ASHANTI SANKOFA INC.

Consolidated Financial Statements

For the Year Ended

February 28, 2021

Consolidated Statements of Financial Position
Consolidated Statements of Comprehensive Loss
Consolidated Statements of Changes in Equity (Deficit)
Consolidated Statements of Cash Flow
Notes to Consolidated Financial Statements

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DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Ashanti Sankofa Inc.:

Opinion
We have audited the consolidated financial statements of Ashanti Sankofa Inc. (the "Company"), which comprise the statements of consolidated financial position as at February 28, 2021 and February 29, 2020, and the consolidated statements of comprehensive loss, changes in equity (deficit) and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at February 28, 2021 and February 29, 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion
We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern
We draw attention to note 1 in the financial statements which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information
Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

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

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

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

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

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DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, Canada
June 22, 2021

ASHANTI SANKOFA INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
Expressed in Canadian Dollars

	Note	**February 28, 2021**	February 29, 2020
ASSETS		**$**	$
Current assets			
Cash	4	**85,638**	1,287
Other receivables		**9,584**	3,395
Prepaid expenses		**2,100**	2,100
		97,322	6,782
Non-current assets			
Exploration and evaluation assets	5	**250,000**	250,000
TOTAL ASSETS		**347,322**	256,782
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	4	**309,438**	262,952
Due to related parties	7	**206,078**	131,984
		515,516	394,936
SHAREHOLDERS' EQUITY (DEFICIT)			
Share capital	6	**9,540,988**	9,395,988
Reserves	6	**4,371,346**	4,371,346
Accumulated deficit		**(14,080,528)**	(13,905,488)
		(168,194)	(138,154)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)		**347,322**	256,782

Nature of operations and going concern (Note 1)
Subsequent events (Note 9)

The accompanying notes are integral to these consolidated financial statements.

ASHANTI SANKOFA INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
Expressed in Canadian Dollars

	For the Year Ended	
	February 28, 2021	February 29, 2020
	$	$
EXPENSES		
Foreign exchange (gain) loss	**(9,538)**	7,101
Management fees (Note 7)	**48,000**	52,000
Office and general	**1,547**	3,664
Professional fees (Note 7)	**103,955**	60,622
Transfer agent and filing fees	**17,908**	11,758
Impairment of exploration and evaluation assets (Note 5)	**13,168**	534,444
NET LOSS AND COMPREHENSIVE LOSS	**(175,040)**	(669,588)
Weighted Average Number of Shares Outstanding	**44,503,600**	44,400,860
Basic Loss Per Share	**(0.00)**	(0.02)

The accompanying notes are integral to these consolidated financial statements.

ASHANTI SANKOFA INC.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (DEFICIT)
Expressed in Canadian Dollars

	Share Capital		Reserves			
	Number of Shares	Amount	Equity settled benefits	Warrants	Accumulated Deficit	Total
		$	$	$	$	$
Balance, February 28, 2019	**44,400,860**	**9,395,988**	**2,435,395**	**1,935,951**	**(13,235,900)**	**531,434**
Net loss for the year	-	-	-	-	(669,588)	(660,588)
Balance, February 29, 2020	**44,400,860**	**9,395,988**	**2,435,395**	**1,935,951**	**(13,905,488)**	**(138,154)**
Private placement, net of issue costs (Note 6)	7,500,000	145,000	-	-	-	145,000
Net loss for the year	-	-	-	-	(175,040)	(175,040)
Balance, February 28, 2021	**51,900,860**	**9,540,988**	**2,435,395**	**1,935,951**	**(14,080,528)**	**(168,194)**

The accompanying notes are integral to these consolidated financial statements.

ASHANTI SANKOFA INC.
CONSOLIDATED STATEMENTS OF CASH FLOW
Expressed in Canadian Dollars

	For Year Ended	
	February 28, 2021	February 29, 2020
	$	$
CASH FLOWS USED IN OPERATING ACTIVITIES		
Net loss for the year	**(175,040)**	(669,588)
Items not involving cash:		
Impairment of exploration and evaluation assets	**13,168**	534,444
Changes in non-cash working capital items:		
Other receivables	**(6,189)**	(1,137)
Prepaid expenses	**-**	3,367
Accounts payable and accrued liabilities	**33,318**	21,073
Due to related parties	**51,550**	95,871
	(83,193)	(15,970)
CASH FLOWS USED IN INVESTING ACTIVITIES		
Exploration and evaluation assets	**-**	(3,100)
	-	(3,100)
CASH FLOWS FROM FINANCING ACTIVITIES		
Shares issued for cash, net of issue costs	**145,000**	-
Shareholder advance	**22,544**	14,500
	167,544	14,500
Net (decrease) increase in cash	**84,351**	(4,570)
Cash, beginning of the year	**1,287**	5,857
Cash, end of the year	**85,638**	1,287
Other non-cash transaction:		
Exploration and evaluation asset expenditures included in accounts payable	**13,168**	16,482

The accompanying notes are integral to these consolidated financial statements.

1. NATURE OF OPERATIONS

Ashanti Sankofa Inc. (the "Company" or "ASI") through its wholly-owned subsidiary AMI Africa Exploration Ltd. ("AMI Africa"), both resident Canadian companies, and its wholly owned Ghanaian subsidiary Ashanti Sankofa Limited ("Ashanti") is engaged primarily in gold exploration activity in West Africa.

The head office and the principal address of the Company is located at Suite 908 - 938 Howe Street, Vancouver, British Columbia, V6Z 1N9 and the records office and registered office is located at Suite 700 - 838 West Hastings Street, Vancouver, British Columbia, V6C 2A0.

The Company holds interests in mineral properties and has not yet determined whether these properties contain reserves that are economically recoverable.

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. The Company has incurred a net loss of $175,040 for the year ended February 28, 2021 and has incurred cumulative losses since inception of $14,080,528. As at February 28, 2021, the Company had negative working capital of $418,194, had not advanced its mineral properties to commercial production and is not able to finance day to day activities through operations. The Company's continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations and ongoing operating losses. These uncertainties cast significant doubt on the ability of the Company to continue operations as a going concern. Management intends to finance operating costs over the next twelve months with loans from directors and companies controlled by directors and/or private placement of common shares. These financial statements do not include any adjustments that might result from this uncertainty.

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic and has adversely affected global workforces, financial markets, and the general economy. It is not possible for the Company to determine the duration or magnitude of the adverse results of COVID-19 nor its effects on the Company's business or operations. The Company anticipates this could have an adverse impact on its business, results of operations, financial position and cash flows in 2021.

2. BASIS OF PRESENTATION

Statement of compliance

These consolidated financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The consolidated financial statements were authorized for issue by the Board of Directors on June 22, 2021.

2. BASIS OF PRESENTATION (Continued)

Basis of preparation

The consolidated financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The consolidated financial statements are presented in Canadian dollars unless otherwise noted.

Significant estimates and assumptions

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the recoverability of the carrying value of exploration and evaluation assets, fair value measurements for financial instruments, and the recoverability and measurement of deferred tax assets.

Significant judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments applying to the Company's financial statements include: the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty; the classification/allocation of expenditures as exploration and evaluation expenditures or operating expenses; and the classification of financial instruments.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its wholly owned subsidiaries, AMI Africa Exploration Ltd. (incorporated in Canada) and Ashanti Sankofa Limited (incorporated in Ghana). All inter-company balances and transactions have been eliminated upon consolidation.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held with banks, and other short-term highly liquid investments with original maturities of three months or less.

Foreign currency transactions

These consolidated financial statements are presented in Canadian dollars, which is the Company's functional currency. AMI Africa's functional currency is also the Canadian dollar. Ashanti's functional currency is the Ghanaian Cedi.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currency transactions (continued)
Transactions in currencies other than the functional currency of each entity are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the statement of financial position date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are reflected in profit or loss for the period.

The financial position and results of foreign operations whose functional currency is different from the Company's presentation currency are translated as follows:

- assets and liabilities are translated at period-end exchange rates prevailing at the reporting date; and
- income and expenses are translated at average exchange rates for the period.

Exchange differences arising on translation of foreign operations are recorded in accumulated other comprehensive loss in the statement of comprehensive income. These differences are recognized in profit or loss in the period in which the operation is disposed.

Exploration and evaluations assets
The Company may hold interests in mineral property interests in various forms, including prospecting licenses, exploration and exploitation concessions, mineral leases and surface rights, and property options. The Company capitalizes payments made in the process of acquiring legal title to these properties. Mineral property interest acquisition costs are recorded at historical cost. Exploration and evaluation expenditures incurred on properties prior to obtaining legal rights to explore the specific area are charged to operations as incurred.

The carrying values of exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The carrying value of equipment is reviewed for indications of impairment at each reporting date. When impairment indicators exist, the asset's recoverable amount is estimated. If it is determined that the estimated recoverable amount is less than the carrying value of an asset, then a write-down is made with a charge to operations.

The Company follows the guidance in IFRS 6 – Exploration for and Evaluation of Mineral Resources to determine whether exploration and evaluation assets are impaired. This determination requires significant judgment. Impairment indicators relevant for exploration and evaluation properties include whether the rights to explore the area of interest have expired during the period or will expire in the near future, and the rights are not expected to be renewed, substantive expenditure of further exploration and evaluation is not planned or budgeted, the activities have not lead to a discovery of commercial reserves and the Company has decided not to continue such activities in the area of interest or deteriorating local conditions such that it may become unsafe to continue operations. If an impairment indicator is identified, management will perform an impairment test. If the recoverable amount of the exploration and evaluation assets is less than the carrying amount, an impairment loss would be recorded in the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Exploration and evaluations assets (continued)
An impairment loss is reversed if there is indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized.

Income taxes
Current income tax:
Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax:
Deferred income tax is recognized, using the asset and liability method, on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Restoration and environmental obligations
The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to the related asset along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Restoration and environmental obligations (continued)
The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to the related asset along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

The Company's estimates of restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates. The Company currently has no measurable obligations for restoration and environmental costs.

Share-based payments
The Company grants stock options to buy common shares of the Company through its stock option plan as described in Note 6. The Company accounts for share-based payments using the fair value method. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to reserves. The fair value of options is determined using the Black–Scholes Option Pricing Model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

The Company grants stock options that are subject to various vesting terms. Under IFRS, the fair value of each instalment of the award is considered a separate grant based on the vesting period with the fair value of each instalment determined separately and recognized as compensation expense over the term of its respective vesting period.

Financial instruments
The following is the Company's accounting policy for financial instruments under IFRS 9:

<u>(i) Classification</u>
The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)
amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The following table shows the classification under IFRS 9:

Financial assets/liabilities	Classification IFRS 9
Cash	FVTPL
Accounts payable	Amortized cost
Due to related parties	Amortized cost

<u>(ii) Measurement</u>
Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of comprehensive loss in the period in which they arise.

Debt investments at FVTOCI
These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in Other Comprehensive Income (“OCI”). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVTOCI
These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

(iii) Impairment of financial assets at amortized cost
The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the credit risk of the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(iv) Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are recognized in profit or loss.

Income (loss) per share

Basic income (loss) per share is calculated by dividing the net earnings available to common shareholders divided by the weighted average number of common shares outstanding during the year. The diluted earnings per share are calculated based on the weighted average number of common shares outstanding during the year, plus the effects of the dilutive common share equivalents. This method requires that the dilutive effect of outstanding options and warrants issued be calculated using the treasury stock method. This method assumes that all common share equivalents have been exercised at the beginning of the year (or at the time of issuance, if later), and that the funds obtained thereby were used to purchase common shares of the Company at the average trading price of common shares during the year.

Accounting standards and interpretations issued but not yet effective

The Company has reviewed the accounting standards or amendments to existing accounting standards that have been issued but have future effective dates and determined that these are either not applicable or are not expected to have a significant impact on the Company's financial statements.

Comparative figures

Certain numbers have been restated to conform to the current year's presentation.

4. FINANCIAL AND CAPITAL RISK MANAGEMENT

The Company has determined the estimated fair values of its financial instruments based on appropriate valuation methodologies; however, considerable judgment is required to develop these estimates. The fair values of the Company's financial instruments are not materially different from their carrying values.

Expressed in Canadian Dollars

4. FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

	Ref.	**February 28, 2021**	February 29, 2020
		$	$
Financial assets	a	**85,638**	1,287
Financial liabilities	b	**462,435**	382,677

a. Comprises cash
b. Comprises accounts payable and amounts due to related parties (Note 7).

Accounts payable and accrued liabilities:	**February 28, 2021**	February 29, 2020
	$	$
Accounts payable	**256,357**	250,693
Accrued liabilities	**53,081**	12,259
	309,438	262,952

Management of Industry and Financial Risk
The Company is engaged primarily in mineral exploration and manages related industry risk issues directly. The Company may be at risk for environmental issues and fluctuations in commodity pricing. Management is not aware of and does not anticipate any significant environmental remediation costs or liabilities in respect of its current operations.

The Company's financial instruments are exposed to certain financial risks, which include the following:

Credit risk
Credit risk is the risk of loss due to the counterparty's inability to meet its obligations. The Company's exposure to credit risk is on its cash and other receivables. Risk associated with cash is managed through the use of major banks which are high credit quality financial institutions as determined by rating agencies. Other receivables comprise sales tax refunds from the Canadian federal government.

Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations when they become due. The Company ensures that there is sufficient capital in order to meet short-term operating requirements, after taking into account the Company's holdings of cash. The Company's cash are held in corporate bank accounts available on demand. Liquidity risk has been assessed as being high.

Market Risk
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and price risk.

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 not exposed to significant interest rate risk.

Expressed in Canadian Dollars

4. FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

Currency Risk

The Company is subject to normal market risks including fluctuations in foreign exchange rates and interest rates. While the Company manages its operations in order to minimize exposure to these risks, the Company has not entered into any derivatives or contracts to hedge or otherwise mitigate this exposure. Currency risk has been assessed as being low.

Price Risk

The Company is exposed to price risk with respect to equity prices. Price risk as it relates to the Company is defined as the potential adverse impact on the Company's ability to raise financing due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of components of shareholders' equity. There were no changes in the Company's approach to capital management during the year. The Company is not subject to any externally imposed capital requirements.

5. EXPLORATION AND EVALUATION ASSETS

Exploration and evaluation assets comprise the North Ashanti - Anuoro project located in West Africa. The Company, through its wholly-owned subsidiary Ashanti, holds the 65 square km Anuoro license which is subject to a 10% carried interest held by the government of the Republic of Ghana. On June 27, 2019, the Company received a letter from Ministry of Lands and Natural Resources stating the Anuoro prospecting license had been renewed until June 27, 2022. As at February 28, 2021, the estimated fair value of the Anuoro interest is $250,000.

	Year Ended February 28, 2021	**Year Ended February 29, 2020**
	$	**$**
Opening Balance	250,000	728,644
Field and camp costs	1,240	3,475
Geologist fees	11,928	35,738
Labour costs	-	15,167
Legal fees	-	550
Travel	-	869
Costs incurred during the year	13,168	55,800
Impairment of exploration and evaluation assets	(13,168)	(534,444)
Ending Balance	**250,000**	**250,000**

Expressed in Canadian Dollars

6. EQUITY AND RESERVES

Share Capital

Authorized share capital of the Company consists of an unlimited number of fully paid common shares without par value.

Year ended February 29, 2020
There were no common shares issued during the year ended February 29, 2020.

Year ended February 28, 2021
On February 23, 2021, the Company closed a non-brokered private placement and issued 7,500,000 units at a price of $0.02 per unit for gross proceeds of $150,000. Share issued costs of $5,000 were incurred. Each unit consists of one common share and one transferable share purchase warrant to purchase one additional common share at an exercise price of $0.05 per share for a term of two years. A total of 6,250,000 units were subscribed for by directors of the Company.

Share Purchase Warrants

The warrants reserve records items recognized as the value of warrants until such time that the warrants are exercised, at which time the corresponding amount will be transferred to share capital. If the warrants expire unexercised, the amount remains in reserves. For warrants issued as part of unit private placements the Company uses the residual method to value the warrants.

There were no warrants issued during the year ended February 29, 2020.

On February 23, 2021, the Company issued 7,500,000 share purchase warrants as part of the $150,000 private placement. The warrants expire two years from the date of issuance and are exercisable at $0.05 per share. No value was assigned to these warrants under the residual method.

During the year ended February 28, 2021, 24,666,663 warrants expired without exercise.

As at February 29, 2021, warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Life Remaining (Years)
		$	
Balance, February 28, 2019 and February 29, 2020	31,666,663	0.05	1.37 / 0.37
Issued	7,500,000	0.05	2.00
Expired	(24,666,663)	0.05	-
Balance, February 28, 2021	14,500,000	0.05	1.16

Expressed in Canadian Dollars

6. EQUITY AND RESERVES (continued)

As at February 28, 2021, the following warrants were outstanding:

Number of Warrants	Exercise Price	Expiry Date
7,500,000	$0.05	February 23, 2023
7,000,000	$0.05	June 10, 2021*

* subsequently expired without exercise

Stock Options

Stock-Option Plan

The Company has a stock option plan, approved by the Board of Directors and by the shareholders, that allows the Company to grant incentive stock options to its directors, officers, employees and consultants. The maximum number of shares reserved for issuance under the plan are 5,546,839. The exercise price, term (not to exceed ten years) and vesting provisions are authorized by the Board of Directors at the time of the grant and pursuant to the terms of the Stock Option Plan. Stock options granted to a consultant performing investor relations activity shall vest over a minimum of twelve months with no more than ¼ of such options vesting in any three months period.

There were no stock options granted during the years ended February 28, 2021 or February 29, 2020.

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price	Weighted Average Life Remaining (Years)
Balance, February 28, 2019	3,675,000	$ 0.05	3.85
Cancelled	(1,000,000)	0.05	4.38
Balance, February 29, 2020	2,675,000	0.05	3.44
Balance, February 28, 2021	2,675,000	$ 0.05	2.44

As at February 28, 2021, the following options were outstanding and exercisable:

Number of Options	Exercise Price	Expiry Date
1,150,000	$0.05	April 17, 2023
1,525,000	$0.05	October 30, 2023

Expressed in Canadian Dollars

7. RELATED PARTY TRANSACTIONS

The Company's related parties include its subsidiaries, significant shareholders, and key management personnel. Transactions with related parties for goods and services are made on normal commercial terms and are considered to be at arm's length. The remuneration of the Company's directors and other key management personnel during the years ended February 28, 2021 and February 29, 2020 are as follows:

	February 28, 2021	**February 29, 2020**
	$	$
Management fees	48,000	52,000
Professional fees	51,000	51,000

As at February 28, 2021, the Company was indebted to its related parties for the amounts as below:

	February 28, 2021	**February 29, 2020**
	$	$
Due to related parties	168,234	116,684
Due to shareholder (Note 9)	37,844	15,300
	206,078	131,984

(a) During the year ended February 28, 2021, the Company incurred $48,000 (February 29, 2020 - $52,000) for management fees to the CEO and a director ~~and former director~~ for services provided. As at February 28, 2021, $82,000 (2020 - $56,000) remains unpaid.

(b) During the year ended February 28, 2021, the Company incurred $36,000 (2020 - $36,000) for professional fees to the CFO and former CFO for accounting services performed. The Company also incurred $15,000 (2020 – $15,000) of professional fees to the Corporate Secretary for the legal services performed. As at February 28, 2021, $86,234 (February 29, 2020 - $60,684) remains unpaid to these two parties.

(c) During the year ended February 28, 2021, the Company received $22,544 in advances from a shareholder. As at February 28, 2021, $37,844 (February 29, 2020 - $15,300) remains unpaid to this shareholder. These amounts are unsecured, non-interest bearing and have no fixed repayment terms. Subsequent to February 28, 2021 the balance was fully repaid (Note 9).

Expressed in Canadian Dollars

8. INCOME TAX

A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

	February 28, 2021	February 29, 2020
	$	$
Net loss for the year	(175,040)	(669,588)
Statutory tax rate	27%	27%
Expected income taxes recovery at the statutory tax rate	(47,261)	(180,789)
Tax benefit not recognized on current year losses	47,261	180,789
Income tax recovery	-	-

The Company has the following tax effected deductible temporary differences for which no deferred tax asset has been recognized:

	February 28, 2021	February 29, 2020
	$	$
Loss carry-forwards	1,505,191	1,461,029
Exploration and evaluation assets	741,014	737,459
Equipment	13,011	13,011
Share issuance costs	-	457
	2,259,216	2,211,956

The tax pools relating to these deductible temporary differences expire as follows:

	Non-capital losses $	Resource pools $
2026 - 2041	5,574,782	-
No expiry	-	2,994,497

9. SUBSEQUENT EVENTS

On March 6, 2021, the Company repaid $37,844 owing to a shareholder (Note 7).

On June 10, 2021, 7,000,000 share purchase warrants expired unexercised (Note 6).