



## **ASANTE GOLD CORPORATION**

**Condensed Interim Consolidated Financial Statements**

**For the three and nine months ended October 31, 2023 and 2022**

(Unaudited - Expressed in thousands of Canadian dollars)

**Notice of Disclosure of Non-auditor Review of the Condensed Interim Consolidated Financial Statements for the Three and Nine Months Ended October 31, 2023 and 2022**

Pursuant to National Instrument 51-102 *Continuous Disclosure Obligations*, part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of Asante Gold Corporation for the interim periods ended October 31, 2023 and 2022, have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*, as issued by the International Accounting Standards Board, and are the responsibility of management.

The independent auditors, Ernst & Young LLP, have not performed a review of these unaudited condensed interim consolidated financial statements.

December 15, 2023

**Asante Gold Corporation**  
**Condensed Interim Consolidated Statements of Financial Position**  
(Unaudited - Expressed in thousands of Canadian dollars)

	Note	October 31, 2023	January 31, 2023
		\$	\$
<b>ASSETS</b>			
<b>Current</b>			
Cash		28,025	2,811
Restricted cash	15(b)	31,553	31,845
Accounts receivable	6	13,889	14,022
Current portion of prepaid expenses	7	17,807	12,017
Marketable securities	8	3,254	6,213
Inventories	9	79,549	83,532
Current portion of contract asset	18	694	-
		<b>174,771</b>	<b>150,440</b>
Prepaid expenses	7	6,832	5,529
Reclamation bonds	10	11,414	10,986
Property, plant and equipment	11	399,096	400,924
Mineral properties	12	380,758	397,335
Loans receivable		376	362
Exploration and evaluation assets	13	27,648	12,056
Contract asset	18	694	-
<b>Total assets</b>		<b>1,001,589</b>	<b>977,632</b>
<b>LIABILITIES</b>			
<b>Current</b>			
Trade and other payables	14	452,188	324,069
Due to related parties	22	7,803	3,203
Current portion of loans payable	15	35,201	46,991
Current portion of deferred payments	16	186,740	129,136
Current portion of rehabilitation provision	17	344	340
Deferred revenue	18	62,115	66,750
Other current liabilities	5, 19	146,770	141,438
		<b>891,161</b>	<b>711,927</b>
Loans payable	15	10,631	-
Deferred payments	16	-	47,847
Rehabilitation provision	17	91,145	85,247
<b>Total liabilities</b>		<b>992,937</b>	<b>845,021</b>
<b>SHAREHOLDER'S EQUITY</b>			
Share capital	20(b)	296,846	245,120
Reserve for share-based payments	20(c)(e)	29,082	27,948
Reserve for warrants	20(d)	7,237	359
Accumulated other comprehensive income		25,443	17,624
Accumulated deficit		(371,925)	(193,727)
Equity (deficiency) attributable to shareholders of the Company		(13,317)	97,324
Non-controlling interest	21	21,969	35,287
<b>Total shareholders' equity</b>		<b>8,652</b>	<b>132,611</b>
<b>Total liabilities and shareholders' equity</b>		<b>1,001,589</b>	<b>977,632</b>

Nature of operations and going concern (Note 1)

Subsequent events (Note 28)

Approved and authorized for issue on behalf of the Board of Directors:

/s/ "Alex Heath"

Director

/s/ "David Anthony"

Director

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

**Asante Gold Corporation**
**Condensed Interim Consolidated Statements of Loss and Comprehensive Loss**

(Unaudited - Expressed in thousands of Canadian dollars, except per share amount and number of shares)

		Three months ended		Nine months ended	
	Note	2023	October 31, 2022	2023	October 31, 2022
		\$	\$	\$	\$
Revenue	23	131,005	116,276	398,636	116,276
Cost of sales		156,320	153,391	517,550	153,391
<b>Gross loss</b>		<b>(25,315)</b>	<b>(37,115)</b>	<b>(118,914)</b>	<b>(37,115)</b>
<b>Operating expenses</b>					
Accretion	16, 17	2,177	2,301	10,813	3,882
Advertising, trade shows and promotions		245	60	790	371
Depreciation and depletion	11, 12	-	-	-	11,805
Exploration expenses		-	3,028	-	3,028
Finance charges	15, 16	4,678	2,364	14,617	7,005
Foreign exchange loss		9,063	21,425	818	13,861
General and administrative expenses		2,858	307	9,575	530
Management and consulting fees	22	2,317	6,634	7,050	10,734
Professional fees	22	722	332	4,402	846
Share-based payments	22	792	3,022	1,525	21,041
Shareholder communications		121	187	327	451
Transfer agent and regulatory fees		18	77	128	326
Travel expenses		864	29	2,321	261
<b>Operating loss</b>		<b>(49,170)</b>	<b>(76,881)</b>	<b>(171,280)</b>	<b>(111,256)</b>
<b>Other income (expenses)</b>					
Gain on modification of loan	16	-	513	3,371	513
Interest income		-	2	-	175
Loss on amendment of purchase agreement	5	-	-	(15,830)	-
Unrealized loss on marketable securities	8	(1,480)	(592)	(2,959)	(5,184)
<b>Net loss before income tax</b>		<b>(50,650)</b>	<b>(76,958)</b>	<b>(186,698)</b>	<b>(115,752)</b>
Income tax (expense) recovery		(536)	4,671	(5,805)	4,671
<b>Net loss</b>		<b>(51,186)</b>	<b>(72,287)</b>	<b>(192,503)</b>	<b>(111,081)</b>
<b>Other comprehensive income</b>					
Gain on translation of foreign subsidiaries to presentation currency		10,905	54,397	8,806	57,090
<b>Total comprehensive loss</b>		<b>(40,281)</b>	<b>(17,890)</b>	<b>(183,697)</b>	<b>(53,991)</b>
<b>Net loss attributed to:</b>					
Shareholders of the Company		(47,656)	(67,694)	(178,198)	(105,307)
Non-controlling interest		(3,530)	(4,593)	(14,305)	(5,774)
		<b>(51,186)</b>	<b>(72,287)</b>	<b>(192,503)</b>	<b>(111,081)</b>
<b>Total comprehensive loss attributed to:</b>					
Shareholders of the Company		(37,949)	(18,945)	(170,379)	(53,865)
Non-controlling interest		(2,332)	1,055	(13,318)	(126)
		<b>(40,281)</b>	<b>(17,890)</b>	<b>(183,697)</b>	<b>(53,991)</b>
<b>Net loss per share:</b>					
Basic and diluted		(0.11)	(0.19)	(0.42)	(0.33)
<b>Weighted average number of shares:</b>					
Basic and diluted		443,896,325	353,322,241	425,560,881	321,410,157

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

**Asante Gold Corporation**  
**Condensed Interim Consolidated Statements of Cash Flows**  
(Unaudited - Expressed in thousands of Canadian dollars)

	Nine months ended	
	2023	October 31, 2022
	\$	\$
<b>Operating activities:</b>		
Net loss	(192,503)	(111,081)
Items not affecting cash:		
Accretion	10,813	3,882
Depreciation and depletion included in cost of sales	117,713	26,152
Depreciation and depletion included in operating expenses	-	11,805
Deferred income tax recovery	-	(4,671)
Finance charges	13,466	1,208
Share-based payments	1,525	21,041
Gain on modification of loan	(3,371)	(513)
Loss on amendment of purchase agreement	15,830	-
Unrealized foreign exchange loss	292	-
Unrealized loss on marketable securities	2,959	5,184
Changes in non-cash working capital:		
Accounts receivable	133	(2,361)
Prepaid expenses	(5,040)	(785)
Inventories	11,375	(30,730)
Loans receivable	(14)	(260)
Contract asset	(1,388)	-
Trade and other payables	112,301	28,048
Due to related parties	4,600	231
Deferred revenue	(6,626)	130,150
Other current liabilities	-	4,128
<b>Cash provided by operating activities</b>	<b>82,065</b>	<b>81,428</b>
<b>Investing activities:</b>		
Net cash paid for Chirano acquisition	-	(58,882)
Purchases of property, plant and equipment	(33,222)	(50,092)
Expenditures on mineral properties	(38,800)	-
Investment in marketable securities	-	(3,000)
Expenditures on exploration and evaluation assets	(814)	(1,440)
Repayment of deferred payments	(10,846)	(100,092)
<b>Cash used in investing activities</b>	<b>(83,682)</b>	<b>(213,506)</b>
<b>Financing activities:</b>		
Proceeds from private placement financing	27,348	102,256
Issuance costs	-	(3,224)
Proceeds from options exercised	385	232
Proceeds from warrants exercised	9,678	3,850
Advances from loans payable	52,600	-
Repayment of loans payable	(60,273)	-
<b>Cash provided by financing activities</b>	<b>29,738</b>	<b>103,114</b>
Effect of foreign exchange on cash	(2,907)	97,994
Net change in cash	28,121	(28,964)
Cash, beginning of period	2,811	5,849
<b>Cash, end of period</b>	<b>28,025</b>	<b>74,879</b>
<b>Cash paid during the period for:</b>		
Income taxes	-	-
Interest expense	4,239	-

Supplemental cash flow disclosures (Note 25)

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

**Asante Gold Corporation**  
**Condensed Interim Consolidated Statements of Changes in Shareholders' Equity**  
(Unaudited - Expressed in thousands of Canadian dollars, except number of shares)

	Number of shares issued	Share capital	Reserve for share-based payments	Reserve for warrants	Accumulated other comprehensive income	Accumulated deficit	Non- controlling interest	Total shareholders' equity
	#	\$	\$	\$	\$	\$	\$	\$
Balance, January 31, 2022	253,691,381	91,924	5,324	417	716	(16,593)	12,048	93,836
Common shares issued for cash	58,431,914	102,256	-	-	-	-	-	102,256
Issuance costs	-	(3,224)	-	-	-	-	-	(3,224)
Common shares issued for acquisition	34,962,584	47,185	-	-	-	-	-	47,185
Common shares issued for exploration and evaluation assets	250,000	325	-	-	-	-	-	325
Options exercised	750,000	422	(190)	-	-	-	-	232
Warrants exercised	21,346,630	3,908	-	(58)	-	-	-	3,850
Share-based payments	-	-	21,041	-	-	-	-	21,041
Non-controlling interest on acquisition	-	-	-	-	-	-	32,502	32,502
Net loss for the period	-	-	-	-	-	(105,307)	(5,774)	(111,081)
Loss on translation of foreign subsidiaries to presentation currency	-	-	-	-	51,442	-	5,648	57,090
Balance, October 31, 2022	369,432,509	242,796	26,175	359	52,158	(121,900)	44,424	244,012
Options exercised	380,000	240	(102)	-	-	-	-	138
Warrants exercised	8,333,334	2,084	-	-	-	-	-	2,084
Share-based payments	-	-	1,875	-	-	-	-	1,875
Net loss for the period	-	-	-	-	-	(71,827)	(5,606)	(77,433)
Gain on translation of foreign subsidiaries to presentation currency	-	-	-	-	(34,534)	-	(3,531)	(38,065)
Balance, January 31, 2023	378,145,843	245,120	27,948	359	17,624	(193,727)	35,287	132,611
Units issued for cash	18,232,000	27,348	-	-	-	-	-	27,348
Common shares issued for exploration and evaluation assets	7,000,000	13,790	-	-	-	-	-	13,790
Options exercised	2,797,043	726	(341)	-	-	-	-	385
Warrants exercised	38,710,601	9,812	-	(134)	-	-	-	9,678
RSUs exercised	29,500	50	(50)	-	-	-	-	-
Warrants issued on amendment of purchase agreement	-	-	-	7,012	-	-	-	7,012
Share-based payments	-	-	1,525	-	-	-	-	1,525
Net loss for the period	-	-	-	-	-	(178,198)	(14,305)	(192,503)
Gain on translation of foreign subsidiaries to presentation currency	-	-	-	-	7,819	-	987	8,806
<b>Balance, October 31, 2023</b>	<b>444,914,987</b>	<b>296,846</b>	<b>29,082</b>	<b>7,237</b>	<b>25,443</b>	<b>(371,925)</b>	<b>21,969</b>	<b>8,652</b>

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

**Asante Gold Corporation**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the three and nine months ended October 31, 2023 and 2022**  
(Unaudited - Expressed in thousands of Canadian dollars, except where noted)

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**1. NATURE OF OPERATIONS AND GOING CONCERN**

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 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 currently listed on the Canadian Securities Exchange ("CSE") under the symbol "ASE" and the Ghana Stock Exchange ("GSE") under the symbol "ASG".

The Company's business activity is the exploration, evaluation and development of mineral properties, and production of various minerals in the Republic of Ghana ("Ghana") with a primary focus on gold.

In August 2021, the Company completed the acquisition of all issued and outstanding common shares of Mensin Bibiani Pty. Ltd. ("Mensin"), resulting in a holding of a 90% interest in its subsidiary Mensin Gold Bibiani Ltd., which had a mining operation in care and maintenance status (the "Bibiani Gold Mine"). Upon completion of refurbishment activities, first gold pour was achieved in July 2022.

In August 2022, the Company completed the acquisition of all issued and outstanding shares in the capital of Red Back Mining Pty. Ltd., resulting in a holding of a 90% interest in Chirano Gold Mines Limited, which operates a mine in the commercial production stage (the "Chirano Gold Mine" or "Chirano").

The Company has acquired, or has options to acquire, the mining concessions rights to additional properties in Ghana where it is actively engaged in exploration and evaluation activities.

The Company reports on four segments being the results of operations of the Bibiani Gold Mine, the results of operations of the Chirano Gold Mine, the results of exploration and evaluation activities including mining claims and general corporate operations (Note 24).

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.

**Going concern**

These unaudited condensed interim consolidated financial statements for the three and nine months ended October 31, 2023 and 2022 (the "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 at October 31, 2023, the Company had a working capital deficiency of \$716,390 (January 31, 2023 - \$561,487) and had an accumulated deficit of \$371,925 (January 31, 2023 - \$193,727). During the three and nine months ended October 31, 2023, the Company incurred total comprehensive loss of \$40,281 and \$183,697, respectively (2022 - \$17,890 and \$53,991, respectively). These conditions together indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. During the nine months ended October 31, 2023, the Company has focused on ramping up production at its two mines while attempting to achieve efficiencies and reductions in the cost of production. To date, the Company has not achieved positive cash flows from operations net of changes in non-cash working capital items. This has been primarily due to delays experienced with the execution of key capital projects, for which the Company is seeking financing. Since the acquisitions of Bibiani and Chirano, the Company has primarily financed its operations from an increase in payables and cash received in the form of arrangements for the forward sale of gold classified as changes in deferred revenue. In addition, subsequent to October 31, 2023, the Company entered into short-term loan agreements with a company controlled by a director in an aggregate of US\$24.00 million (Note 28). The Company's ability to meet its current obligations and continue as a going concern requires significant additional financing beyond that raised subsequent to October 31, 2023 as described in Note 28, and the Company may need to renegotiate certain of its current obligations. There is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

**Asante Gold Corporation**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the three and nine months ended October 31, 2023 and 2022**  
(Unaudited - Expressed in thousands of Canadian dollars, except where noted)

**2. BASIS OF PREPARATION**

**a) Statement of compliance**

These financial statements were approved by the Board of Directors and authorized for issue on December 15, 2023.

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee applicable to the preparation of interim financial statements including International Accounting Standard 34 *Interim Financial Reporting*. These financial statements do not include all disclosures required for annual audited financial statements. Accordingly, they should be read in conjunction with the notes to the Company’s audited consolidated financial statements for the years ended January 31, 2023 and 2022 (the “Annual Financial Statements”).

**b) Basis of presentation**

These financial statements have been prepared using the historical cost basis, except for certain financial assets and liabilities which are measured at fair value, as specified by IFRS. These financial statements have been prepared on an accrual basis, except for information presented in the condensed interim consolidated statements of cash flows.

**c) Functional and presentation currency**

The financial statements are presented in thousands of Canadian dollars (“CAD”) which is functional currency of the Company. An entity’s functional currency is the currency of the primary economic environment in which an entity operates and is listed in Note 2(d) for each of the Company’s subsidiaries. References to “\$” are to Canadian dollars, references to “US\$” or “USD” are to United States dollars, references to “GHS” are to Ghanaian cedi, references to “AUD” are to Australian dollars.

**d) Basis of consolidation**

These financial statements include the accounts of the Company and its subsidiaries. All intercompany transactions and balances are eliminated on consolidation. Control exists where the parent entity has power over the investee and is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are included in the financial statements from the date control commences until the date control ceases.

A summary of the Company’s subsidiaries included in these financial statements as at October 31, 2023 is as follows:

<b>Name of subsidiaries</b>	<b>Country of incorporation</b>	<b>Functional currency</b>	<b>Percentage ownership</b>
Asante Gold Corporation (GH) Limited	Barbados	USD	100%
ASG Mining Limited	Ghana	USD	100%
Asante Gold (Ghana) Ltd.	Ghana	USD	100%
Mensin Bibiani Pty. Ltd. (“MB PTY”)	Australia	AUD	100%
Mensin Gold Bibiani Ltd. (“MGBL”) <sup>(1)</sup>	Ghana	USD	90%
Noble Mining Ghana Limited	Ghana	USD	100%
Drilling and Mining Services Limited	Ghana	USD	100%
Asante Chirano Australia Pty. Ltd. <sup>(2)</sup>	Australia	USD	100%
Chirano Mines Limited <sup>(3)</sup>	British Virgin Islands	USD	100%
Chirano Gold Mines Limited (“CGML”) <sup>(1)</sup>	Ghana	USD	90%
Chirano Explorer Limited <sup>(4)</sup>	British Virgin Islands	USD	100%
Chirano Exploration Limited <sup>(5)</sup>	Ghana	USD	100%

- (1) The Government of Ghana retains a free carried 10% interest.
- (2) Formerly Red Back Mining Pty. Ltd. and was renamed following the acquisition.
- (3) Formerly Red Back Mining (Ghana) Limited and was renamed following the acquisition.
- (4) Formerly Red Back Mining No 2 (Ghana) Limited and was renamed following the acquisition.
- (5) Formerly Red Back Mining Ghana Limited and was renamed following the acquisition.



### **3. SIGNIFICANT ACCOUNTING POLICIES**

In the preparation of these financial statements, the Company used the same accounting policies as in the Annual Financial Statements.

### **4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

In the preparation of these financial statements, the Company used the same critical accounting estimates and judgements as in the Annual Financial Statements.

### **5. ACQUISITION OF RED BACK MINING PTY. LTD. AND CHIRANO GOLD MINES LIMITED**

On August 10, 2022, the Company acquired all issued and outstanding common shares of Red Back Mining Pty. Ltd. ("Red Back") and its subsidiaries, Red Back Mining (Ghana) Limited, Chirano Gold Mines Limited, Red Back Mining No 2 (Ghana) Limited, and Red Back Mining Ghana Limited. The purchase consideration was comprised of the issuance of 34,962,584 common shares of the Company (the "Asante Shares") at a value of \$1.35 per share, which was the share price of the Company on closing date of this acquisition, a cash payment of \$77,280 (US\$60.00 million) and deferred cash consideration of \$172,958 (US\$134.28 million) payable to Kinross Gold Corporation ("Kinross"), as well as \$4,830 (US\$3.75 million) contingent consideration representing indemnifiable tax liability.

Deferred cash consideration of \$77,904 (US\$60.48 million) was payable on February 10, 2023 ("second cash payment"), \$47,527 (US\$36.90 million) was payable on August 10, 2023 and \$47,527 (US\$36.90 million) is payable on August 10, 2024. On February 13, 2023, the Company and Kinross agreed to amend the payment schedule of the second cash payment of US\$60.48 million as follows: US\$10.00 million payable on February 17, 2023 (of which US\$5.00 million was paid during the nine months ended October 31, 2023), US\$10.00 million payable on March 31, 2023 (not paid), US\$10.00 million payable on April 30, 2023 (not paid), and US\$30.48 million payable on May 31, 2023 (not paid) (Note 16). As part of the amendment, the Company agreed to issue 5,000,000 common share purchase warrants to Kinross, each of which entitles the holder to acquire one common share at an exercise price of \$2.25 within 36 months after issuance. These warrants were issued to Kinross on February 17, 2023 and were valued at \$1.40 per warrant (Note 20(d)). As a result of the warrant issuance, the Company recorded a loss on amendment of purchase agreement of \$7,012 during the nine months ended October 31, 2023.

Under a separate finder's fee agreement with Induusi Resources Public Limited ("Induusi"), the Company agreed to pay Induusi a finder's fee that consists of \$1,318 (US\$1.00 million) in cash and issuance of 5,000,000 common shares, valued at the closing price on the date of amendment of \$1.50 per share for aggregate fair value of \$7,500. As a result of the finder's fee agreement with Induusi, the Company recorded a total loss on amendment of purchase agreement of \$8,818 during the nine months ended October 31, 2023.

The transaction has been accounted for by the Company as a business combination. The primary business of Red Back is the Chirano Gold Mine, an operating gold mine, in Ghana. While the acquisition resulted in Red Back becoming a wholly owned subsidiary of the Company, the Ghanaian government retained a 10% free carried interest in the Chirano Gold Mine.

Total revenue earned from mining operations at the Chirano Gold Mine will be subject to a 5% mineral royalty imposed by the Ghana Revenue Agency and a 0.6% forestry royalty imposed by the Forestry Commission of Ghana.

**Asante Gold Corporation**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the three and nine months ended October 31, 2023 and 2022**  
(Unaudited - Expressed in thousands of Canadian dollars, except where noted)

**5. ACQUISITION OF RED BACK MINING PTY. LTD. AND CHIRANO GOLD MINES LIMITED (continued)**

A summary of the purchase consideration as well as fair values of assets acquired and liabilities assumed on the August 10, 2022 acquisition date is as follows:

	\$
<b>Consideration paid:</b>	
Cash paid	77,280
Fair value of common shares issued	47,185
Present value of deferred payments, discounted at 5.68%	163,216
Fair value of contingent consideration	4,830
	<b>292,511</b>
<b>Fair value of net assets acquired:</b>	
Cash	17,326
Accounts receivable	15,961
Prepaid expenses and deposits	3,684
Inventories	64,571
Property, plant and equipment	217,436
Mineral properties	194,507
Reclamation bonds	7,064
Trade and other payables	(36,747)
Other current liabilities	(4,901)
Current tax liabilities	(108,339)
Rehabilitation provision	(45,549)
Non-controlling interest	(32,502)
	<b>292,511</b>

Current tax liabilities of \$108,339 (US\$84.11 million) assumed from this acquisition are included in other current liabilities on the condensed interim consolidated statements of financial position (Note 19).

**6. ACCOUNTS RECEIVABLE**

A summary of the Company's accounts receivable is as follows:

	October 31, 2023	January 31, 2023
	\$	\$
Trade receivables	995	1,933
Sales tax receivables	9,602	9,052
Advances to employees	3,292	3,037
	<b>13,889</b>	14,022

As at October 31, 2023 and January 31, 2023, management's estimate of lifetime expected credit losses on trade receivables was \$nil and \$nil, respectively. Advances to employees represents payroll advances made to non-management employees in the normal course of business. These amounts are typically deducted from future payroll remittances.

**Asante Gold Corporation**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the three and nine months ended October 31, 2023 and 2022**  
(Unaudited - Expressed in thousands of Canadian dollars, except where noted)

**7. PREPAID EXPENSES**

A summary of the Company's prepaid expenses is as follows:

	<b>October 31, 2023</b>	January 31, 2023
	<b>\$</b>	<b>\$</b>
Advances on capital projects	<b>6,832</b>	4,779
Prepaid materials and supplies inventory	-	887
Prepayments to vendors	<b>16,169</b>	8,015
Insurance expense	<b>504</b>	2,303
Prepaid management and consulting fees	<b>1,134</b>	1,562
	<b>24,639</b>	17,546
Current portion	<b>17,807</b>	12,017
Non-current portion	<b>6,832</b>	5,529

As at October 31, 2023, the non-current portion of prepaid expenses includes advances paid on capital projects that will be realized by the Company after the next twelve months. As at January 31, 2023, the non-current portion of prepaid expenses included prepaid consulting fees and advances on capital projects with terms greater than twelve months from January 31, 2023.

**8. MARKETABLE SECURITIES**

A summary of the Company's marketable securities is as follows:

	\$
Balance, January 31, 2022	7,509
Investment in Roscan Gold Corporation ("Roscan")	3,000
Unrealized loss on investment	(4,296)
Balance, January 31, 2023	6,213
Unrealized loss on investment	(2,959)
<b>Balance, October 31, 2023</b>	<b>3,254</b>

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 three and nine months ended October 31, 2023, the Company recorded an unrealized loss on investment of \$1,480 and \$2,959 (2022 - \$592 and \$5,184), respectively.

**9. INVENTORIES**

A summary of the Company's inventories is as follows:

	<b>October 31, 2023</b>	January 31, 2023
	<b>\$</b>	<b>\$</b>
Gold doré	<b>28,478</b>	30,012
Gold-in-circuit	<b>8,414</b>	7,463
Ore stockpiles	<b>5,179</b>	11,035
Materials and supplies	<b>37,478</b>	35,022
	<b>79,549</b>	83,532

During the nine months ended October 31, 2023, the Company recorded a provision of \$6,207 (2022 - \$nil) to adjust inventories to anticipated net realizable value. The inventory provision was recorded in cost of sales.

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**10. RECLAMATION BONDS**

A summary of the Company's reclamation bonds is as follows:

	Bibiani Gold Mine	Chirano Gold Mine	Total
	\$	\$	\$
Balance, January 31, 2022	3,466	-	3,466
Addition from Chirano acquisition	-	7,064	7,064
Currency translation adjustment	198	258	456
Balance, January 31, 2023	3,664	7,322	10,986
Currency translation adjustment	143	285	428
<b>Balance, October 31, 2023</b>	<b>3,807</b>	<b>7,607</b>	<b>11,414</b>

Reclamation bonds consist of bonds held as security by the Government of Ghana in connection with mineral properties (Note 12).

The Company has irrevocable bank guarantees from Cal Bank Ltd. and Standard Chartered Bank Ghana Limited of US\$7.07 million and US\$21.90 million, for MGBL and CGML, respectively which are payable to the Environmental Protection Agency ("EPA") of Ghana under the following conditions: (i) failure by either of MGBL or CGML to perform their obligations pursuant to Article 23 of LI 1652 - Environmental Assessment Regulations, 1999, which failure causes an aggravation of the environmental conditions of the related site not remedied, (ii) failure by either of MGBL or CGML to comply with site rehabilitation measures imposed/required by the EPA or (iii) failure by either MGBL or CGML to pay any penalty/sanction imposed by the EPA as a result of the occurrence of (i) or (ii) above.

**11. PROPERTY, PLANT AND EQUIPMENT**

A summary of the Company's property, plant and equipment is as follows:

	Field tools and equipment	Office furniture and equipment	Vehicles	Mining plant and equipment	Construction in progress	Total
	\$	\$	\$	\$	\$	\$
<b>Cost</b>						
Balance, January 31, 2022	60	5	928	97,721	-	98,714
Acquired in acquisition of Red Back	-	236	980	211,750	4,470	217,436
Additions	-	1,728	5,042	106,023	1,754	114,547
Currency translation adjustment	3	217	401	12,116	221	12,958
Balance, January 31, 2023	63	2,186	7,351	427,610	6,445	443,655
Additions	-	-	-	14,919	23,256	38,175
Reclassifications	-	1,746	-	4,551	(6,297)	-
Disposals	-	-	(461)	(649)	-	(1,110)
Currency translation adjustment	2	(5)	224	15,871	669	16,761
<b>Balance, October 31, 2023</b>	<b>65</b>	<b>3,927</b>	<b>7,114</b>	<b>462,302</b>	<b>24,073</b>	<b>497,481</b>
<b>Accumulated depreciation</b>						
Balance, January 31, 2022	5	2	43	1,164	-	1,214
Depreciation	9	354	531	39,606	-	40,500
Currency translation adjustment	3	133	(5)	886	-	1,017
Balance, January 31, 2023	17	489	569	41,656	-	42,731
Depreciation	10	340	1,158	53,641	-	55,149
Disposals	-	-	(461)	(649)	-	(1,110)
Currency translation adjustment	-	(100)	(8)	1,723	-	1,615
<b>Balance, October 31, 2023</b>	<b>27</b>	<b>729</b>	<b>1,258</b>	<b>96,371</b>	<b>-</b>	<b>98,385</b>
<b>Carrying amount</b>						
Balance, January 31, 2023	46	1,697	6,782	385,954	6,445	400,924
<b>Balance, October 31, 2023</b>	<b>38</b>	<b>3,198</b>	<b>5,856</b>	<b>365,931</b>	<b>24,073</b>	<b>399,096</b>

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**11. PROPERTY, PLANT AND EQUIPMENT (continued)**

As at October 31, 2023, inventory included depreciation of \$623 (January 31, 2023 - \$3,254) and exploration and evaluation assets included depreciation of \$49 (January 31, 2023 - \$nil). During the three and nine months ended October 31, 2023, depreciation of \$21,752 and \$54,477, respectively, was included in cost of sales (2022 - \$20,955 and \$20,955, respectively). During the three and nine months ended October 31, 2023, depreciation of \$nil and \$nil, respectively, was included in operating expenses (2022 - \$nil and \$11,805, respectively).

**12. MINERAL PROPERTIES**

A summary of the Company's mineral properties is as follows:

	<b>Bibiani</b>	<b>Chirano</b>	<b>Total</b>
	\$	\$	\$
<b>Cost</b>			
Balance, January 31, 2022	-	-	-
Transfer from development properties	93,301	-	93,301
Acquired in acquisition of Red Back	-	194,507	194,507
Additions	116,852	27,217	144,069
Currency translation adjustment	7,730	6,956	14,686
Balance, January 31, 2023	217,883	228,680	446,563
Stripping costs additions	21,885	-	21,885
Capitalized underground development	-	16,915	16,915
Currency translation adjustment	9,175	9,340	18,515
<b>Balance, October 31, 2023</b>	<b>248,943</b>	<b>254,935</b>	<b>503,878</b>
<b>Accumulated depletion</b>			
Balance, January 31, 2022	-	-	-
Depletion	25,711	23,104	48,815
Currency translation adjustment	533	(120)	413
Balance, January 31, 2023	26,244	22,984	49,228
Depletion	37,708	32,297	70,005
Currency translation adjustment	2,059	1,828	3,887
<b>Balance, October 31, 2023</b>	<b>66,011</b>	<b>57,109</b>	<b>123,120</b>
<b>Net amount</b>			
Balance, January 31, 2023	191,639	205,696	397,335
<b>Balance, October 31, 2023</b>	<b>182,932</b>	<b>197,826</b>	<b>380,758</b>

As at October 31, 2023, inventory included depletion of \$6,769 (January 31, 2023 - \$7,882). During the three and nine months ended October 31, 2023, costs of sales included depletion of \$23,068 and \$63,236, respectively (2022 - \$5,160 and \$5,160, respectively).

**a) Bibiani**

In August 2021, following the acquisition of Mensin, the Company holds a 90% interest to the Bibiani Gold Mine situated in the western region of Ghana. The Ghanaian Government retains the remaining 10% free carried interest in the mining operations. First gold pour was achieved in July 2022 and the Company transferred the Bibiani Gold Mine into mineral properties during the year ended January 31, 2023.

**b) Chirano**

In August 2022, following the acquisition of Red Back (Note 5), 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 Gold Mine was in commercial production prior to the acquisition.

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**13. EXPLORATION AND EVALUATION ASSETS**

A summary of the Company's exploration and evaluation assets is as follows:

	<b>Fahiakoba</b>	<b>Betenase</b>	<b>Sraha</b>	<b>Ayiem</b>	<b>Kubi</b>	<b>Total</b>
	\$	\$	\$	\$	\$	\$
Balance, January 31, 2022	4,107	501	1,028	225	2,656	8,517
Acquisition and sustaining fees	719	-	162	162	-	1,043
Field expenditures	17	17	17	17	143	211
Geology and geophysics	35	44	4	7	173	263
Other expenditures	136	76	76	76	343	707
Currency translation adjustment	223	28	60	21	983	1,315
Balance, January 31, 2023	5,237	666	1,347	508	4,298	12,056
Acquisition and sustaining fees	-	-	-	-	13,790	13,790
Field expenditures	17	17	17	17	16	84
Geology and geophysics	20	29	5	1	167	222
Other expenditures	47	47	47	47	365	553
Currency translation adjustment	207	29	55	22	630	943
<b>Balance, October 31, 2023</b>	<b>5,528</b>	<b>788</b>	<b>1,471</b>	<b>595</b>	<b>19,266</b>	<b>27,648</b>

**a) Fahiakoba**

In June 2011, the Company entered an agreement with Goknet Mining Company Limited ("Goknet") to acquire the Fahiakoba concession in Ghana. The Company now holds 100% interest in Fahiakoba and granted Goknet a 3% net smelter return royalty on production. The prospecting license is undergoing renewal, and further exploration will proceed after the license is transferred to the Company. Due to the prohibitive transfer costs, final title transfer is delayed until significant resources are discovered. The Ghanaian Government will retain a 10% free carried interest in the mining lease if it has been applied for and granted.

**b) Betenase**

In August 2015, amended in May 2018, the Company signed an agreement with Perseus Mining (Ghana) Limited ("Perseus") to potentially acquire a 100% interest in the Betenase prospecting license in Ghana. This acquisition is contingent on the Company completing \$1.00 million in exploration within four years of December 31, 2019 and making a \$1.00 million payment to Perseus. 10% of this interest is reserved for the Government of Ghana, and there is a 1% underlying net smelter return (NSR) royalty. Perseus is in the process of renewing a portion of the Dunkwa prospecting license, which will become the Betenase prospecting license, situated east of the Kubi Mining Lease.

**c) Sraha and Ayiem**

In September 2016, the Company announced that it had entered into an agreement with Sikasante Mining Company Limited ("Sikasante"), a private Ghana corporation, to earn up to a 100% interest in their Keyhole Gold Project which consists of the Sraha license and the Ayiem license application. Currently, the Company holds a 50% interest, with the option to obtain the remaining 50% by granting Sikasante a 2% net smelter returns royalty and issuing one million common shares upon the assignment of the licenses. The Ghanaian Government will retain a 10% free carried interest in the mining lease if it has been applied for and granted.

**d) Kubi**

In December 2016, the Company finalized 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. 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. On June 5, 2023, following receipt of Government approvals, the Company issued 7,000,000 common shares with fair value of \$13,790 to Goknet.

The agreement grants the Company the option to acquire Goknet's interests in multiple prospecting licenses. To purchase these licenses, the Company will issue up to three million shares when titles are registered in its name. Goknet will retain a 2% Net Smelter Return royalty on each license. The Company is actively seeking funding for the development of the Kubi project.

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**14. TRADE AND OTHER PAYABLES**

A summary of the Company's trade and other payables is as follows:

	<b>October 31, 2023</b>	January 31, 2023
	<b>\$</b>	<b>\$</b>
Trade payables	<b>194,975</b>	148,598
Accrued liabilities	<b>228,296</b>	154,609
Tax liabilities	<b>28,917</b>	20,862
	<b>452,188</b>	324,069

As at October 31, 2023, accrued liabilities included amounts that the Company agreed to pay Induusi under the finder's fee agreement related to acquisition of Red Back, consisting of \$1,318 (US\$1.00 million) in cash and \$7,500 through issuance of 5,000,000 common shares.

As at October 31, 2023, tax liabilities are comprised of withholding tax obligations of \$9,833 (January 31, 2023 - \$6,523), payroll tax liabilities of \$1,344 (January 31, 2023 - \$2,329), and accrued income taxes payable \$17,740 (January 31, 2023 - \$12,010).

**15. LOANS PAYABLE**

A summary of the Company's loans payable is as follows:

	<b>Asante loan</b>	<b>MGBL bank loans</b>	<b>MGBL revolving credit</b>	<b>CGML revolving credit</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance, January 31, 2022	-	-	-	-	-
Advances	-	41,421	-	9,979	51,400
Interest expense	-	901	-	11	912
Repayments	-	(4,939)	-	-	(4,939)
Currency translation adjustment	-	(282)	-	(100)	(382)
Balance, January 31, 2023	-	37,101	-	9,890	46,991
Advances	2,637	6,672	43,291	-	52,600
Interest expense	-	2,599	1,527	747	4,873
Repayments	(1,366)	(19,378)	(39,529)	-	(60,273)
Currency translation adjustment	116	987	131	407	1,641
<b>Balance, October 31, 2023</b>	<b>1,387</b>	<b>27,981</b>	<b>5,420</b>	<b>11,044</b>	<b>45,832</b>
Current portion	1,387	17,350	5,420	11,044	35,201
Non-current portion	-	10,631	-	-	10,631

Interest expense from loans payable was included in finance charges on the profit or loss. During the three and nine months ended October 31, 2023, total interest expense from loans payable was \$1,245 and \$4,873, respectively.

**a) Asante loan**

On July 18, 2023, the Company entered into a loan agreement with a former director of the Company for an amount of \$2,637 (US\$2.00 million). The loan is non-interest bearing and is due on demand. During the nine months ended October 31, 2023, the Company repaid \$1,366 (US\$1.00 million).

## **15. LOANS PAYABLE (continued)**

### **b) MGBL bank loans**

In July 2022, the Company, through its subsidiary MGBL, entered into a foreign exchange swap agreement with a local bank which allowed the Company to convert, at a pre-determined exchange rate, GHS 346.21 million to USD over a twelve-month period through a series of foreign exchange trades. As part of the agreement, the Company was obligated to provide GHS 346.21 million as collateral, which was held as restricted cash in a designated account. In November 2022, pursuant to the swap agreement, the Company received \$37,929 (US\$28.13 million) and recorded a liability to repay USD at a fixed exchange rate. The Company sought to repay the USD before the swap agreement end date and terminate the swap agreement. Termination of the agreement was subject to a termination fee of \$5,479 (GHS 30.00 million) which was applied to the Company's cash held as collateral and is included in foreign exchange loss for the year ended January 31, 2023. In order to facilitate repayment and termination of the swap agreement, the Company entered into a separate loan agreement with a second local bank. On November 25, 2022, the Company, through its subsidiary MGBL, entered into a short-term bank loan with principal amount of \$38,589 (US\$28.62 million) at an interest rate of 9.5% per annum, maturing after twelve months and requiring monthly payments of principal and interest. The borrowing was secured by cash collateral of \$39,107 (GHS 316.21 million) which was transferred from the first bank upon termination of the swap agreement and is held in an account with the bank that issued the loan. The cash collateral is incrementally released as the Company makes repayments on the loan to the extent that the remaining cash collateral covers at minimum 125% of the loan balance at any time. In addition to the cash pledged as collateral, the loan is secured by the assignment of export proceeds from offtake gold sales of MGBL, debentures over MGBL's property, plant and equipment covering 120% of the loan amount, and a personal guarantee from a director of the Company. On December 30, 2022 and May 5, 2023, additional amounts of \$2,832 (US\$2.10 million) and \$6,672 (US\$5.00 million), respectively, were borrowed on the same debt facility with an interest rate of 11% per annum, maturing on November 29, 2023 and requiring monthly repayment of principal and interest.

On July 7, 2023, through a refinancing agreement with the same bank that issued the short-term loans, the Company transferred the outstanding balance of the short-term bank loans of \$30,428 (US\$23.09 million) into a new bank loan that bears interest at 11% per annum and matures on July 7, 2025. The bank loan requires monthly payments of principal and interest. There was no profit or loss resulting from the transfer.

As at October 31, 2023, the MGBL bank loan had principal owing of \$27,981 (US\$20.17 million) and accrued interest of \$nil. During the nine months ended October 31, 2023, the Company paid transaction fees of \$1,151 in respect of the new bank loan. The transaction fees were included in finance charges in profit or loss. As at October 31, 2023, cash held as collateral in connection with the MGBL bank loan was \$31,553 (GHS 257.49 million) and is presented as restricted cash on the statement of financial position.

During the three and nine months ended October 31, 2023, the Company had interest expense of \$542 and \$2,599, respectively, on bank loans (2022 - \$nil and \$nil, respectively). During the nine months ended October 31, 2023 the Company made payments of \$19,378 (US\$14.54 million).

### **c) MGBL revolving credit**

The Company, through its subsidiary MGBL, entered into a revolving credit facility agreement with the same bank that provided the bank loans. Under the terms of the revolving credit facility, the Company may borrow up to US\$8.50 million. The facility has an interest rate of 11% per annum and expires on November 29, 2023.

As at October 31, 2023, the MGBL revolving credit balance was solely comprised of principal of \$5,420 (US\$3.91 million) that was drawn against the facility. During the three and nine months ended October 31, 2023, interest expense on MGBL revolving credit was \$450 and \$1,527 (2022 - \$nil and \$nil), respectively.



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**15. LOANS PAYABLE (continued)**

**d) CGML revolving credit**

On December 28, 2022, the Company, through its subsidiary CGML, entered into a revolving credit facility agreement in which the Company may borrow up to US\$8.00 million. The facility's maximum borrowing amount is subject to the bank's single obligor limit, which is determined in GHS and is adjusted monthly. At the date the Company entered into the agreement and at October 31, 2023, the single obligor limit was GHS 99.00 million. The facility has an interest rate equal to the lower of 10% or 3-month secured overnight financing rate plus a margin of 7% and matures on December 31, 2023. The facility requires repayment of each drawdown plus interest to be made 30 days from the date of drawdown. As at October 31, 2023, CGML revolving credit included principal amount of \$10,265 (US\$7.40 million) that was drawn against the facility and accrued interest of \$779 (US\$0.55 million). During the three and nine months ended October 31, 2023, interest expense on the CGML revolving credit facility was \$253 and \$747 (2022 - \$nil and \$nil), respectively.

**16. DEFERRED PAYMENTS**

A summary of the Company's deferred payments is as follows:

	<b>Resolute</b>	<b>Kinross</b>	<b>Total</b>
	\$	\$	\$
Balance, January 31, 2022	74,589	-	74,589
Recognition of deferred payments	-	163,216	163,216
Amendment to purchase agreement	3,410	-	3,410
Gain on modification of loan	(513)	-	(513)
Interest expense	897	-	897
Accretion expense	2,255	3,329	5,584
Repayment of deferred payments	(78,474)	-	(78,474)
Currency translation adjustment	2,329	5,945	8,274
Balance, January 31, 2023	4,493	172,490	176,983
Gain on modification of loan	-	(3,371)	(3,371)
Interest expense	206	8,387	8,593
Accretion expense	-	8,317	8,317
Repayment of deferred payments	(4,041)	(6,805)	(10,846)
Currency translation adjustment	61	7,003	7,064
<b>Balance, October 31, 2023</b>	<b>719</b>	<b>186,021</b>	<b>186,740</b>
Current portion	719	186,021	186,740
Non-current portion	-	-	-

**a) Resolute**

Pursuant to the acquisition of Mensin in August 2021, the Company recognized \$71,516 (US\$56.62 million) being the present value of deferred consideration payable to Resolute. On August 24, 2022, pursuant to an arbitration decision, the Company agreed to amend the amount of the final deferred payment to Resolute to increase the amount by an additional \$3,410 (US\$2.70 million) due on or before November 18, 2022 in order to reimburse Resolute for a reclamation bond held in MGBL. The additional deferred payment of \$3,410 was recorded as a loss on amendment of purchase agreement and an increase in the deferred payments for the year ended January 31, 2023. The amendment also included an extension of the due date for the deferred payments and an interest rate of 11% per annum on outstanding amounts from August 22, 2022. As a result of modification of the timing of cash flows, the Company recorded a gain on modification of loan of \$513 during the year ended January 31, 2023. During the year ended January 31, 2023, the Company repaid \$78,474 (US\$60.00 million) which was the original principal amount of the Resolute deferred payments.

During the nine months ended October 31, 2023, the Company repaid the remaining principal or \$3,632 (US\$2.70 million) and \$409 (US\$0.30 million) of accrued interest. As at October 31, 2023, the remaining balance of deferred payments to Resolute is solely comprised of accrued interest of \$719 (US\$0.52 million).

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**16. DEFERRED PAYMENTS (continued)**

**b) Kinross**

Pursuant to the acquisition of Red Back in August 2022, the Company recognized \$163,216 (US\$126.72 million) being the present value of deferred consideration payable to Kinross (Note 5). On February 13, 2023, the Company entered into an amended purchase agreement with Kinross regarding the acquisition of Red Back. Pursuant to the amendment, the payment schedule of the second cash payment, with total amount of US\$60.48 million, has been modified as follows: US\$10.00 million payable on February 17, 2023, US\$10.00 million payable on March 31, 2023, US\$10.00 million payable on April 30, 2023, and US\$30.48 million payable on May 31, 2023. As a result of this change in timing of cash flow, the Company recorded a gain on modification of loan of \$3,371. As part of the amendment, the deferred consideration will accrue interest (calculated daily and compounded semi-annually) from February 10, 2023 to the date of payment in full of such amount plus all accrued interest. The interest is determined to be interest rate quoted by Bank of Nova Scotia for USD commercial loans plus the following margin: 3% for period from February 10, 2023 to March 31, 2023; 4% for period from April 1, 2023 to April 30, 2023; and 5% for period from May 1, 2023. During the nine months ended October 31, 2023, the Company repaid principal amount of \$6,805 (US\$5.00 million) from the second cash payment.

During the three and nine months ended October 31, 2023, interest expense from deferred payments was \$3,192 and \$8,593 (2022 - \$642 and 642), respectively, and was included in finance charges in profit or loss. During the three and nine months ended October 31, 2023, accretion on deferred payments was \$1,411 and \$8,317 (2022 - \$2,301 and \$3,882), respectively.

**17. REHABILITATION PROVISION**

A summary of the Company's rehabilitation provision is as follows:

	<b>Bibiani Gold Mine</b>	<b>Chirano Gold Mine</b>	<b>Total</b>
	\$	\$	\$
Balance, January 31, 2022	11,805	-	11,805
Initial recognition of rehabilitation provision	-	45,549	45,549
Change in estimates	8,097	16,149	24,246
Accretion expense	532	1,144	1,676
Currency translation adjustment	675	1,636	2,311
Balance, January 31, 2023	21,109	64,478	85,587
Accretion expense	616	1,880	2,496
Currency translation adjustment	841	2,565	3,406
<b>Balance, October 31, 2023</b>	<b>22,566</b>	<b>68,923</b>	<b>91,489</b>
Current portion	-	344	344
Non-current portion	22,566	68,579	91,145

The rehabilitation provision for Bibiani Gold Mine and Chirano Gold Mine is estimated using an annual inflation rate of 7.48% and 7.50%, respectively, and a discount rate of 3.51%. During the three and nine months ended October 31, 2023, accretion from rehabilitation provision was \$766 and \$2,496, respectively.

**18. DEFERRED REVENUE**

A summary of the Company's deferred revenue is as follows:

	\$
Balance, January 31, 2022	-
Proceeds from deferred revenue	130,150
Revenue recognized upon delivery of gold	(67,428)
Currency translation adjustment	4,028
Balance, January 31, 2023	66,750
Proceeds from deferred revenue	54,304
Revenue recognized upon delivery of gold	(60,930)
Currency translation adjustment	1,991
<b>Balance, October 31, 2023</b>	<b>62,115</b>

## 18. DEFERRED REVENUE (continued)

In July 2022, the Company, through its subsidiary MGBL, entered into a metal streaming arrangement with the Bank of Ghana, wherein the Company received an upfront cash payment of \$130,150 (US\$100.00 million) in Ghanaian cedis and would settle this amount through the delivery of refined gold from its own mines. Deliveries of gold, each worth \$26.88 million at the spot rate, are due at three, six, nine, and twelve months after the agreement date. The upfront cash received has been accounted for as deferred revenue. Revenue is recognized when gold is delivered. Over the life of the contract, the Company is obliged to deliver gold with a total market value of US\$107.53 million. The Company applied the optional practical expedient and as such, transaction price for this contract was determined to be US\$100.00 million. During the three and nine months ended October 31, 2023, the Company recognized revenue of \$26,216 and \$60,930, respectively, by delivering 13,778 and 27,691 ounces of gold, respectively. On November 6, 2023, the Company delivered 2,974 ounces of gold to fully settle the arrangement (Note 28).

In September 2023, the Company, through its subsidiary MGBL, entered into an arrangement with a strategic financial institution for the forward sale of gold wherein the Company received an upfront cash payment of \$54,304 (US\$40.00 million) and will settle through the delivery of refined gold from its mines. The agreement requires the Company to deliver 4,000 ounces of gold each month for 24 months following the agreement date. The price of each delivery is determined using the spot Bloomberg gold price less a 2.50% discount. On each five-month anniversary of the agreement, at the election of the Company, the institution will pay the Company an amount such that the deposit balance will be replenished to the initial US\$40.00 million. The upfront cash received in exchange for future delivery of gold has been accounted for as deferred revenue, as the agreement will be satisfied through the delivery of a non-financial asset rather than through cash or other financial assets. All cash received, and to be received, under the arrangement is in Ghanaian cedis. In connection with this arrangement, the Company incurred \$1,388 (US\$1.00 million) as a commission fee which was recorded as a contract asset. As of October 31, 2023, the Company had not initiated the delivery of any gold under this arrangement.

## 19. OTHER CURRENT LIABILITIES

A summary of the Company's other current liabilities is as follows:

	October 31, 2023	January 31, 2023
	\$	\$
Tax liabilities arising from the Mensin acquisition	24,552	23,630
Tax liabilities arising from the Chirano acquisition	116,675	112,292
Contingent consideration from Chirano acquisition	4,830	4,830
Other accrued liabilities	713	686
	<b>146,770</b>	<b>141,438</b>

The tax liabilities arising from the Mensin and Chirano acquisitions are provisions for tax liabilities and are measured in Ghanaian cedis. There have not been any changes in the estimated and accrued amounts since the respective acquisitions. Changes in the tax liabilities arising from the Mensin acquisition are attributed to foreign exchange when translating to Canadian dollars for presentation purposes.

## 20. SHARE CAPITAL AND RESERVES

### a) Authorized share capital

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

### b) Issued share capital

During the nine months ended October 31, 2023, the Company had the following transactions:

- On April 6, 2023, the Company closed a non-brokered private placement in which the Company issued 18,232,000 units for gross proceeds of \$27,348. Each unit consists of one common share and one share purchase warrant. All the proceeds were allocated to share capital and \$nil to reserve for warrants.
- On June 5, 2023, following receipt of government approval, the Company issued 7,000,000 common shares with fair value of \$13,790 to Goknet pursuant to an agreement to close the acquisition of the Kubi Mining Leases (Note 13(d)).

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**20. SHARE CAPITAL AND RESERVES (continued)**

- The Company issued 2,797,043 common shares upon the exercise of 3,075,000 options for proceeds of \$385. As a result, \$341 recorded in the reserve for share-based payments was reclassified to share capital. There were 320,000 options exercised on a cashless basis, leading to the issuance of 42,043 common shares, while the remaining 277,957 common shares were withheld to cover withholding tax obligations of \$43.
- The Company issued 38,710,601 common shares upon the exercise of 38,710,601 warrants for proceeds of \$9,678. As a result, \$134 recorded in the reserve for warrants was reclassified to share capital.
- The Company issued 29,500 common shares upon exercise of 29,500 RSUs. As a result, \$50 recorded in the reserve for share-based payments was reclassified to share capital.

During the year ended January 31, 2023, the Company had the following transactions:

- In March 2022, the Company closed a private placement financing by issuing 58,431,914 common shares at \$1.75 per share for gross proceeds of \$102,256. In connection with the financing, the Company incurred issuance costs of \$3,224.
- In July 2022, the Company issued 250,000 common shares with a fair value of \$325 in accordance with the option agreement for Sraha and Ayiem (Note 13(c)).
- In August 2022, the Company issued 34,962,584 common shares with a fair value of \$47,185 in accordance with the acquisition of Red Back (Note 5).
- The Company issued 1,130,000 common shares from the exercise of options for proceeds of \$370. As a result, \$292 recorded in the reserve for share-based payments was reclassified to share capital.
- The Company issued 29,679,964 common shares from the exercise of warrants for proceeds of \$5,934. As a result, \$58 recorded in the reserve for warrants was reclassified to share capital.

**c) 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.

A summary the Company’s stock options activity is as follows:

	Number of options	Weighted average exercise price
	#	\$
Balance, January 31, 2022	11,995,000	0.48
Granted	10,079,340	1.71
Exercised	(1,130,000)	0.33
Forfeited	(100,000)	1.75
Expired	(300,000)	0.15
Balance, January 31, 2023	20,544,340	1.09
Granted	450,000	1.35
Exercised	(3,075,000)	0.28
Forfeited	(80,000)	1.50
<b>Balance, October 31, 2023</b>	<b>17,839,340</b>	<b>1.24</b>
<b>Exercisable, October 31, 2023</b>	<b>17,539,340</b>	<b>1.22</b>

On October 11, 2023, the Company granted 450,000 options, with the exercise price of \$1.35 and maturity date on October 11, 2028, to the Chief Financial Officer of the Company. The options vest as follows: one-third immediately on grant date, one-third on the six and twelve-month anniversaries. The fair value of the options was \$1.22 per option and was valued using Black-Scholes option pricing model with the following assumptions: share price of \$1.35, risk-free rate of 4.22%, volatility of 143.00%, and dividend yield of 0%.

During the nine months ended October 31, 2023, the weighted average share price on the date of option exercise was \$1.65 (2022 - \$1.68). During the three and nine months ended October 31, 2023, the Company recognized \$235 and \$691 (2022 - \$2,686 and \$12,766), respectively, as share-based payments from vested stock options.

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**20. SHARE CAPITAL AND RESERVES (continued)**

A summary of the Company's stock options outstanding as at October 31, 2023 is as follows:

<b>Grant date</b>	<b>Expiry date</b>	<b>Number of options</b>	<b>Exercise price</b>	<b>Remaining life</b>
		#	\$	Years
March 21, 2019	March 20, 2024	320,000	0.10	0.39
August 28, 2019	August 27, 2024	150,000	0.10	0.82
July 6, 2020	July 5, 2025	220,000	0.10	1.68
December 21, 2020	December 20, 2025	350,000	0.12	2.14
March 4, 2021	March 3, 2026	350,000	0.15	2.34
August 9, 2021	August 8, 2026	6,420,000	0.75	2.77
February 17, 2022	February 17, 2027	5,739,340	1.75	3.30
February 17, 2022	February 17, 2024	1,200,000	1.75	0.30
March 7, 2022	March 7, 2027	500,000	1.75	3.35
March 21, 2022	March 21, 2027	1,000,000	1.75	3.39
August 31, 2022	August 31, 2027	1,140,000	1.50	3.84
October 11, 2023	October 11, 2028	450,000	1.35	4.95
		<b>17,839,340</b>	<b>1.24</b>	<b>2.73</b>

**d) Share purchase warrants**

A summary of the Company's share purchase warrants activity is as follows:

	<b>Number of warrants</b>	<b>Weighted average exercise price</b>
	#	\$
Balance, January 31, 2022	68,390,565	0.23
Exercised	(29,679,964)	0.20
Balance, January 31, 2023	38,710,601	0.25
Issued	23,232,000	1.86
Exercised	(38,710,601)	0.25
<b>Balance, October 31, 2023</b>	<b>23,232,000</b>	<b>1.86</b>

On April 6, 2023, as part of a non-brokered private placement, the Company issued 18,232,000 share purchase warrants. Each share purchase warrant entitles the holder to acquire one common share of the Company at an exercise price of \$1.75 until April 6, 2024.

On February 17, 2023, the Company issued 5,000,000 share purchase warrants to Kinross pursuant to the amended purchase agreement regarding the acquisition of Red Back (Note 5). Each common share purchase warrant is exercisable into one common share of the Company at an exercise price of \$2.25 until February 17, 2026.

During the nine months ended October 31, 2023, 38,710,601 share purchase warrants were exercised into common shares of the Company with a weighted average share price on the date of share purchase warrant exercise of \$1.57 (2022 - \$1.32).

A summary of the Company's outstanding share purchase warrants as at October 31, 2023, is as follows:

<b>Date of expiry</b>	<b>Number of warrants</b>	<b>Weighted average exercise price</b>	<b>Weighted average remaining life</b>
	#	\$	Years
April 5, 2024	18,232,000	1.75	0.43
February 17, 2026	5,000,000	2.25	2.30
	<b>23,232,000</b>	<b>1.86</b>	<b>0.83</b>

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**20. SHARE CAPITAL AND RESERVES (continued)**

**e) Restricted share units**

On February 17, 2022, the Company granted 1,515,760 RSUs to certain officers and consultants of the Company. The granted RSUs have a settlement date of February 17, 2025 at which date each RSU is exchangeable to one common share of the Company or lumpsum cash payment or a combination of both, subject to the discretion of the Company. These RSUs have been accounted for as equity-settled share-based payments. The fair value of each RSU was determined to be the Company's share price on grant date, resulting in total fair value of \$2,577 that will be recognized in profit or loss according to the vesting terms of the RSUs. Of the RSUs granted, 228,600 RSUs vested immediately. The remaining 1,287,160 RSUs vest as follows: one third on the first anniversary, one third on the second anniversary, and one third on the third anniversary.

On October 11, 2023, the Company granted 4,900,000 RSUs to certain directors and officers of the Company. The granted RSUs have a settlement date of October 11, 2028 at which date each RSU is exchangeable to one common share of the Company or lumpsum cash payment or a combination of both, subject to the discretion of the Company. These RSUs have been accounted for as equity-settled share-based payments. The fair value of each RSU was determined to be the Company's share price on grant date, resulting in total fair value of \$6,413 that will be recognized in profit or loss according to the vesting terms of the RSUs. Of the granted RSUs, 4,750,000 RSUs vest as follows: one third on the first anniversary, one third on the second anniversary, and one third on the third anniversary; 150,000 RSUs vest as follows: one third on the grant date, and one third every six months thereafter.

During the three and nine months ended October 31, 2023, \$372 and \$650 (2022 - \$336 and \$1,325), respectively, was recognized in share-based payments related to the fair value of RSUs vested. The expense was recognized over the vesting period of the RSUs.

A summary of the Company's RSU activity is as follows:

	<b>Number of RSUs</b>
	<b>#</b>
Balance, January 31, 2022	-
Granted	1,515,760
Balance, January 31, 2023	1,515,760
Granted	4,900,000
Exercised	(29,500)
Forfeited	(59,000)
<b>Balance, October 31, 2023</b>	<b>6,327,260</b>

**f) Deferred share units**

In February 2022, the Company granted 4,285,900 DSUs to certain directors of the Company. These DSUs vested immediately upon granting. The fair value of each DSU was determined to be the Company's share price on grant date, resulting in total fair value of \$7,286 being recorded in share-based payments.

On October 11, 2023, the Company granted 2,500,000 DSUs to certain directors of the Company. These DSUs vest 100% on October 11, 2024. The fair value of each DSU was determined to be the Company's share price on grant date, resulting in total fair value of \$3,375 which will be recognized as share-based payments on a straight-line basis over the vesting period. During the three and nine months ended October 31, 2023, the Company expensed a total of \$184 and \$184 (2022 - \$nil and \$7,286), respectively, as share-based payments for the value of DSUs vested.

A summary of the Company's DSU activity is as follows:

	<b>Number of DSUs</b>
	<b>#</b>
Balance, January 31, 2022	-
Granted	4,285,900
Balance, January 31, 2023	4,285,900
Granted	2,500,000
<b>Balance, October 31, 2023</b>	<b>6,785,900</b>

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**21. NON-CONTROLLING INTEREST**

In August 2021, following the acquisition of Mensin, 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 5), the Company holds a 90% interest to the CGML with the Ghanaian Government retaining the remaining 10%.

A summary of the Company's non-controlling interest activity is as follows:

	\$
Balance, January 31, 2022	12,048
Initial recognition of non-controlling interest of Chirano (Note 5)	32,502
Net loss attributed to non-controlling interest	(11,380)
Currency translation adjustment	2,117
Balance, January 31, 2023	35,287
Net loss attributed to non-controlling interest	(14,305)
Currency translation adjustment	987
<b>Balance, October 31, 2023</b>	<b>21,969</b>

**22. RELATED PARTY TRANSACTIONS**

Key management personnel include those 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 consist of members in the Board of Directors, corporate officers, and related companies.

A summary of the Company's related party transactions for the three and nine months ended October 31, 2023 and 2022 is as follows:

	Three months ended		Nine months ended	
	October 31,		October 31,	
	<b>2023</b>	2022	<b>2023</b>	2022
	\$	\$	\$	\$
Management and consulting fees	<b>548</b>	1,138	<b>2,556</b>	3,800
Professional fees	<b>109</b>	126	<b>252</b>	351
Share-based payments	<b>675</b>	1,521	<b>1,088</b>	13,982
	<b>1,332</b>	2,785	<b>3,896</b>	18,133

Transactions with related parties 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.

As at October 31, 2023, due to related parties was \$7,803 (January 31, 2023 - \$3,203) and was comprised of expense reimbursements, directors' fees, and professional fees. These amounts are unsecured, non-interest bearing and due on demand. As at October 31, 2023, there were 10,514,800 options, 5,141,600 RSUs, and 6,357,300 DSUs outstanding that had been granted to related parties as share-based payments.

On October 31, 2023, the Company, through its subsidiary Mensin Gold Bibiani Ltd, entered into a short-term loan agreement with a company controlled by a director of Asante. The loan is for US\$20.00 million to support short-term working capital requirements and cash proceeds were received on November 1, 2023. The loan does not bear any interest and is repayable on January 31, 2024.

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**23. REVENUE FROM CONTRACTS WITH CUSTOMERS**

**a) Disaggregated revenue information**

A summary of revenue for the three and nine months ended October 31, 2023 and 2022 is as follows:

	Three months ended October 31,		Nine months ended October 31,	
	2023	2022	2023	2022
	\$	\$	\$	\$
Gold doré	130,932	116,142	397,896	116,142
Silver	73	134	740	134
	<b>131,005</b>	<b>116,276</b>	<b>398,636</b>	<b>116,276</b>

**b) Contract balances**

The Company's contract asset as at October 31, 2023 was \$1,388 (January 31, 2023 - \$nil) and represents the commission fees related to the arrangement for the forward sale of gold (Note 18).

The Company's contract liabilities as at October 31, 2023 were \$62,115 (January 31, 2023 - \$66,750) and relate to deferred revenue (Note 18).

**24. SEGMENT INFORMATION**

The Chief Operating Decision Maker ("CODM") of the Company has been identified as the Chief Financial Officer, who makes strategic decisions and allocates resources based on the information available by operating segment. The CODM determines the reportable segments of the Company based on the availability of discrete financial results and the nature of operations relating to each operating segment. The CODM has identified four reportable segments being 1) the Bibiani Gold Mine, 2) the Chirano Gold Mine, 3) the Company's exploration and evaluation and mining claims and related expenditures, and 4) general corporate activities.

A summary of the Company's segmented financial performance for the nine months ended October 31, 2023 is as follows:

	Bibiani	Chirano	Mining claims	Corporate	Total
	\$	\$	\$	\$	\$
Revenue	134,215	264,421	-	-	<b>398,636</b>
Cost of sales	211,464	306,086	-	-	<b>517,550</b>
<b>Gross loss</b>	<b>(77,249)</b>	<b>(41,665)</b>	<b>-</b>	<b>-</b>	<b>(118,914)</b>
Operating expenses (recovery)	9,161	9,591	(1,338)	34,952	<b>52,366</b>
<b>Operating income (loss)</b>	<b>(86,410)</b>	<b>(51,256)</b>	<b>1,338</b>	<b>(34,952)</b>	<b>(171,280)</b>
Other income (expenses)	-	-	-	(15,418)	<b>(15,418)</b>
<b>Net income (loss) before income tax</b>	<b>(86,410)</b>	<b>(51,256)</b>	<b>1,338</b>	<b>(50,370)</b>	<b>(186,698)</b>
Income tax expense	-	(5,417)	-	(388)	<b>(5,805)</b>
<b>Net income (loss)</b>	<b>(86,410)</b>	<b>(56,673)</b>	<b>1,338</b>	<b>(50,758)</b>	<b>(192,503)</b>



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**24. SEGMENT INFORMATION (continued)**

A summary of the Company's segmented financial performance for the nine months ended October 31, 2022 is as follows:

	<b>Bibiani</b>	<b>Chirano</b>	<b>Mining claims</b>	<b>Corporate</b>	<b>Total</b>
	\$	\$	\$	\$	\$
Revenue	54,403	61,873	-	-	<b>116,276</b>
Cost of sales	74,593	78,798	-	-	<b>153,391</b>
<b>Gross loss</b>	<b>(20,190)</b>	<b>(16,925)</b>	-	-	<b>(37,115)</b>
Operating expenses	12,640	6,385	4,962	50,154	<b>74,141</b>
<b>Operating loss</b>	<b>(32,830)</b>	<b>(23,310)</b>	<b>(4,962)</b>	<b>(50,154)</b>	<b>(111,256)</b>
Other income (expenses)	96	-	-	(4,592)	<b>(4,496)</b>
<b>Net loss before income tax</b>	<b>(32,734)</b>	<b>(23,310)</b>	<b>(4,962)</b>	<b>(54,746)</b>	<b>(115,752)</b>
Income tax recovery	-	4,671	-	-	<b>4,671</b>
<b>Net loss</b>	<b>(32,734)</b>	<b>(18,639)</b>	<b>(4,962)</b>	<b>(54,746)</b>	<b>(111,081)</b>

A summary of the Company's segmented financial position as at October 31, 2023 is as follows:

	<b>Bibiani</b>	<b>Chirano</b>	<b>Mining claims</b>	<b>Corporate</b>	<b>Total</b>
	\$	\$	\$	\$	\$
Assets	471,045	495,624	28,844	6,076	<b>1,001,589</b>
Liabilities	396,705	374,535	3,205	218,492	<b>992,937</b>

A summary of the Company's segmented financial position as at January 31, 2023 is as follows:

	<b>Bibiani</b>	<b>Chirano</b>	<b>Mining claims</b>	<b>Corporate</b>	<b>Total</b>
	\$	\$	\$	\$	\$
Assets	439,662	514,714	12,875	10,381	<b>977,632</b>
Liabilities	360,114	286,551	1,603	196,753	<b>845,021</b>

**25. SUPPLEMENTAL CASH FLOW DISCLOSURES**

A summary of the Company's non-cash transactions that are excluded from the condensed interim consolidated statements of cash flows for the nine months ended October 31, 2023 and 2022, is as follows:

	<b>2023</b>	<b>2022</b>
	\$	\$
Shares issued to acquire exploration and evaluation assets	<b>13,790</b>	-
Exploration and evaluation costs included in trade and other payables	-	54
Purchases of property, plant and equipment included in trade and other payables	<b>22,813</b>	182,199
Advances on capital projects included in prepaid expenses	<b>6,832</b>	-
Depreciation of property, plant and equipment included in exploration and evaluation assets	<b>49</b>	46
Depreciation of property, plant and equipment included in mineral properties	-	2,183

**26. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

**a) Fair value measurement of financial assets and liabilities**

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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

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**26. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**

The Company's financial assets and liabilities consist of cash, restricted cash, accounts receivable, marketable securities, reclamation bonds, loans receivable, trade and other payables, due to related parties, loans payable and deferred payments.

Cash, restricted cash, accounts receivable, reclamation bonds, loans receivable, trade and other payables, due to related parties, loans payable, and deferred payments are measured at amortized cost.

Marketable securities are measured at fair value through profit or loss and categorized as Level 1 in the fair value hierarchy. During the nine months ended October 31, 2023 and 2022, there were no transfers between categories in the fair value hierarchy.

**b) Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to fulfill its contractual obligations. The Company's credit risk relates primarily to cash, restricted cash, accounts receivable, and loans receivable. The Company mitigates credit risk related to cash by placing cash with sound financial institutions. For trade receivables, the Company trades with recognized creditworthy third parties and regularly reviews the collectability of its accounts receivable. The Company considers credit risk to be minimal.

As at October 31, 2023, the Company had one customer that owed the Company \$836, which accounts for approximately 84% of total outstanding trade receivables.

**c) Interest rate risk**

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As at October 31, 2023, the Company is exposed to interest rate risk through a loan payable to a bank in Ghana with a variable interest rate and carrying amount of \$11,044 and deferred payments with a variable interest rate and a carrying amount of \$186,021. The bank loan has an interest rate cap, and the current floating interest rate is higher than the cap. A change of 100 basis points in interest rate would have minimal impact on consolidated statements of loss and comprehensive loss. A change of 100 basis points in the interest rate on the deferred payment would result in a change of \$684 in finance charges in profit or loss.

**d) Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. To mitigate this risk, the Company has a planning and budgeting process in place to determine the funds required to support its ongoing operations and capital expenditures. Due to cash constraints, the Company has been unable to meet certain obligations as they have become due (deferred payments, trade and other payables). Amounts due to Kinross of \$134,837 (US\$97.21 million) in the form of deferred payments are due on demand, accrue interest at a rate of prime plus 5% per annum, and are secured against Chirano. The Company endeavors to ensure that sufficient funds are raised from equity offerings or debt financing to meet its operating requirements, after considering existing cash and expected exercise of stock options and share purchase warrants. There can be no assurances that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. See further discussion in Note 1.

As at October 31, 2023, the Company had cash of \$28,025 (January 31, 2023 - \$2,811) and restricted cash of \$31,553 (January 31, 2023 - \$31,845) as well as working capital deficit of \$716,390 (January 31, 2023 - \$561,487).

A summary of the Company's contractual undiscounted cash flow requirements as at October 31, 2023 is as follows:

	<b>&lt; 1 year</b>	<b>1 - 3 years</b>	<b>Total</b>
	\$	\$	\$
Trade and other payables	452,188	-	452,188
Due to related party	7,803	-	7,803
Loans payable	36,146	12,559	48,705
Deferred payments	188,690	-	188,690
	<b>684,827</b>	<b>12,559</b>	<b>697,386</b>

## 26. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

### e) 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 or continue production.

The effect on net loss and comprehensive loss for the nine months ended October 31, 2023 of a 10% change in metal prices is estimated to have an increase or decrease in revenue of \$39,864 (2022 - \$11,628).

### f) Foreign exchange risk

The Company's functional currency is CAD and therefore the Company's loss and comprehensive loss are impacted by fluctuations in the value of foreign currencies in relation to CAD. The Company is exposed to foreign exchange risk from fluctuation in CAD to US dollars and Ghanaian Cedi.

A summary of the Company's net financial assets (liabilities) that are denominated in US dollars and Ghanaian Cedi as at October 31, 2023, is as follows:

	US\$	GHS
Net financial assets (liabilities)	(428,801)	442,477
Foreign exchange rate	1.3871	0.1208
<b>Net financial assets (liabilities) in CAD</b>	<b>(594,790)</b>	<b>53,461</b>

The sensitivity of the Company's net loss and comprehensive loss for the nine months ended October 31, 2023 to changes in the exchange rates of CAD to the US dollar and the Ghanaian Cedi would be as follows: a 10% change in CAD relative to the US dollar would change the Company's net loss and comprehensive loss by approximately \$59,479 (January 31, 2023 - \$51,940), and a 10% change in CAD relative to the Ghanaian Cedi would change the Company's net loss and comprehensive loss by approximately \$5,346 (January 31, 2023 - \$3,203).

### g) Other risks

As substantially all 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. In the event of increased levels of volatility in geopolitical and economic conditions, the Company's profitability, results of operations and financial condition could be affected.

## 27. CAPITAL MANAGEMENT

The Company's definition of capital includes equity, comprising share capital, reserve for share-based payments, reserve for warrants, accumulated other comprehensive income, accumulated deficit and non-controlling interest. 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. As at October 31, 2023, the Company had shareholders' equity of \$8,652 (January 31, 2023 - \$132,611).

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 has two mines in commercial production and has several properties in the exploration and development stage. As a result, the Company is dependent upon external financing to fund its 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, 2023.

As at October 31, 2023, the Company was not subject to any externally imposed capital requirements other than restricted cash of \$31,553 (Note 15).

**Asante Gold Corporation**

**Notes to the Condensed Interim Consolidated Financial Statements**

**For the three and nine months ended October 31, 2023 and 2022**

(Unaudited - Expressed in thousands of Canadian dollars, except where noted)

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**28. SUBSEQUENT EVENTS**

On November 1, 2023, the Company, through its subsidiary Mensin Gold Bibiani Ltd, received cash proceeds of US\$20.00 million pursuant to a short-term loan agreement executed on October 31, 2023 with a company controlled by a director of the Company. The loan does not bear any interest and is repayable on January 31, 2024.

On November 6, 2023, the Company delivered 2,974 ounces of gold, including 529 ounces of gold relating to finance charges, to fully settle the metal streaming arrangement with the Bank of Ghana.

On November 27, 2023, the Company through its subsidiary Mensin Gold Bibiani Ltd, entered into a short-term loan with a company controlled by a director of Asante. The loan is for US\$4.00 million to support short-term working capital requirements. The loan does not bear any interest and is repayable on January 31, 2024.

On November 27, 2023, pursuant to discussions with the Ghana Revenue Authority regarding tax liabilities accrued and paid by Chirano for the period from 2012 to 2019, the Company agreed to pay a settlement amount of USD \$6.00 million as full and final settlement of all tax liabilities, including customs duties and excise taxes. As part of the settlement, the parties agreed not to bring any further proceedings against each other in respect of Chirano's tax liabilities for the period from 2012 to 2019.