NEWCORE GOLD

CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Funds)

For the Years Ended December 31, 2021 and 2020

Independent auditor's report

To the Shareholders of Newcore Gold Ltd.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Newcore Gold Ltd. and its subsidiary (together, the Company) as at December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

What we have audited
The Company's consolidated financial statements comprise:

- the consolidated balance sheets as at December 31, 2021 and 2020;
- the consolidated statements of changes in shareholders' equity for the years then ended;
- the consolidated statements of loss and comprehensive loss for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, which include summary significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

PricewaterhouseCoopers LLP
PricewaterhouseCoopers Place, 250 Howe Street, Suite 1400, Vancouver, British Columbia, Canada V6C 3S7
T: +1 604 806 7000, F: +1 604 806 7806

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the 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 consolidated financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, British Columbia
April 27, 2022

Newcore Gold Ltd.
CONSOLIDATED BALANCE SHEETS
(Expressed in Canadian Funds)
As at December 31

		December 31, 2021		December 31, 2020
ASSETS				
Current assets				
Cash and cash equivalents	$	**775,007**	$	1,276,159
Short-term investment		**4,750,000**		11,935,900
GST and other receivables		**45,217**		40,041
Prepaid expenses		**313,032**		304,001
		5,883,256		13,556,100
Non-current assets				
Loan receivable *(Note 6)*		**62,500**		106,250
Other assets		**217,156**		79,654
Exploration and evaluation assets *(Note 4)*		**34,231,145**		17,380,916
	$	**40,394,057**	$	31,122,920
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Trade and other payables	$	**1,201,342**	$	1,470,384
Non-current liability				
Provision for bonus payment		**112,457**		112,457
		1,313,799		1,582,841
Shareholders' equity				
Share capital *(Note 5)*		**40,805,957**		28,812,060
Share-based payments reserve		**3,935,787**		2,516,642
Warrants reserve		**2,460,252**		2,460,252
Accumulated other comprehensive income		**2,607,442**		2,459,579
Accumulated deficit		**(10,729,180)**		(6,708,455)
		39,080,258		29,540,079
	$	**40,394,057**	$	31,122,920

On behalf of the Audit Committee:

"Douglas Forster" Director *"Edward Farrauto"* Director

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

Newcore Gold Ltd.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Funds)
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	Common shares		Share-based payments reserve	Warrants reserves	Accum. other comprehensive income	Accumulated deficit	Total
	Number	Amount					
Balance – January 1, 2020	62,566,547	$ 11,681,023	$ 1,738,250	$ 2,460,252	$ 2,870,881	$ (4,496,467)	$ 14,253,939
Issuance of common shares:							
on private placement	33,750,000	18,000,000	-	-	-	-	18,000,000
on finder's fees	128,500	-	-	-	-	-	-
Share issuance costs	-	(1,212,560)	-	-	-	-	(1,212,560)
Exercise of options	2,550,001	343,597	(88,597)	-	-	-	255,000
Share-based compensation	-	-	866,987				866,987
Foreign currency translation	-	-	-	-	(411,302)	-	(411,302)
Net loss for the period	-	-	-	-	-	(2,211,988)	(2,211,988)
Balance – December 31, 2020	98,995,048	$ 28,812,060	$ 2,516,641	$ 2,460,252	$ 2,459,579	$ (6,708,454)	$ 29,540,078

	Common shares		Share-based payments reserve	Warrants reserves	Accum. other comprehensive income	Accumulated deficit	Total
	Number	Amount					
Balance – January 1, 2021	98,995,048	$ 28,812,060	$ 2,516,642	$ 2,460,252	$ 2,459,579	$ (6,708,455)	$ 29,540,078
Issuance of common shares:							
on public offering	19,167,050	11,500,230	-	-	-	-	11,500,230
Share issuance costs	-	(907,686)	-	-	-	-	(907,686)
Share-based compensation	-	-	1,653,384	-	-	-	1,653,384
Exercise of options	200,000	143,073	(63,073)	-	-	-	80,000
Issued for services	1,698,036	1,087,114	-	-	-	-	1,087,114
Exercise of restricted share units	66,666	52,666	(52,666)				-
Exercise of performance share units	150,000	118,500	(118,500)				-
Foreign currency translation	-	-	-	-	147,863	-	147,863
Net loss for the period	-	-	-	-	-	(4,020,725)	(4,020,725)
Balance – December 31, 2021	**120,276,800**	**$ 40,805,957**	**$ 3,935,787**	**$ 2,460,252**	**$ 2,607,442**	**$ (10,729,180)**	**$ 39,080,258**

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

Newcore Gold Ltd.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Funds)
YEAR ENDED DECEMBER 31

		2021		2020
EXPENSES				
Share-based compensation	$	**1,460,866**	$	834,752
Management fees		**1,311,416**		704,707
Shareholder relations, marketing and conferences		**536,590**		322,080
Foreign exchange (gain) loss		**199,073**		76,648
Office		**99,151**		50,915
Consultants		**93,637**		34,064
Legal		**87,170**		59,173
Accounting and audit fees		**73,354**		43,975
Transfer agent and regulatory fees		**71,379**		29,025
Travel		**50,543**		36,514
Insurance		**56,147**		32,654
Amortization		**6,407**		-
	$	**4,045,733**	$	2,224,507
OTHER INCOME				
Interest income		**(25,008)**		(12,519)
Loss for the period	$	**4,020,725**	$	2,211,988
Items that will be reclassified subsequently to profit or loss:				
Foreign currency translation		**(147,863)**		411,302
Comprehensive loss (income) for the period		**3,872,862**		2,623,290
Loss per share – basic and diluted	$	**0.04**	$	0.03
Weighted average number of shares outstanding:				
Basic and diluted		**107,819,163**		75,333,984

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

Newcore Gold Ltd.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Funds)
FOR THE YEARS ENDED DECEMBER 31

		2021		2020
CASH PROVIDED BY (USED IN):				
Cash flows from operating activities:				
Net loss for the period	$	(4,020,725)	$	(2,211,988)
Non-cash item:				
Amortization		6,407		-
Unrealized foreign exchange		(102,393)		75,270
Share-based compensation		1,460,866		843,588
Changes in non-cash working capital:				
Trade and other receivables		(5,177)		(38,695)
Prepaid expenses		(9,031)		(246,833)
Trade and other payables		144,688		214,006
		(2,525,365)		(1,364,651)
Cash flows from investing activities:				
Redemption (purchase) of short-term investment		7,185,900		(11,503,900)
Repayment of loan from (loan to) related party		43,750		(106,250)
Exploration and evaluation costs		(15,836,465)		(2,801,506)
		(8,606,815)		(14,411,656)
Cash flows from financing activities:				
Proceeds from share issuances		11,500,230		18,000,000
Share issuance costs		(907,686)		(1,212,560)
Exercise of stock options		80,000		255,000
		10,672,544		17,042,440
Effect of exchange rate on cash		(41,516)		(82,361)
Increase (decrease) in cash and cash equivalents		(501,152)		1,183,772
Cash and cash equivalents – beginning of year		1,276,159		92,386
Cash and cash equivalents – end of year	$	775,007	$	1,276,159

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

1. NATURE OF OPERATIONS

Newcore Gold Ltd. (formerly Pinecrest Resources Ltd.) and its subsidiary (collectively, "Newcore" or the "Company") engage principally in the acquisition, exploration and evaluation, and development of precious mineral properties, particularly its Enchi Gold Project in Ghana. Newcore Gold Ltd., the parent, was incorporated pursuant to the provisions of the *Business Corporations* Act (British Columbia) on January 18, 2010. Newcore is a public company listed on the TSX Venture Exchange (the "Exchange") (TSX-V: NCAU) and its head office is located at 1560 - 200 Burrard Street, Vancouver, British Columbia, V6C 3L6.

The Board of Directors approved the consolidated annual financial statements for issue on April 27, 2022.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The summary of significant accounting policies followed in the preparation of these consolidated financial statements is as follows:

Statement of compliance

These consolidated annual financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS") effective for the Company's reporting for the year ended December 31, 2021.

Basis of measurement

The financial statements have been prepared under the historical cost convention, except for certain financial instruments carried at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Basis of consolidation

These consolidated financial statements incorporate the financial statements of the Company and its subsidiary. The Company's sole subsidiary is as follows:

Entity Name	Property	Location	Ownership
Cape Coast Resources Limited	Enchi Gold Project	Ghana	100%

A subsidiary is an entity over which the Company has control. The Company controls an entity when the parent is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date which control is transferred or acquired until the date that control ceases.

All intercompany transactions and balances have been eliminated on consolidation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

Cash and cash equivalents

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

Exploration and evaluation assets

Once a license to explore an area has been secured or an option agreement is signed and binding, property acquisition costs and expenditures on exploration and evaluation activities are capitalized to exploration and evaluation assets. Exploration expenditures relate to the initial search for deposits with economic potential and to detailed assessments of deposits or other projects that have been identified as having economic potential. Management reviews the exploration and evaluation assets when events or changes in circumstances indicate that the carrying amount may not be recoverable. If the facts and circumstances suggest the carrying value exceeds the recoverable amount (where the recoverable amount of a CGU is the greater of the CGU's fair value less costs to sell and its value in use), the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the consolidated statement of loss. Once an exploration and evaluation asset has been determined to be technically feasible and commercially viable and the decision to proceed with development has been approved, exploration and evaluation assets attributable to that area are first tested for impairment and then reclassified to construction-in-progress within property, plant and equipment.

Stock option awards

The Company grants stock options to certain directors and employees of the Company. Each tranche in an award is considered a separate award with its own vesting period and grant date fair value. Fair value of each tranche is measured at the date of grant using the Black-Scholes option pricing model. Compensation expense is recognized over the tranche's vesting by increasing share-based payments reserve based on the number of awards expected to vest.

Share unit awards

Pursuant to the terms of its long-term incentive plan ("the Incentive Plan"), the Company can grant Restricted share units ("RSUs"), Deferred share units ("DSUs"), and Performance share units ("PSUs") (collectively, the "Share Unit Awards") to any director, officer, employee or consultant who is eligible to receive an award under the stock option plan and under the terms ascribed by the Board of Directors. Each Share Unit Award granted is exercisable into common shares for no additional consideration after the vesting conditions, as specified by the Board. The Share Unit Awards can be settled in cash or equity at the option of the Company. Equity-settled share unit awards are measured at fair value on the date of grant and the total fair value is amortized over the vesting period using a graded vesting approach. Cash-settled share unit awards are remeasured to fair value at each reporting date and the change in fair value is recognized as an expense. The expense is recognized in the statement of operations or capitalized in mining properties (granted to individuals on specific projects).

Share capital

The Company records proceeds from share issuances net of issue costs and any tax effects. The Company records proceeds from the exercise of stock options and warrants as share capital in the amount for which the option or warrant enabled the holder to purchase a share in the Company. Share capital issued for non-monetary consideration is recorded at an amount based on fair value. The proceeds from the issue of units are allocated between common shares and common share purchase warrants on a pro-rata basis on a relative fair value basis. The fair value of the common shares is based on the market close on the date the units are issued; and the fair value of the common share purchase warrants is determined using the Black-Scholes pricing model.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

Income taxes

Income tax is recognized in the consolidated statement of loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years. Deferred tax is recorded using the statement of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the date of the statement of financial position. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a future tax asset will be recovered, the deferred tax asset is reduced. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Loss per share

The Company presents basic loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

Financial instruments

Financial assets

The Company classifies its financial assets into the following categories:

Held at amortized cost

A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets classified as amortized cost are subsequently measured at amortized cost using the effective interest method. Cash, short term investment and loan receivable and certain other assets are classified as and measured at amortized cost.

Financial liabilities

Financial liabilities are classified into the following:

Held at amortized cost

This category includes trade and other payables, which are recognized at amortized cost using the effective interest method.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

Currency translation

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates, known as the functional currency. The functional currencies of Newcore Gold Ltd. (parent) and Cape Coast Resources Limited (subsidiary) are the Canadian dollar and the US dollar respectively. The presentation currency of the consolidated financial statements is the Canadian dollar. The results and financial position of the subsidiary that has a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the period-end exchange rate;
- Income and expenses for each statement of income are translated at average exchange rates for the period; and
- All resulting exchange differences are recognized in Other Comprehensive Income as cumulative translation adjustment.

On consolidation, exchange differences arising from the translation of the net investment in the foreign entity are taken to Other Comprehensive Income as Foreign Currency Translation Reserve. When a foreign operation is sold or control is lost, such exchange differences are recognized in the consolidated statement of loss as part of the gain or loss on sale.

3. SUMMARY OF SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of expenses during the reported years. Actual results could differ from those estimates. The most significant areas where management judgment is applied in these financial statements is the assessment of whether there are any indicators of impairment of exploration and evaluation assets.

At each reporting period end, management applies judgment in assessing whether there are any indicators of impairment relating to exploration and evaluation assets. If there are indicators of impairment, the recoverable amount of the related asset is estimated in order to determine the extent of any impairment. Indicators of impairment may include (i) the period during which the entity has the right to explore in the specific area has expired during the period or will expire in the near future and is not expected to be renewed, (ii) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned, (iii) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and (iv) sufficient data exist to indicate that the carrying amount of the mining claims and deferred exploration costs is unlikely to be recovered in full from successful development or by sale. No impairment indicators were identified by management as at December 31, 2021.

(Expressed in Canadian Funds)

4. EXPLORATION AND EVALUATION ASSETS

Acquisition costs and exploration and evaluation expenditures associated with the Enchi Gold Project are as follows:

		December 31, 2021		December 31, 2020
Acquisition costs				
Balance, beginning of period	$	**8,356,926**	$	8,356,926
Balance, end of period	$	**8,356,926**	$	8,356,926
Exploration and evaluation expenditures				
Balance, beginning of period	$	**6,635,260**	$	2,750,124
Camp costs		**261,204**		69,615
Consulting		**16,368**		124,088
Drilling		**11,203,352**		2,612,711
Equipment and software		-		84,870
Geological		**1,558,256**		198,334
General and administration		**16,996**		3,134
Management fees		**1,450,580**		311,760
Mining permits and licenses		**89,195**		67,459
Professional fees		**2,106**		838
Public relations		**28,065**		2,139
Resource estimate		**300,061**		97,102
Salaries and wages		**1,356,377**		182,490
Share-based compensation		**192,518**		32,236
Travel and lodging		-		2,754
Vehicle rental		**256,384**		95,606
Balance, end of period	$	**23,366,723**	$	6,635,260
Foreign exchange impact		**2,507,496**		2,388,730
Total exploration and evaluation assets	$	**34,231,145**	$	17,380,916

The Enchi project is subject to the following royalties:

- The Enchi Project is subject to a 2% net smelter returns royalty (the "NSR") on production from the Project, with an option for Newcore to acquire 1% of the NSR at any time for US$3.5 million;
- The project is also subject to US$10 bonus payment for each newly defined ounce of gold contained in any new NI 43-101 measured and indicated mineral resource estimate payable within 120 days from the date of the completion of a Feasibility Study or for any ounce of gold mined, whichever occurs first. Such amount shall be payable in cash or at the Company's option, in common shares provided that such issuance would not result in recipient holding more than 20% of the issued and outstanding shares of the Company; and
- Agreed to pay an arm's length party a 2% royalty, up to a maximum amount of USD$500,000, on future production from one of the Enchi Project licenses.

Government of Ghana's participation in mining lease

Where a mineral right is for mining or exploitation, the Government of Ghana is entitled to a 10% free carried interest in the rights and obligations of the mineral operations in respect of which financial contribution shall not be paid by the Government of Ghana. The Company presently holds prospecting licenses, which do not entitle the Government of Ghana to a 10% free carried interest.

(Expressed in Canadian Funds)

5. SHARE CAPITAL

The authorized share capital of the Company is comprised of an unlimited number of common and preferred shares without par value.

Private Placements

On June 17, 2020, the Company completed a non-brokered private placement for gross proceeds of $3,000,000 through the issuance of 15,000,000 common shares ("Shares") of the Company at a price of $0.20 per share (the "Private Placement"). The Company paid and issued to arm's length parties finder's fees in the amount of $6,750 and 128,500 Shares. Total share issue costs in connection with the Private Placement amounted to $50,801.

On November 4, 2020, the Company completed a bought deal prospectus offering. The Company issued a total of 18,750,000 common shares of the Company at a price of $0.80 per common share for gross proceeds to the Company of $15,000,000. Total share issue costs in connection with the offering amounted to $1,151,759.

On August 4, 2021, the Company completed a bought deal prospectus offering. The Company issued 19,167,050 common shares of the Company at a price of $0.60 per common share for gross proceeds to the Company of $11,500,230. Total share issue costs in connection with the offering amounted to $907,686. Certain directors and management of the Company purchased an aggregate of 396,669 Common Shares pursuant to the offering.

Long-term Incentive Plan

Effective August 19, 2020, the Company adopted a long-term incentive plan (the "Incentive Plan"). The aggregate number of shares to be reserved and set aside for issue upon the exercise or redemption and settlement for all awards granted under the Incentive Plan is fixed at 16,000,000, of which up to a maximum of 3,000,000 shares may be set aside for issue upon the exercise or redemption and settlement of Deferred Share Units ("DSUs"), Performance Share Units ("PSUs"), and Restricted Share Units ("RSUs"), collectively, the "Share Unit Awards". The Share Unit Awards can be settled through a delivery of cash, common shares, or any combination thereof, at the sole discretion of the Board. As the Company intends to settle any vested Share Unit Award through the issuance of common shares, Newcore has accounted for these awards as equity-settled instruments. To date, the Company has not granted any DSUs under the Incentive Plan.

Stock Options

A summary of the Company's stock option activities for the years ended December 31, 2021 and 2020 are as follows:

	Year ended December 31, 2021		Year ended December 31, 2020	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance as at beginning of period	9,399,999	$ 0.45	5,150,000	$ 0.28
Granted	1,190,000	0.54	6,800,000	0.43
Exercised	(200,000)	0.40	(2,550,001)	0.10
Forfeited	(200,000)	0.52	-	-
Balance as at end of period	10,189,999	$ 0.45	9,399,999	$ 0.44

(Expressed in Canadian Funds)

5. SHARE CAPITAL – cont'd.

Stock Options – cont'd

As at December 31, 2021, the following stock options were outstanding and vested:

Number of options outstanding	Exercise price	Expiry date	Remaining contractual life in years	Number of options vested
2,200,000	$ 0.45	April 13, 2022	0.28	2,200,000
249,999	$ 0.53	May 24, 2022	0.39	249,999
4,300,000	$ 0.25	May 19, 2025	3.38	1,433,333
1,400,000	$ 0.79	August 20, 2025	3.64	466,667
750,000	$ 0.75	September 3, 2025	3.68	250,000
100,000	$ 0.61	December 15, 2025	3.96	33,333
1,190,000	$ 0.54	August 19, 2026	4.64	-
10,189,999				4,633,332
$ 0.45		Weighted average exercise price		

During the year ended December 31, 2021, the Company granted 1,190,000 stock options to officers, consultants, of the Company with an exercise price of $0.54 per share. The stock options have an expiry of five years and will vest equally over three years beginning from the grant date.

During the year ended December 31, 2021, 200,000 stock options with an exercise price ranging from $0.25 to $0.45 per common share were exercised by consultants of the Company for gross proceeds of $80,000. The market price on the date of exercise was $0.64.

During the year ended December 31, 2020, the Company granted 6,800,000 stock options to directors, officers, consultants, and employees of the Company with an exercise price ranging from $0.25 to $0.79 per share. The stock options have an expiry of five years and will vest equally over three years beginning from the grant date.

During the year ended December 31, 2020, 2,250,001 stock options with an exercise price ranging from $0.10 to $0.53 per common share were exercised by directors, officers, and consultants of the Company for gross proceeds of $225,000. The weighted average market price on the dates of exercise was $0.27.

Restricted Share Units

A summary of the Company's RSU activities for the years ended December 31, 2021 and December 31, 2020 is presented below:

	Year ended December 31, 2021	**Year ended December 31, 2020**
	Number of units	**Number of units**
Balance as at beginning of period	1,150,000	-
Granted	370,000	1,150,000
Exercised (equity-settled)	(66,666)	-
Expired or cancelled	(66,667)	-
Balance as at end of period	1,386,667	1,150,000

(Expressed in Canadian Funds)

5. SHARE CAPITAL – cont'd.

Restricted Share Units – cont'd

The RSUs granted vest equally over three years beginning one year from the grant date. The Company expects to settle the RSUs through the issuance of shares and as such has accounted for these awards as equity-settled instruments. The fair value of the RSU is based on the share price at the time of grant and the total fair value is amortized over the RSU vesting period on a graded method. The total fair value for RSUs awarded in 2021 is $199,800, which is being amortized over the vesting period and included in share-based compensation discussed below.

Performance Share Units

A summary of the Company's PSU activities for the years ended December 31, 2021 and December 31, 2020 is presented below:

	Year ended December 31, 2021	**Year ended December 31, 2020**
	Number of units	**Number of units**
Balance as at beginning of period	400,000	-
Granted	400,000	400,000
Exercised (equity-settled)	(150,000)	-
Expired or cancelled	-	-
Balance as at end of period	650,000	400,000

The Company expects to settle the PSUs through the issuance of shares and as such has accounted for these awards as equity-settled instruments. The fair value of the PSU is based on the share price at the time of grant and the total fair value is amortized over the PSU vesting period on a straight-line method. The total fair value for PSUs awarded in 2021 is $216,000, which is being amortized over the vesting period and included in share-based compensation discussed below.

Share-based Compensation

The weighted average fair value of the stock options granted during the year ended December 31, 2021 is $0.43 per share. Options are valued using the Black-Scholes option pricing model. The fair value of options granted during the years ended December 31, 2021 and December 31, 2020 were estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions:

	December 31, 2021	December 31, 2020
Weighted average risk-free interest rate	**0.81%**	0.40%
Weighted average expected option life	**5 years**	5 years
Weighted average expected stock volatility	**75%**	82%
Weighted average expected dividend yield	**Nil**	Nil

The Company amortizes the total fair value of options and RSUs granted over the graded vesting schedule. The fair value of PSUs is amortized over the straight-line schedule. Consequently, the total compensation expense recognized for options, RSUs, and PSUs during the year was $1,653,384. Of the total compensation recorded, $1,460,866 was charged to operations and $192,518 was capitalized to mineral interests.

(Expressed in Canadian Funds)

6. RELATED PARTY TRANSACTIONS

(a) Transactions

In 2020, Park Road Capital Corp. (the "Borrower"), a corporation controlled by the Company's CEO and President, and the Company executed a loan agreement whereby the Company agreed to lend $150,000 to the Borrower (the "Loan"). The Loan is part of the total compensation package of the Company's CEO and President. The interest free Loan is to be repaid in full by the Borrower before May 19, 2022. During the year ended December 31, 2021, the Borrower repaid $43,750 (2020 - $43,750) of the Loan.

(b) Compensation of key management personnel

Key management personnel include members of the Board, the President and Chief Executive Officer, the Chief Financial Officer, the VP Exploration and the VP Business Development and Investor Relations. The aggregate total compensation paid, or payable to key management for management and employee services during the year ended December 31 was as follows:

		2021		2020
Short-term salaries and benefits	$	**364,413**	$	129,652
Share-based compensation		**1,432,984**		745,928
Consulting fees paid to key management		**947,003**		575,055
	$	**2,744,400**	$	1,450,635

7. CAPITAL MANAGEMENT

The Company's objectives in managing its capital resources are to safeguard the entity's ability to continue as a going concern and maximize returns to shareholders in the context of the market. The Company satisfies its capital requirements through careful management of its cash resources and by utilizing equity issues, as necessary, based on the prevailing economic conditions of both the industry and the capital markets and the underlying risk characteristics of the related assets. The Company's principal source of capital is from the issuance of common shares. To meet the objectives, management monitors the Company's ongoing capital requirements against net working capital and assesses additional capital requirements on a case-by-case basis. The Company is not subject to any externally imposed capital requirements. The capital structure of the Company consists of equity attributable to common shareholders comprising issued capital, warrants reserve, share-based payments reserve, accumulated other comprehensive income, and accumulated deficit.

8. FAIR VALUE OF FINANCIAL INSTRUMENTS

(a) Financial Instruments by Category

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Short-term investment and trade and other payables are the same as or approximately equal to their respective fair values due to their short-term maturity. The carrying values of the Company's financial assets and financial liabilities are approximately equal to their fair values.

(b) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company ensures there is sufficient capital to meet short-term business requirements. One of management's goals is to maintain an optimal level of liquidity through the active management of the Company's assets, liabilities, and cash flows. The Company's cash which is held as bank deposits are available on demand to fund the Company's short-term financial obligations.

(Expressed in Canadian Funds)

8. FAIR VALUE OF FINANCIAL INSTRUMENTS – cont'd

(c) Credit Risk and Concentration Risk

The Company's credit risk is primarily attributable to its cash, short-term investments, and loan receivable. The risk exposure is limited to their carrying values at the balance sheet date. Cash and short-term investments are held with counterparties that carry investment grade ratings as assessed by external rating agencies. The Company does not invest in asset-backed deposits or investments. Concentration risk exists in cash and short-term investments because significant balances are maintained with one financial institution. The risk is mitigated because the instruments are maintained with a large Canadian financial institution.

(d) Market Risks

The significant market risk to which the Company is exposed is interest rate risk. The Company's interest rate risk arises primarily from the interest earned on cash and cash equivalents and short-term investment. Deposits are invested on a short-term basis to enable adequate liquidity for payment of operational and capital expenditures. The Company's short-term investment are funds invested in GIC's. Other financial assets and liabilities of the Company are not subject to interest rate risk since they do not bear interest.

9. SEGMENTED INFORMATION

The Company's operations are in one segment, the acquisition, exploration, evaluation, and development of mineral resource properties. Consistent with December 31, 2020, the Company has two geographic locations at December 31, 2021: Canada and Ghana. The total assets and liabilities attributable to the graphic locations relates primarily to the exploration and evaluation assets held by the Company which have been disclosed in Note 4.

		December 31, 2021		December 31, 2020
Canada				
Total assets	$	**5,235,725**	$	13,121,712
Total liabilities	$	**877,805**	$	733,116
Ghana				
Total assets	$	**35,158,332**	$	18,001,208
Total liabilities	$	**435,994**	$	849,725

The following geographic data denotes net losses based on their country of origin for the year ended December 31:

		2021		2020
Canada	$	**3,821,129**	$	2,155,499
Ghana		**199,596**		56,488
Loss for the period	$	**4,020,725**	$	2,211,988

(Expressed in Canadian Funds)

10. INCOME TAXES

The reconciliation of the income tax provision computed at substantively enacted statutory rates to the reported income tax provision for the years ended December 31 is as follows:

	2021	2020
Loss for the year before income taxes	$ **(4,020,725)**	$ (2,211,988)
Effective statutory rate	**27%**	27%
Expected income tax recovery	$ **(1,085,596)**	$ (597,237)
Non-deductible expenses	**396,084**	226,324
Other items	**(115,088)**	(1,404,074)
Change in unrecognized tax benefit	**804,600**	1,774,987
	$ **-**	$ -

The following are temporary differences the net benefits of which have not been recognized:

	2021	2020
Non-capital loss carryforwards	$ **7,297,349**	$ 4,129,651
Undeducted share issue costs	**1,453,686**	250,632

The Company has non-capital losses in Canada of $7,297,349 (2020 - $4,129,651), which can be used to reduce taxable income between 2030 and 2041. As at December 31, 2021, the Company's Ghanaian subsidiary has carry-forward exploration costs of approximately GHS 106.9 million (equivalent to $23.2 million) that can be used to reduce taxable income in future years. These exploration costs are amortized over a three-year period from the time the Company commences commercial production.

11. CORONAVIRUS (COVID-19)

Since March 2020, several measures have been implemented in Canada and the rest of the world in response to the increased impact from novel coronavirus ("COVID-19"). We continue to operate our business and move our exploration plans forward at this time. While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on our business operations, including the duration and impact on our future exploration plans, cannot be reasonably predicted at this time and we anticipate this could have an adverse impact on our business, results of operations, financial position and cash flows in 2021.

12. SUBSEQUENT EVENT

Subsequent to December 31, 2021, 1,149,999 stock options were exercised with an average exercise price of $0.47 for gross proceeds of $537,499. There were also 1,300,000 stock options that expired unexercised.