for financial instruments measured at fair value. These condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The condensed interim 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 condensed interim consolidated financial statements are disclosed in Note 4.

c) Going Concern of Operations

The Company incurred a comprehensive loss of \$53,991,341 during the nine months ended October 31, 2022 (October 31, 2021: \$7,527,672) and as of October 31, 2022, the Company's accumulated deficit was \$121,724,843 (January 31, 2022: \$16,593,315). The Company intends to generate cash through the sale of gold, and raise further financing through the issuance of debt and equity.

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For the three and nine months ended October 31, 2022
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2. BASIS OF PREPARATION (CONTINUED)

c) Going Concern of Operations (Continued)

These condensed interim 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, development, and early production stage, the recoverability of the costs incurred to date on exploration and mineral properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration, development, and production 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 \$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 condensed interim 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 and production 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 recent 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 condensed interim consolidated financial statements include the financial statements of the Company and the following subsidiaries:

Name	Jurisdiction	Percentage owned	
		October 31, 2022	January 31, 2022
Asante Gold Corporation (GH) Limited	Barbados	100%	100%
ASG Mining Limited	Ghana	100%	100%
Asante Gold (Ghana) Ltd.	Ghana	90%	90%
Mensin Bibiani Pty. Ltd	Australia	100%	100%
Mensin Gold Bibiani Ltd. (“MGBL”)	Ghana	90%	90%
Noble Mining Ghana Limited	Ghana	100%	100%
Drilling and Mining Services Limited	Ghana	100%	100%
Red Back Mining Pty Ltd	Australia	100%	0%
Red Back Mining (Ghana) Limited	British Virgin Islands	100%	0%
Chirano Gold Mine Limited (“CGML”)	Ghana	90%	0%
Red Back Mining No 2 (Ghana) Limited	British Virgin Islands	100%	0%
Red Back Mining Ghana Limited	Ghana	100%	0%

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

The Government of Ghana retains a free carried 10% interest in Mensin Gold Bibiani Limited, Asante Gold (Ghana) Limited and Chirano Gold Limited.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Foreign Currency Transactions

Items included in the condensed interim 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 condensed interim 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, Development, and Exploration and Evaluation Properties

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.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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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.

Mineral properties

Once a mineral property has been brought into commercial production as intended by management, costs of any additional work on that property are expensed as incurred, except for large development programs, which will be deferred and depleted over the remaining useful life of the related assets. Mineral properties include deferred stripping costs and decommissioning and restoration costs related to the reclamation of mineral properties. Mineral properties are derecognized upon disposal, or impaired when no future economic benefits are expected to arise from continued use of the asset. Any gain or loss on disposal of the asset, determined as the difference between the proceeds received and the carrying amount of the asset is recognized in profit or loss.

Costs of producing mineral properties are depreciated and depleted on the UOP basis using estimated resources. Depreciation or depletion is recorded against the mineral property only upon the commencement of commercial production.

Exploration expenditures are expensed as incurred at mineral properties, unless the nature of the expenditures are to convert mineral resources into mineral reserves or in the absence of a mineral resource estimate, are to define areas to be included in the mine plan. Any amounts deferred in this regard are depreciated based on the UOP method. Mineral properties are recorded at cost, net of accumulated depreciation and depletion and accumulated impairment losses and are not intended to represent future values. Recovery of capitalized costs is dependent on successful development of economic mining operations or the disposition of the related mineral property.

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, non-compliance with regulatory requirements or title may be affected by undetected defects.

c) Stripping Costs

Stripping costs incurred during the development of a mine are capitalized in mineral properties. Stripping costs incurred subsequent to commencement of commercial production are variable production costs that are included in the costs of inventory produced during the period in which the stripping costs are incurred, unless the stripping activity can be shown to give rise to future benefits from the mineral property, in which case the stripping costs would be capitalized. Future benefits arise when stripping activity increases the future output of the mine by providing access to a new ore body. Capitalized stripping costs are depleted based on the UOP method, using mineral reserves as the depletion base.

d) 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.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) Inventories

Inventories include stockpiled ore, gold-in-circuit (“GIC”), gold doré, and materials and supplies inventory. The value of all production inventories includes direct production costs and attributable overhead and depreciation incurred to bring the materials to their current point in the processing cycle. General and administrative costs for the corporate office are excluded from any inventories. All inventories are valued at the lower of weighted average cost and net realizable value. Net realizable value is determined with reference to market prices, less estimated future production costs (including royalties) to convert inventories into saleable form.

Stockpiled ore represents mined ore on the surface or underground that is available for further processing. Stockpiled ore value is based on the costs incurred, including depreciation, in bringing the ore to the stockpile. Costs are added to the stockpiled ore based on current mining costs per tonne and are removed at the average cost per tonne of ore in the stockpile.

GIC inventory represents ore that is being treated in the processing plant to extract the contained gold and to convert it to a saleable form. The amount of gold in the GIC inventory is determined by assay values and by measures of the various gold bearing materials in the recovery process. The GIC inventory is valued at the average cost of the beginning inventory and the cost of material fed into the processing plant plus in-circuit conversion costs including applicable mine-site overheads, and depreciation.

Gold doré inventory is gold in the form of saleable doré bars that have been poured. The valuation of gold doré inventory includes the direct costs of mining and processing operations as well as direct mine site overheads and depreciation.

A periodic review is undertaken of material and supplies inventory to determine the extent of any provision for obsolescence. Major spare parts and standby equipment are included in property, plant and equipment when they are expected to be used during more than one period and if they can only be used in connection with an item of property, plant and equipment.

f) Property, plant and Equipment

On initial recognition, property, 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.

Property, 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. Depending on the nature of the item of property, plant and equipment, depreciation is calculated on the straight-line basis to write off the cost of each asset to its residual value over its estimated useful life or it is calculated using the units of production (“UOP”) basis.

The Company’s mineral properties are amortized over the estimated life of the mine using the UOP basis based on the recoverable ounces from the indicated resources and probable reserves. Depreciation of plant and equipment is calculated on the straight-line basis over its estimated useful life. The estimated useful lives of plant and equipment are as follows:

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.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f) Property, plant and Equipment (continued)

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

g) Deferred revenue

The Company recognizes deferred revenue in the event it receives payments from customers in consideration for future commitments to deliver metals and before such sale meets the criteria for revenue recognition. The Company will recognize amounts in revenue as the metals are delivered to the customer. Specifically, for the metal agreement entered into with a strategic financial institution, the Company will determine the amortization of deferred revenue to the condensed interim consolidated statement of loss on a per unit basis using the estimated total quantity of metal expected to be delivered to the lender over the term of the agreement.

There is a significant financing component associated with the forward gold loan recognized as deferred revenue as funds were received in advance of the delivery of concentrate. When a significant financing component is recognized, finance expense will be higher and revenues will be higher as the larger deferred revenue balance is amortized to revenues.

h) Recent Accounting Pronouncements

The following is a listing of amendments, revisions and new International Financial Reporting Standards issued but not yet effective. The Company is currently assessing the impact of adopting the following standards on the condensed interim 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 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.

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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 condensed interim 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 Bibiani - Mensin Bibiani Pty. Ltd ("MB PTY") and its subsidiary Mensin Gold Bibiani Ltd ("MGBL"), as a group "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.

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) Mineral Resources Estimation

The carrying value and recoverability of mineral properties requires management to make certain estimates, judgments and assumptions about each project. Management considers the economics of the project, including the latest resources prices and the long-term forecasts, and the overall economic viability of the project. The determination of mineral resources also requires the use of estimates. The Company estimates its mineral resources based on information compiled by Qualified Persons as defined in accordance with Canadian Securities Administrators National Instrument 43-101, Standards for Disclosure of Mineral Projects. There are numerous uncertainties inherent in estimating mineral resources and assumptions that are valid at the time of estimation may change significantly when new information becomes available. Changes in the forecasted prices of commodities, exchange rates, production costs or recovery rates may change the economic status of resources and may result in changes to resource estimates.

d) Depreciation and Depletion

Plants and other facilities used directly in mining activities are depreciated using the units-of-production ("UOP") method over a period not to exceed the estimated life of the ore body based on recoverable ounces to be mined from estimated resources. Mobile and other equipment are depreciated, net of residual value, on a straight-line basis, over the useful life of the equipment to the extent that the useful life does not exceed the related estimated life of the mine based on estimated recoverable resources.

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT (CONTINUED)

d) Depreciation and Depletion (continued)

The calculation of the UOP rate, and therefore the annual depreciation and depletion expense, could be materially affected by changes in the underlying estimates. Changes in estimates can be the result of actual future production differing from current forecasts of future production, expansion of mineral reserves through exploration activities, differences between estimated and actual costs of mining and differences in gold price used in the estimation of mineral reserves.

Significant judgment is involved in the determination of useful life and residual values for the computation of depreciation and depletion and no assurance can be given that actual useful lives and residual values will not differ significantly from current assumptions.

e) Inventories

Expenditures incurred, and depreciation and depletion of assets used in mining and processing activities are deferred and accumulated as the cost of ore in stockpiles, ore on leach pads, in-process and finished metal inventories. These deferred amounts are carried at the lower of average cost or net realizable value (“NRV”). Write-downs of ore in stockpiles, ore on leach pads, in-process and finished metal inventories resulting from NRV impairments are reported as a component of current period costs. The primary factors that influence the need to record write-downs include prevailing and long-term metal prices and prevailing costs for production inputs such as labour, fuel and energy, materials and supplies, as well as realized ore grades and actual production levels.

f) 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.

g) Deferred Revenue

The Company entered into a Forward Gold Purchase Agreement (“Forward Gold”) with Bank of Ghana on July 12, 2022. The upfront payment for the Forward Gold discussed in Note 15 has been accounted for as deferred revenue, as management has determined that the agreement is not a derivative as it will be satisfied through the delivery of non-financial items (gold from the Company’s potential future production), rather than cash or financial assets. A market-based discount rate is utilized at the inception of the forward agreement to determine a discount rate for computing the interest charges for the significant financing component of the deferred revenue balance. As product is delivered, the deferred revenue amount including accreted interest will be drawn down. The draw down rate requires the use of proven and probable reserves and certain resources in the calculation that are beyond indicated and inferred resources which management is reasonably confident are transferable to proven and probable reserves. Key estimates used in determining the significant financing component include the discount rate and the reserve and resources assumed for conversion.

h) Contingencies

Due to the size, complexity and nature of the Company’s operations, various legal and tax matters are outstanding from time to time. In the event that management’s estimate of the future resolution of these matters changes, the Company will recognize the effects of the changes in its consolidated financial statements on the date such changes occur.

i) 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.

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT (CONTINUED)

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.

j) 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 2c).

5. ACQUISITION OF MENSIN BIBIANI PTY. LTD AND MENSIN GOLD BIBIANI LTD

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 on August 24, 2022 (“Closing Date”), the Company paid US\$30 million (\$38 million) on August 24, 2022, US\$30 million (\$38 million) on February 22, 2022, US\$10 million (\$13 million) on September 19, 2022, US\$10 million (\$13 million) on October 19, 2022, and US\$10.0 million (\$13 million) on November 24, 2022. Mensin is an exploration, development and production 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.

The total consideration paid totalled \$109,591,293 and has been allocated on a provisional basis to the assets acquired and liabilities based on their estimated fair values on the Closing Date 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	69,714,768
Reclamation bonds	3,466,243
Trade and other payables	(917,416)
Other current liabilities	(9,851,400)
Rehabilitation provision	(11,280,339)
Other liabilities	(359,084)
Non-controlling interest	(12,176,810)
	\$ 109,591,293

The initial accounting for the acquisition of Mensin has only been provisionally determined at the end of the reporting period.

The Company continues to evaluate the fair market value of the assets and liabilities acquired. Adjustments to inventories, mineral properties, plant and equipment, exploration and evaluation assets, and tax liabilities may occur in future periods as the fair value estimates are finalized (note 4).

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6. ACQUISITION OF RED BACK MINING PTY LTD AND CHIRANO GOLD MINE LIMITED

On August 10, 2022 (“Closing Date”), the Company acquired all of the issued and outstanding common shares of Red Back Mining Pty Ltd (“Red Back”) for a consideration comprising of US\$60 million (\$77 million) in cash and 34,962,584 common shares of the Company. Pursuant to the purchase agreement with Kinross Gold Corporation (“Kinross”), the Company is required to make deferred payments of US\$128.8 million in cash, with US\$55 million payable on February 10, 2023, US\$36.9 million payable on August 10, 2023, and US\$36.9 million payable on August 10, 2024. Kinross has agreed that it will hold its Asante Shares, which represent a 9.9% ownership interest in Asante on a non-diluted basis, for at least 12 months following the Closing Date.

The transaction has been accounted for by the Company as a business combination. The transaction qualified as a business combination under IFRS 3 - Business Combinations, as the significant inputs, processes and outputs, that together constitute a business, currently exist. The primary business of Red Back is the Chirano Gold Mine, an operating gold mine, in Ghana. The acquisition resulted in Red Back becoming a wholly-owned subsidiary of the Company, and the Ghanaian government retains a 10% free carried interest in the Chirano Gold Mine.

The total consideration paid totalled \$286,959,631 and has been allocated on a provisional basis to the assets acquired and liabilities based on their estimated fair values on the Closing Date as follows:

	Total
Consideration:	
Cash paid	\$ 77,280,000
Common shares issued	41,633,629
Present value of deferred payments	163,216,002
Contingent consideration	4,830,000
Total consideration	\$ 286,959,631
Allocated as follows:	
Cash	\$ 18,398,309
Receivables	15,745,541
Prepaid expenses and deposits	3,683,706
Inventories	66,332,682
Plant and equipment	217,435,987
Mineral properties	164,428,892
Reclamation bonds	7,063,999
Trade and other payables	(38,511,019)
Other current liabilities	(4,900,856)
Current portion of rehabilitation provision	(138,696)
Current tax liabilities	(92,065)
Deferred tax liability	(98,052,864)
Rehabilitation provision	(32,549,582)
Non-controlling interest	(31,884,403)
	\$ 286,959,631

The initial accounting for the acquisition of Red Back has only been provisionally determined at the end of the reporting period. The Company continues to evaluate the fair market value of the assets and liabilities acquired. Adjustments to inventories, mineral properties, plant and equipment, exploration and evaluation assets, and tax liabilities may occur in future periods as the fair value estimates are finalized (note 4).

7. MARKETABLE SECURITIES

Marketable securities are comprised of the following:

	October 31, 2022		January 31, 2022	
	Shares #	Fair Value \$	Shares #	Fair Value \$
Roscan Gold Corporation (“Roscan”)	29,586,121	5,325,502	22,086,121	7,509,281

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7. MARKETABLE SECURITIES (CONTINUED)

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. In March 2022, the Company subscribed for an additional 7,500,000 common shares of Roscan at a price of \$0.40 per share. During the nine months ended October 31, 2022, the Company recorded an unrealized loss on investment of \$5,183,779 (October 31, 2021 - \$nil).

8. INVENTORIES

Inventories are comprised of the following:

	October 31, 2022	January 31, 2022
	\$	\$
Ore stockpiles	15,586,537	-
Gold-in-circuit	20,213,110	-
Gold doré	24,959,331	-
Materials and supplies	43,816,403	2,052,761
	104,575,381	2,052,761

9. RECLAMATION BONDS

Reclamation bonds of \$11,178,415 (January 31, 2022 - \$3,466,243) consist of bonds held as security by the Government of Ghana, with regards to the Bibiani mineral property and the Chirano mineral property described in Note 10.

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10. PROPERTY, PLANT AND EQUIPMENT

	Field tools and equipment	Office furniture and equipment	Vehicles	Mining plant and equipment	Total
Cost					
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	217,363
Balance, January 31, 2022	59,794	4,171	928,750	97,722,102	98,714,817
Additions	-	4,935	2,136	395,426,536	395,433,607
Currency translation adjustment	4,372	688	68,075	12,332,958	12,406,093
Balance, October 31, 2022	64,166	9,794	998,961	505,481,596	506,554,517
Accumulated depreciation, depletion and amortization					
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
Depreciation, depletion and amortization	9,128	801	141,812	33,543,043	33,694,784
Currency translation adjustment	893	217	10,840	1,245,566	1,257,516
Balance, October 31, 2022	15,441	3,470	195,750	35,951,968	36,166,629
Net Amount					
As at January 31, 2022	54,374	1,719	885,652	96,558,743	97,500,488
As at October 31, 2022	48,725	6,324	803,211	469,529,628	470,387,888
Mineral Properties					
	Mineral property (Chirano)	Mineral property (Mensin)	Total		
Cost					
Balance, January 31, 2021 and 2022	-	-	-		
Additions	170,147,615	78,458,398	248,606,013		
Currency translation adjustment	116,986	-	116,986		
Balance, October 31, 2022	170,264,601	78,458,398	248,722,999		
Accumulated depreciation, depletion and amortization					
Balance, January 31, 2021 and 2022	-	-	-		
Depreciation, depletion and amortization	10,323,130	1,600,824	11,923,954		
Currency translation adjustment	65,158	-	65,158		
Balance, October 31, 2022	10,388,288	1,600,824	11,989,112		
Net Amount					
As at January 31, 2022	-	-	-		
As at October 31, 2022	159,876,313	76,857,574	236,733,887		

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10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Mineral properties - Bibiani

In August 2021, following the acquisition of Mensin (Note 5), the Company holds a 90% interest to the Bibiani gold mine situated in the Western North Region of Ghana. The Ghanaian Government retains the remaining 10% free carried interest in the mining operations. In July 2022, the Company began commercial production at the Bibiani Gold Mine.

Mineral properties - Chirano

In August 2022, following the acquisition of Red Back (Note 6), the Company holds a 90% interest to the Chirano gold mine situated in the Western Region of Ghana. The Ghanaian Government retains the remaining 10% free carried interest in the mining operations. Chirano was in commercial production prior to the acquisition.

11. EXPLORATION AND EVALUATION ASSETS

	Fahiakoba	Betanase	Sraha	Ayiem	Kubi	Other	Total
	\$	\$	\$	\$	\$	\$	\$
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
Acquisition and sustaining fees	696,630	-	162,500	162,500	-	-	1,021,630
Field expenses	12,282	11,618	11,786	11,883	133,124	2,127	182,820
General and administrative	66,637	65,513	66,023	65,897	44,227	-	308,297
Geology and geophysics	27,290	35,964	4,110	6,860	150,042	3,021	277,287
Currency translation adjustment	387,508	33,197	86,832	21,189	471,632	435	1,000,793
Balance at October 31, 2022	5,297,347	647,081	1,359,691	493,543	3,455,053	5,583	11,258,298

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.

Betanase

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.

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11. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

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 is to issue 250,000 shares (issued) 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 II” 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.

12. DEVELOPMENT PROPERTIES

	Bibiani
	\$
Balance at January 31, 2021	-
Acquisition costs	92,069,969
General and administrative	1,230,829
Balance at January 31, 2022	93,300,798
Valuation adjustment	(22,355,201)
Acquisition costs	5,410,626
General and administrative	3,078,491
Capitalized depreciation	(2,182,875)
Transferred to mineral properties	(77,251,839)
Balance at October 31, 2022	-

Bibiani

In August 2021, following the acquisition of Mensin (Note 5), the Company holds a 90% interest to the Bibiani gold mine situated in the Western North Region of Ghana. The Ghanaian Government retains the remaining 10% free carried interest in the mining operations. Following the commencement of commercial production at the Bibiani gold mine in July 2022, the Company transferred the carrying value to mineral properties.

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13. DEFERRED PAYMENTS

Pursuant to the acquisition of Mensin and the subsequent amendment agreement with Resolute, the Company shall pay US\$30 million on closing (paid), US\$30 million on or before 6 months from closing (paid), US\$10 million on September 19, 2022 (paid), US\$10 million on October 19, 2022 (paid), and US\$12.7 million on November 18, 2022 (paid US\$10 million subsequently, Note 25). As at October 31, 2022, deferred payments of US\$12.7 million were measured by discounting the future installments using an incremental borrowing rate of 8%. The revised payment terms included an interest rate of 11% per annum on outstanding amounts from August 22, 2022.

Pursuant to the acquisition of Red Back with Kinross, the Company shall pay US\$60 million on closing (paid), US\$60.5 million on February 10, 2023, US\$36.9 million on August 10, 2023, and US\$36.9 million on August 10, 2024 (Note 6). As at October 31, 2022, deferred payments of US\$134.3 million were measured by discounting the future installments using an incremental borrowing rate of 5.79%.

	Resolute	Kinross	Total
	\$	\$	\$
Recognition of deferred payments	75,780,000	-	75,780,000
Discounted on deferred payments	(4,263,974)	-	(4,263,974)
Finance charges	2,545,464	-	2,545,464
Foreign exchange adjustment	527,359	-	527,359
At January 31, 2022	74,588,849	-	74,588,849
Recognition of deferred payments	3,466,243	172,958,399	176,424,642
Discounted on deferred payments	-	(9,742,397)	(9,742,397)
Gain on loan adjustments	(513,426)	-	(513,426)
Repayment of deferred payment	(65,296,000)	-	(65,296,000)
Finance charges	2,879,105	1,644,829	4,523,934
Foreign exchange adjustment	2,614,300	9,787,840	12,402,140
	17,739,071	174,648,671	192,387,742
Less: current portion	(17,739,071)	(126,202,788)	(143,941,859)
At October 31, 2022	-	48,445,883	48,445,883

The principal payments required under the deferred payments are as follows:

November 18, 2022	17,394,903
February 10, 2023	82,555,254
August 10, 2023	50,364,810
August 10, 2024	50,364,810

14. REHABILITATION PROVISION

As at October 31, 2022, the Company recorded a long term portion of \$46,785,074 (January 31, 2022: \$10,412,567) and a current portion of \$1,621,002 (January 31, 2022: \$1,391,909) as a provision for the estimated costs of site reclamation relating to the Bibiani Gold Mine property (Note 5) and Chirano Gold property (Note 6). The rehabilitation provision estimates the cost at an annual inflation rate of 7.48%, which is discounted at a rate of 2.53% for the Bibiani Gold Mine property and at an annual inflation rate of 7.50%, which is discounted at a rate of 13.09% for the Chirano Gold Property.

	\$
Balance, January 31, 2021	-
Initial recognition of rehabilitation provision	11,280,339
Changes in estimate	524,137
Balance, January 31, 2022	11,804,476
Initial recognition of rehabilitation provision	32,688,278
Change in estimates	1,164,232
Currency translation adjustments	2,749,090
	48,406,076
Less: current portion	(1,621,002)
Balance, October 31, 2022	46,785,074

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15. DEFERRED REVENUE

In July 2022, the Company completed the first US\$100 million tranche of a US\$140 million financing package from strategic financial institutions in Ghana (the “Financing Institutions”). The Company entered into a forward gold purchase agreement, whereby the Company received an upfront cash payment of US\$100,000,000, pursuant to which the Company will deliver gold production from the Bibiani Gold Mine over four equal installments of US\$26.88 million (paid first installment of US\$26.88 million during October 2022) of principal and interest with the final payment due July 12, 2023. Settlement will be in US funds by delivery of gold and sold at the then Bloomberg BGN XAUUSD spot market price less 7%. The annual interest rate of this gold forward facility is 7.53%. The upfront payment for the Forward Gold proceeds received has been accounted for as deferred revenue as the agreement will be satisfied through the delivery of non-financial items gold from the Company’s production, rather than cash or financial assets. The repayments of the deferred revenue will be credited to future sales in the corresponding periods. The Company paid an advisory fee of US\$4,300,069 (\$6,163,215) in relation to this financing package.

	\$
Balance, January 31, 2022	-
Proceeds from deferred revenue	130,150,000
Repayment	(34,795,697)
Finance charge	2,829,384
Foreign exchange adjustment	4,598,942
Balance, October 31, 2022	102,782,629

16. SHARE CAPITAL AND RESERVES

a) Common Shares

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

During the nine months ended October 31, 2022:

In March 2022, the Company issued 58,431,914 common shares at \$1.75 per share for gross proceeds of \$102 million in connection with a private placement. In connection with the financing, the Company paid finders’ fees of \$3.2 million and incurred issuance costs of \$22,411.

In July 2022, the Company issued 250,000 common shares with a fair value of \$325,000 in accordance with the option agreement for Sraha and Ayiem (Note 11).

In August 2022, the Company issued 34,962,584 common shares with a fair value of \$41,633,629 in accordance with the acquisition of Red Back (Note 6).

The Company issued 21,346,630 common shares in connection with the exercise of 21,346,630 warrants with a weighted average exercise price of \$0.18 for total proceeds of \$3,850,079. As a result, the Company transferred \$58,320 representing the fair value of the exercised warrants from reserves to share capital. The Company also issued 750,000 common shares in connection with the exercise of 750,000 stock options with a weighted average exercise price of \$0.31 for total proceeds of \$232,500. As a result, the Company transferred \$189,675 representing the fair value of the exercised options from reserves to share capital.

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.

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16. SHARE CAPITAL AND RESERVES (CONTINUED)

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.

b) Share Purchase Warrants

The following table summarizes warrants and finders warrants issued from February 1, 2021 until October 31, 2022 together with their valuations.

Issuance date	15-Apr-21
Number of warrants	46,775,100
Allocation of proceeds based on residual fair value	\$nil
Number of finders warrants	935,502
Estimated fair market value	\$134,706
Model used to estimate fair value	Black Scholes
Share price at date of issuance	\$0.235
Exercise price	\$0.250
Risk free interest rate	0.24%
Estimated annual volatility	125.20%
Expected dividends	\$nil
Warrant fair value	\$nil
Finders warrant fair value	\$0.1400

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

	Number of warrants	Exercise price
	#	\$
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	
Exercised	(21,346,630)	0.06 to 0.25
Balance at October 31, 2022	47,043,935	

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

Number of warrants	Exercise price	Expiry date
#	\$	
47,043,935	0.25	April 15, 2023

As at October 31, 2022, the weighted average remaining life of outstanding warrants is 0.45 years.

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16. 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, warrants, DSUs and RSUs 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 nine months ended October 31, 2022 and 2021.

17. SHARE-BASED PAYMENTS

a) Stock Options

The Company has an omnibus equity incentive plan (the "Plan") under which non-transferable options, deferred share units ("DSUs"), and restricted share units ("RSUs") may be granted to directors, officers, employees or service providers of the Company. 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, 2021 until October 31, 2022 together with their valuations.

Grant date	4-Mar-21	9-Aug-21	17-Feb-22	17-Feb-22	7-Mar-22	21-Mar-22	31-Aug-22
Number of options	1,100,000	6,900,000	5,739,340	1,300,000	500,000	1,000,000	1,540,000
Estimated fair value of compensation	\$92,532	\$4,031,028	\$9,077,451	\$1,604,763	\$719,311	\$1,477,956	\$1,784,949
Model used to estimate fair value	Black Scholes						
Share price at date of grant	\$0.115	\$0.100	\$1.70	\$1.70	\$1.55	\$1.59	\$1.26
Exercise price	\$0.115	\$0.150	\$1.75	\$1.75	\$1.75	\$1.75	\$1.50
Risk free interest rate	0.23%	0.25%	1.79%	1.57%	2.42%	2.42%	3.42%
Estimated annual volatility	132.7%	135.0%	161%	155%	161%	161%	157%
Expected dividends	\$nil	\$nil	\$nil	\$nil	\$nil	\$nil	\$nil
Option fair value	\$0.075	\$0.084	\$1.582	\$1.234	\$1.439	\$1.478	\$1.159

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

	Number of options	Exercise price
	#	\$
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	
Granted February 17, 2022	7,039,340	1.75
Granted March 7, 2022	500,000	1.75
Granted March 21, 2022	1,000,000	1.75
Granted August 31, 2022	1,540,000	1.50
Exercised	(750,000)	0.15 to 0.75
Expired/cancelled	(400,000)	0.15 to 1.75
Balance at October 31, 2022	20,924,340	

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17. SHARE-BASED PAYMENTS (CONTINUED)

a) Stock Options (continued)

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

Grant date	Expiry date	Exercise price \$	Number of options #	Vested and exercisable #
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	750,000	750,000
August 9, 2021	August 8, 2026	0.75	6,700,000	6,700,000
February 17, 2022	February 17, 2027	1.75	5,739,340	3,443,604
February 17, 2022	February 17, 2024	1.75	1,200,000	720,000
March 7, 2022	March 7, 2027	1.75	500,000	300,000
March 21, 2022	March 21, 2027	1.75	1,000,000	500,000
August 31, 2022	August 31, 2027	1.50	1,540,000	308,000
		1.08	20,924,340	16,216,604

As at October 31, 2022, the weighted average remaining life of outstanding stock options is 3.58 years.

b) Restricted Share Units

In February 2022, the Company granted 1,515,760 RSUs with a fair value of \$2,576,792 to certain officers and consultants of the Company. Of those, 1,287,160 RSUs vest 1/3 on the first anniversary, 1/3 on the second anniversary, and 1/3 on the third anniversary and 228,600 RSUs vested immediately. During the nine months ended October 31, 2022, the Company expensed a total of \$1,324,598 (October 31, 2021: \$nil) as share-based payments for the value of RSUs vested.

	Number of RSUs
Outstanding at January 31, 2021 and 2022	-
Granted	1,515,760
Outstanding at October 31, 2022	1,515,760

c) Deferred Share Units

In February 2022, the Company granted 4,285,900 DSUs with a fair value of \$7,286,030 to certain directors of the Company. These DSUs vested immediately. During the nine months ended October 31, 2022, the Company expensed a total of \$7,286,030 (October 31, 2021: \$nil) as share-based payments for the value of DSUs vested.

	Number of DSUs
Outstanding at January 31, 2021 and 2022	-
Granted	4,285,900
Outstanding at October 31, 2022	4,285,900

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18. NON-CONTROLLING INTEREST

In August 2021, following the acquisition of Mensin (Note 5), the Company holds a 90% interest in MGBL with the Ghanaian Government retaining the remaining 10%. In August 2022, following the acquisition of Red Back (Note 6), the Company holds a 90% interest to the CGML 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
Initial recognition of non-controlling interest of Red Back (Note 6)	31,884,403
Changes in the proportion held by non-controlling interest	(5,389,666)
Currency translation adjustments	5,648,461
Balance, October 31, 2022	44,191,181

19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash, receivables, marketable securities, reclamation bonds, loans receivables, trade and other payables, due to related parties, deferred payments, deferred revenue, 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 October 31, 2022, the Company had cash of \$74,878,945 (January 31, 2022: \$5,849,478) and current liabilities totaling \$511,531,771 (January 31, 2022: \$122,115,884). Liquidity risk is assessed as high. The Company has lowered the liquidity risk through the March 2022 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.

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19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

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 October 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)	\$ (367,708,455)	¢ 489,225,788
CAD foreign exchange rate	1.3649	0.09743
CAD equivalent	\$ (501,885,271)	\$ 47,664,730

A 10% increase in the Canadian dollar against the foreign currency at October 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	\$ (50,188,527)	\$ 4,766,473

The Company is also exposed to foreign currency risk because the Company's exploration and evaluation assets and property, plant and equipment are denominated in United States dollars. A 10% increase in the Canadian dollar against the United States dollar at October 31, 2022 would result in a decrease to other comprehensive income of approximately \$43,094,600 arising from the Company's exploration and evaluation assets and mineral 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 is exposed to limited interest rate risk as it only holds cash. The Company is not exposed to interest rate risk with its deferred payments and deferred revenue as they are not subject to floating interest rates.

vi) Commodity price risk:

Gold and silver prices have historically fluctuated significantly and are affected by numerous factors outside of the Company's control, including, but not limited to, industrial and retail demand, central bank lending, forward sales by producers and speculators, level of worldwide production, short-term changes in supply and demand due to speculative hedging activities and certain other factors. The ability of the Company to develop its mineral properties and exploration and evaluation assets is highly correlated to the market price of gold and silver. If metal prices decline for a prolonged period below the anticipated cost of production of the Company's mine, it may not be economically feasible to commence production.

The following table summarizes the effect on provisionally priced sales of a 10% change in metal prices from the realized prices used at October 31, 2022:

Metal	Change	Effect on sales (\$)
Gold	+/- 10%	11,614,150
Silver	+/- 10%	13,415

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.

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20. 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 nine months ended October 31, 2022. The Company is not subject to any external covenants.

21. TRADE AND OTHER PAYABLES

	October 31, 2022	January 31, 2022
	\$	\$
Trade creditors	138,142,013	11,949,338
Deferred mining contractor costs	76,389,560	-
Other payables	34,413,951	-
	<u>248,945,524</u>	<u>11,949,338</u>

Trade creditors and other payables includes \$74,995,474 (January 31, 2022: \$nil) attributable to the inclusion of amounts payable by Chirano Gold Mines Limited resulting from the acquisition of Red Back from the acquisition date of August 10, 2022.

Under the Mensin Gold Bibiani Limited Mining Contract, the mining contractor costs are payable on a deferred basis, being three months from the month in which mining ore and waste tonnes are extracted.

22. 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 nine months ended	
	October 31,	
	2022	2021
	\$	\$
Management and consulting fees	3,799,652	356,447
Professional services	350,686	61,000
Share-based payments	13,982,148	2,351,549
	<u>18,132,486</u>	<u>2,768,996</u>

- a) As at October 31, 2022, included in amounts due to related parties was \$2,210,282 (January 31, 2022: \$495,503) in expense reimbursements, director's fees, and professional service fees.
- b) As at October 31, 2022, \$nil (January 31, 2022: \$1,483,684) amounts due to related parties was included in short 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.

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23. SEGMENTAL REPORTING

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

24. 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:

- i) 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
- ii) 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:
 1. operational expenses and capital costs paid in connection with the mining operations; and
 2. 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.

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the three and nine months ended October 31, 2022
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24. OTHER CURRENT LIABILITIES (CONTINUED)

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. During the six months ended July 31, 2022, the Company paid US\$7,967,270 (\$10,273,795) in connection to the final settlement of the Scheme and Amended Scheme. As at July 31, 2022, the Company recorded the other current liabilities balance of \$nil (January 31, 2022: \$9,851,400) to reflect the payments made in full.

25. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

	For the nine months ended October 31,	
	2022	2021
	\$	\$
Supplemental cash-flow disclosure:		
Interest	-	-
Income taxes	-	-
Supplemental non-cash disclosure:		
Share issued for exploration and evaluation assets acquisitions	325,000	-
Shares issued for acquisition of Red Back Mining Pty Ltd.	41,633,629	-
Reclassification of development properties	99,607,040	-
Finders shares issued	-	2,518,314
Exploration and evaluation assets included in trade and other payables	53,807	142,776
Property, plant and equipment included in trade and other payables	182,198,777	-
Exploration and evaluation assets included in long term debt	-	228,343
Exploration and evaluation assets included in due to related parties	-	5,709
Reclassification of stock options exercised	189,675	180,504
Reclassification of warrants exercised	58,320	99,850
Reclassification of stock options expired or cancelled	175,253	-
Reclassification of finders warrants issued	-	134,706
Depreciation capitalized in exploration and evaluation assets	46,437	22,165
Depreciation capitalized in mineral properties	2,182,875	-
Depreciation capitalized in inventory	5,460,284	-

26. SUBSEQUENT EVENT

On November 23, 2022, the Company repaid US\$10 million (\$13 million) towards the last principal payment to Resolute pursuant to the amendment letter agreement on August 24, 2022 in connection with the acquisition of Mensin.

Subsequent to October 31, 2022, the Company issued 666,667 common shares in connection with the exercise of 666,667 warrants with a exercise price of \$0.25 for total proceeds of \$166,667.