



Condensed Consolidated Interim Financial Statements

Three Months Ended

May 31, 2020

Notice of No Auditor Review of Financial Statement
Condensed Consolidated Interim Statements of Financial Position
Condensed Consolidated Interim Statement of Changes in Equity
Condensed Consolidated Interim Statements of Comprehensive Income (Loss)
Condensed Consolidated Interim Statements of Cash Flow
Notes to Condensed Consolidated Interim Financial Statements

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**NOTICE OF NO AUDITOR REVIEW OF
INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

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

ASHANTI SANKOFA INC.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION**

Unaudited - Expressed in Canadian Dollars

	Note	May 31, 2020	February 29, 2020
ASSETS		\$	\$
Current assets			
Cash	3	6,594	1,287
Other receivables		4,076	3,395
Prepaid expenses		2,100	2,100
		<u>12,770</u>	<u>6,782</u>
Non-current assets			
Exploration and evaluation assets	4	250,000	250,000
TOTAL ASSETS		262,770	256,782
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	3	291,120	278,253
Due to related parties	6	142,072	116,684
		<u>433,192</u>	<u>394,937</u>
SHAREHOLDERS' EQUITY (DEFICIT)			
Share capital	5	9,395,988	9,395,988
Reserves	5	4,371,346	4,371,346
Accumulated deficit		(13,937,756)	(13,905,488)
		<u>(170,422)</u>	<u>(138,155)</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)		262,770	256,782

Nature of operations and going concern (Note 1)

The accompanying notes are integral to these condensed consolidated interim financial statements.

ASHANTI SANKOFA INC.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS**

Unaudited - Expressed in Canadian Dollars

	For the three months ended	
	May 31, 2020	May 31, 2019
	\$	\$
EXPENSES		
Foreign exchange loss	6,477	(12)
Management fees (Note 6)	12,000	12,000
Office and general	355	2,449
Professional fees (Note 6)	12,750	12,750
Transfer agent and filing fees	686	1,412
NET LOSS AND COMPREHENSIVE LOSS	(32,268)	(28,599)
 Weighted Average Number of Shares Outstanding	 44,400,860	 44,400,860
 Basic Loss Per Share	 (0.00)	 (0.00)

The accompanying notes are integral to these condensed consolidated interim financial statements.

ASHANTI SANKOFA INC.**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY**

Unaudited - Expressed in Canadian Dollars

	Share Capital		Reserves			Total
	Number of Shares	Amount	Equity settled benefits	Warrants	Accumulated Deficit	
		\$	\$	\$	\$	\$
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 period	-	-	-	-	(28,599)	(28,599)
Balance, May 31, 2019	44,400,860	9,395,988	2,435,395	1,935,951	(13,264,499)	502,835
Balance, February 29, 2020	44,400,860	9,395,988	2,435,395	1,935,951	(13,905,488)	(138,154)
Net loss for the period	-	-	-	-	(32,268)	(32,268)
Balance, May 31, 2020	44,400,860	9,395,988	2,435,395	1,935,951	(13,937,756)	(170,422)

The accompanying notes are integral to these condensed consolidated interim financial statements.

ASHANTI SANKOFA INC.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOW**

Unaudited - Expressed in Canadian Dollars

	Three months ended	
	May 31, 2020	May 31, 2019
	\$	\$
CASH FLOWS USED IN OPERATING ACTIVITIES		
Net loss for the period	(32,268)	(28,599)
Items not involving cash:		
Changes in non-cash working capital items:		
Other receivables	(682)	949
Prepaid expenses	-	1,223
Accounts payable and accrued liabilities	6,598	18,674
Due to related parties	25,387	15,709
	(965)	7,956
CASH FLOWS USED IN INVESTING ACTIVITIES		
Exploration and evaluation assets	-	(11,118)
	-	(11,118)
CASH FLOWS FROM FINANCING ACTIVITIES		
Shareholder advance	6,272	6,500
	6,272	6,500
Net (decrease) increase in cash	5,307	3,338
Cash, beginning of the period	1,287	5,857
Cash, end of the period	6,594	9,195

The accompanying notes are integral to these condensed consolidated interim financial statements.

ASHANTI SANKOFA INC.
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MAY 31, 2020 AND 2019
Unaudited - Expressed in Canadian Dollars

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 condensed consolidated interim 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 \$32,268 for the period ended May 31, 2020 and has incurred cumulative losses since inception of \$13,937,756. As at May 31, 2020, the Company had negative working capital of \$420,422, 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 unaudited condensed consolidated interim financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting as issued by the International Accounting Standards Board (“IASB”). Accordingly, certain disclosures included in annual financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the IASB have been condensed or omitted and these unaudited condensed consolidated interim financial statements should be read in conjunction with the Company’s audited consolidated financial statements for the year ended February 29, 2020. The condensed consolidated interim financial statements were authorized for issue by the Board of Directors on August 20, 2020.

ASHANTI SANKOFA INC.
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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2. BASIS OF PRESENTATION (Continued)

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.

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.

3. 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.

	Ref.	May 31, 2020	February 29, 2020
		\$	\$
Other financial assets	a	6,594	1,287
Other financial liabilities	b	420,943	382,677

a. Comprises cash

b. Comprises accounts payable and amounts due to related parties (Note 6).

3. FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

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.

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.

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 relating to its related party balances (Note 7).

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.

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3. FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

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.

	May 31, 2020	February 29, 2020
Accounts payable and accrued liabilities:		
	\$	\$
Accounts payable	278,861	265,994
Accrued liabilities	12,259	12,259
	291,120	278,253

4. 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 29, 2020, management decided to write-down the value of the property to \$250,000 to reflect its estimated fair value.

During the three months ended May 31, 2020, the Company spent \$Nil (May 31, 2019 - \$11,118) on the property. As at May 31, 2020, the Company's Anuoro property's carrying value is \$250,000 (February 29, 2020 - \$250,000).

5. 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.

Period ended May 31, 2020

There were no common shares issued during the period ended May 31, 2020.

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5. EQUITY AND RESERVES (continued)

Share Purchase Warrants

Year ended February 29, 2020

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

Period ended May 31, 2020

There were no warrants issued during the period ended May 31, 2020.

During three months ended May 31, 2020, warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Life Remaining (Years)
		\$	
Balance, February 28, 2020	31,666,663	0.05	0.37
Expired	24,666,663	0.05	
Balance, February 29, 2020	7,000,000	0.05	1.03

As at May 31, 2020, the following warrants were outstanding:

Number of Warrants	Exercise Price	Expiry Date
7,000,000	\$0.05	June 10, 2021

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.

Year ended February 29, 2020

There were no options granted during the year ended February 29, 2020.

Period ended May 31, 2020

There were no options granted during the period ended May 31, 2020.

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5. EQUITY AND RESERVES (continued)

Stock Options (continued)

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price	Weighted Average Life Remaining (Years)
Balance, February 28, 2020	2,675,000	0.05	3.44
Balance, May 31, 2020	2,675,000	\$0.05	3.19

As at May 31, 2020, 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

6. RELATED PARTY TRANSACTIONS

The Company's related parties include its subsidiaries, significant shareholder, 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 May 31, 2020 and May 31, 2019 are as follows:

	May 31, 2020	May 31, 2019
	\$	\$
Management fees (a)	12,000	12,000
Professional fees (b)	12,750	12,750

As at May 31, 2020, the Company was indebted to its related parties for the amounts as below:

	May 31, 2020	February 29, 2020
	\$	\$
Due to related parties (a) (b)	142,072	116,684
Due to shareholder (c)	21,572	15,300
	163,644	131,984

ASHANTI SANKOFA INC.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MAY 31, 2020 AND 2019

Unaudited - Expressed in Canadian Dollars

6. RELATED PARTY TRANSACTIONS (continued)

- (a) During the period ended May 31, 2020, the Company incurred \$12,000 (2019 - \$12,000) for management fees to the CEO and a director for services provided. As at May 31, 2020, \$68,000 (February 29, 2020 - \$56,000) remains unpaid.
- (b) During the period ended May 31, 2020, the Company incurred \$9,000 (2019 - \$9,000) for professional fees to the CFO for accounting services performed. The Company also incurred \$3,750 (2019 - \$3,750) of professional fees to the Corporate Secretary for the legal services performed. As at May 31, 2020, \$74,072 (February 29, 2020 - \$60,684) remains unpaid to these two parties.
- (c) During the period ended May 31, 2020, the Company received \$6,272 in advances from a significant shareholder. As at May 31, 2020, \$21,572 (February 29, 2020 - \$15,300) remains unpaid to this shareholder. These amount owing are unsecured, non-interest bearing and have no fixed repayment terms.