UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 40-F

[ ] REGISTRATION STATEMENT PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

OR

[X] ANNUAL REPORT PURSUANT TO SECTION 13(a) OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended **December 31, 2016**

Commission File Number: **001-33580**

ASANKO GOLD INC.

(Exact name of Registrant as specified in its charter)

British Columbia	**1040**	**Not Applicable**
(Province or Other Jurisdiction of Incorporation or Organization)	*(Primary Standard Industrial Classification Code)*	*(I.R.S. Employer Identification No.)*

680 - 1066 West Hastings Street
Vancouver, British Columbia
Canada V6E 3X2
(604) 683-8193
(Address and telephone number of Registrant's principal executive offices)

National Registered Agents, Inc.
875 Avenue of the Americas, Suite 501
New York, New York 10001
Tel: 1-800-550-6724
(Name, address (including zip code) and telephone number (including area code) of agent for service in the United States)

Securities registered or to be registered pursuant to section 12(b) of the Act:

Title Of Each Class	Name Of Each Exchange On Which Registered
Common Shares, no par value	**NYSE MKT**

Securities registered or to be registered pursuant to Section 12(g) of the Act: **None**

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: **None**

For annual reports, indicate by check mark the information filed with this Form:

[X] Annual Information Form [X] Audited Annual Financial Statements

Indicate the number of outstanding shares of each of the Registrant's classes of capital or common stock as of the close of the period covered by the annual report:
201,829,207 Common Shares as of December 31, 2016

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes [X] No [ ]

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files).
Yes [ ] No [ ]

INTRODUCTORY INFORMATION

In this annual report, references to the "Company" or "Asanko" mean Asanko Gold Inc. and its subsidiaries, unless the context suggests otherwise.

Asanko is a Canadian issuer eligible to file its annual report pursuant to Section 13 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") on Form 40-F pursuant to the multi-jurisdictional disclosure system adopted by the United States Securities and Exchange Commission (the "SEC"). The equity securities of the Company are exempt from Sections 14(a), 14(b), 14(c), 14(f) and 16 of the Exchange Act pursuant to Rule 3a12-3 of the Exchange Act.

Unless otherwise indicated, all amounts in this annual report are in US dollars and all references to "$" mean US dollars.

PRINCIPAL DOCUMENTS

The following documents that are filed as exhibits to this annual report are incorporated by reference herein:

- the Company's Annual Information Form for the year ended December 31, 2016;
- the Company's Audited Consolidated Financial Statements as at December 31, 2016 and 2015, and the notes thereto; and
- the Company's Management Discussion and Analysis for the year ended December 31, 2016.

The Company's Audited Consolidated Financial Statements that are incorporated by reference into this annual report have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (the "IASB").

FORWARD-LOOKING STATEMENTS

This annual report includes or incorporates by reference certain statements that constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995. These statements appear in a number of places in this annual report and documents incorporated by reference herein and include statements regarding the Company's intent, belief or current expectation and that of the Company's officers and directors. These forward-looking statements involve known and unknown risks and uncertainties that may cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. In certain cases, forward-looking statements can be identified by the use of words such as "believe", "intend", "may", "will", "should", "plans", "anticipates", "believes", "potential", "intends", "expects" and other similar expressions.

Forward-looking statements, particularly as they relate to the actual results of exploration activities, actual results of reclamation activities, the estimation or realization of mineral reserves and resources (as such terms are used in the Company's Annual Information Form), the timing and amount of estimated future production, capital expenditures, costs and timing of the development of new mineral deposits, requirements for additional capital, future prices of precious and base metals, possible variations in ore grade or recovery rates, failure of plant, equipment or processes to operate as anticipated, accidents, labor disputes, road blocks and other risks of the mining industry, delays in obtaining governmental approvals, permits or financing or in the completion of development or construction activities, currency fluctuations, title disputes or claims limitations on insurance coverage and the timing and possible outcome of pending litigation and the timing or magnitude of such events, are inherently risky and uncertain.

Key assumptions upon which the Company's forward-looking statements are based, include the following:

- the Company's current estimates of mineral reserves, mineral resources, mineral grades and mineral recovery are accurate;
- the Company has a valid interest in its mineral properties;
- the price of gold will not fall significantly;
- the Company will, if required, be able to secure new financing to continue its exploration and operational activities;
- there being no significant adverse changes in currency exchange rates;
- there being no significant changes in the ability of the Company to comply with environmental, safety and other regulatory requirements;
- the Company's ability to obtain regulatory approvals (including licenses and permits) in a timely manner;
- the absence of any material adverse effects arising as a result of political instability, criminal activity, terrorism, sabotage, natural disasters, equipment failures or adverse changes in government legislation or the socio-economic conditions in the surrounding area to the Company's operations;
- the Company's ability to achieve its growth strategy;
- the Company's operating costs will not increase significantly; and
- key personnel will continue their employment with the Company and the Company will have access to all resources necessary to continue with its exploration and development activities.

Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. These assumptions should be considered carefully by readers.

Readers are advised to carefully review and consider the risk factors identified in the Company's Annual Information Form under the heading "Risk Factors" and in the other documents incorporated by reference herein for a discussion of the factors that could cause the Company's actual results, performance and achievements to be materially different from any anticipated future results, performance or achievements expressed or implied by the forward-looking statements. These risks include, but not limited to:

- risks inherent in project developments, especially in a developing economy such as Ghana's including the risk of cost overruns, the inherent uncertainty of feasibility studies, the actual performance of production and recovery equipment deviating from expectations;
- developing economy risks including, but not limited to, uncertainties related to the taxation and royalty regimes, the recovery of value-added taxes, security of title/tenure regime, labour laws, foreign ownership restrictions, foreign exchange and capital repatriation restrictions and indigenous population concerns;

- operational risks associated with mining and mineral processing including experiencing lower grades than estimated, lower metal recoveries than projected, lower metals prices than anticipated, health, safety and environmental risks;
- development and operational risks that may result in financial losses and the need to seek additional capital which may result in dilution to shareholders or the application of funds to debt repayment;
- general mining risks include environmental liability claims, risk of accident, unexpected ground conditions, and other risks for which insurance may not be available or affordable; and
- the risk factors described in our Annual Information Form under the heading “Risk Factors” that is incorporated by reference into this annual report.

Readers are further cautioned that the foregoing list of assumptions and risk factors is not exhaustive and it is recommended that readers consult the more complete discussion of the Company’s business, financial condition and prospects that is included in the Company’s Annual Information Form, and in other documents incorporated by reference herein. The forward-looking statements contained in this annual report are made as of the date hereof and, accordingly, are subject to change after such date. Although the Company believes that the assumptions on which the forward-looking statements are made are reasonable, based on the information available to the Company on the date such statements were made, no assurances can be given as to whether these assumptions will prove to be correct. The Company assumes no obligation to update or to publicly announce the results of any change to any of the forward-looking statements contained or incorporated by reference herein to reflect actual results, future events or developments, changes in assumptions or changes in other factors affecting the forward-looking statements, other than where a duty to update such information or provide further disclosure is imposed by applicable law, including applicable United States federal securities laws.

CAUTIONARY NOTE TO UNITED STATES INVESTORS CONCERNING ESTIMATES OF RESERVES AND MEASURED, INDICATED AND INFERRED RESOURCES

The disclosure in this annual report, including the documents incorporated by reference herein, uses terms that comply with reporting standards in Canada and certain estimates are made in accordance with Canadian National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (“NI 43-101”). NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. Unless otherwise indicated, all reserve and resource estimates contained in or incorporated by reference in this annual report have been prepared in accordance with NI 43-101. These standards differ significantly from the requirements of the SEC, and reserve and resource information contained herein and incorporated by reference herein may not be comparable to similar information disclosed by U.S. companies.

This annual report includes mineral reserve estimates that have been calculated in accordance with NI 43-101, as required by Canadian securities regulatory authorities. For United States reporting purposes, SEC Industry Guide 7 (under the Exchange Act), as interpreted by Staff of the SEC, applies different standards in order to classify mineralization as a reserve. As a result, the definitions of proven and probable reserves used in NI 43-101 differ from the definitions in the SEC Industry Guide 7. Under SEC standards, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. Among other things, all necessary permits would be required to be in hand or issuance imminent in order to classify mineralized material as reserves under the SEC standards. Accordingly, certain mineral reserve estimates contained in this annual report may not qualify as “reserves” under SEC standards.

In addition, this annual report uses the terms “measured mineral resources”, “indicated mineral resources” and “inferred mineral resources” to comply with the reporting standards in Canada. We advise investors that while those terms are recognized and required by Canadian regulations, the SEC does not recognize them. Investors are cautioned not to assume that any part or all of the mineral deposits in these categories will ever be converted into mineral reserves. These terms have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility.

Further, “inferred resources” have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically. Therefore, Investors are also cautioned not to assume that all or any part of the inferred resources exist. In accordance with Canadian rules, estimates of “inferred mineral resources” cannot form the basis of feasibility or other economic studies.

It cannot be assumed that all or any part of “measured mineral resources”, “indicated mineral resources”, or “inferred mineral resources” will ever be upgraded to a higher category. Investors are cautioned not to assume that any part of the reported “measured mineral resources”, “indicated mineral resources”, or “inferred mineral resources” in this annual report is economically or legally mineable.

In addition, disclosure of “contained ounces” in respect of resources that do not qualify as reserves is permitted disclosure under Canadian regulations; however, the SEC only permits issuers to report reserves in ounces and requires other mineralized material to be reported as in place tonnage and grade without reference to unit measures.

For the above reasons, information contained in this annual report and the documents incorporated by reference herein containing descriptions of our mineral deposits may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements under the United States federal securities laws and the rules and regulations thereunder.

NOTE TO UNITED STATES READERS REGARDING DIFFERENCES BETWEEN UNITED STATES AND CANADIAN REPORTING PRACTICES

The Company is permitted to prepare this annual report in accordance with Canadian disclosure requirements, which are different from those of the United States. The Company’s consolidated financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (the “IASB”). IFRS differs in certain respects from U.S. GAAP and from practices prescribed by the SEC. Therefore, the Company’s historic financial statements and the financial statements incorporated by reference in this annual report may not be comparable to financial statements prepared in accordance with U.S. GAAP.

CURRENCY

Unless otherwise indicated, all dollar amounts in this annual report are in United States dollars. The exchange rate of United States dollars into Canadian dollars on December 31, 2016, based upon the noon rate published by the Bank of Canada, was U.S.$1.00=CDN$ 1.3427. The exchange rate of United States dollars into Canadian dollars, on March 15, 2017, based upon the noon rate as published by the Bank of Canada, was U.S.$1.00=CDN$ 1.3451.

DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures are defined in Rule 13a-15(e) under the Exchange Act to mean controls and other procedures of an issuer that are designed to ensure that information required to be disclosed by the issuer in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms and includes, without limitation, controls and procedures designed to ensure that such information is accumulated and communicated to the issuer's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

As of the end of the period covered by this report, our management carried out an evaluation, with the participation of our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of December 31, 2016, our disclosure controls and procedures, as defined in Rule 13a-15(e), were effective. See "Internal Controls" on page 37 of Exhibit 99.7, Management Discussion and Analysis of the Company.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Exchange Act Rule 13a-15(f). Management conducted an evaluation of the effectiveness of the Company's internal control over financial reporting based on the framework in Internal Control – Integrated Framework issued in 2013 by The Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on this evaluation, management concluded that the Company's internal control over financial reporting was effective as of December 31, 2016. There have been no changes in the Company's internal control over financial reporting during the year ended December 31, 2016 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting, with the exception of new controls which have been implemented with respect to the recording of financial results upon and since the commencement of commercial production.

Management is responsible for designing, establishing and maintaining a system of internal controls over financial reporting to provide reasonable assurance that the financial information prepared by the Company for external purposes is reliable and has been recorded, processed and reported in an accurate and timely manner in accordance with IFRS as issued by the IASB. The Board of Directors is responsible for ensuring that management fulfills its responsibilities. The Audit Committee fulfills its role of ensuring the integrity of the reported information through its review of the interim and annual financial statements. Management reviewed the results of their assessment with the Company's Audit Committee. There are inherent limitations in the effectiveness of internal controls over financial reporting, including the possibility that misstatements may not be prevented or detected. Accordingly, even effective internal controls over financial reporting can provide only reasonable assurance with respect to financial statement preparation. Furthermore, the effectiveness of internal controls can change with circumstances. The Company has paid particular attention to segregation of duties surrounding its internal controls over financial reporting. However, "ideal" segregation of duties is not always feasible as the Company has limited staff resources. This risk is mitigated by management and Board review where appropriate. At the present time, the Company will continue to rely on review procedures to detect potential misstatements in reporting of material to the public.

The Company's management, including the CEO and CFO, believe that any internal controls over financial reporting, including those systems determined to be effective and no matter how well conceived and operated, have inherent limitations and can provide only reasonable, not absolute, assurance that the objectives of the control system are met with respect to financial statement preparation and presentation. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected.

The Company's independent registered public accounting firm, KPMG LLP has audited the Company's internal control over financial reporting as at December 31, 2016, and has issued an attestation report on the Company's internal control over financial reporting which is included in Exhibit 99.6.

ATTESTATION REPORT OF
REGISTERED PUBLIC ACCOUNTING FIRM

The Company, is an "emerging growth company", as defined in section 3(a) of the Exchange Act (as amended by the United States Jumpstart Our Business Startups Act). Accordingly, it is not required to provide an attestation report of the Company's independent registered public accounting firm on the Company's internal control over financial reporting as at December 31, 2016, but is doing so voluntarily. KPMG LLP has audited the Company's internal control over financial reporting as at December 31, 2016 and has issued an attestation report on the Company's internal control over financial reporting which is included in Exhibit 99.6.

AUDIT COMMITTEE

The Company's Board of Directors has established a separately-designated Audit Committee of the Board in accordance with section 3(a)(58)(A) of the Exchange Act and section 802(B)(2) of the NYSE MKT Company Guide.

The Company's Audit Committee comprises three directors that the Board of Directors have determined are independent as determined under each of Rule 10A-3 under the Exchange Act and Section 803(A) of the NYSE MKT Company Guide:

- Marcel de Groot (Chair)
- Gordon Fretwell
- Michael Price

AUDIT COMMITTEE FINANCIAL EXPERT

The Company's Board of Directors has determined that Marcel de Groot, the Chair of the Audit Committee of the Board, is an audit committee financial expert (as that term is defined in Item 407 of Regulation S-K under the Exchange Act) and is an independent director under applicable laws and regulations and the requirements of the NYSE MKT.

PRINCIPAL ACCOUNTANT FEES AND SERVICES

The aggregate Audit Fees billed to the Company by KPMG LLP in its capacity as the Company's independent registered public accounting firm totalled C$675,377 for the year ended December 31, 2016 and C$458,154 for the year ended December 31, 2015. No other fees were paid to the Company's independent registered public accounting firm.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on the Company's financial condition, changes in financial condition, revenues, expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

CONTRACTUAL OBLIGATIONS

The disclosures provided under "Commitments" on page 26 of Exhibit 99.7, Management's Discussion and Analysis, is incorporated by reference herein.

CODE OF BUSINESS CONDUCT AND ETHICS

Adoption of Code of Ethics

The Company has adopted a Code of Business Conduct and Ethics (the " **Code of Ethics**") for all its directors, executive officers and employees. The Code of Ethics materially complies with Section 807 of the NYSE MKT Company Guide. The Code of Ethics meets the requirements for a "code of ethics" within the meaning of that term in Form 40-F. The text of the Code of Ethics is posted on the Company's website at:

https://www.asanko.com/assets/pdf/Asanko-Continuous-Disclosure-and-Corporate-Governanc.pdf.

Amendments or Waivers

During the fiscal year ended December 31, 2016, the Company did not substantively amend, waive or implicitly waive any provision of the Code of Ethics with respect to any of the directors, executive officers or employees subject to it.

To the extent that the Company's board or a board committee determines to grant any waiver of the Code of Ethics for an executive officer or director, the NYSE MKT Company Guide requires that the waiver must be disclosed to shareholders within four business days of such determination.

All amendments to the Code of Ethics, and all waivers of the Code of Ethics with respect to the Company's principal executive officer, principal financial officer or other persons performing similar functions, will be posted on the Company's website, submitted to the SEC on Form 6-K and provided in print to any shareholder that provides the Company with a written request addressed to the Company's Corporate Secretary.

NYSE MKT CORPORATE GOVERNANCE

The Company's common shares are listed for trading on the NYSE MKT. Section 110 of the NYSE MKT Company Guide permits NYSE MKT to consider the laws, customs and practices of foreign issuers in relaxing certain NYSE MKT listing criteria, and to grant exemptions from NYSE MKT listing criteria based on these considerations. A foreign company seeking relief under these provisions is required to provide written certification from independent local counsel that the non-complying practice is not prohibited by home country law.

The Company has the following corporate governance practices that do not comply with NYSE MKT corporate governance practices for U.S. domestic companies:

- Upon listing, the Company received an exemption from its quorum requirements for meetings of shareholders. Under the NYSE MKT listing standards, the quorum requirement is a minimum of one third of shareholders entitled to vote. The Company does not meet this requirement and has been granted relief from this listing standard.

In addition, Section 713 of the NYSE MKT Company Guide requires that the Company obtain the approval of its shareholders for share issuances equal to 20 percent or more of presently outstanding shares for a price which is less than the greater of book or market value of the shares. This requirement does not apply to public offerings. There is no such requirement under British Columbia law or under the Company's home stock exchange rules (Toronto Stock Exchange) unless the dilutive financing results in a change of control. The Company intends to seek a waiver from NYSE MKT's section 713 requirements should a dilutive private placement financing trigger the NYSE MKT shareholders' approval requirement in circumstances where the same financing does not trigger such a requirement under British Columbia law or under the Company's home country stock exchange rules.

Except as disclosed above, the Company believes that there are otherwise no significant differences between its corporate governance policies and those required to be followed by United States domestic issuers listed on the NYSE MKT.

A copy of the Company's Corporate Governance Manual is available on the Company's website at www.asanko.com. In addition, the Company is required by National Instrument 58-101 of the Canadian Securities Administrators, *Disclosure of Corporate Governance Practices*, to describe its practices and policies with regard to corporate governance in management information circulars that are furnished to the Company's shareholders in connection with annual meetings of shareholders.

The Company's governance practices also differ from those followed by U.S. domestic companies pursuant to NYSE MKT listing standards in the following manner, although the Company does not believe such differences to be particularly significant:

Board Meetings

Section 802 (c) of the NYSE MKT Company Guide requires that the Board of Directors hold meetings on at least a quarterly basis. The Board of Directors of the Company is not required to meet on a quarterly basis under the laws of the Province of British Columbia, but nevertheless meets on a regular basis.

Solicitation of Proxies

NYSE MKT requires the solicitation of proxies and delivery of proxy statements for all shareholder meetings, and requires that these proxies shall be solicited pursuant to a proxy statement that conforms to applicable SEC proxy rules. The Company is a foreign private issuer as defined in Rule 3b-4 under the Exchange Act, and the equity securities of the Company are accordingly exempt from the proxy rules set forth in Sections 14(a), 14(b), 14(c) and 14(f) of the Exchange Act. The Company solicits proxies in accordance with applicable rules and regulations in Canada.

MINE SAFETY DISCLOSURE

Pursuant to Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act 2010, issuers that are operators, or that have a subsidiary that is an operator, of a coal or other mine in the United States are required to disclose in their periodic reports filed with the SEC information regarding specified health and safety violations, orders and citations, related assessments and legal actions, and mining-related fatalities under the regulation of the Federal Mine safety and Health Administration under the Federal Mine Safety and Health Act of 1977.

The Company did not have any mines in the United States during the fiscal year ended December 31, 2016.

NOTICES PURSUANT TO REGULATION BTR

The Company did not send any notices required by Rule 104 of Regulation BTR during the year ended December 31, 2016 concerning any equity security subject to a blackout period under Rule 101 of Regulation BTR.

UNDERTAKING

The Registrant undertakes to make available, in person or by telephone, representatives to respond to inquiries made by the Commission staff, and to furnish promptly, when requested to do so by the Commission staff, information relating to the securities in relation to which the obligation to file an annual report on Form 40-F arises, or transactions in said securities.

CONSENT TO SERVICE OF PROCESS

In connection with the filing of its annual report on Form 40-F with the SEC on July 2, 2012, the Company caused an Appointment of Agent for Service of Process and Undertaking on Form F-X to be signed by the Company and its agent for service of process with respect to the class of securities in relation to which the obligation to file this annual report on Form 40-F arises. The Form F-X was filed with the SEC on February 15, 2013.

Any change to the name or address of the Company's agent for service shall be communicated promptly to the Commission by amendment to Form F-X referencing the file number of the Company.

SIGNATURES

Pursuant to the requirements of the Exchange Act, the Company certifies that it meets all of the requirements for filing on Form 40-F and has duly caused this annual report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: March 15, 2017.

ASANKO GOLD INC.

By: /s/ Fausto Di Trapani
Fausto Di Trapani
Chief Financial Officer

EXHIBIT INDEX

Exhibit Number	Exhibit Description
99.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
99.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
99.3	Certification of Chief Executive Officer pursuant to Rule 13a-14(b) of the Exchange Act and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
99.4	Certification of Chief Financial Officer pursuant to Rule 13a-14(b) of the Exchange Act and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
99.5	Annual Information Form of the Company for the year ended December 31, 2016
99.6	Audited consolidated statements of financial position as at December 31, 2016 and 2015 and the consolidated statements of operations and comprehensive income (loss), changes in equity, and cash flows for the years ended December 31, 2016 and 2015, including the notes thereto, the report of the Company's independent registered public accounting firm thereon, and the attestation report of the Company's independent registered public accounting firm on the effectiveness of the Company's internal control over financial reporting as of December 31, 2016
99.7	Management's discussion and analysis of financial condition and results of operations for the year ended December 31, 2016
99.8	Consent of KPMG LLP
99.9	Consent of Charles J. Muller
99.10	Consent of Glenn Bezuidenhout
99.11	Consent of Thomas Obriri-Yeboah
99.12	Consent of Doug Heher
99.13	Consent of John Stanbury
99.14	Consent of David Morgan
99.15	Consent of Malcolm Titley
99.16	Consent of Phil Bentley
99.17	Consent of Frederik Fourie

Exhibit 99.1

CERTIFICATION OF
THE CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002

I, Peter Breese, Chief Executive Officer of Asanko Gold Inc., certify that:

(1) I have reviewed this Annual Report on Form 40-F of Asanko Gold Inc. for the year ended December 31, 2016.

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report.

(4) The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

(a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting.

(5) The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of the internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

(a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: March 15, 2017

By: /s/ Peter Breese
Name: Peter Breese
Title: Chief Executive Officer
(Principal Executive Officer)

Exhibit 99.2

CERTIFICATION OF
THE CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002

I, Fausto Di Trapani, Chief Financial Officer of Asanko Gold Inc., certify that:

(1) I have reviewed this Annual Report on Form 40-F of Asanko Gold Inc. for the year ended December 31, 2016.

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report.

(4) The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

(a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting.

(5) The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of the internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

(a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: March 15, 2017

By: /s/ Fausto Di Trapani
Name: Fausto Di Trapani
Title: Chief Financial Officer
(Principal Financial Officer)

Exhibit 99.3

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Peter Breese, Chief Executive Officer of Asanko Gold Inc. (the "Company"), hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

(i) the Annual Report on Form 40-F of the Company for the fiscal year ended December 31, 2016 (the "Annual Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Annual Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ Peter Breese

Name: Peter Breese
Title: Chief Executive Officer
(Principal Executive Officer)

Date: March 15, 2017

Exhibit 99.4

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Fausto Di Trapani, Chief Financial Officer of Asanko Gold Inc. (the "Company"), hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

(i) the Annual Report on Form 40-F of the Company for the fiscal year ended December 31, 2016 (the "Annual Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Annual Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ Fausto Di Trapani

Name: Fausto Di Trapani
Title: Chief Financial Officer
(Principal Financial Officer)

Date: March 15, 2017



ASANKO GOLD INC.

ANNUAL INFORMATION FORM

FOR THE YEAR ENDED DECEMBER 31, 2016

DATED AS OF MARCH 15, 2017

SUITE 680 – 1066 WEST HASTINGS STREET
VANCOUVER, BRITISH COLUMBIA
V6E 3X2

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PRELIMINARY NOTES

In this Annual Information Form (the "AIF"), (i) references to "we", "us", "our", the "Company" or "Asanko" mean Asanko Gold Inc. and its subsidiaries, unless the context requires otherwise; (ii) we use the United States dollar as our reporting currency and, unless otherwise specified, all dollar amounts are expressed in United States dollars and any references to "$" mean United States dollars and any references to "C$" mean Canadian dollars; (iii) our financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board; and (iv) production results are in metric units, unless otherwise indicated.

All information in this AIF is at **December 31, 2016**, unless otherwise indicated.

The headings and orderings of items included in this AIF reflect the guidelines in Form 51-102F2. In accordance with the instrument, headings which were not applicable were omitted, as were negative answers in most cases.

CAUTIONARY NOTE TO US INVESTORS REGARDING DISCLOSURE OF MINERAL RESERVE AND RESOURCE ESTIMATES

The disclosure in this AIF has been prepared in accordance with the requirements of Canadian securities laws, which differ in certain material respects from the requirements of United States securities laws. Disclosure, including scientific or technical information, has been made in accordance with Canadian National Instrument 43-101– Standards of Disclosure for Mineral Projects ("NI 43-101"). NI 43-101 is a set of rules and policies developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. The terms "measured mineral resources", "indicated mineral resources" and "inferred mineral resources" are used in this AIF and documents incorporated herein by reference to comply with the reporting standards in Canada. While those terms are recognized and required by Canadian regulations, the United States Securities and Exchange Commission (the "SEC") does not recognize them and, generally, does not permit U.S. companies to disclose mineral resources of any category in documents filed with the SEC. In addition, the terms "proven mineral reserves" and "probable mineral reserves" are used in the AIF and the documents incorporated herein by reference to comply with Canadian reporting standards. Those terms differ in certain material respects from similar terms recognized by the SEC. For example, under United States standards, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. Investors are cautioned not to assume that all or any part of a mineral resource will ever be converted into mineral reserves. Mineral resources have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of measured mineral resources, indicated mineral resources or inferred mineral resources will ever be upgraded to a reserve, is economically or legally mineable or will ever be mined. In accordance with Canadian rules, estimates of inferred mineral resources cannot form the basis of feasibility or other economic studies. Disclosure of "contained ounces" is permitted under Canadian regulations; however, the SEC generally only permits issuers to report mineralization that does not constitute reserves as in place tonnage and grade without reference to unit measures. Accordingly, information contained in this AIF regarding reserves and resources is not comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements of the SEC.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

Asanko cautions readers regarding forward looking statements found in this document and in any other statement made by, or on the behalf of the Company. Such statements may constitute “forward looking information” within the meaning of the United States Private Securities Litigation Reform Act of 1995 and applicable Canadian securities legislation. Forward-looking statements include, but are not limited to, statements with respect to the future price of gold, the estimation of Mineral Reserves (as defined below) and Mineral Resources (as defined below), the realization of Mineral Reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, costs and timing of the development of new deposits, success of exploration activities, permitting time lines, hedging practices, currency exchange rate fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, timing and possible outcome of pending litigation, title disputes or claims and limitations on insurance coverage.

Forward-looking statements are statements not based on historical information and which relate to future operations, strategies, financial results or other developments. Forward looking statements are necessarily based upon estimates and assumptions, which are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond Asanko’s control and many of which, regarding future business decisions, are subject to change. These uncertainties and contingencies can affect actual results and could cause actual results to differ materially from those expressed in any forward-looking statements made by or on behalf of the Company. Although Asanko has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. All factors including the risk factors contained in this AIF and the documents incorporated by reference herein should be considered carefully and readers should not place undue reliance on Asanko’s forward-looking statements. Examples of such forward-looking statements within this AIF include statements relating to: the future price of minerals, future capital expenditures, success of exploration activities, mining or processing issues, government regulation of mining operations and environmental risks. Generally, forward-looking information can be identified by the use of forward-looking terminology such as “expects”, “estimates”, “anticipates”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, or “might” occur. Forward-looking statements are made based on management’s beliefs, estimates and opinions and are given only as of the date of this AIF. The Company undertakes no obligation to update forward-looking information if these beliefs, estimates and opinions or other circumstances should change, except as may be required by applicable law.

The Company’s management periodically reviews information reflected in forward-looking statements. The Company has and continues to disclose in its management’s discussion and analysis and other publicly filed documents, changes to material factors or assumptions underlying the forward-looking statements and to the validity of the statements themselves, in the period the changes occur.

Forward-looking statements reflect Asanko’s current views with respect to expectations, beliefs, assumptions, estimates and forecasts about the Company’s business and the industry and markets in which the Company operates. Forward-looking statements are not guarantees of future performance and involve risks, uncertainties and assumptions, which are difficult to predict. Assumptions underlying the Company’s expectations regarding forward-looking statements or information contained in this AIF include, among others, the Company’s ability to comply with applicable governmental regulations and standards, the Company’s success in implementing its strategies and achieving its business objectives, the Company’s ability to raise sufficient funds from future equity financings to support its operations, and general business and economic conditions. The foregoing list of assumptions is not exhaustive.

Readers are cautioned that forward-looking statements are only predictions, and that the Company's actual future results or performance are subject to certain risks and uncertainties including but not limited to:

- risks inherent in project developments, especially in a developing economy such as Ghana's, including the risk of cost overruns, the inherent uncertainty of feasibility studies, the actual performance of production and recovery equipment deviating from expectations;
- developing economy risks including, but not limited to, uncertainties related to the taxation and royalty regimes, the recovery of value-added taxes, security of title/tenure regime, labour laws, foreign ownership restrictions, foreign exchange and capital repatriation restrictions and indigenous population concerns;
- operational risks associated with mining and mineral processing including experiencing lower grades than estimated, lower metal recoveries than projected, lower metals prices than anticipated, and health, safety and environmental risks;
- development and operational risks that may result in financial losses and the need to seek additional capital which may result in dilution to shareholders or the application of funds to debt repayment;
- general mining risks including environmental liability claims, risk of accident, unexpected ground conditions, and other risks for which insurance may not be available or affordable; and
- the risk factors described under the heading "Risk Factors" in, or incorporated by reference in, this AIF.

GLOSSARY

Mining Terms and Frequently Used Abbreviations

AGM: means the Company's principal asset, the Asanko Gold Mine located in Ghana, West Africa. AGM is also known as the " **Project**".

Asanko: means Asanko Gold Inc. For the purposes of this AIF, Asanko is also referred to as the " **Company**".

BCBCA: means *Business Corporations Act* (British Columbia).

Carbon-in-leach ("CIL") process : a process used to recover dissolved gold inside a cyanide leach circuit. Coarse activated carbon particles are introduced in the leaching circuit and are moved counter-current to the slurry, absorbing dissolved gold in solution as they pass through the circuit. Loaded carbon is removed from the slurry by screening. Gold is recovered from the loaded carbon by stripping in a caustic cyanide solution followed by electrolysis. CIL is a process similar to CIP (carbon-in-pulp) except that the gold leaching and the gold absorption are done simultaneously in the same stage compared with CIP where the gold absorption stage follows the gold leaching stage.

Company: means Asanko Gold Inc. For the purposes of this AIF, the Company is also referred to as " **Asanko**".

concentrate: a product containing the valuable metal and from which most of the waste material in the ore has been eliminated.

contained ounces: means ounces in the mineralized rock without reduction due to mining loss or processing loss.

cut-off grade: the lowest grade of mineralized material considered economic; used in the estimation of mineral reserves in a given deposit.

depletion: the decrease in quantity of mineral reserves in a deposit or property resulting from extraction or production.

dilution: an estimate of the amount of waste or low-grade mineralized rock which will be mined with the ore as part of normal mining practices in extracting an ore body.

g/t Au: gram of gold per tonne.

grade: the relative quantity or percentage of metal or mineral content.

H2: means second fiscal half.

ounce: refers to one troy ounce, which is equal to 31.1035 grams.

LoM: means life of mine.

Mt: means million tones.

Mtpa: means million tonnes per annum.

NI 43-101: means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* of the Canadian Securities Administrators.

Project: means the Asanko Gold Mine. The Asanko Gold Mine is also known as " **AGM**".

Project 5M: means the first of two expansion projects on the Asanko Gold Mine, which combined have the potential to increase production from 230,000 to 240,000 ounces per annum to over 450,000 ounces per annum. Project 5M (previously described as Phase 2A) will upgrade the plant's throughput to 5Mtpa and expand mining operations to integrate the Esaase deposit, including the construction of a 27 kilometer overland conveyor.

Project 10M: means the second of two expansion projects on the Asanko Gold Mine, which combined have the potential to increase production from 230,000 to 240,000 ounces per annum to over 450,000 ounces per annum. Project 10M (previously described as Phase 2B) is the construction of an additional 5Mtpa CIL plant to double throughput from 5Mtpa to 10Mtpa.

Q: refers to a fiscal quarter.

QA/**QC**: means quality-assurance/quality control.

Qualified person: an individual who is an engineer or geoscientist with a university degree, or equivalent accreditation, in an area of geosciences, or engineering, relating to mineral exploration or mining who has at least five years of experience in mineral exploration, mine development or operation, or mineral project assessment, or any combination of these, that is relevant to his or her professional degree or area of practice, and who has experience relevant to the subject matter of the mineral project or technical report, and who is in good standing with a professional association, as more fully referenced in NI 43-101.

RC: reversed circulation (drilling).

recovery: the proportion of valuable material obtained during mining or processing. Generally expressed as a percentage of the material recovered compared to the total material present.

RQD: rock quality designation.

SAG: semi-autogenous grinding.

stripping: in mining, the process of removing overburden or waste rock to expose ore.

tailings: the material that remains after metals or minerals considered economic have been removed from ore during processing.

Tailings Storage Facility or **TSF**: a containment area used to deposit tailings from milling.

tonne: by common convention refers to one Metric ton, equivalent to 1,000 kilograms.

Financial Terms

hedge: a risk management technique used to manage commodity price, interest rate, foreign currency exchange or other exposures arising from regular business transactions.

hedging: a future transaction made to protect the price of a commodity as revenue or cost and secure cash flows.

IFRS: International Financial Reporting Standards.

NSR: net smelter returns.

NYSE MKT: The NYSE MKT, formerly known as the NYSE Amex, being one of the two stock exchanges (together with the TSX) on which the Common Shares of the Company are listed.

royalty: cash payment or physical payment (in-kind) generally expressed as a percentage of NSR or mine production.

SEC: the U.S. Securities and Exchange Commission.

SEDAR: means the System for Electronic Document Analysis and Retrieval available on the Internet at www.sedar.com.

Spot price: the current price of a metal for immediate delivery.

TSX: the Toronto Stock Exchange, being one of the two stock exchanges (together with the NYSE MKT) on which the Common Shares of the Company are listed.

volatility: propensity for variability. A market or share is volatile when it records rapid variations.

Technical Information

Canadian Standards for Mineral Resources and Mineral Reserves

Unless otherwise indicated, in this AIF, the following terms have the meanings set forth below. Reference is made to the "Cautionary Note to U.S. Investors Regarding Disclosure of Mineral Reserve and Mineral Resource Estimates" at the beginning of this AIF.

Mineral Reserves

Mineral Reserves are sub-divided in order of decreasing confidence into Proven Mineral Reserves and Probable Mineral Reserves. A Proven Mineral Reserve has a higher level of confidence than a Probable Mineral Reserve.

A Mineral Reserve is the economically mineable part of a Measured or Indicated Mineral Resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A Mineral Reserve includes diluting materials and allowances for losses that may occur when the material is mined.

Proven Mineral Reserve

A Proven Mineral Reserve is the economically mineable part of a Measured Mineral Resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction is justified.

Probable Mineral Reserve

A Probable Mineral Reserve is the economically mineable part of an Indicated and, in some circumstances, a Measured Mineral Resource, demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified.

Mineral Resources

Mineral Resources are sub-divided, in order of decreasing geological confidence, into Measured, Indicated and Inferred categories. A Measured Mineral Resource has a higher level of confidence than that applied to an Indicated Mineral Resource. An Indicated Mineral Resource has a higher level of confidence than an Inferred Mineral Resource but has a lower level of confidence than a Measured Mineral Resource.

A Mineral Resource is a concentration or occurrence of natural, solid, inorganic material or natural, solid, fossilized, organic material including base and precious metals, coal and industrial minerals in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge.

Measured Mineral Resource

A Measured Mineral Resource is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity.

Indicated Mineral Resource

An Indicated Mineral Resource is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed.

Inferred Mineral Resource

An Inferred Mineral Resource is that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.

CORPORATE STRUCTURE

Name, Address and Incorporation

The Company was incorporated on September 23, 1999 as a British Columbia corporation and has operated under other names (most recently Keegan Resources Inc. from 2008 to early 2013) but since March 1, 2013 it has traded as Asanko Gold Inc. (symbol AKG) on the Toronto Stock Exchange and NYSE MKT. The Company's primary asset is its Asanko Gold Mine located on the Asankrangwa gold belt in Ghana.

The Company's registered and records office is located at Suite 1500 Royal Centre, 1055 West Georgia Street, P.O. Box 11117, Vancouver, British Columbia, V6E 4N7. The Company's Canadian head office is located at Suite 680 – 1066 West Hastings Street, Vancouver, British Columbia, V6E 3X2. Asanko is a reporting issuer in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador. The Company also reports annually in the United States under form 40F (available at www.sec.gov).

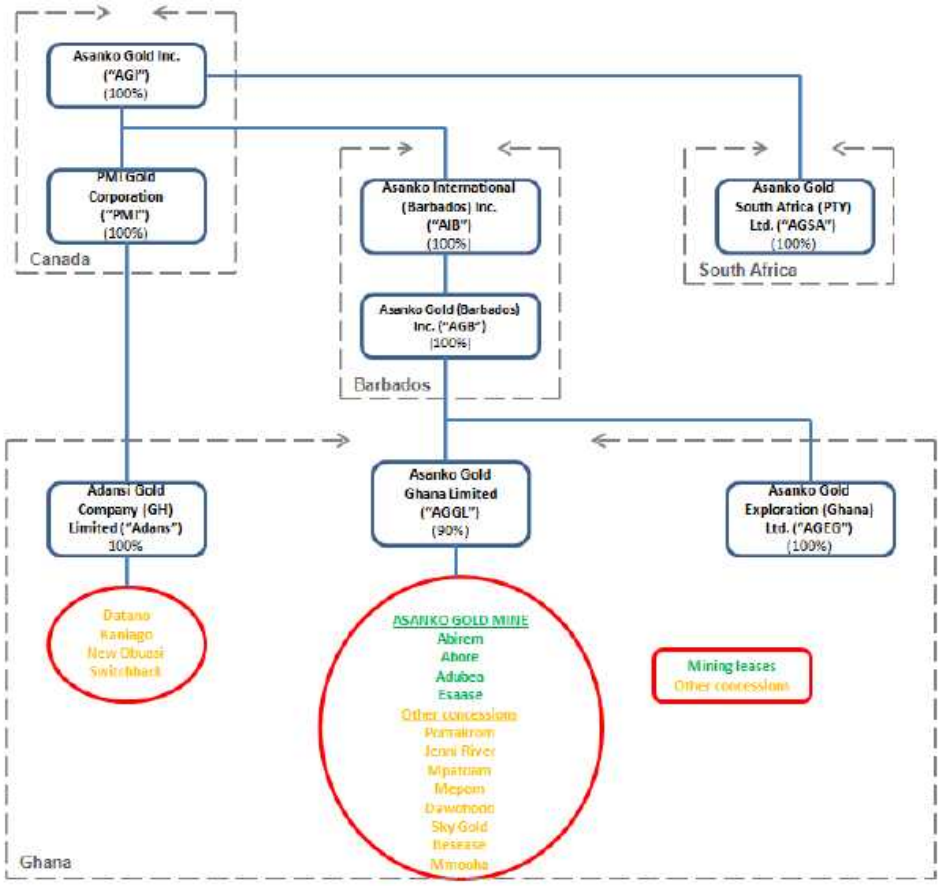
Inter-corporate Relationships

The Company has the following Inter-corporate Relationships:

Subsidiary name	Jurisdiction	Ownership
Asanko Gold Ghana Limited (formerly Keegan Resources Ghana Limited)	Ghana	90% (10% owned by Ghanaian Government)
Asanko Gold South Africa (PTY) Ltd.	South Africa	100%
Asanko International (Barbados) Inc.	Barbados	100%
Asanko Gold (Barbados) Inc.	Barbados	100%
PMI Gold Corporation	Canada	100%
Adansi Gold Company (GH) Limited	Ghana	100%
Asanko Gold Exploration (Ghana) Limited	Ghana	100%

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Figure 3.1: Asanko intercompany relationships



GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

Fiscal 2014 (Year ended December 31, 2014)

In December 2013, the Company negotiated a business combination with PMI Gold Corporation ("PMI") and entered into an arrangement agreement ("PMI Arrangement") whereby Asanko would acquire all of the common shares of PMI on the same basis as had been attempted in 2012, as described in Asanko's Annual Information Form for the financial year ended December 31, 2012. The 2012 Arrangement failed to clear PMI shareholder approval by the requisite special majority. However, since that time, Asanko had revised the mine and metallurgical models of the Esaase Project which resulted in a more robust Pre-Feasibility Study and entered into a Definitive Senior Facilities Agreement ("DSFA") with a special purpose vehicle of RK Mine Finance Trust I ("Red Kite"), which is now fully drawn for a total of $150 million. The debt is carried at amortized cost and is presented net of unamortized financing fees of $15.8 million and unpaid interest up to May 2016 (when the loan was modified; see below). Interest on the DFSA is calculated on a quarterly basis at a rate of LIBOR +6% and there is a 1% minimum LIBOR rate which creates an interest rate floor. The Company can elect to repay the DSFA, or a portion thereof, early without penalty. The DSFA is fully secured by shares of the Company's Ghanaian subsidiaries.

Following successful shareholder votes, the PMI Arrangement was completed, effective at 12:01 a.m. on February 6, 2014, Pursuant to the PMI Arrangement, Asanko acquired all of the issued and outstanding common shares of PMI ("PMI Shares"), such that PMI became a wholly-owned subsidiary of Asanko, for consideration consisting of 0.21 common shares of Asanko ("Asanko Shares") for each outstanding PMI Share (the "Exchange Ratio"). Additionally, outstanding options and warrants to acquire PMI Shares have been exchanged for options ("Replacement Options") and warrants ("Replacement Warrants"), as the case may be, of Asanko that will entitle the holder to receive, upon exercise thereof, Asanko Shares based upon the Exchange Ratio and otherwise on the same terms and conditions as were applicable to such PMI options and warrants immediately before the effective time of the PMI Arrangement.

To give effect to the PMI Arrangement, Asanko issued 87,149,914 Asanko Shares, 3,237,491 Replacement Options and 126,000 Replacement Warrants and reserved for issuance of 117,158 Asanko Shares issuable in lieu of PMI Shares upon vesting of outstanding performance rights of PMI. Following the completion of the PMI Arrangement, PMI and Asanko shareholders held approximately 50% each of the combined company.

In early 2014 following the completion of the PMI Arrangement, PMI owned the Obotan gold project ("Obotan" or "Obotan Project"), located near the Company's existing Esaase gold project ("Esaase" or "Esaase Project", and together with the Obotan Project, the "Asanko Gold Mine" or "AGM"). Asanko intended to develop the AGM in two phases, with Phase 1 being largely based on the Obotan Project as initiated by PMI. It was envisioned by the Company that the Esaase pit would be assessed for development in a second phase of which was the subject of a follow-on Pre-Feasibility Study (Phase 2 PFS), which was completed in May 2015 and finalized on June 29, 2015.

During 2014, the Company focused on the development of Phase 1 of the AGM, which entailed the development and construction of the Obotan Project to achieve commercial mining operations at a steady state of 190,000 ounces of gold per annum with the first gold pour in Q1 2016 at an initial capital cost of approximately $295 million ($40 million spent as at December 31, 2014). Phase 1 of the commercial production plan is fully permitted and was under construction in 2014.

In September 2014, the Company announced a revised Mineral Resource Estimate ("MRE") for Phase 1 of the AGM, including a maiden resource for the newly discovered Dynamite Hill deposit. This followed the decision by Asanko to do a comprehensive review of the original May 2012 MRE for the four main deposits which comprise Phase 1 - Nkran, Adubiaso, Abore and Asuadai - that were acquired from PMI. The original MRE was not deemed to be a suitable input for the detailed mine planning required to commence the mining operations of Phase 1. The results of the new MRE for Phase 1 were not materially different to the 2012 MRE and therefore confirmed the validity of the previous estimate. Importantly, however, the new MRE more precisely represents grade distribution and continuity within the deposits, and, as a result, the model now supports the ability to plan the mine with the selectivity required to manage grade control and volumes.

On November 13, 2014 the Company announced an optimized mine plan and associated operating costs for Phase 1 of the AGM, which confirmed the robustness of the Project's economics. These, together with the updated capital cost estimate and an updated MRE, collectively form the "Definitive Project Plan" ("DPP") for Phase 1 of the AGM. Definitive Project Plan highlights included:

- LoM gold production of 2.33 million ounces over a 12 year life of mine;

- capital cost of $295 million, including all associated infrastructure and allowances for contingencies;
- lowest quartile All-In-Sustaining-Costs of $781/oz; competitive operating cash costs of $645/oz; and
- first gold targeted during Q1 2016 and steady-state production in Q2 2016.

Phase 1 of the AGM was 24% completed at the end of December 2014 and was on schedule for its first gold pour in Q1 2016. Critical path schedule items continued to be the installation of the two mills, tailings storage facility infrastructure and the installation of the 30km long 161 kV power line to the project site. Concrete pouring was progressed substantially during December 2014 and resumed in January 2015. Importantly, the SAG and ball mill bases were completed and the handover for the mill installation was on schedule. Pouring the foundations of the Carbon-in-Leach ("CIL") circuit bases and the pre-leach thickener bases were commenced and were completed in Q2 2015. The CIL tanks were delivered to the site in preparation for site erection. Steel installation commenced in early February 2015.

Earthworks for the run-of-mine tip wall, crusher and primary stockpile tunnel were completed and handed over to the civil contractor. Progress on the preparation of the tailings storage facility was advanced according to schedule, the HDPE liner was shipped to site and laydown of the HDPE liner was completed during 2015. Construction of the contractor camp housing was completed and work on all the essential services; water, power and sewage was underway and due for completion by the end January 2015. There were approximately 500 contractors on site.

The Company negotiated a definitive power supply agreement, which was finalized in Q1 2015. Power was planned to be sourced from the national grid with the power supplied from either the state-owned power generation company or an independent power producer.

The main mineral resource for Phase 1 is the Nkran pit, located immediately adjacent to the plant site. The first stages of pre-stripping commenced and de-watering of the Nkran pit which commenced in December 2014 was expected to take up to 10 months to complete. As at the end of December 2014 the water level in the Nkran pit had already reduced by approximately 2 metres. The dewatering continued throughout 2014 and occurred in parallel with pre-stripping operations and was proceeding on schedule.

Procurement for Phase 1 of the AGM was 68% complete and proceeding on schedule with approximately $170 million currently committed in orders and contracts and $40 million already spent, as at December 31, 2014. Equipment and materials deliveries, none of which were on the project critical path, remained on schedule. Two-thirds of the capital expenditures of the AGM were committed and the Mining Contract (as defined below) was awarded.

The Company aimed to achieve steady state production in the second quarter of 2016 and to become cash flow positive. The Company had approximately $230 million in cash on-hand as at December 31, 2014 and undrawn project Debt Facilities of $70 million plus the $20 million Overrun Facility for total available funding of approximately $320 million. Asanko had also filled the majority of the key operating positions at the Asanko Gold Mine in readiness for the commencement of ore mining operations and plant commissioning later in 2015.

In connection with the AGM operations, the Company was required to relocate a portion of the Nkran village, consisting of 88 building structures, ahead of commencing ore mining operations. The Resettlement Action Plan ("RAP") report for the partial resettlement had been completed and submitted to the Ghana Environmental Protection Agency (the "EPA") for review. The site for the relocation had been selected by the Relocation Negotiation Committee and had been approved by the Ghanaian Lands Commission. Site preparation for the resettlement site was completed in December 2014 and construction commenced in February 2015. The partial relocation was completed by the end of Q3 2015.

On August 26, 2014 the Company entered into a settlement agreement with a private Ghanaian company, Goknet Mining Company ("Goknet"), to eliminate Goknet's claim for a 2% net smelter return ("NSR") royalty on Phase 1 of the AGM.

The financial terms of the agreement involved $1 million cash, one million Asanko shares and the transfer to Goknet of two non-material exploration projects, Kubi and Diaso. Included in the agreement the Company will retain a right to match any future offer made to Goknet with respect to a disposal of the Diaso Project concessions.

The only material royalty now applicable to Phase 1 of the AGM is the Government of Ghana's 5% NSR royalty.

Fiscal 2015 (Year ended December 31, 2015)

During 2015, the Company continued to focus on the development of Phase 1 of the AGM, to achieve commercial mining operations at a steady state of 190,000 ounces of gold per annum with the first gold pour in Q1 2016.

As at December 31, 2015 pre-stripping of the Nkran pit was nearing completion, with over 19 million tonnes ("Mt") of material mined.

Ore mined to December 31, 2015 had been mostly from zones that were in the inferred category, which do not form an integral part of the mine plan, and are located peripheral to the main orebodies, which have been exposed as the mining pushback has advanced. Further mineralized zones of the main Nkran orebody were exposed in places along the western flank of the pit and were made available to support the ore production levels required as the AGM commissions and ramps up to steady-state. The ore from these zones was verified by RC grade control drilling where access permits.

Mining operations continued at rates in line with long-term steady state mining plans. The mining of the ore zones encountered during the pre-strip was selective due to the generally narrow and discontinuous nature of these zones, but geological mapping and grade control drilling provided a steady source of this ore. As mining advanced and deepened on the western flank of the Nkran deposit, ore domains continued to be exposed giving continuity along strike, at depth and considerably greater widths.

The Reverse Circulation ("RC") drilling program commenced in April 2015. The RC drilling was aligned to the 3 meters flitch and 6 meters mining bench plans, and has been developed on 10 x 5 meter intervals. Additional inclined holes were drilled to 22.5 and 45 meter depths, and sampled at 1.5 meter intervals. This pattern provided cover for 6 benches (36 vertical meters), which is equivalent to approximately 6 months of mining.

During the pre-stripping operation, the RC drilling program evaluated the inferred resources and peripheral zones of mineralization that are located outside the main ore domains. As at December 31, 2015, 1,735 grade control drill holes have been drilled for 50,679 meters and 41,321 gold assays. In addition 1,523 meters of rip-lines have been analyzed and mapped. This has culminated in over 290,000 tonnes of ore (split into oxide, transition and fresh stockpiles) being placed on stockpile.

Commissioning of the crusher with waste was achieved on December 10, 2015. Ore commissioning of the milling and CIL circuits commenced in Q1 2016, ahead of schedule.

The tailings pipeline and return water system components of the Tailings Storage Facility ("TSF") were completed and the Environmental Protection Agency ("EPA") conducted its final inspection of the TSF and confirmed that all conditions of the permit were met.

During 2015 the Company agreed with its lender, Red Kite, to consolidate the $20 million Overrun Facility into the Project Facility of US$130 million for a total Debt Facility of $150 million.

Red Kite also agreed to waive the 3% drawdown fee on the Overrun Facility and as such, Asanko drew down the remaining $20 million, removing any uncertainty over access to the funds in the event they are required. Asanko granted four million warrants to purchase common shares in Asanko to Red Kite as part of the original funding package. The strike price of the warrants was set at $1.83 per share, which was calculated based on a 25% premium to the 20-day volume weighted closing price, as at December 16, 2015. The warrants expire three years from the date of issue.

The AGM's capital cost of $295 million continued to track within budget in 2015. At December 31, 2015, the Company had approximately $115 million in cash on its balance sheet (including the recently drawn $20 million). Approximately $229 million had been spent (cash out) on the AGM, with $66 million remaining. This left the Company with $49 million in working capital to commission the mine and get to positive cash flow, which was at this stage expected by Q2 2016.

The Company also advanced engineering of its Phase 2 Project and in May 2015 announced the results of the Phase 2 expansion Pre-Feasibility Study ("PFS") which combines the Phase 1 project, currently under construction, with the Esaase Project as Phase 2 of the Asanko Gold Mine. The expanded project delivers enhanced project economics with superior IRRs, $147 million in NPV savings, low operating costs and strong cash flow generation against the previously envisaged standalone projects by leveraging off the infrastructure and organizational capability being put in place for Phase 1.

The Phase 2 expansion was planned to integrate the Esaase deposit with the Phase 1 Obotan project to create one large, multi-pit mine producing an average of 411,000 ounces of gold over a 10.5 year LoM from 2018. The ore will be mined and crushed at Esaase and then conveyed to a central processing facility at Obotan. The processing facility was planned to be expanded with a 5 Mtpa flotation plant which will be built alongside the Phase 1 3Mtpa CIL plant. In addition the annual throughput of the Phase 1 CIL plant would be upgraded and increased to 3.8Mtpa by adding two extra CIL tanks to allow for the blending of oxide ores from Esaase with feed from the Phase 1 pits.

Based on the PFS, the combined project, at an assumed $1,300 per ounce gold price, yields a 27% after-tax IRR with a NPV of $770 million at a 5% discount rate.

A definitive Feasibility Study for Phase 2 was underway as at December 31, 2015 and is expected to be completed in Q2 2017.

Bought Deal Public Offering

In February 2015, the Company completed a bought deal public offering of 22,770,000 common shares of the Company for gross proceeds of approximately $36.4 million (approximately C$46 million). The Company used the proceeds from the offering, together with cash on hand and the Debt Facilities, to advance Phase 1 of the Asanko Gold Mine.

Fiscal 2016 (Year ended December 31, 2016)

The Company completed the finalization of capital expenditures on the first phase of the AGM for $291 million, approximately $4 million under the budget of $295 million.

On April 1, 2016, the Company declared commercial production for the first phase of the AGM, a full quarter ahead of schedule. Commercial production was declared as a result of the mine achieving a number of key milestones including the mill processing at 111% of design capacity and gold recovery exceeding design during the month of March.

Steady state production was achieved at the AGM by the end of Q2.

During September, a mobile crusher was commissioned to mitigate a bottleneck in the primary crushing complex and the processing plant operated at 20% above design capacity (3.6Mtpa) .

Mined ore grade increased steadily during the three quarters post the commencement of commercial production (2.0g/t average mined grade in Q4) as the central mineralized domains in the Nkran pit were exposed.

111,164 ounces were produced in H2 2016 (“H2”), exceeding the Company’s top-end revised H2 guidance of 106,000 – 111,000 ounces. The H2 guidance was increased twice during 2016 as the Company continuously exceeded gold production targets and as the processing facility continued to perform at above design performance levels.

A total of 147,501 ounces of gold were produced following the commencement of commercial production (a nine-month period ending December 31, 2016), and 147,950 ounces were sold at an average price of $1,247/ounce for gross gold revenue of $184.5 million.

The Company completed the acquisition of a new exploration target, Akwasiso, located 9kms north-east of the processing facility. Highly encouraging drill results obtained from 10,000 metres of drilling over 81 holes with visible gold intercepts and extensive mineralized intersections of similar style to the main Nkran pit.

The 2016 near mine exploration program yielded success with the delineation of Mineral Resources and Reserves at the Adubiaso Extension and Nkran Extension.

During the second quarter 2016, the DSFA was amended in order to defer the repayment of the principal for two years (being the principal deferral period). The amendment provides that the first principal repayment will now be payable on July 1, 2018 after which the facility will be repaid in nine equal quarterly installments, with the last repayment on July 1, 2020. The Company will continue to pay quarterly interest on the loan facility during the principal deferral period. There are no other changes to the existing debt facility terms. A deferral fee of 2% of the loan principal was paid commensurate with signing the amendment. The amendments are considered to be a modification of the previous DFSA; the deferral fee of $3.275 million was paid during the second quarter 2016 and has been deferred to the loan balance and is being amortized with previously deferred debt financing costs over the remaining life of the DSFA based on the revised effective interest rate of 10.6% .

The Company received total VAT refunds of $26 million in Ghana, being the majority of VAT refunds relating to first phase of construction of the AGM, as well as operational VAT receivables from Q1 pre-commercial production operations. Operational VAT payments from Q2 through Q4 of 2016 are currently being validated by the authorities in Ghana. The Company expects once the VAT backlog is recovered, quarterly VAT outflows will be offset by quarterly VAT inflows as the audit and claim process of VAT receivables is regularized.

The balance sheet at December 31, 2016 remains strong with cash of $60 million, unrefined gold dore on hand with a market value of $5.9 million and $0.6 million in receivables from gold sales. The working capital position of the Company strengthened from $66.7 million at September 30, 2016 to $72.8 million as of December 31, 2016.

In December 2016, Asanko received the Ghana Mining Industry Awards 2016 Corporate Social Investment Project of the Year for the Obotan Cooperative Credit Union project, an initiative aimed to increase access to financial capital and other financial services to assist small businesses address the challenge of access to credit and to support the development of economic growth in and around the Asanko Gold Mine catchment area.

On October 25, 2016, the Company received the Environmental Invoice (a pre-cursor to receiving the final Environmental Permit) from the relevant Ghanaian regulatory authorities for the development of the new Esaase mine. Following the receipt of the Environmental Invoice, the Board of Directors gave approval to proceed with Project 5M. Front End Engineering and Design ("FEED") for the plant upgrade and the overland conveyor is currently underway.

During January 2017 the Ghanaian Environmental Protection Agency ("EPA") issued its environmental permit for mining operations at Esaase and the overland conveyor to the AGM processing facility. This critical step was achieved following the EPA's approval of the Environmental Impact Statement. The Minerals Commission also issued the mine operating permit for the Esaase mine.

An updated Mineral Resource and Reserve Estimate for the AGM was published on February 24, 2017, including maiden resource and reserve estimates for the three near-mine exploration deposits, Akwasiso, Nkran Extension and Adubiaso Extension. See: "Mineral Properties - Asanko Gold Mine – Updated Mineral Resource Estimate".

Significant Acquisitions

The only significant acquisition made by the Company in the previous three years is the above described acquisition of PMI. The Company filed a Business Acquisition Report, form 51-102F4 at www.sedar.com, in conjunction with the acquisition on February 6, 2014.

BUSINESS DESCRIPTION

General

Summary

Asanko is a Canadian-based gold producer with operations in the Republic of Ghana ("Ghana"). Asanko's vision is to build a low cost, mid-tier gold mining company. The Company's principal asset is the Asanko Gold Mine ("AGM") located in Ghana, West Africa. The mine is being developed and expanded in phases. The construction of the first phase, which included a 3 million tonne per annum ("Mtpa") carbon-in-leach ("CIL") processing facility and associated infrastructure, was completed in early 2016 within budget and ahead of schedule. Gold production commenced in January 2016, commercial production was declared on April 1, 2016, and the operation reached steady-state production levels by the end of the second quarter of 2016. Gold production is expected to be 230,000 to 240,000 ounces in 2017.

Asanko is planning two additional expansion projects, which combined have the potential to increase production from 230,000 to 240,000 ounces per annum to over 450,000 ounces per annum. Project 5M (previously described as Phase 2A) will upgrade the plant's throughput to 5Mtpa and expand mining operations to integrate the Esaase deposit, including the construction of a 27km overland conveyor. The second expansion project is the construction of an additional 5Mtpa carbon-in-leach ("CIL") plant to double throughput from 5Mtpa to 10Mtpa, known as Project 10M (previously described as Phase 2B). A Definitive Feasibility Study ("DFS") on the expansion projects will be published in Q2 2017. A Preliminary Feasibility Study ("PFS") on the expansion projects, previously known collectively as Phase 2, was published in May 2015, and posited attractive project economics and low operating costs. The PFS is available on the Company's website: www.asanko.com and can be found under the Company's profile at www.sedar.com.

Production and Services

The Company is aggressively progressing to become a mid-tier mining company as a producer of gold via open pit mining and conventional processing of gold ores mined from its Asanko Gold Mine in Ghana, West Africa.

Specialized Skill and Knowledge

Various aspects of the Company's mining business require specialized skills and knowledge, including skills and knowledge in the areas of permitting, geology, drilling, metallurgy, logistical planning, mine design, engineering, construction and implementation of exploration programs as well as finance and accounting. Much of the specialized skill and knowledge is provided by the Company's management and operations team. The Company also retains outside consultants as additional specialized skills and knowledge as required. However, it is possible that delays and increased costs may be experienced by the Company in locating and/or retaining skilled and knowledgeable employees and consultants in order to proceed with its planned exploration and development at its mineral properties.

Competitive Conditions

Asanko competes with other mineral resource exploration companies for financing, for the acquisition of new mineral properties and for the recruitment and retention of qualified employees and other personnel. Many of the mineral resource exploration and development companies with which Asanko competes have greater financial and technical resources. Accordingly, these competitors may be able to spend greater amounts on acquisitions of mineral properties of merit, on exploration of their mineral properties and on development of their mineral properties. In addition, they may be able to afford more geological expertise in the targeting and exploration of mineral properties. This competition could result in competitors having mineral properties of greater quality and interest to prospective investors who may finance additional exploration and development.

Cycles

The mining business is subject to mineral price cycles. The marketability of minerals and mineral concentrates is also affected by worldwide economic cycles. At the present time, the significant demand for minerals in many countries is driving commodity prices, but it is difficult to assess how long such demand may continue. Fluctuations in supply and demand in various regions throughout the world are common.

As Asanko's operations and exploration business are progressing from the development stage through to the production stage, Asanko's revenues, may be significantly affected by changes in commodity demand and prices. As the Company now carries on production activities, Asanko's ability to fund ongoing exploration and development is augmented by the sale of gold produced by the mine and the proceeds of such sales are invested in the Company as working capital. As market fluctuations affect the price of gold, proceeds from the sale of the gold produced by the Company can be reflected accordingly. As well, the ability of the Company to continue development, exploration and increased production is affected by the availability of financing which, in turn, is affected by the strength of the economy and other general economic factors.

Economic Dependence

As a planned producer of gold, the Company is not dependent on any particular customer as the market for gold is deep and worldwide. The Company could be considered to be significantly dependent upon its debt facilities contracts with Red Kite, as well as key operational contracts awarded to DRA Global and PW Mining International. It is possible each of these debt and supplier arrangements could be, if necessary, replaced by other lenders or suppliers. As the Company's gold production increases and sales of its produced minerals continue to add value, the Company will be in a position to augment its working capital with its sales and lessens the Company's reliance on debt financing. The current debt and supplier arrangements are set out below.

Debt Facilities with Red Kite

In May, 2016 the Company amended its previously entered into a definitive senior facilities agreement with Red Kite an affiliate of Red Kite group mining funds in order to defer the repayment of the principal for two years. The Red Kite agreement provides for two loan facilities: the $130 million Project Facility and the $20 million Overrun Facility, the details of which are outlined below. Performance under the Debt Facilities are fully secured by the assets of the Company's Ghanaian subsidiaries and guaranteed by the Company until Project completion. There are no gold hedging provisions, cash sweep requirements or other restrictions usually associated with traditional project finance facilities of this nature, and Asanko will not be restricted under the terms of the Debt Facilities from pursuing its growth strategy.

The first quarterly payment of approximately $18.0 million is now scheduled to be made on July 1, 2018, subsequent to which 9 equal quarterly instalments, will be paid with the last payment being made on July 1, 2020.

The Company agreed with its lender, Red Kite, to consolidate the $20 million Overrun Facility into the Project Facility of $130 million for a total Debt Facility of $150 million. The terms for the increased $150 million Debt Facility remain the same, except that the term is amended to change the repayment schedule and defer the initial principal repayments by two years to July 1, 2018. Interest rates accrue at LIBOR +6% with a 1% LIBOR minimum, there are no gold price or financial covenants on the loan, no hedging and no sweep of excess free cash. As the first eight principal repayments on the Debt Facility were deferred, a deferral fee of 2% of the loan principal was paid on June 30, 2016. The Company can also elect to repay the loan, or a portion thereof, early with no penalties.

Red Kite also agreed to waive the 3% drawdown fee on the cost Overrun Facility and as such, Asanko drew the remaining $20 million, removing any uncertainty over access to the funds in the event they are required. Asanko has issued four million warrants to purchase common shares in Asanko, granted to Red Kite as part of the original funding package. The strike price of the warrants has been set at $1.83 per share, which was calculated based on a 25% premium to the 20-day volume weighted closing price, as at December 16, 2015. The warrants expire three years from the date of issue.

Offtake Agreement

In October 2013, the Company entered into an offtake agreement with Red Kite in connection with the Debt Facilities, as amended in July 2014 (the "Offtake Agreement"), pursuant to which Red Kite is entitled to purchase at market, 100% of the future gold production from Phase 1 of the AGM to a maximum of 2.22 million ounces. The gold sale price will be a spot price selected during a nine day quotational period following shipment. A provisional payment of 90% of the estimated value of the gold will be made one business day after delivery, with the remaining balance payable 10 business days after shipment. The Company can terminate the Offtake Agreement prior to satisfaction of the conditions precedent for the Project Facility by repaying all amounts outstanding under the Debt Facilities, subject to the payment of a termination fee in an amount dependent upon the total funds drawn under the Debt Facilities as well as the amount of gold delivered under the Offtake Agreement at the time of termination.

Phase 1 Engineering, Procurement, Construction Management Contract

In April 2014, the Company appointed DRA Global as the engineering, procurement, construction management contractor ("EPCM") for the design and construction of Phase 1 of the AGM, following a competitive bidding process.

The EPCM contract for the execution of Phase 1 of the AGM was executed in January 2015. For operational and management convenience, the off-shore engineering and procurement ("EP Contract") aspects of the services and the Ghanaian construction management ("CM Contract") aspects of the services were conducted under separate and distinct contracts. The overall agreement is reflected in an umbrella agreement covering all EPCM activity. DRA Global entered into the EP Contract and has agreed to guarantee the obligations of the CM contractor under the terms of the CM Contract.

Compensation under the EPCM contract is payable according to an agreed fee schedule tied to project milestones in conjunction with the schedule outlined in the 2015 Asanko Project Plan (as defined below). Fees under the contract have a capped amount of approximately South African Rand (ZAR) 140 million and certain lump sum payments may be earned by the contractor for performance against schedule and project costs. The other terms of the EPCM contract, including termination and force majeure clauses, are usual and customary for agreements of this nature.

Phase 1 Mining Contract

In November 2014, the Company completed a rigorous tendering process to select the mining contractor and awarded the contract for the Nkran pre-strip plus the first year of mining operations (the "Mining Contract") to PW Ghana Ltd ("PW"), a subsidiary of PW Mining International Ltd of Accra, Ghana, with extensive experience in West Africa.

The contract term is from January 2, 2015 to December 31, 2016 and contemplates completion of all pre-stripping and mining activity in accordance with the 2015 Asanko Project Plan. On March 2, 2016, the Company signed a letter of agreement to extend the contract until December 31, 2020. The only other change to the original contract pursuant to the letter signed in March 2016 was that the Early Termination Payments (as defined in the original contract) were amended. No other changes were made to the original contract.

The Mining Contract is a schedule of rates contract with payment to be made according to the rates and prices contained within the agreement. Agreed rates in the Mining Contract include fixed mobilization costs, a fixed monthly cost and unit rates (per tonne of ore or waste) for drilling, blasting, loading, hauling, grade control and ore re-handling. Rates and prices include all things necessary to carry out the work as defined in the Mining Contract. PW will supply fuel and tires for the operations, but the Company has reserved the right to free issue either when it deems fit.

Monthly payments in the Mining Contract are adjusted by an amount to allow for the increase or decrease in PW's costs at the AGM for labour, parts and services, and the monthly fixed cost (rise and fall). Except with respect to labour costs, the variables in the rise and fall formula will be adjusted quarterly. This adjusted formula shall then be applicable for the forthcoming quarter (i.e. no retrospective rise and fall will apply). With respect to labour, rise and fall will apply when the salary/wage adjustments occur. The other terms of the Mining Contract, including penalty, termination and force majeure clauses are usual and customary for agreements of this nature.

Phase 2

Pursuant to Board approval in Q4 2016 of the AGM 5M expansion noted above FEED has commenced and is on track for completion in Q2 2017. The plant upgrades are expected to be completed by Q4 2017. Construction of the conveyor is expected to begin in Q2 2017 and be completed in Q4 2018. Bush clearing and mine infrastructure development at Esaase is expected to start in H2 2018.

Changes to Contracts

Asanko does not anticipate that it will be affected in the current financial year by renegotiation or termination of contracts that could materially affect the Company's business plan.

Environmental Protection

The Company's properties are subject to stringent laws and regulations governing environmental quality. Such laws and regulations can increase the cost of planning, designing, installing and operating facilities on our properties. However, it is anticipated that, absent the occurrence of an extraordinary event, compliance with existing laws and regulations governing the release of emissions in the environment or otherwise relating to the protection of the environment, will not have a material effect upon the Company's current operations, capital expenditures, earnings or competitive position.

Employees

At December 31, 2016, the Company had approximately 380 full-time employees, 50 temporary workers and 1,300 construction contractors employed across its site operations and corporate and regional offices.

Foreign Operations

Substantially all of the Company's material mine development operations are currently conducted in Ghana, a foreign jurisdiction, and as such, the Company's operations are exposed to various levels of political, economic and other such risks and uncertainties as: military repression; extreme fluctuations in currency exchange rates; high rates of inflation; labour unrest; war or civil unrest; expropriation and nationalization; renegotiation or nullification of existing concessions, licenses, permits and contracts; illegal mining; changes in taxation policies; restrictions on foreign exchange and repatriation; and changing political conditions, currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

In the past, Ghana has been subject to political instability, changes and uncertainties, which may cause changes to existing governmental regulations affecting mineral exploration and mining activities. Ghana's status as a developing country may make it more difficult for the Company to obtain any required financing for its projects.

Asanko's operations and properties are subject to a variety of governmental regulations governing worker health and safety, employment standards, waste disposal, protection of historic and archaeological sites, mine development, protection of endangered and protected species and other matters.

Asanko's mineral exploration and development activities in Ghana may be adversely affected in varying degrees by changing government regulations relating to the mining industry or shifts in political conditions that increase the costs related to the Company's activities or the maintenance of its properties.

Changes, if any, in mining or investment policies or shifts in political attitude may adversely affect the Company's operations and financial condition. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income and other taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety.

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.

The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the Company's operations and financial condition. Future changes in applicable laws and regulations or changes in their enforcement or regulatory interpretation could negatively impact current or planned exploration and development activities on the Asanko Gold Mine or in respect of any other projects in which the Company becomes involved. Any failure to comply with applicable laws and regulations, even if inadvertent, could result in the interruption of exploration and development operations or material fines, penalties or other liabilities.

Free Carried Interest to the Ghanaian Government

Section 43.1 of the Ghanaian Minerals and Mining Act of 2006 (the "Ghanaian Mining Act"), (Government Participation in Mining Lease) provides: *Where a mineral right is for mining or exploitation, the Government shall acquire a ten percent free carried interest in the rights and obligations of the mineral operations in respect of which financial contribution shall not be paid by Government*.

In order to achieve this legislative objective, 10% of the common shares of the Company's Ghanaian subsidiary which owned the Esaase concession have been issued into the name of the Government of Ghana. The government had a nominee on the board of this subsidiary. There is no shareholder agreement between the Company and any of its shareholders, as the 90% shareholder and the Government of Ghana as the 10% shareholder and the 10% ownership stake represents a non-participating interest where the Ghanaian Government is entitled to 10% of declared dividends from the net profit of Asanko Ghana but does not have to contribute to its capital investment. The Obotan Property which became indirectly owned by the Company in 2014 upon completion of its acquisition of PMI (described above) is also subject to the 10% free carried interest obligation in favour of the Ghanaian government. In Q1, 2016 the Company completed a corporate restructuring (see:"Reorganizations" below) of all its Ghanaian operating assets, meaning both the Esaase and Obotan properties are owned by Asanko Gold Ghana Ltd. ("AGGL") and as such the 10% equity share resides with the Government of Ghana.

Ghanaian Mining Royalties and Taxes

On March 19, 2010, the government of Ghana amended section 25 of the Ghanaian Mining Act which stipulates the royalty rates on mineral extraction payable by mining companies in Ghana. The Ghanaian Mining Act now requires the holder of a mining lease, restricted mining lease, or small scale mining license to pay a royalty in respect of minerals obtained from its mining operations to Ghana at the rate of 5% of the total revenue earned from minerals obtained by the holder.

Changes to the Ghanaian tax system were announced and substantively enacted during the year ended March 31, 2012. Corporate tax rates rose from 25% to 35% and capital deductions were reduced from an 80% deduction in year one to a straight-line depreciation of 20% per year over 5 years.

Reorganizations

The Company initiated a corporate restructuring for housekeeping purposes following the PMI acquisition. The intention of the restructuring was to transfer all mining leases and concessions held by Adansi Gold Company (Ghana) Limited ("Adansi") into Keegan Resources (Ghana) Limited ("KRGL"). In addition, KRGL will transfer the Asumura exploration concessions to a new subsidiary, Asanko Gold Exploration Ltd. Asanko Gold Exploration Ltd. will become the Company's exploration vehicle in Ghana and continue to be owned 100% by Asanko Gold Barbados Inc.

During the year ended December 31, 2016, the Company transferred the assets related to the Obotan project from Adansi Ghana to KRGL in order to have the two neighbouring gold projects, Obotan and Esaase (which together form the AGM) owned and managed by the same Ghanaian subsidiary. The assets transferred include the Abirem, Abore and Adubea mining leases and all of the AGM assets.

During February 2016 the Company received ministerial consent for the transfer of the Abore, Abriem and Adubea mining leases from Adansi to KRGL. All material and in force contracts were either novated or assigned pursuant to the transfer of the mining leases to KRGL.

Following the re-organization, KRGL was be renamed Asanko Gold Ghana Ltd. ("AGGL") and now is the Company's operating entity in Ghana, holding all of the assets of the AGM. AGGL is 90% owned by Asanko Gold Barbados Inc. and the Government of Ghana has a 10% free-carried interest. In the future, the Company intends on winding up Adansi and PMI.

Social and Environmental Policies

Corporate Social Responsibility ("CSR") Policy

Asanko believes that corporate social responsibility is integral to meeting our strategic objectives as it will ensure we maintain our social license to operate, enhance our reputation with all our stakeholders, improve our risk management, reduce our cost of production and both directly and indirectly benefit the communities we operate in beyond the life of our mines.

The Company's approach to CSR is based on the following principles:

i. Complying with our corporate governance principles, national and international laws, industry codes and being a responsible corporate citizen.

ii. Mitigating our impact on the environment.

iii. Maintaining a high level Health and Safety performance.

iv. Actively identifying opportunities to make a positive and meaningful contribution to the communities we operate in beyond the life of our mines.

v. Contributing to the economic and social development of our host countries.

vi. Developing our employees.

vii. Adhering to our values and demonstrating them in our behavior.

Asanko follows these guidelines in our CSR conduct:

i. We embrace the objectives of the African Mining Vision and are guided by the Global Reporting Initiative in our CSR reporting.

ii. We regularly engage with our stakeholders and take into consideration their perspectives, concerns, customs and cultural heritage before we act.

iii. We work closely with landowners prior to commencing activities on the ground, and negotiate fair compensation for such activities where appropriate.

iv. We hire local, regional and national residents and use goods and services from our local communities wherever possible, without compromising our quality and efficiency standards.

v. We uphold fundamental human rights and do not interfere or take sides in politics or social issues.

vi. We work with unified local committees to identify and prioritize community development projects intended to promote long-lasting livelihood improvements.

vii. We do not tolerate any unethical behaviour by any stakeholder involved in our business.

Social Investment Initiative

On November 3, 2016, the Company announced it had been awarded the Ghana Mining Industry Awards ("GMIA") 2016 Corporate Social Investment ("CSI") Project of the Year, for the Obotan Cooperative Credit Union ("OCCU") initiative. The OCCU aims to increase access to financial capital and other financial services to assist small businesses address the challenge of access to credit and to support the development of economic growth in and around the Asanko Gold Mine catchment area. The OCCU was launched in December 2015, before the Asanko Gold Mine had poured first gold, and now has over 800 members and more than GHS200,000 in assets. The OCCU is sponsored by Asanko and the German government-backed development organization, Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH ("GIZ"), and is also an affiliate member of the Credit Union Association of Ghana.

Environmental Policy

Asanko aspires to provide safe, responsible and profitable operations whilst ensuring sustainable natural resources development for the benefit of our employees, shareholders and host communities. We will endeavour to protect and conserve the natural environment for future generations.

In adopting the following principles, Asanko intends to drive continuous improvement and excellence in environmental performance:

i. Asanko will communicate its commitment to excellence in environmental performance to our employees, contractors, government agencies and the community.

ii. Asanko will comply with host country laws and regulations, and will augment these with appropriate international guidelines and best practice environmental management.

iii. Asanko will allocate the necessary resources to ensure we meet our reclamation and environmental obligations.

iv. Asanko will strive to prevent pollution of air, land and water, and will implement appropriate waste management practices.

v. Asanko will strive to be energy efficient in everything we do.

vi. Asanko will explore opportunities with government agencies and communities to remediate and mitigate historic mining impacts on acquired properties.

vii. Asanko will develop and utilize an Environmental Management System that ensures prioritization, planning, implementation, monitoring, review and transparent reporting.

viii. Asanko will routinely set and review environmental targets and performance for each project and report on progress to our employees, shareholders, government agencies and the community.

RISK FACTORS

There are a number of risks that may have a material and adverse impact on the future operating and financial performance of Asanko that could cause its operating and financial performance to differ materially from the estimates described in forward-looking statements relating to the Company. These include widespread risks associated with any form of business and specific risks associated with Asanko's business and its involvement in the gold exploration and development industry.

An investment in the securities of Asanko is considered speculative and involves a high degree of risk due to, among other things, the nature of Asanko's business and the present stage of its development. A prospective investor should carefully consider the risk factors set out below along with the other matters set out or incorporated by reference in this AIF. The operations of the Company are speculative due to the high-risk nature of its business which is the operation, exploration and development of mineral properties. The Company has identified the following non-exhaustive list of inherent risks and uncertainties that it considers to be relevant to its operations and business plans. In addition to information set out elsewhere in this AIF, for the financial year ended December 31, 2016, or with reference to information which is incorporated by reference into this AIF, investors should carefully consider the following risk factors. Such risk factors could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

A summary of the principal risks the Company faces are as follows:

- the value of its reserves and the outlook for profitable mining from its operations is dependent on continued strong gold prices, achieving planned production rates and life-of-mine costs per ounce to mine and produce gold. Gold prices are historically volatile and gold can be subject to long periods of depressed prices;

- the estimation of mineral resources and reserves is a subjective process, the accuracy of which is a function of the quantity and quality of available data and the assumptions made and judgments used in the engineering and geological interpretation of that data and such assumptions and judgment, which may prove unreliable or mistaken. The Company's estimates of resources and reserves may be subject to revision based on various factors, some of which are beyond its control;

- mining risks which affect all companies in the industry to different degrees include impact and cost of compliance with environmental regulations and the actions of mining opposition groups, adverse changes in mining and reclamation laws and compliance with increasingly complex health and safety rules; and

- other general and specific risks detailed from time-to-time in the Company's quarterly filings, annual information forms, annual reports and annual filings with Canadian securities regulators and those which are discussed below.

Key assumptions upon which the Company's forward-looking statements are based include the following:

- that the price of gold will neither fall significantly nor for a prolonged period of time in the foreseeable future;

- that there will be no significant changes to Ghana's mining or tax laws, or the imposition of exchange controls in Ghana that materially adversely affect the Company's operations or changes in laws that could affect title to its Asanko Gold Mine;

- that no significant impediments develop in respect of the Company's ability to comply with environmental, safety and other regulatory requirements;

- that there will be no further material upheavals in world financial markets and that interest and exchange rates will remain relatively stable; and

- that key personnel will continue their employment with the Company.

Operational risks

Reserves and resources

Mineral reserves and mineral resources are based on estimates of mineral content and quantity derived from limited information acquired through drilling and other sampling methods and requires judgmental interpretations of geology, structure, grade distributions and trends, and other factors. These estimates may change as more information is obtained. No assurance can be given that the estimates are accurate or that the indicated level of metal will be produced. Actual mineralization or formations may be different from those predicted. Further, it may take many years from the initial phase of drilling before production is possible, and during that time the economic feasibility of exploiting a discovery may change.

The SEC does not permit mining companies to disclose estimates other than mineral reserves in their filings with the SEC. However, because the Company prepares this AIF in accordance with Canadian disclosure requirements, it contains resource estimates, which are required by NI 43-101. Mineral resources that are not mineral reserves do not have demonstrated economic viability. It cannot be assumed that all or any part of the Company's mineral resources constitutes or will be converted into reserves.

Market price fluctuations of gold as well as increased production and capital costs, reduced recovery rates or technical, economic, regulatory or other factors may render the Company's proven and probable reserves unprofitable to develop at a particular site or sites for periods of time or may render mineral reserves containing relatively lower grade mineralization uneconomic. Successful extraction requires safe and efficient mining and processing. Moreover, short-term operating factors relating to the mineral reserves, such as the need for the orderly development of ore bodies or the processing of new or different ore types, may cause mineral reserves to become uneconomical or the Company to be unprofitable in any particular reporting period. Estimated reserves may have to be recalculated based on actual production experience. Any of these factors may require the Company to reduce its mineral reserves and resources, which could have a negative impact on the Company's financial results.

Failure to obtain or maintain necessary permits or government approvals, revocation of those permits and approvals, regulatory changes affecting necessary permits or government approvals, or environmental concerns could also cause the Company to reduce its reserves. There is also no assurance that the Company will achieve indicated levels of gold recovery or obtain the prices for gold production assumed in determining the amount of such reserves. Anticipated levels of production may be affected by numerous factors, including mining conditions, labour availability and relations, weather and supply shortages.

Life of mine plans

Life of mine estimates for each of the properties of the Company are based on a number of factors and assumptions and may prove to be incorrect. In addition, life of mine plans, by design, may have declining grade profiles and increasing rock hardness and mine life could be shortened if the Company increases production, experiences increased production costs or if the price of gold declines significantly. Reserves can be replaced by upgrading existing resources to mineral reserves generally by the completion of additional drilling and/or development to improve the estimate confidence and by demonstrating their economic viability, by expanding known ore bodies, by locating new deposits or by making acquisitions.

Limited history of mining operations

The AGM has limited history of mining operations. As a result, Asanko is subject to all of the risks associated with establishing new mining operations including: the timing and cost, which can be considerable, of the construction of mining and processing facilities; the availability and costs of skilled labour and mining equipment; the availability and costs of appropriate smelting and/or refining arrangements; the need to obtain necessary environmental and other governmental approvals and permits, and the timing of those approvals and permits; and, the availability of funds to finance construction and development activities. It is common in new mining operations to experience unexpected problems and delays during construction, development, and mine start-up. Such operations are subject to all the hazards and risks normally encountered in the exploration for, and development and production of gold and other precious or base metals, including unusual and unexpected geological formations, seismic activity, rock bursts, fires, cave-ins, flooding and other conditions involved in the drilling and removal of material as well as industrial accidents, labour force disruptions, fall of ground accidents in underground operations, and force majeure factors, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to person or property, environmental damage, delays, increased production costs, monetary losses and possible legal liability. Milling operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas, which may result in environmental pollution and consequent liability. In addition, delays in the commencement of mineral production often occur.

Consumables

The profitability of the Company's business is affected by the market prices and availability or shortages of commodities which are consumed or otherwise used in connection with the Company's operations.

Prices of such commodities also can be subject to volatile price movements, which can be material and can occur over short periods of time, and are affected by factors that are beyond the Company's control. Operations consume significant amounts of energy and are dependent on suppliers or governments to meet these energy needs and to allow declines in oil prices to filter through to the Company. In some cases, no alternative source of energy is available. An increase in the cost, or decrease in the availability, of construction materials may affect the timing and cost of the Company's development project. If the costs of certain commodities consumed or otherwise used in connection with the Company's operations were to increase significantly, and remain at such levels for a sustained period of time, this would have a material adverse impact on the Company. Costs at any particular mining location are also subject to variation due to a number of factors, such as changing ore grade, changing metallurgy and revisions to mine plans in response to the physical shape and location of the ore body or due to operational or processing changes. Reported costs may also be affected by changes in accounting standards. A material increase in costs at any significant location could have a significant effect on the Company's capital expenditures, production schedules, profitability and operating cash flow.

Production costs

This AIF and the Company's other public disclosures contain estimates of future production, operating costs, capital costs and other economic and financial measures with respect to existing mines and certain development stage projects. The estimates can change or we may be unable to achieve them. Actual production, costs, returns and other economic and financial performance may vary from the estimates depending on a variety of factors, many of which are not within our control. These factors include, but are not limited to:

- actual ore mined varying from estimates of grade, tonnage, dilution, and metallurgical and other characteristics;
- short-term operating factors such as the need for sequential development of ore bodies and the processing of new or different ore grades from those planned;
- mine failures, slope failures or equipment failures;
- industrial accidents;
- natural phenomena such as inclement weather conditions, floods, droughts, rock slides and earthquakes;
- encountering unusual or unexpected geological conditions;
- changes in power costs and potential power shortages;
- exchange rate and commodity price fluctuations;
- shortages of principal supplies needed for operations, including explosives, fuels, water and equipment parts;
- labour shortages or strikes;
- litigation;
- terrorism;
- civil unrest and protests;
- restrictions or regulations imposed by governmental or regulatory authorities;
- permitting or licensing issues; or
- shipping interruptions or delays.

Failure to achieve production or cost estimates or material increases in costs could have a material adverse effect on our future cash flows, profitability, results of operations and financial condition.

Extraction

A number of factors can affect the Company's ability to extract ore efficiently in the quantities that we have budgeted, including, but not limited to:

- ground conditions;
- geotechnical conditions;
- geological conditions;
- chemical effects;
- efficiency; and
- scheduling.

These factors may result in a less than optimal operation and lower throughput or lower recovery, which may affect the Company's production schedule. Although we review and assess the risks related to extraction and put appropriate mitigating measures in place, there is no assurance that we have foreseen and/or accounted for every possible factor that might cause a project to be delayed, which could have an effect on business, results of operations, financial condition and share price.

Processing

A number of factors could affect the Company's ability to process ore in the tonnages budgeted, the quantities of the metals deleterious materials that are recovered and the ability to efficiently handle material in the volumes budgeted, including, but not limited to:

- the presence of oversized material at the crushing stage;
- material showing breakage characteristics different to those planned;
- material with grades outside of planned grade range;
- the presence of deleterious materials in ratios different than expected;
- material drier or wetter than expected, due to natural or environmental effects; and
- viscosity/density different than expected.

The occurrence of any of the above could affect the ability of the Company to treat the number of tonnes planned, recover valuable materials, remove deleterious materials and process ore, concentrate and tailings as planned. This may result in lower throughput, lower recoveries, more downtime or some combination of all three. While minor issues of this nature are part of normal operations, there is no assurance that conditions will not worsen and have an adverse effect on future cash flow, results of operations and financial condition.

Equipment malfunctions

The Company's various operations may encounter delays in or losses of production due to the delay in the delivery of equipment, key equipment or component malfunctions or breakdowns, damage to equipment through accident or misuse, including potential complete write-off of damaged units, or delay in the delivery or the lack of availability of spare parts, which may impede maintenance activities on equipment. In addition, equipment may be subject to aging, if not replaced, or through inappropriate use or misuse and may become obsolete. Any one of these factors could adversely impact the Company's operations, profitability and financial results.

Legislative changes

The Company is subject to continuously evolving legislation, including, but not limited to, the areas of labour, environment, land titles, mining practices and taxation. Compliance with these laws may require significant expenditures. If the Company is unable to comply fully, it may be subject to enforcement actions or other liabilities, or its image may be harmed, all of which could materially affect operating costs, delay or curtail operations or cause the Company to be unable to obtain or maintain required permits. There can be no assurance that the Company has been or will be at all times in compliance with all applicable laws regulations, that compliance will not be challenged or that the costs of complying with current and future laws and regulations will not materially or adversely affect the business, operations or results.

New laws and regulations, amendments to existing laws and regulations or administrative interpretation, or more stringent enforcement of existing laws and regulations, whether in response to changes in the political or social environment the Company operates in or otherwise, could have a material and adverse effect on the Company's future cash flow, results of operations and financial condition.

Key employees

The Company's ability to effectively manage its corporate, exploration and operations teams depends in large part on the Company's ability to attract and retain key individuals in management positions and as senior leaders within the organization. The success of the Company also depends on the technical expertise of its professional employees. The Company faces competition for qualified management, professionals, executives and skilled personnel from other companies. There can be no assurance that the Company will continue to be able to compete successfully with its competitors in attracting and retaining senior leaders, qualified management and technical talent with the necessary skills and experience to manage its current needs. The length of time required to recruit key personnel and fill a position may be longer than anticipated. The failure to attract and retain capable leaders and key management professionals as well as qualified talent to manage the existing operations and projects effectively could have a material adverse effect on the Company's business, financial condition and/or operational results.

Labour disruptions

The Company is dependent on its workforce to extract and process minerals. Relations between the Company and its employees may be impacted by changes in labour relations which may be introduced by, among other things, employee groups, unions and the relevant governmental authorities in whose jurisdictions the Company carries on business. Labour disruptions at the Company's properties could have a material adverse impact on its business, results of operations and financial condition. A number of the Company's employees are represented by labour unions under various collective labour agreements. In addition, existing labour agreements may not prevent a strike or work stoppage at the Company's facilities in the future, and any such work stoppage could have a material adverse effect on the Company's earnings and financial condition.

Political and legal risks

Mining investments are subject to the risks normally associated with any conduct of business in foreign and/or emerging countries including:

- political;
- war, terrorism and civil disturbance risks;
- changes in laws or policies of particular countries, including those relating to royalties, duties, imports, exports and currency;
- the cancellation or renegotiation of contracts;
- the imposition of royalties, net profits payments, tax increases or other claims by government entities, including retroactive claims;
- the risk of expropriation and nationalization; and
- delays in obtaining or the inability to obtain necessary governmental permits or the reimbursement of refundable tax from fiscal authorities.

Other risks include the potential for fraud and corruption by suppliers, personnel or government officials which may implicate the Company, compliance with applicable anti-corruption laws, including the U.S. *Foreign Corrupt Practices Act* ("FCPA") and the Canadian *Corruption of Foreign Public Officials Act* ("CFPOA") by virtue of the Company operating in jurisdictions that may be vulnerable to the possibility of bribery, collusion, kickbacks, theft, improper commissions, facilitation payments, conflicts of interest and related party transactions and the Company's possible failure to identify, manage and mitigate instances of fraud, corruption, or violations of its code of conduct and applicable regulatory requirements.

There is also the risk of increased disclosure requirements, including those pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act; currency fluctuations; restrictions on the ability of local operating companies to sell gold offshore for U.S. dollars, and on the ability of such companies to hold U.S. dollars or other foreign currencies in offshore bank accounts; import and export regulations, including restrictions on the export of gold or on the import, for further gold processing; limitations on the repatriation of earnings or on the Company's ability to assist in minimizing its expatriate workforce's exposure to double taxation in both the home and host jurisdictions; and increased financing costs.

These risks may limit or disrupt operating mines or projects, restrict the movement of funds, cause the Company to have to expend more funds than previously expected or required, or result in the deprivation of contract rights or the taking of property by nationalization or expropriation without fair compensation, and may materially adversely affect the Company's financial position and/or results of operations. In addition, the enforcement by the Company of its legal rights in foreign countries, including rights to exploit its properties or utilize its permits and licenses and contractual rights may not be recognized by the court systems in such foreign countries or enforced in accordance with the rule of law.

It is possible that a current or future government of any country in which the Company has mining projects or operations may adopt substantially different policies or take arbitrary action which might halt exploration or production, nationalize assets or cancel contracts and/or mining and exploration rights and/or make changes in taxation treatment any of which could have a material and adverse effect on the Company's future cash flows, earnings, results of operations and/or financial condition.

Contractors

The Company uses contractors at the AGM for some of its mining activities. As a result, operations at the AGM are subject to a number of risks, some of which will be outside of the Company's control, including:

- negotiating agreements with contractors on acceptable terms;
- the inability to replace a contractor and its operating equipment in the event that either party terminates the agreement;
- reduced control over such aspects of operations that are the responsibility of the contractor;
- failure of a contractor to perform under its agreement with us;
- interruption of operations in the event that a contractor ceases its business due to insolvency or other unforeseen events;
- failure of a contractor to comply with applicable legal and regulatory requirements, to the extent that it is responsible for such compliance; and
- problems of a contractor with managing its workforce, labour unrest or other employment issues.

In addition, the Company may incur liability to third parties as a result of the actions of a contractor. The occurrence of one or more of these risks could have a material adverse effect on the business, results of operations and financial condition.

Mining is inherently dangerous

Mining operations generally involve a high degree of risk. The Company's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of gold, including: unusual and unexpected geological formations; seismic activity; cave-ins or slides; flooding; pit wall failure; periodic interruption due to inclement or hazardous weather conditions; and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, personal injury or death, damage to property, environmental damage and possible legal liability. Milling operations are subject to hazards such as fire, equipment failure or failure of retaining dams around tailings disposal areas, which may result in environmental pollution and consequent liability.

Environmental and Health and Safety Issues

Although the Company monitors its mining sites for potential environmental hazards, there is no assurance that it has detected, or can detect all possible risks to the environment arising from the business and operations. The Company expends significant resources to comply with environmental laws, regulations and permitting requirements, and expects to continue to do so in the future. Failure to comply with applicable environmental laws, regulations and permitting requirements may result in injunctions, damages, suspension or revocation of permits and imposition of penalties. There is no assurance that:

- the Company has been or will be at all times in complete compliance with such laws, regulations and permitting requirements, or with any new or amended laws, regulations and permitting requirements that may be imposed from time to time;
- the compliance will not be challenged; or
- the costs of compliance will be economical and will not materially or adversely affect the Company's future cash flow, results of operations and financial condition.

The Company may be subject to proceedings in respect of alleged failures to comply with increasingly strict environmental laws, regulations or permitting requirements or of posing a threat to or of having caused hazards or damage to the environment or to persons or property. While any such proceedings are in process, the Company could suffer delays or impediments to or suspension of development and construction of projects and operations and, even if we are ultimately successful, the Company may not be compensated for the losses resulting from any such proceedings or delays.

There may be existing environmental hazards, contamination or damage at Asanko's mines or projects that we are unaware of. The Company may also be held responsible for addressing environmental hazards, contamination or damage caused by current or former activities at our mine site or projects or exposure to hazardous substances, regardless of whether or not hazard, damage, contamination or exposure was caused by the activities of Asanko or by previous owners or operators of the property.

Any finding of liability in such proceedings could result in additional substantial costs, delays in the exploration, development and operation of the properties of the Company and other penalties and liabilities related to associated losses, including, but not limited to:

- restrictions on or suspension of the activities of the Company;
- loss of rights, permits and property, including loss of the Company's ability to operate in that country or generally;
- completion of extensive remedial cleanup or paying for government or third-party remedial cleanup;
- premature reclamation of operating sites; and
- seizure of funds or forfeiture of bonds.

The costs of complying with any orders made or any cleanup required and related liabilities from such proceedings or events may be significant and could have a material adverse effect on the business, results of operations, financial condition and share price.

In Ghana, the Company is required to submit, for government approval, a reclamation plan for each of its mining sites that establishes the Company's obligation to reclaim property after minerals have been mined from the site. Further, the Company is required to provide security to the Environmental Protection Agency of Ghana ("EPA") for the performance by the Company of its reclamation obligations in respect of the Abriem, Abore and Adubea mining leases. Although the Company has currently made provision for certain of our reclamation obligations, there is no assurance that these provisions will be adequate in the future.

Climate Change

The Company acknowledges climate change and that the increased regulation of greenhouse gas emissions (known as carbon taxes) may adversely affect the Company's operations and related legislation is becoming more stringent. The effects of climate change or extreme weather events may cause prolonged disruption to the delivery of essential commodities which could negatively affect production efficiency.

The Company makes efforts to mitigate climate risks by ensuring that extreme weather conditions are included in its emergency response plans. However, there is no assurance that the response will be effective and the physical risks of climate change will not have an adverse effect on the Company's operations and profitability. The recent Paris climate accord signed by 195 countries in December 2015 marks a global shift toward a low-carbon economy.

Health and Safety Risks

The Company is exposed to pandemics such as malaria and other diseases, such as dengue and chikungunya. Such pandemics and diseases represent a serious threat to maintaining a skilled workforce in the mining industry in Africa and is a major healthcare challenge for the Company.

In addition, as a result of workplace accidents due to the inherent dangers of mining operations, there can be no assurance that the Company will not lose members of its workforce or see its workforce productivity reduced or incur medical costs, which could have a material and adverse effect on the Company's future cash flows, earning, results of operations and financial condition.

Permitting

The operation, exploration and development projects of the Company require licenses and permits from various governmental authorities to exploit its properties, and the process for obtaining and renewing licenses and permits from governmental authorities often takes an extended period of time and is subject to numerous delays, costs and uncertainties. Any unexpected delays or costs or failure to obtain such licenses or permits associated with the permitting process could delay or prevent the development of Phase 2 of the AGM or impede the operation of a mine, which could adversely impact the Company's operations, profitability and financial results. Such licenses and permits are subject to change in various circumstances. Failure to comply with applicable laws and regulations may result in injunctions, fines, suspensions or revocation of permits and licenses, and other penalties. There can be no assurance that the Company has been or will be at all times in compliance with all such laws and regulations and with its licenses and permits or that the Company has all required licenses and permits in connection with its operations. The Company may be unable, on a timely basis, to obtain, renew or maintain in the future all necessary licenses and permits that may be required to explore and develop its properties, maintain the operation of mining facilities and properties under exploration or development or to maintain continued operations that economically justify the cost.

The Company's ability to obtain and maintain required permits and approvals and to successfully operate, in particular, may be adversely impacted by real or perceived detrimental events associated with the Company's activities or those of other resource companies affecting the environment, human health and safety of the surrounding communities. Delays in obtaining or failure to obtain, renew, or retain government permits and approvals may adversely affect the Company's operations, including its ability to explore or develop properties, commence production or continue operations.

Land title

The validity of exploration, development and mining interests and the underlying mineral claims, mining claims, mining leases, tenements and other forms of land and mineral tenure held by the Company, which fundamentally constitute the Company's property holdings, can be uncertain and may be contested and the Company's properties are subject to various encumbrances, including royalties.

Acquisition of title to mineral properties is a very detailed and time-consuming process, and the Company's title to its properties may be affected by prior unregistered encumbrances, agreements or transfers, or undetected defects. Although the Company has attempted to acquire satisfactory title to its properties, some risk exists that some titles, particularly title to exploration and undeveloped properties, may be defective. A successful challenge to the Company's title to its properties could result in the Company being unable to operate on its properties as anticipated or being unable to enforce its rights with respect to its properties which could have a material adverse effect on the Company. Assuming the Company has good and marketable title to its immediate operating interests in order to operate efficiently, the Company may further need to acquire other title, such as surface title, easements or rights of way, which may encroach on the title to property of third parties. There is no guarantee that such further title, easements or rights of way necessary for the Company's operations may be acquired by the Company and the failure to acquire same, or to acquire the same in a timely fashion, may materially impede the Company's operations.

Geotechnical

Mining, by its very nature, involves the excavation of soils and rocks. The stability of the ground during and after excavation involves a complicated interaction of static and dynamic stresses (including induced stresses such as blasting), gravity, rock strength, rock structures (such as faults, joints, and bedding), groundwater pressures and other geomechanical factors.

Additionally, excavated ore and waste may be deposited in dumps or stockpiles, or used in the construction of tailings dams and roads or other civil structures, which may be very large. These dumps, stockpiles, dams, etc. may also be subject to geotechnical failure due to over-steepening, seismically induced destabilization, water saturation, material degradation, settling, overtopping, foundation failure or other factors.

The Company employs internal geotechnical experts, external consultants and third party reviewers and auditors who use industry-standard engineering data gathering, analyses, techniques and processes to manage the geotechnical risks associated with the design and operation of a mine and the related civil structures. However, due to unforeseen situations and to the complexity of these rock masses and large rock and soil civil structures, geotechnical failures may still occur which could result in the temporary or permanent closure of all or part of a mining operation and/or damage to mine infrastructure, equipment or facilities, which materially impacts mineral production and/or results in additional costs to repair or recover from such geotechnical failures and the resulting damage.

Community risk

Maintaining a positive relationship with the communities in which Asanko operates is critical to continuing successful operation of the AGM as well as construction and development of existing and new projects. Community support for mining operations is a key component of a successful mining venture.

As a mining business, Asanko may come under pressure in the jurisdictions in which it operates, or will operate in the future, to demonstrate that other stakeholders (including employees, communities surrounding operations and the countries in which we operate) benefit and will continue to benefit from the Company's commercial activities, and/or that it operates in a manner that will minimize any potential damage or disruption to the interests of those stakeholders. Asanko may face opposition with respect to current and future development and exploration projects which could materially adversely affect our business, results of operations, financial condition and share price.

Surrounding communities may affect or threaten the security of the mining operations through the restriction of access of supplies and the workforce to the mine site or the conduct of artisanal mining at or near the mine sites. The material properties of the Company may be subject to the rights or asserted rights of various community stakeholders, including indigenous people, through legal challenges relating to ownership rights or rights to artisanal mining. The Company is exposed to artisanal and illegal mining activities in close proximity to its operations that may cause environmental issues and disruptions to the operations and relationships with governments and local communities.

Infrastructure and Water Access

The Company's operations are carried out in geographical areas which lack developed infrastructure and are subject to various other risk factors, including the availability of sufficient water supplies. Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants which affect capital and operating costs. Lack of such infrastructure or unusual or infrequent weather phenomena, sabotage, terrorism, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations, financial condition and/or results of operations.

The Company's failure to obtain needed water permits, the loss of some or all of the Company's water rights for any of its mines or shortages of water due to drought or loss of water permits could require the Company to curtail or close mining production and could prevent the Company from pursuing expansion opportunities.

Exploration and development risks

Exploration

Gold and other metal exploration is highly speculative in nature, involves many risks and is often not productive; there is no assurance that we will be successful in our gold exploration efforts.

The Company's ability to increase mineral reserves is dependent on a number of factors, including the geological and technical expertise of our management and exploration teams, the quality of land available for exploration and other factors. Once gold mineralization is discovered, it can take several years of exploration and development before production is possible, and the economic feasibility of production can change during that time.

Substantial expenditures are required to carry out exploration and development activities to establish proven and probable mineral reserves and determine the optimal metallurgical process to extract the metals from the ore.

Once the Company has found ore in sufficient quantities and grades to be considered economic for extraction, metallurgical testing is required to determine whether the metals can be extracted economically. There may be associated metals or minerals that make the extraction process more difficult.

There is no assurance that our exploration programs will expand the Company's current mineral reserves or replace them with new mineral reserves. Failure to replace or expand the mineral reserves could have an adverse effect on the Company.

Mine development

The development of Phase 2 of the AGM will require the construction and operation of an open-pit mine, a conveyor, an upgraded CIL plant and the addition of a floatation tank. As a result, the Company is and shall continue to be subject to all of the risks associated with establishing new mining operations including:

- the availability of funds to finance construction and development activities;
- the receipt of required governmental approvals and permits;
- the availability and costs of skilled labour and the ability of key contractors to perform services in the manner contracted for;
- unanticipated changes in grade and tonnage of ore to be mined and processed;
- unanticipated adverse geotechnical conditions;
- incorrect data on which engineering assumptions are made;
- potential increases in construction and operating costs due to changes in the cost of fuel, power, materials, skilled labour, security and supplies;
- adequate access to the site and unanticipated transportation costs or disruptions; and
- potential opposition or obstruction from non-governmental organizations, environmental groups, terrorists or local groups which may delay or prevent development activities.

Any delay in the performance of any one or more of the contractors, suppliers, consultants or other persons on which we are dependent in connection with the construction of Phase 2 of the AGM, a delay in or failure to receive the required governmental approvals and permits in a timely manner or on reasonable terms, or a delay in or failure in connection with the completion and successful operation of the operational elements in connection with Phase 2 of the AGM could delay or prevent the construction and start-up of the mine as planned. There can be no assurances that the current construction and start-up plan for Phase 2 of the AGM will be successful.

Risks Relating to the Value of Securities

The Company's Common Shares may experience price and volume volatility

In recent years, the securities markets have experienced a high level of price and volume volatility, and the market price of securities of many companies has experienced wide fluctuations, which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that such fluctuations will not affect the price of the Company's securities, and the price may decline below their acquisition cost. As a result of this volatility, you may not be able to sell your securities at or above their acquisition cost.

Securities of mining companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in the countries where the Company carries on business and globally, and market perceptions of the attractiveness of particular industries. The price of securities of the Company is also likely to be significantly affected by short-term changes in commodity prices, other precious metal prices or other mineral prices, currency exchange fluctuation and the political environment in the countries in which we do business and globally.

In the past, following periods of volatility in the market price of a Company's securities, shareholders have often instituted class action securities litigation against those companies. Such litigation, if instituted, could result in substantial costs and diversion of management attention and resources, which could significantly harm the Company's profitability and reputation.

Financial Risks

Gold price fluctuations

The Company's revenues depend in part on the market prices for gold. Gold prices fluctuate widely and are affected by numerous factors beyond the Company's control including central bank lending, sales and purchases of gold, producer hedging activities, expectations of inflation, the level of demand for gold as an investment, speculative trading, the relative exchange rate of the U.S. dollar with other major currencies, interest rates, global and regional demand, political and economic conditions and uncertainties, industrial and jewelry demand, production costs in major gold producing regions and worldwide production levels. The aggregate effect of these factors is impossible to predict with accuracy. Fluctuations in gold prices may materially and adversely affect the Company's financial performance or results of operations. The Company does not currently hedge its gold sales although it may do so in future.

Insufficient financing

To fund growth, the Company may need to secure necessary capital through loans or other forms of permanent capital. The availability of this capital is subject to general economic conditions and lender and investor interest in the Company and its projects. The Company believes it will fund Phase 2 of the AGM with cash flow from operations however; the Company may be required to seek additional financing should any number of factors change. In addition, the Company may seek funding to further its search and exploration for new mineral deposits and their development. Financing may not be available when needed or, if available, may not be available on terms acceptable to the Company. Failure to obtain any financing necessary for the Company's capital expenditure plans may result in a delay or indefinite postponement of exploration, development or production on any or all of the Company's properties.

Shareholder dilution

The adequacy of the Company's capital structure is assessed on an ongoing basis and adjusted as necessary after taking into consideration the Company's strategic plans, market and forecasted gold prices, the mining industry, general economic conditions and associated risks. In order to maintain or adjust its capital structure, the Company may adjust its capital spending, issue new common shares, purchase common shares for cancellation pursuant to normal course issuer bids, issue new debt or reimburse existing debt. The constating documents of the Company allow it to issue, among other things, an unlimited number of Common Shares for such consideration and on such terms and conditions as may be established by the Board of Directors of the Company, in many cases, without the approval of shareholders. The Company cannot predict the size of future issues of Common Shares or the issue of securities convertible into common shares of Asanko or the effect, if any, that future issues and sales of the Company's common shares will have on the market price of its common shares. Any transaction involving the issue of previously authorized but unissued common shares or securities convertible into common shares would result in dilution, possibly substantial, to present and prospective holders of common shares.

Market Price of Common Shares

The Company's common shares are publicly traded and are subject to various factors that have historically made the common share price volatile. The market price of Asanko's common shares has experienced, and may continue to experience, significant volatility, which may result in losses to investors. The market price of Asanko's common shares may increase or decrease in response to a number of events and factors, including: operating performance and the performance of competitors and other similar companies, volatility in metal prices, the public's reaction to news releases on developments at mines and other properties, material change reports, other public announcements and the Company's filings with the various securities regulatory authorities, changes in earnings estimates or recommendations by research analysts who track Asanko's common shares or the shares of other companies in the resource sector, changes in general economic and/or political conditions, the number of common shares to be publicly traded after an offering of Asanko's common shares, the arrival or departure of key personnel, acquisitions, strategic alliances or joint ventures involving the Company's or its competitors, and the other risk factors described herein.

In addition, the global stock markets and prices for mining company shares have experienced volatility that often has been unrelated to the operating performance of such companies. These market and industry fluctuations may adversely affect the market price of Asanko's common shares, regardless of our operating performance. The variables which are not directly related to the Company's success and are, therefore, not within the Company's control, include other developments that affect the market for mining company shares, the breadth of the public market for Asanko's common shares and the attractiveness of alternative investments.

The effect of these and other factors on the market price of Asanko's common shares on the exchanges on which they trade has historically made Asanko's common share price volatile and suggests that the common share price will continue to be volatile in the future.

Debt repayment

The Company expects to obtain the funds to pay its expenses and to pay the principal and interest on its debt by utilizing cash flow from operations. The Company's ability to make scheduled payments on outstanding debt depends on its financial condition and operating performance, which are subject to prevailing economic and competitive conditions beyond its control, including fluctuations in the gold price. If the Company's cash flows and capital resources are insufficient to fund its debt service obligations, it could face substantial liquidity problems and could be forced to reduce or delay investments and capital expenditures or to dispose of material assets or operations, seek additional debt or equity capital or restructure or refinance indebtedness. The Company may not be able to affect any such alternative measures, if necessary, on commercially reasonable terms or at all and, even if successful, those alternatives may not allow the Company to meet its scheduled debt service obligations.

The Company's inability to generate sufficient cash flows to satisfy its debt obligations, or to refinance its indebtedness on commercially reasonable terms or at all, would materially and adversely affect the business, the results of operations and the ability to satisfy obligations including those with respect to debt instruments.

Interest rates

The Company's financial results are affected by movements in interest rates. Interest payments under the Company's definitive senior facilities agreement are subject to fluctuation based on changes to specified interest rates. If interest rates increase, the Company's debt service obligations on the variable rate indebtedness will increase even though the amount borrowed remained the same, and the Company's net income and cash flows, including cash available for servicing our indebtedness, will correspondingly decrease. The Company does not currently hedge against interest rate risk, although it may do so from time to time in the future.

Foreign currency and foreign exchange

The Company receives revenue from operations in US dollars but incurs a portion of its operating expenses and costs in foreign currencies including Ghanaian Cedis, South African Rand, and Canadian dollars. Each of these currencies fluctuates in value and is subject to their own country's political and economic conditions and the Company is therefore subject to fluctuations in the exchange rates between the US dollar and these currencies. These fluctuations could have a material effect on the Company's future cash flow, business, results of operations, financial condition and share price and lead to higher construction, development and costs other than anticipated. The Company does not currently hedge against currency exchange risks, although it may do so from time to time in the future.

Credit rating downgrade

The Company's debt currently has a non-investment grade rating, and any rating assigned could be lowered or withdrawn entirely by a rating agency if, in that rating agency's judgment, future circumstances relating to the basis of the rating, such as adverse changes, so warrant. Consequently, real or anticipated changes in the Company's credit ratings will generally affect the market value of the Company's debt. Additionally, credit ratings may not reflect the potential effect of risks relating to the structure of the Company's debt. Any future lowering of the Company's ratings likely would make it more difficult or more expensive for the Company to obtain additional debt financing.

Taxation

The Company has operations and conducts business in a number of different jurisdictions and is subject to the taxation laws of each such jurisdiction. These taxation laws are complicated and subject to changes and are subject to review and assessment in the ordinary course. Any such changes in taxation law or reviews and assessments could result in higher taxes being payable by the Company, which could adversely affect profitability. Taxes and other local laws and requirements may also adversely affect the Company's ability to repatriate earnings and otherwise deploy assets.

In addition, the Company is subject to routine tax audits by various tax authorities. Tax audits may result in additional tax, interest payments and penalties which would negatively affect the Company's financial condition and operating results.

Repatriation of funds

Asanko expects to generate cash flow and profits at our foreign subsidiaries, and may need to repatriate funds from those subsidiaries to service indebtedness or fulfill the Company's business plans, in particular in relation to ongoing expenditures at development assets. Asanko may not be able to repatriate funds, or may incur tax payments or other costs when doing so, as a result of a change in applicable law or tax requirements at local subsidiary levels, and such costs could be material.

Financial reporting risks

Inadequate controls over financial reporting

The Company assessed and tested, for its 2016 fiscal year, its internal control procedures in order to satisfy the requirements of Section 404 of the Sarbanes-Oxley Act ("SOX"). SOX requires an annual assessment by management of the effectiveness of the Company's internal control over financial reporting and an attestation report by the Company's independent auditors addressing the effectiveness of the Company's internal controls over financial reporting. The Company's failure to satisfy the requirements of Section 404 of SOX on an ongoing and timely basis could result in the loss of investor confidence in the reliability of its financial statements, which in turn could harm the Company's business and negatively impact the trading price of its Common Shares or market value of its other securities. In addition, any failure to implement required new or improved controls, or difficulties encountered in their implementation could harm the Company's operating results or cause it to fail to meet its reporting obligations.

No evaluation can provide complete assurance that the Company's internal control over financial reporting will detect or uncover all failures of persons within the Company to disclose material information required to be reported. Accordingly, the Company's management does not expect that its internal control over financial reporting will prevent or detect all errors and all fraud.

Public company obligations

The Company's business is subject to evolving corporate governance and public disclosure regulations that have increased both the Company's compliance costs and the risk of non-compliance, which could have an adverse effect on the Company's stock price.

The Company is subject to changing rules and regulations promulgated by a number of U.S. and Canadian governmental and self-regulated organizations, including the SEC, the Canadian Securities Administrators, the NYSE MKT, the TSX, and the International Accounting Standards Board. These rules and regulations continue to evolve in scope and complexity and many new requirements have been created in response to laws enacted by the U.S. Congress, making compliance more difficult and uncertain.

Carrying value of assets

The carrying value of the Company's assets is compared to internal estimates of their estimated fair value to assess how much value can be recovered based on current events and circumstances. The Company's fair value estimates are based on numerous assumptions and are adjusted from time to time and the actual fair value, which also varies over time, could be significantly different than these estimates.

If there are no mitigating valuation factors and the Company does not achieve its valuation assumptions, or it experiences a decline in the fair value of our reporting units, it could result in an impairment charge, which could have an adverse effect on the Company.

Change in reporting standards

Changes in accounting or financial reporting standards may have an adverse effect on the Company's financial condition and results of operations in the future.

Corporate risks

Insurance and Uninsured risks

Where economically feasible and based on availability of coverage, a number of operational, financial and political risks are transferred to insurance companies. The availability of such insurance is dependent on the Company's past insurance losses and records and general market conditions. Available insurance does not cover all of the potential risks associated with a mining company's operations. The Company may also be unable to maintain insurance to cover insurable risks at economically feasible premiums, insurance coverage may not be available in the future or may not be adequate to cover any resulting loss, and the ability to claim under existing policies may be contested. Moreover, insurance against risks such as the validity and ownership of unpatented mining claims and mill sites and environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. As a result, the Company might become subject to liability for environmental damage or other hazards for which it is completely or partially uninsured or for which it elects not to insure because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial condition and/or results of operations.

Litigation

The Company is subject to litigation arising in the normal course of business and may be involved in disputes with other parties, including governments and its workforce, in the future which may result in litigation. The causes of potential future litigation cannot be known and may arise from, among other things, business activities, environmental laws, volatility in stock price, failure to comply with disclosure obligations or the presence of illegal miners or labour disruptions at its mine sites. The results and costs of litigation cannot be predicted with certainty. If the Company is unable to resolve these disputes favourably, it may have a material adverse impact on the Company's financial performance, cash flow and results of operations.

In the event of a dispute involving the foreign operations of the Company, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada. The Company's ability to enforce its rights or its potential exposure to the enforcement in Canada or locally of judgments from foreign courts could have an adverse effect on its future cash flows, earnings, results of operations and financial condition.

Reputational risk

Damage to Asanko's reputation can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity, whether true or not. Although Asanko believes that it operates in a manner that is respectful to all stakeholders and takes care in protecting its image and reputation, it does not have control over how it is perceived by others. Any reputation loss could result in decreased investor confidence and increased challenges in developing and maintaining community relations which may have adverse effects on the business, results of operations, financial condition and share price.

Acquisitions

The Company may pursue the acquisition or disposition of producing, development or advanced stage exploration properties and companies. The search for attractive acquisition opportunities and the completion of suitable transactions are time consuming and expensive, and may be unsuccessful. The Company's success in its acquisition activities depends on its ability to identify suitable acquisition candidates, negotiate acceptable terms for any such acquisition, obtain necessary regulatory approvals and integrate the acquired operations successfully with those of the Company. Any acquisition that the Company may choose to complete may be of a significant size, may change the scale of the Company's business and operations and may expose the Company to new geographical, political, operational, financial and geological risks. For example:

- there may be a significant change in commodity prices after the Company has committed to complete an acquisition and established the purchase price or share exchange ratio;
- a material ore body may prove to be below expectations;
- the Company may have difficulty integrating and assimilating the operations and personnel of any acquired companies, realizing anticipated synergies, maximizing the financial and strategic position of the combined enterprise, and maintaining uniform standards, policies and controls across the organization;
- the integration of the acquired business or assets may disrupt the Company's ongoing business and its relationships with employees, suppliers and contractor; and
- the acquired business or assets may have unknown liabilities which may be significant.

Competitors

The Company competes with other mining companies and individuals for mining interests on attractive exploration properties and the acquisition of mining assets, including competitors with greater financial, technical or other resources. This may increase the risk of higher costs when acquiring suitable claims, properties and assets or of even making such acquisitions on terms acceptable to the Company. There can be no assurance that the Company will be able to compete successfully with its competitors in acquiring such properties and assets.

Information systems security threats

The Company is reliant on the continuous and uninterrupted operation of its Information Technology ("IT") systems. User access and security of all IT systems can be critical elements to the operations of the Company. Protection against cyber security incidents, cloud security and security of all of the Company's IT systems are critical to the operations of the Company. Any IT failure pertaining to availability, access or system security could result in disruption for personnel and could adversely affect the reputation, operations or financial performance of the Company.

The Company's IT systems could be compromised by unauthorized parties attempting to extract business sensitive, confidential or personal information, corrupting information or disrupting business processes or by inadvertent or intentional actions by the Company's employees or vendors. A cyber security incident resulting in a security breach or failure to identify a security threat could disrupt business and could result in the loss of business sensitive, confidential or personal information or other assets, as well as litigation, regulatory enforcement, violation of privacy or securities laws and regulations, and remediation costs.

If any of the foregoing events, or other risk factor events not described herein occur, our business, financial condition or results of operations could suffer. In that event, the market price of our securities would likely, absent positive catalysts, decline and investors could lose part or all of their investment.

Other risks and uncertainties

The exploration, development and mining of natural resources are highly speculative in nature and are subject to significant risks. The risk factors noted below do not necessarily comprise all risks faced by the Company. Additional risks and uncertainties not presently known to the Company or that management currently consider immaterial may also impair our business, operations and future prospects. If any of the following risks actually occur, the Company's business may be harmed and the Company's financial condition and results of operations may suffer significantly.

MINERAL PROPERTIES

The Asanko Gold Mine

The following is a summary description of the development stage project known as the Asanko Gold Mine ("AGM") and is a direct extract and reproduction of the summary, without material modification, contained in the technical report entitled "Asanko Gold Mine – Phase 2 Pre-Feasibility Study, National Instrument 43-101 Technical Report" dated June 29, 2015, prepared by DRA Projects (Pty) Limited and authored by Glenn Bezuidenhout, National Diploma (Extractive Metallurgy), FSIAMM, Doug Heher, B.Sc Eng (Mechanical), PrEng., Thomas Kwabena Obiri-Yeboah, B.Sc Eng (Mining), PrEng, John Stanbury, B.Sc Eng (Industrial), PrEng., Charles J. Muller, B.Sc. Hons (Geology), B.Sc. Hons (Geology) Pr. Sci. Nat. and David Morgan, M.Sc. Eng (Civil), CP Eng, each of whom is an independent Qualified Person (the "2015 Asanko PFS"). The work and conclusions of the 2015 Asanko PFS are disclosed in accordance with NI 43-101.

An updated Mineral Resource and Reserve Estimate for the AGM was published on February 24, 2017, including maiden resource and reserve estimates for the three near-mine exploration deposits, Akwasiso, Nkran Extension and Adubiaso Extension. See the below section "Mineral Properties - Asanko Gold Mine – Updated Mineral Resource Estimate".

All defined terms used in the summary below have the meaning ascribed to them in the 2015 Asanko PFS, and as a result may differ from the defined terms used elsewhere throughout this AIF. The below summary is subject to all the assumptions, qualifications and procedures set out in the 2015 Asanko PFS and is qualified in its entirety with reference to the full text of the 2015 Asanko PFS, which has been filed on June 29, 2015 and is available for review under the Company's profile at www.sedar.com.

Following the acquisition of PMI in early 2014, Asanko combined its Esaase Gold Project with PMI's Obotan Gold Project to form the Asanko Gold Mine. Asanko is intending to develop the AGM in two phases, with Phase 1 being largely based on the Obotan Project as initiated by PMI. It was envisioned by the Company that the Esaase pit would be assessed for development in a second phase. Phase 2 would be premised on processing ore from Esaase in an expanded Phase 1 processing facility, utilising much of the infrastructure of Phase 1.

Phase 1 of the AGM has been under development by the Company since August 2014 and the Company poured its first gold in January 2016. In November 2016 the Company commenced implementation of Phase 2 of the AGM.

Project Description, Location and Access

The AGM concessions are located in the Amansie West district of the Ashanti region of Ghana (Figure 5.1) . The Project concessions are owned 100% by Adansi, a 100% owned Ghanaian subsidiary of Asanko. The government of Ghana retains the right to take a 10% free carried interest in the AGM under Section 8 of the Ghanaian Mining Act. The Esaase concessions are 90% owned by KRGL, a 100% owned Ghanaian subsidiary of Asanko, with the Government of Ghana owning 10% reflecting its free carried interest.

Asanko holds four mining leases (Table 5.1) as well as prospecting and reconnaissance licenses which collectively make up the AGM and span 30 km strike length of the Asankrangwa Gold Belt. These concessions cover an area of approximately 309.61 km^2, between latitudes 6° 11' 54.985" N and 6° 35' 33.074" N, and longitudes 2° 4' 59.195" W and 1° 51' 25.040" W.

The Esaase, Abore, Abirem, and Adubea Mining Leases contain all of the resources defined to date. All other concessions held by Asanko in the area contain exploration potential defined to date and in some instances locations for infrastructure. The EPA grants permits on a perennial basis to conduct exploration.

With respect to the AGM areas, all permitting within the aforementioned governmental permitting structure is up to date and accounted for.

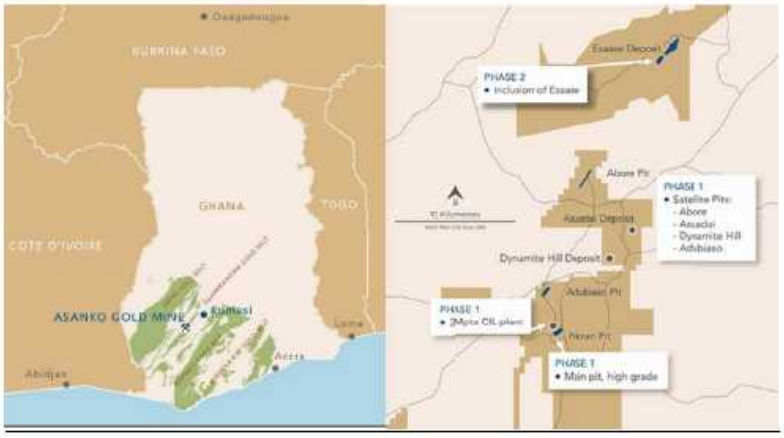


Figure 5-1: The Asanko Gold Mine Location

Table 5-1: The Asanko Gold Mine Mining Licences

Tenement name	100% owned title holder	Minerals Commission file	Current grant date	Current expiry date	Status of license
Esaase	KRGL	EPA/PR/PN/804	04/09/1990	03/09/2020	Mining area applied for
Abore	Adansi	PL 6/303	02/11/2012	01/11/2017	Valid
Abirem	Adansi	PL 6/303	28/03/2013	27/03/2026	Valid
Adubea	Adansi	PL 6/310	02/11/2012	01/11/2018	Valid

All concessions carry a 10% free carried interest in favour of the Ghanaia an government. The government interest is reflected in a 10% ownership of the operating company, and the government has a right to 10% of any intercompany dividends paid by the subsidiary. The leases are also subject to a 5% royalty payable to the government of Ghana. In addition, the Adubea concession is also subject to an additional 0.5% royalty to the original concession owner. The Esaase mining lease is also subject to an additional 0.5% royalty to the Bonte Liquidation Committee.

There is no environmental liability held over Asanko for any of the AGM concessions relating to Phase 1 with the exception of project works to date. There is a potential environmental liability on the Company's Jeni River concession which was inherited with the acquisition of the Esaase concession and is reported in its December 31, 2016 financial statements as an Asset Retirement Obligation.

The AGM concessions are located in the Amansie West district of the Ashanti region of Ghana, approximately 250 km northwest of the capital Accra, and about 50 to 80 km southwest of the regional capital of Kumasi. There are several local villages near the AGM site; the closest to the plant site is the Manso Nkran village, while the villages of Tetrem and Esaase are in close proximity to the Esaase deposit.

Mining personnel are readily available in Ghana with a highly skilled workforce and numerous mining operations in the country.

There are daily flights from Accra to Kumsi flown by several different airlines. In addition, there is a small airstrip located adjacent to the Phase 1 infrastructure west of the Nkran village. Existing road access to the site is available from the west, south and east, but the main access used will be from the ports of Tema and Takoradi to the south via Kumasi, or Obuasi. Total distance from Tema to the project site, via Kumasi is approximately 400 km.

The AGM is located in hilly terrain dissected by broad, flat drainages that typically form swamps in the wet season between May and late October. Hill tops are generally at very similar elevations, reflecting the elevation of a previous erosional peneplane that is now extensively eroded. Maximum elevations are around 80 metres above sea level, but the areas impacted by the AGM deposits generally lie at less than 50 metres elevation. Despite the subdued topography, hill slopes are typically steep. Ecologically the AGM area is situated in the Wet Evergreen Forest Zone.

The Project is currently under construction and infrastructure is progressing. Current site infrastructure consists of:

- an exploration office, core storage area and accommodation facility located just west of the village of Nkran;
- an exploration office, core storage area and accommodation facility located just north of the village of Tetrem;
- infrastructure remaining from the operations of Amansie Resources Limited consisting of administrative buildings (fully renovated), a mine village equipped with a water treatment plant, that is partially habitable and a 33 kV power supply from the ECG sub-station at Gyagyatreso;
- communications currently available at the site are good. Vodafone has recently completed the installation of communication towers which have significantly improved network coverage on site;
- the section of the haul road between the Nkran Pit and Abore Pit south of the tar road has been upgraded to serve as the main access road to the mine. This is a private (mine road) and does not pass through any minor village;
- power supply infrastructure has suitable capacity to support the operation during construction. Asanko has been receiving uninterrupted power via the 30km long, 161kV power line from the state owned Volta River Authority ("VRA") and the tariff is in line with the DPP rate of US$18c/kWh. Asanko has finalized a short-term power supply agreement with VRA; and
- in addition, the Company has installed 20 megawatts of diesel generator capacity at site as a 100% redundant back-up supply of power. The back-up power is fully operational.

Water is readily available in the AGM area. A ground water assessment of the planned Nkran and Adubiaso Pits was conducted based on an investigation that took place from April to June 2012 and included the drilling of eight investigation holes and the pump testing of six bores.

The results of this program indicates that the base load process raw water requirement of 7 litres per second could be supplied by two of the bores operating on a duty and standby basis with a third equipped as a spare.

Potable water is available at both of the accommodation camps (Phase 1 and Esaase) and is more than adequate to provide potable water needs to the work force.

History

Nkran Area

Nkran appears to be quite important from the viewpoint of historical artisanal gold mining that dates back many generations and remains quite extensive to the present day.

In the late 1980s, this prospect attracted the attention of consultant Dr. Alex Barko who recommended the area to one of his local client groups and Obotan Minerals subsequently applied and received a prospecting concession covering about 106 km^2 over the general area. A minor amount of prospecting was carried out in the early stages. Some attention was paid to the alluvial gold potential because of the extensive gold in the nearby Offin River (held by Dunkwa Goldfields), as well as the alluvial gold project being developed at the time, a little further north in the Bonte area. In the early 1990s, the Obotan concession was examined by American consultant Al Perry who was working on behalf of two related Australian juniors, Associated Gold Fields NL and Kiwi International Resources Limited.

By early 1995, resource estimates (measured, indicated and inferred) were reported as 4.8 Mt grading about 3.7 g/t for an in-situ gold content of close to 600,000 oz. A feasibility study was completed and a mining lease was granted in late 1995. In May 1996 the combined interests of Kiwi and Associated Gold Fields were bought out by Resolute Limited ("Resolute") who immediately reviewed and expanded the scope of the project. This was achieved mainly by conducting further RC diamond drilling to increase resources to a depth of 150 m at Nkran and to further assess the known mineralization at nearby Adubiaso.

A revised mine development plan was completed by the end of July 1996 and a decision was made to proceed into production at a rate of 1.4 Mtpa. Initial mining was started early in 1997 and by May 1997, the first gold was poured. Mining operations ceased in 2002 due to low gold prices and the concessions were reclaimed and returned the Government of Ghana.

Abore Area

The Abore area was covered in a prospecting concession granted to the Oda River Gold small scale mining licence (Asuadai prospect) at Adubea in 1991.

In the mid-1990's, Mutual Resources ("Mutual") of Vancouver, Canada, in partnership with Leo Shield Exploration of Perth, Australia, completed a joint venture with the Oda River group and commenced a regional exploration program on the concession (covering approximately 73 km^2). Prospecting in the area north of Abore revealed extensive old and very recent artisanal mining in alluvial areas as well as many old Ashanti pits in the saprolite along a low hill immediately adjacent to the alluvial workings.

Soil geochemistry revealed a strong north-north-east trending gold anomaly over the area of artisanal mining (bedrock areas); the anomaly is several hundred metres wide and traceable along strike for about 3 km, well beyond the area of old workings. Extensive trenching in the area confirmed continuous bedrock mineralization over a distance of at least 1,000 m with widths in the range 50 - 100 m. The mineralization consists of a broad quartz stock work system hosted mainly by a north-north-east trending intermediate granitoid intrusion. The early artisanal pitting was focused mainly on narrow quartz veins associated with the stock work system. Extensive drilling in the area (mainly RC, but considerable diamond drilling as well) has outlined a sizeable resource (now known as the Abore north prospect).

In the late 1990's, Mutual's interest in the project was bought out by Leo Shield, (now Shield Resources). In early 2001, an agreement was reached with Resolute whereby ore was trucked from Abore north to the Nkran plant for treatment.

Adubiaso Area

During the late 1990's, the Nkran plant started to process oxide ores from the Adubiaso gold deposit, located about 7.5 km north-north-west of Nkran. There were no known historical workings on this area.

Asuadai Area

The Asuadai prospect has predominantly been worked by local artisanal miners who have undertaken minor pitting in the region down to 5 to 10 m through the oxide material to expose these stock work vein sets. There were no known formal historical mining workings on this area.

Dynamite Hill Area

There was no historical exploration or mining activity known at Dynamite Hill.

Esaase Area

Artisanal mining has a long history in the Bonte Area, associated with the Ashanti Kingdom. Evidence exists of adits driven by European settlers, between 1900 to 1939; however, no documented records remain of their activity. Drilling was conducted on the Bonte River valley alluvial sediments during 1966 and 1967 to determine alluvial gold potential.

In 1990, the Bonte mining lease was granted to Akrokerri-Ashanti Gold Mines ("AAGM") and was later transferred to Bonte Gold Mining ("BGM"), a local subsidiary of AAGM. BGM had reportedly recovered an estimated 200,000 oz of alluvial gold on the Esaase concession and another 300,000 oz downstream on the Jeni River concession, prior to entering into receivership in 2002. It should be noted that previous Placer Gold production is of no relevance to Asanko's development program, which is entirely focused on the development of hard rock resources.

The Esaase mining concession, including the camp facilities at Tetrem, was bought from the Bonte Liquidation Committee by Sametro Company Limited, a private Ghanaian company. In May, 2006, Asanko, then called Keegan Resources Inc., signed a letter of agreement with Sametro to earn 100% of the Esaase mining concession over a three year period of work commitments and option payments.

Geological Setting, Mineralization and Deposit Types

The geology of economic interest in Ghana is comprised predominantly of rocks of the Birimian and to a lesser extent of units belonging to the Tarkwaian. The Birimian consists of narrow greenstone (volcanic) belts, which are traceable for hundreds of kilometres along strike, but are usually only 20 to 60 km wide. The greenstone belts are separated by wider basins of mainly marine clastic sediments. The margins of the belts commonly exhibit faulting on local and regional scales. These structures are fundamentally important in the development of gold deposits, for which the region is well known, and often result in systems of gold-bearing quartz veins within the tightly folded Birimian-age sedimentary rocks.

The AGM concessions are located in the centre of the Kumasi basin, nearly equidistant between the north-west flank of the Ashanti Belt and the south-east flank of the Sefwi-Bibiani Belt, (Figure 5.2), and form part of the Asankrangwa Gold Belt, a complex northeast trending shear system, situated along the central axis of the Kumasi Basin, bearing quartz reefs and granitic intrusives, within a zone that is about 15 km wide, and may be traced for a northeast-southwest distance of some 150 km.

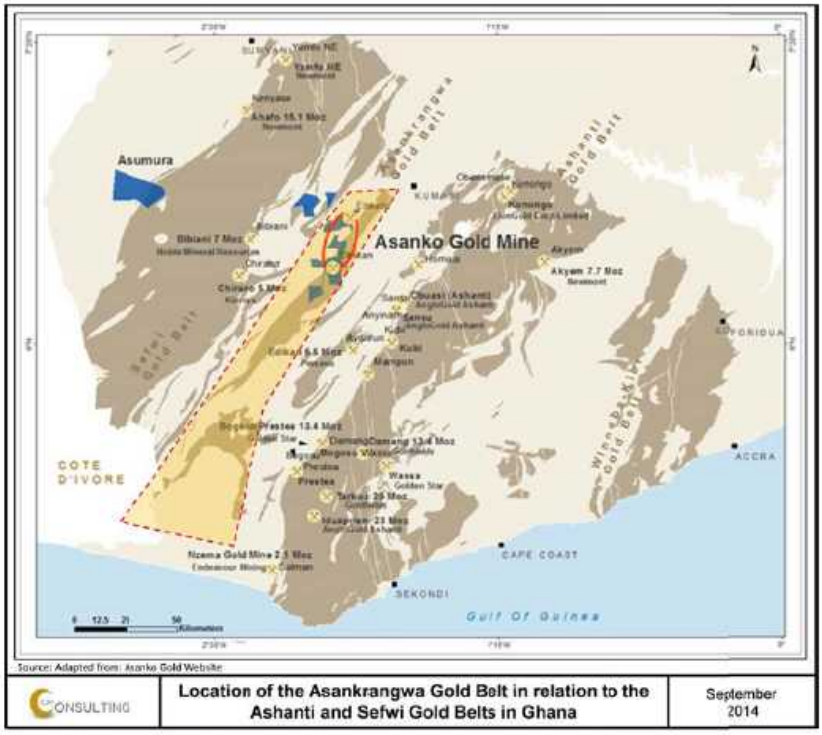


Figure 5-2: Location of the Asankrangwa Gold Belt in relation to the Ashanti and Sefwi Gold Belts

Gold mineralization in the AGM area is hosted in Birimian meta-sediments and basin-type granites and is associated with major northeast striking, 5 to 40 m wide graphite-chlorite-sericite fault zones. In particular, gold mineralization is developed where the northeast fault zones intersect major east-to-northeast striking fault zones, and especially where they are recognized to have influenced granite emplacement, alteration and Au geochemical trends.

The AGM area contains six major systems of gold-bearing quartz veins hosted by tightly folded and foliated Birimian-age altered sedimentary rocks, and basin-type granites within several well defined parallel structural corridors. The host rock package includes shale, siltstones, granites, and lesser feldspathic sandstones. The sedimentary packages are moderately to str rongly folded and foliated with shale generally displaying better development of foliation than siltstone. The intrusive packages generally display less strain than the sedimentary packages. The mineralized quartz veins are syn-kinematic to post-kinematic, and generally form sets of sub-vertical to gently dipping veins, with the syn-kinematic veins folded about the dominant axial plane cleavage. The overall trend of the mineralized bodies is northeast with a moderate dip to the west. The vein arrays within these bodies have various orientations. The most common orientations are north striking with vertical dips.

Akwasiso Satellite Deposit

The newest target, Akwasiso, is located on the Nkran shear corridor (see Figure 5-3) and lies approximately 2 km north of the current Nkran pit, immediately north of Nkran Extension and approximately 5km south of the Dynamite Hill deposit. Until recently the area was designated as Small Miner's Concessions. Asanko recently obtained the rights to the mineral concessions, which are contained within its existing Abirem mining lease.

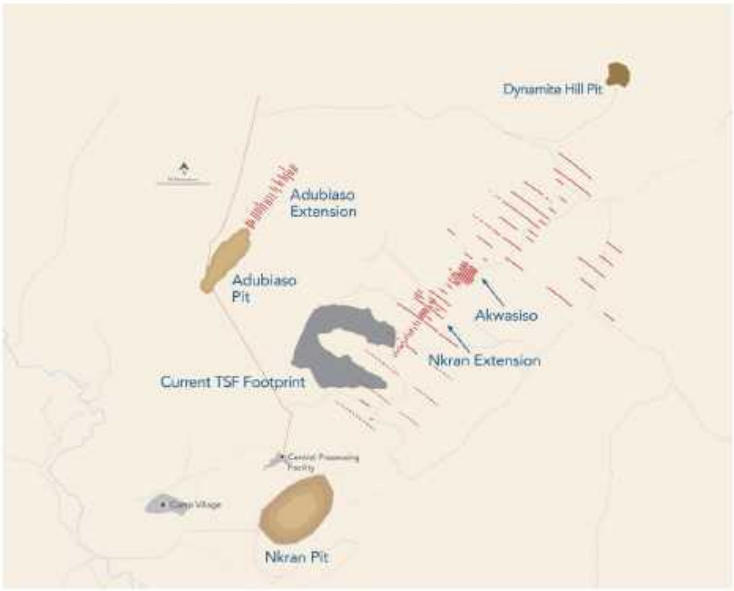


Figure 5-3: Locality Map of Akwasiso Satellite Deposit

The Akwasiso target is situated immediately north-east of the Nkran Extension deposit and the Tailings Storage Facility. The target sits on the Company's existing Abriem mining lease, but until recently had been designated as "small mining concessions" and owned by small scale alluvial miners. The Company acquired the concessions earlier this year which had been previously explored by a prior operator.

During 1997–2000, 183 diamond and reverse circulation holes were drilled on the Akwasiso target, although no compliant Mineral Resources were estimated. According to drilling logs and reports, the total amount of known historic drilling was approximately 11,600m with numerous mineralized high-grade intercepts. The drilling was limited to a depth of approximately 100m.

Exploration

Asanko has undertaken extensive geophysical surveys (both ground and airborne), surface mapping and reconnaissance, data accumulation, reverse circulation drilling, diamond drilling and validation over the Abore, Asuadai, Adubiaso, Dynamite Hill, Nkran and Esaase concessions.

The surface mapping study concluded that only 7% of Asanko's highly prospective concession area had been explored historically. The study has provided a better understanding of the controls on the location of gold deposit formation and the expression of these controls in exploration data and a significant number of new exploration targets have been generated. The identified targets provide a clear opportunity for the exploration team and offer the potential for rapid delineation of new deposits and resource areas.

The 2015 exploration programme was designed to provide a cost effective validation of prospective targets, as well as establish a level of parity to the data coverage. To this end, an airborne geophysical survey was conducted during 2015 in order to infill areas not flown already, and importantly lay the foundation for contiguous geological and structural modelling of targets. Near surface oxide targets were prioritized for investigation during 2016.

The 2016 near mine exploration program yielded success during Q3 with the completion of the Nkran Extension resource estimate and the completion and submission of the Supplementary Environmental Impact Study for the Adubiaso Extension. The Company received the permit for the Adubiaso Extension at the end of Q3 2016, completed initial grade control drilling and commenced mining in Q4 2016. The permit for the Nkran extension was received in Q4 2016 with mining expected to commence in Q1 2017. Extremely promising results from exploration at the newly-acquired Akwasiso deposit lead the Company to believe this is a very high-potential target with significant mineralization. The predominantly oxide ores from these targets are expected to be blended with fresh ore from the Nkran pit to maximize utilization of the existing processing plant's capacity. These satellite deposits, together with Dynamite Hill, are likely to provide additional ore sources in 2017.

Drilling

Phase 1 Deposits

Drill traverses for all Phase 1 project areas are generally aligned perpendicular to the local NE-SW mineralized trends.

To date, a total of 1,947 holes have been drilled in the four deposits (Nkran 877, Adubiaso 327, Asuadai 143, Abore 463, and Dynamite Hill 137).

The resource drill hole spacing varies between the projects, from as small as 10 to 15 m across strike, and 15 to 50 m along strike (to define near mine surface projections of mineralization). Drill coverage at depth is variable approaching the maximum drilled depth of 590 m from surface in drill hole RCD802A at the Nkran deposit.

The drilling density is considered appropriate to define the geometry and extent of the mineralization for the purpose of estimating gold resources, given the understanding of the local project geology, structure and confining formations.

Esaase

The drilling program conducted at the Esaase deposit focused mainly on the northwest striking gold bearing structures in the Esaase concession but in addition, targets on the Jeni, Dawohodo and Mpatoam concessions were drilled. The drilling program entailed both surface reverse circulation ("RC") and diamond core ("DC") drilling methods focused on the targets identified by soil sampling, trenching and geophysical interpretations.

A total of 1,496 drillholes were completed on the Esaase area. The vast majority of the drillholes into the west dipping mineralization were collared at an orientation of approximately 100º (UTM). A small number of drillholes were drilled towards approximately 300º. Of these, 1,187 drill holes in the currently defined resource area were used for the resource estimation study.

Phase 2 Deposits

Following a successful prospectivity mapping program that identified a series of drill ready targets on the Company's substantial land package in 2015, a number of these targets have been or are being drilled with a goal of upgrading them into a category of resource status on a systematic basis. The focus is currently on three near surface oxide targets within short trucking distance of the existing processing plant: Nkran Extension, Adubiaso Extension and Akwasiso. Each of these targets are expected to provide additional feed to the existing plant in 2017 and 2018 until construction of Project 5M (previously described as Phase 2A) is complete and ore feed for the expanded plant capacity is sourced from the Esaase pits. Given these deposits are free milling and present as near surface, they are expected to produce gold at marginal cost, helping to generate significant free-cash flow during the Project 5M build.

The Nkran Extension and the Adubiaso Extension have been incorporated into the new AGM Life of Mine plan, which was expected to be announced in Q4 2016 as part of the Definitive Feasibility Study for the Phase 2 expansion project.

Nkran Extension

The Nkran Extension is located on the Nkran shear structure, approximately 1.5km from the Nkran pit, and runs for 900m North-South adjacent to the existing Tailings Storage Facility ("TSF"). The zone of interest was originally indicated from sterilization drilling for the TSF in 2013.

During Q1 2016 the zone was infilled by Reverse Circulation ("RC") drilling on a heel-toe 40m x 20m grid. In Q2 2016, following the completed assaying of the 29 RC drillholes (approximately 2,200m), a classified Mineral Resource has been estimated. The Measured & Indicated Mineral Resources is estimated at 758,658 tonnes at 1.76g/t for 42,930 contained ounces of gold at 0.8 g/t cut-off. Given these additional resources are part of and not a material addition to the estimated Asanko Gold Mine resources, no separate technical report will be prepared for them.

The Nkran extension permit applications were lodged with the relevant regulatory bodies during Q3 2016 with the requisite permits expected in Q1 2017 and mining is expected to commence later in 2017.

Table 1: Nkran Extension – Measured and Indicated Resources

Cut-Off (g/t gold)	Tonnage	Grade (g/t)	Gold Ounces
0.5	1,001,515	1.49	47,967
0.6	913,008	1.58	46,414
0.7	830,438	1.67	44,691
0.8	**758,658**	**1.76**	**42,960**
1.0	631,098	1.94	39,294

Table 2: Nkran Extension - Inferred Resources

Cut-Off (g/t gold)	Tonnage	Grade (g/t)	Gold Ounces
0.5	1,033,300	1.36	45,303
0.6	899,110	1.48	42,924
0.7	810,495	1.58	41,077
0.8	**740,643**	**1.65**	**39,386**
1.0	610,805	1.82	35,671

Notes:

(1) All figures are in metric tonnes and columns may not add up due to rounding. A gold cut-off grade of 0.8 g/t has been used. The Mineral Resources are stated as *in situ* tonnes. Individual densities were used per ore domain. The tonnages and contents are stated as 100%, which means no attributable portions have been stated in the table conversion from grams to ounces – 1oz troy 31.10348g.

Adubiaso Pit Extension

The Adubiaso pit is a previously mined satellite pit at the AGM, which is estimated to contain 1.8 million tonnes of Proven and Probable Mineral Reserves at 2.07 g/t gold. These Mineral Reserves lie predominantly under the old pit and form part of the current life-of-mine plan for the AGM. In 2015, mineralization in two zones over a 300m strike length extending to the North-East of the existing pit were identified based on an analysis of historical drill hole data.

In the first quarter of 2016, the Company drilled 20 holes (approximately 2,100 metres) of RC drilling and delineated a classified Mineral Resource, as per the tables below. Given these additional resources are part of and not a material addition to the estimated Asanko Gold Mine resources, no separate technical report will be prepared for them.

The supplementary Environmental Impact Statement for Adubiaso Extension was submitted earlier in 2016 and the requisite permits were received during Q3 and mining of the deposit has begun.

Table 1: Adubiaso Extension - Measured and Indicated Resources

Cut-Off (g/t gold)	Tonnage	Grade (g/t)	Ounces
0.5	992,408	1.43	45,612
0.6	833,738	1.60	42,812
0.7	714,505	1.76	40,320
0.8	**628,602**	**1.89**	**38,249**
1.0	482,590	2.19	34,034

Table 2: Adubiaso Extension - Inferred Resources

Cut-Off (g/t gold)	Tonnage	Grade (g/t)	Ounces
0.5	406,846	1.69	21,394
0.6	328,860	1.96	20,042
0.7	269,528	2.24	18,815
0.8	**239,597**	**2.42**	**18,086**
1.0	191,347	2.79	16,657

Notes:

(1) The cut-off grade used was 0.8 g/t. Columns may not add up due to rounding. All figures are in metric tonnes. The Mineral Resources are stated as *in situ* tonnes. Individual densities were used per ore domain. The tonnages and contents are stated as 100%, which means no attributable portions have been stated in the table conversion from grams to ounces – 1 oz troy = 31.10348g.

Akwasiso Satellite Deposit

The newest target, Akwasiso, is located on the Nkran shear corridor and lies approximately 2 km north of the current Nkran pit, immediately north of Nkran Extension and approximately 5km south of the Dynamite Hill deposit. Until recently the area was designated as Small Miner's Concessions. Asanko recently obtained the rights to the mineral concessions, which are contained within its existing Abirem mining lease.

The Akwasiso target area is particularly prospective as it was previously drilled by the past owner of the Mineral Concessions and has a known non-compliant Mineral Resource Estimate. A 10,000m drilling program has been undertaken by Asanko to validate the geology and grade continuity of at surface mineralized oxide zones defined by a previous operator. The historical drilling only evaluated the deposit to a depth of 100 metres, while the current program will incorporate deeper drilling to more fully understand the potential of the deposit. The program consisted of 10,000m of reverse circulation and diamond drilling with assay results mostly still pending. Visual inspection and logging of the current program's core shows similarities of the mineralization style to Nkran and other satellite deposits, with intrusive granite in a mixed sedimentary package, with altered and mineralized sandstone units containing silicification, sulphides and quartz veining. Visual gold was observed in several intercepts. In addition to confirming this historical work, significant mineralization has now been discovered below and on the western flank of the previous drilling.

Highlights of the initial assay results are below; complete drilling results will be announced as they become available. The Company expects to publish an initial NI 43-101 compliant Mineral Resource Estimate on the Akwasiso deposit during Q1 2017.

Hole ID	From (m)	To (m)	Intersection
AKDD16-004	149	203	54m @ 3.85g/t Au
AKDD16-011	169	185	16m @ 3.65g/t Au
AKDD16-013	69	81	12m @ 4.66g/t Au

Sampling, Analysis and Data Verification

Phase 1 Deposits

RC samples were riffle split using a three tier Jones riffle splitter. A final sample of approximately 3 kg was collected for submission to the laboratory for analysis. All 1m interval samples were analysed. RC chip trays were systematically compiled and logged with all bulk rejects stored at the project site.

For diamond drill core, after geological and structural logging, sampling was routinely taken at 2m intervals downhole or to geological contacts, and 1m samples are taken in the mineralized zones. Given familiarity with the mineralized zones at Nkran, routine 2m sampling outside of the mineralized zones was replaced with sampling 5m either side of the main mineralized zone, and where occasional alteration and veining are recognised.

Core was routinely photographed prior to cutting, then laid in single trays and labeled. Once logged, the core is marked for sampling and cut using a diamond blade saw. Core is handled by several trained technicians during the cutting process.

After the core is half-cut, it is carefully placed in plastic bags marked with a unique sample number. A piece of flagging tape with the sample number was inserted into the bag for further reference and security. Individually bagged core and RC drilling samples were packed in polyweave, or heavy plastic sacks (i.e. 5-10 samples per sack), tied with binding wire and prepared for transport to the laboratory. Sample bags are stapled before being dispatched. All samples were firmly secured and locked in a designated sample room at PMI's field office. The company geologist, responsible for core logging and RC sampling, held the only key to the room where samples were secured. The geologist was responsible at all times for their secure shipment to the laboratory. The sample preparation, security and analytical procedures adopted by PMI provide an adequate basis for the current mineral resource estimates.

PMI typically inserted random blank samples into the assay stream. These blanks consistently returned very low assays. Additionally, any samples in which visible gold was noted, during the logging or in the case of panning RC drill chips, or any samples which returned high gold grades, were routinely submitted for either screened metallic, or a bulk cyanide leach assay. In addition, random pulps and rejects were submitted to other certified labs for checking or confirmation purposes.

Comparison of the results from the various different assays and laboratories utilised, indicates a high measure of confidence in the assay data. The assay labs utilised by PMI utilised their own in-house QC programs. These included standards, replicas, duplicates and blanks. In general, every batch of 50 solutions contained two standards positioned randomly; two replicates positioned at the end of the rack; two duplicates selected randomly and positioned immediately under the original and one blank positioned randomly.

All sampling was carried out under the direct supervision of PMI senior personnel, either the president, VP of exploration, project manager, or the chief geologist. All drill cores from the concessions were geologically and structurally logged, split (sawn), photographed and stored at PMI's field offices or sampling and storage facility in Nkran. All core samples were submitted to SGS in Tarkwa and check samples to ALS Commercial Laboratory in Kumasi. All samples were analysed for gold, either by 50 g Fire Assay or Screen Metallic Fire Assay with AA Finish (AA26); or for cyanide leach, depending on peculiar features and characteristics of the rock or the drill cuttings. Screen metallic fire assaying is often used for samples suspected of being high grade where coarse gold is anticipated. Remaining samples, expected to represent "waste" or non-ore mineralized are analysed using straight fire assay.

The technical report authors are of the opinion that the QAQC undertaken by the three companies, RSG, PMI and Asanko, is adequate and that the current QAQC systems in place at Obotan to monitor the precision and accuracy of the sampling and assaying are adequate and should continue to be implemented.

Inspections of the Company's drilling techniques, sampling, logging procedures, density measurements, exploration data, resources review, geochemical sampling, data QAQC, data entry, and laboratory have been conducted, as well as site and assay laboratory inspections, with no serious issues with regard to any of the data identified. In addition, the database was reviewed and validated prior to commencing the 2015 Asanko PFS. The conclusion was that the application of the surface drillhole data is adequate for the geo-statistical estimation processes employed on the various tenements of the AGM, and the geological logging, sample preparation and analytical procedures conform to industry standards and are therefore adequate for use in geological modeling and geo-statistical estimation.

Individually bagged core and RC drilling samples were packed in polyweave, or heavy plastic sacks (i.e. 5-10 samples per sack), tied with binding wire and prepared for transport to the laboratory. All samples were firmly secured and locked in a designated sample room at PMI's field office. The company geologist, responsible for core logging and RC sampling, held the only key to the room where samples were secured. The geologist was responsible at all times for their secure shipment to the laboratory.

Esaase

The drill chips from the RC drilling program were collected in 1m intervals downhole via a cyclone which discharged into PVC bags. The collected samples were weighed prior to splitting and then were riffle split using a three tier Jones riffle splitter. A final sample of approximately 3kg was collected for submission to the laboratory for analysis. The RC chip material was stored in trays which were systematically compiled and logged with all bulk rejects stored at the Asanko Gold's exploration camp in the village of Tetrem. All 1m interval samples were submitted for analysis.

For diamond drilling, the sampling of the core was subject to the discretion of the geologist completing the geological logging. Early in the exploration, nominal 2m intervals samples were taken unless otherwise dictated by geological or structural features. After December 2006, the sample interval was 1m intervals with the majority (90.7%) of samples submitted to the laboratory as half core and the remaining submitted as whole or quarter core.

The sampling intervals are significantly smaller than the true width of overall mineralized zones, which is variable throughout the deposit, but is typically in excess of 30m.

The required interval was marked on the core and the sample cut in half by electric diamond blade core saw. The standard protocol is that the cut is made 1cm to the right in a downhole direction of the orientation line, with the left side being retained and the other half broken up for assay. In the upper oxide zone, where the core was too friable for diamond saw cutting, the procedure was to dry cut or cleave the core.

The structure orientations noted in the core were routinely recorded to assist in determining the controls on mineralization, in establishing a reliable geological model for resource estimation, and to provide additional geotechnical information to determine likely blast fragmentation and pit stability characteristics. The core was transferred from the trays and pieced together on a V-rail (angle iron) rack. The orientation line (bottom of hole), determined by the orientation tool recorded during drilling, was drawn along the entire length of the assembled core.

Geotechnical logging has recorded percentage core recovery, lithology, weathering and oxidation, rock strength, RQD percentage and rock defects including frequency, orientation, type and characteristics. A set of metallurgical drillholes of approximately 28 oriented HQ3 core drillholes were drilled radially outward from within the deposit through depths beyond an assortment of potential pit wall limits.

The sample recovery for the RC drilling averages approximately 34kg per metre drilled. Bulk sample weights (on a per metre basis) have been recorded in the database for approximately two thirds of all RC samples drilled. Sample recovery in DC drillholes was good although in the moderate to highly weathered saprolite and highly fractured and brecciated zones poor recoveries were experienced. Asanko Gold began utilising HQ3 drilling to minimise the core loss in the weathered and transition zones after July 2008.

Recovery factors are unlikely to materially affect the accuracy and reliability of the results.

The Asanko sampling procedures adopted for the drilling programmes are consistent with current industry best practise. Samples collected by DC drilling within the highly weathered zones are of moderate quality, with the remainder being of good quality. Sample recoveries and quality for the RC drilling are high with drilling switching to diamond core once wet samples were noted.

A quality control twin drillhole exercise was undertaken to determine if any negative bias resulted in the DC drilling due to the use of water. A number of the DC drillholes had poor recovery in the highly weathered zone and potential exists to wash out fine gold and therefore underestimate the gold content. Four DC and RC drillhole pairs were suitable for comparison and results indicate comparable intervals of mineralization with broadly equivalent grades between DC and RC drilling.

Asanko sampling protocols required samples to be collected in staple-closed bags, transported to the exploration camp to be collected by the laboratory vehicle, at which point the laboratory assumed responsibility and transported the consignment to the laboratory directly. The samples submission procedures were supervised by Asanko technical staff and the rapid submission of samples provided little opportunity for sample tampering. Equally, given the umpire assaying via an external international laboratory and the regular ‘blind’ submission of international standards to both the primary and umpire assay facilities, any misleading analytical data would have been readily recognised and investigated.

Phase 2 Deposits

Adubiaso and Nkran Extensions Development Timeline

Work is nearing completion on the Mineral Reserve Estimates for the two extensions, based on Whittle pit designs, waste dump planning and water management programs. The permitting process is also making good progress. As both deposits are located on the Company’s existing Abriem mining lease, permitting only requires that a supplementary Environmental Impact Study (“EIS”) be submitted to the relevant government regulatory bodies. The supplementary EIS for Adubiaso Extension has been submitted and the Nkran Extension permit applications will be lodged with the relevant regulatory bodies by the end of Q3 2016. The requisite permits are expected to be granted during H2 2016. Mining operations are expected to begin immediately following the receipt of the permits. As such, the two extensions have been incorporated into the new Asanko Gold Mine Life of Mine plan, which is expected to be announced in Q3 2016 as part of the Definitive Feasibility Study for the Phase 2 expansion project.

Akwasiso Satellite Deposit

The Akwasiso deposit is located on the Nkran shear corridor and lies approximately 2km north of the current Nkran pit, immediately north of Nkran Extension and approximately 5km south of the Dynamite Hill deposit. Until recently the area was designated as Small Miner's Concessions. Asanko recently obtained the rights to the mineral concessions, which are contained within its existing Abriem mining lease. The Akwasiso target area is particularly prospective as it was previously drilled by the past owner of the mineral concessions and has a known non-compliant Mineral Resource Estimate.

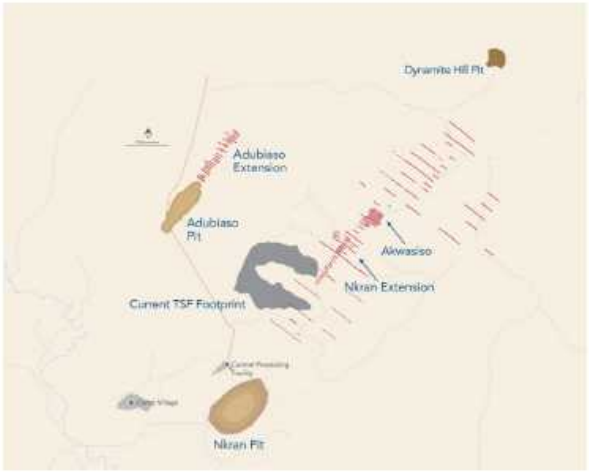
Asanko is completing a 5,000m diamond drilling program primarily designed to validate the geology and grade continuity of mineralized zones defined by the previous operator's campaign in 2000 and 2001. To date a total of 3,500m of diamond drilling has been completed with assay results pending. Visual inspection of the current program's core shows similarities of the mineralization style to Nkran and other satellite deposits, with intrusive granite, a mixed sedimentary package, with altered and mineralized sandstone units with silicification and quartz veining. The historical drilling only evaluated the deposit to a depth of 100 metres. The current program will incorporate deeper drilling to more fully understand the potential of the deposit. Drilling results will be announced as they become available.

In May 2016, the Company began a drilling program on the Akwasiso Satellite Deposit with the objective of confirming and validating the previous drilling, as well as exploring the potential of the target below the previous shallow drilling. The program consisted of 10,000m of reverse circulation and diamond drilling with assay results mostly still pending. Visual inspection and logging of the current program's core shows similarities of the mineralization style to Nkran and other satellite deposits, with intrusive granite in a mixed sedimentary package, with altered and mineralized sandstone units containing silicification, sulphides and quartz veining. Visual gold was observed in several intercepts.

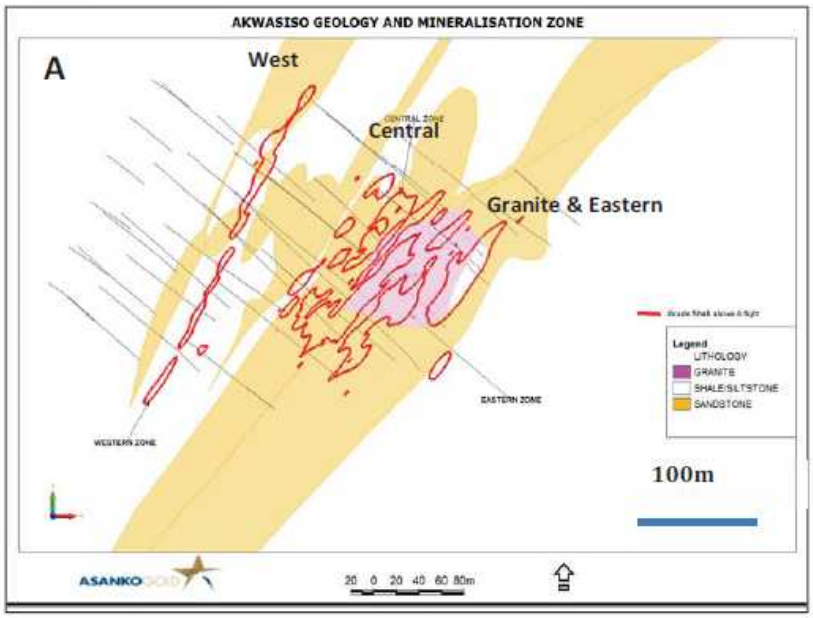
Mineralization occurs in three zones identified to date: the Western shear zone, Central sandstone and granite contact zone, and an Eastern granite contact zone. Further drilling is planned which will test all three zones and mineralization is still open at depth and along strike. An initial Mineral Resource estimate was expected to be published in Q4 2016.

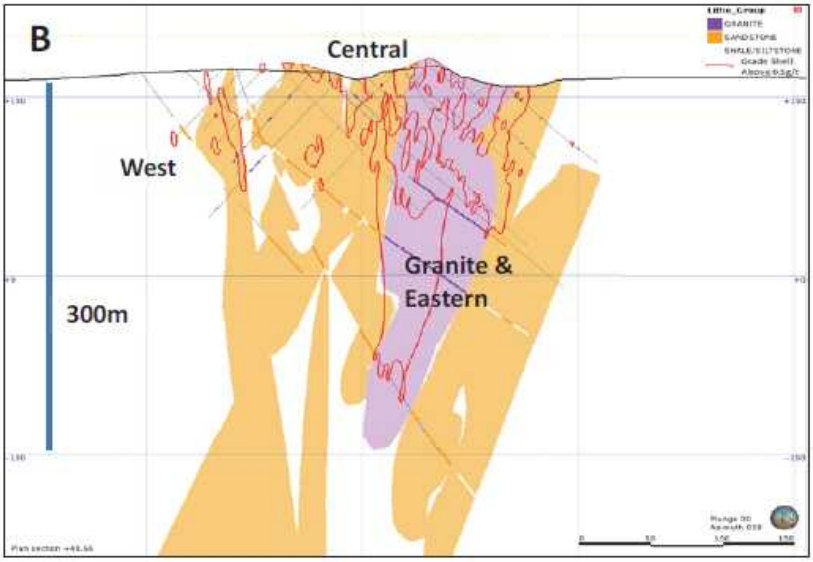
Figure 5-4: A plan view of mineralization at >0.5 g/t gold contours

Locality Map of Akwasiso



A plan view of mineralization at >0.5 g/t gold contours





Mineral Processing and Metallurgical Testing

Metallurgical test work on Phase 1 deposits was initially carried out by AMMTEC Pty Ltd, AMDEL Ltd, Supaflo Technologies Pty Ltd, Analabs Pty Ltd and METCON Research Inc. The test work program was conducted on composite samples of drill core and reverse circulation drill chips from Nkran oxide and primary ores to obtain design comminution, gravity and leaching parameters.

A new metallurgical test work program was completed in February 2012. The results from this program included:

- additional comminution and leaching characteristics of the Nkran primary ore at greater depth;
- quantification of the cyanide detoxification requirements; and
- thickener sizing data.

In addition to the above mentioned test work, test work was performed on Dynamite Hill material. This test work included:

- comminution characteristics of Dynamite Hill oxides, transitional, and fresh material;
- gravity circuit recovery of Dynamite Hill oxides, transitional, and fresh material; and
- cyanide leaching of Dynamite Hill oxides, transitional, and fresh material.

A gravity circuit modelling report by Gekko Systems, based on previous test work on Nkran ore, has been referenced in the recovery assessment. The metallurgical design has been based on the results of the recent test work carried out by Asanko, historical test work carried out by Resolute and Resolute historical operational results.

The Esaase deposit has been subjected to extensive metallurgical testwork programs carried out in four phases from 2008-2011, including:

- diagnostic testing of oxide, transition and fresh materials in 2008-2009;

- development of process flowsheet comprising comminution, gravity concentration and CIL on gravity tailings and variability testing between fresh and oxide materials in late 2009;

- detailed design parameters for fresh and oxide ore types. Process included comminution, gravity concentration, leaching of gravity concentrate and CIL on tails conducted in 2009 and 2010; and

- extended gravity testing to improve recovery of ultrafine sulphide associated gold. The process flow included comminution, gravity concentration and leaching of gravity concentrate, gravity concentration of mill product with spirals and CIL on thickened spiral concentrate.

As a result of the four phases of test work the final 2011 process was specified to include SAG mill and secondary ball milling, gravity gold recovery from the milling circuit and spiral concentration of the milled product, at a grind dependant on ore type. The spiral concentrate would then be reground and recombined with the spiral tail for thickening and CIL gold recovery to improve cyanide amenability of the ultrafine locked component.

In 2012, Asanko conducted a fifth phase of metallurgical testing designed to quantify the metallurgical recovery that could be achieved through the combination of:

- gravity recovery within the milling circuit;

- flotation recovery on the gravity tailings; and

- a leach on the flotation concentrates.

The selection of the optimum grind size for the primary grind is crucial to any gold process flow sheet as it sets the first limitation with regards to gold recovery thereafter. During phase 3 of the testwork a grind optimisation trade off study suggested that a target grind of 80% passing (P80) 150µm, was adequate for the circuit which was revised to P80 = 106 µm during phase 4 of the testwork. All subsequent testwork for phase 5 was performed at P80 = 75µm as the evidence supported the benefit of a finer target grind size.

Amdel Metallurgical Laboratories in Perth was commissioned to complete the phase 5 testwork, based on remnants of the initial testwork core samples to reinvestigate the option of gravity/float/CIL processing and to address the issue of grind size in more detail.

A new series of metallurgical testwork was undertaken in 2015 under the management of DRA Global to investigate co-processing of the ores from Asanko Phase 1 and Esaase. The Asanko Phase 2 testwork programme was undertaken by the Perth based, ALS and was designed with the objective of evaluating the metallurgical response of a gravity-CIL circuit, (as per the Asanko Phase 1 design) and a gravity-flotation-CIL circuit (as per the Esaase PFS design) when treating blends of Esaase and Obotan ore. The findings of this testwork were in agreement with the findings of previous testing on both Esaase and Obotan. Oxide ore types were found to achieve the best recovery when treated in a gravity-CIL circuit while fresh ore achieved the highest gold recovery in the gravity-flotation-CIL circuit.

Testing on blends of Nkran and Esaase fresh material indicated that total recovery for the flotation circuit increased when the fineness of grind was increased from 106 µm to 75 µm. Total gold recovery of 92.7% with a final residue grade of 0.17 g/t and a 6% mass pull was achieved for a bulk flotation test at a grind of 75 µm on a blend composite containing 25% Nkran fresh and 75% Esaase fresh.

Mineral Resource and Mineral Reserve Estimates

In February 2014, Asanko acquired PMI Gold Corporation (“PMI”) and merged its Obotan project with the Esaase project to form what is now the Asanko Gold Mine. Following the acquisition, Asanko undertook a complete re-assessment of the mineral resource estimates (“MRE”) for the Obotan project, namely the Nkran, Adubiaso, Abore, Dynamite Hill and Asuadai deposits which are now referred to as Phase 1 of the Asanko Gold Mine.

The re-assessment went back to first principles and included:

1. The consolidation of all exploration and evaluation drilling data from prior operator Resolute Mining and PMI, into one cohesive validated database.

2. The use of independent geological experts to re-log diamond drill holes beneath the base of the old Resolute pit to understand structural controls to mineralization and mineral domains. This work produced a new geological model and provided a detailed framework to produce a detailed model for the deposits.

3. The integration of the geological model into the estimate of classified Mineral Resources using industry's best practice techniques and undertaken by an independent qualified person.

The Mineral Resources were estimated in accordance with the guidelines of the Canadian Institute of Mines, Metallurgy and Petroleum ("CIM") whose criteria are incorporated as the standard under Canadian Securities regulators NI 43-101. The Independent Qualified Person ("QP") was Charles Muller of CJM Consulting and the NI 43-101 compliant technical report dated September 30, 2014, is filed on the Company's profile on SEDAR.

The Mineral Resources for Phase 1 and Phase 2 of the Asanko Gold Mine, as of the date of this report, are summarized as follows:

Asanko Gold Mine Global Resource Estimate

Deposit	**Measured**			**Indicated**			**Total (M&I)**			**Inferred**		
	Tonnes (millions)	**Grade (g/t)**	**Oz (millions)**	**Tonnes (millions)**	**Grade (g/t)**	**Oz (millions)**	**Tonnes (millions)**	**Grade (g/t)**	**Oz (millions)**	**Tonnes (millions)**	**Grade (g/t)**	**Oz (millions)**
Nkran	13.24	2.55	1.09	25.80	2.23	1.85	**39.04**	**2.34**	**2.94**	7.06	2.34	0.53
Abore	1.61	1.70	0.09	3.37	1.63	0.18	**4.98**	**1.65**	**0.27**	6.59	1.65	0.35
Adubiaso	0.73	2.60	0.06	1.40	2.04	0.09	**2.13**	**2.23**	**0.15**	0.20	2.27	0.02
Dynamite Hill	0.00	0.00	0.00	1.84	1.86	0.11	**1.84**	**1.86**	**0.11**	0.52	1.51	0.03
Asuadai	0.00	0.00	0.00	1.64	1.34	0.07	**1.64**	**1.34**	**0.07**	1.25	1.61	0.06
Phase 1 Total	15.58	2.47	1.24	34.05	2.10	2.30	**49.63**	**2.22**	**3.54**	15.62	1.96	0.99
Esaase	23.38	1.49	1.12	71.25	1.44	3.28	**94.63**	**1.45**	**4.40**	33.59	1.40	1.51
Total	**38.96**	**1.88**	**2.36**	**105.30**	**1.65**	**5.58**	**144.26**	**1.71**	**7.94**	**49.21**	**1.58**	**2.50**

Notes:

(1) Due to rounding differences some M&I totals may not add exactly with the Measured and Indicated figures.

Qualified Person

Charles Muller is a QP under NI 43-101 and is independent of Asanko. He conducted an extensive review of all of the available technical data, databases, systems and geological models. In addition, he has visited the Nkran deposit on multiple occasions. Mr. Muller has over 25 years of experience in resource modelling including specific, relevant experience acting as Independent QP since 1994 for Goldfields in Ghana. For the past 12 years he has been the QP for the Goldfields Damang Mine, also located in Ghana. Damang bears hydrothermal vein hosted mineralization similar to the Nkran deposit.

Mr. Muller is a member of both the Geostatistical Association of Southern Africa and the South African Council for Natural Scientific Professions (Pr. Sci. Nat. Reg. No. 400201/04).

Asanko Gold Mine Mineral Reserve Statement

As a result of the positive economic outcomes of the May 2015 Asanko Gold Mine PFS a portion of the Company's Mineral Resources for Esaase were upgraded to Mineral Reserves. The Mineral Reserves were estimated in accordance with CIM criteria for Mineral Reserves, incorporated as standard under NI 43-101. The Mineral Reserve Estimate was prepared by an independent engineering firm, DRA Projects SA (Pty) Ltd and can be found in a NI 43-101 compliant technical report dated June 29, 2015 and filed on SEDAR.

Mineral Reserve Statement

Deposit	Proven			Probable			Total P&P	
	Tonnes (millions)	Grade (g/t)	Oz (millions)	Tonnes (millions)	Grade (g/t)	Oz (millions)	Tonnes (millions)	Grade (g/t)	Oz (millions)
Nkran	13.5	2.32	1.00	17.7	2.12	1.20	31.2	2.21	2.20
Adubiaso	0.9	2.23	0.06	0.9	1.90	0.05	1.8	2.07	0.11
Abore	1.2	1.69	0.06	0.9	1.87	0.05	2.1	1.77	0.11
Asuadai	0.0	0.00	0.00	0.5	1.26	0.02	0.5	1.26	0.02
Dynamite Hill	0.0	0.00	0.00	1.1	1.88	0.07	1.1	1.88	0.07
Phase 1 Total	*15.5*	*2.26*	*1.13*	*21.0*	*2.07*	*1.39*	*36.7*	*2.15*	*2.52*
Esaase	22.5	1.40	1.01	37.9	1.42	1.72	60.3	1.41	2.73
Total	**38.0**	**1.75**	**2.14**	**58.9**	**1.64**	**3.11**	**97.0**	**1.68**	**5.25**

Qualified Person

Thomas Obiri-Yeboah, Pr. Eng., Senior Mining Engineer of DRA Projects SA, is a QP under NI 43-101 and is independent of Asanko. The Mineral Reserve Estimate was prepared under his supervision. He is a member of the Engineering Council of South Africa, Registration #20100340. His technical expertise includes over 20 years in the mining sector covering production, planning and project work and he has been involved in numerous projects around the world with both base and precious metals. He spent 12 years modelling gold deposits for AngloGold Ashanti in West Africa.

Notes on Mineral Terminology

Mineral Resources and Reserves are derived from Canadian Institute of Mining definitions. Similar terminologies are in use in Australia (JORC) and South Africa (SAMRAC) and are being considered in the United States.

Mineral resources do not have demonstrated economic viability, but have reasonable prospects for eventual economic extraction. They fall into three categories: measured, indicated and inferred. Measured and indicated mineral resources can be estimated with sufficient confidence to allow the appropriate application of technical, economic, marketing, legal, environmental, social and governmental factors to support evaluation of the economic viability of the deposit. For measured resources: we can confirm both geological and grade continuity to support detailed mine planning. For indicated resources: we can reasonably assume geological and grade continuity to support mine planning.

Mineral reserves are the economically mineable part of measured and/or indicated mineral resources demonstrated by at least a preliminary feasibility study. The reference point at which mineral reserves are defined is the point where the ore is delivered to the processing plant. Mineral reserves fall into two categories: (a) proven reserves: the economically mineable part of a measured resource for which at least a preliminary feasibility study demonstrates that economic extraction is justified; and (b) probable reserves: the economically mineable part of a measured and/or indicated resource for which at least a preliminary feasibility study demonstrates that economic extraction is justified.

Table 5-2: Asanko Gold Mine Mineral Resources as at April 2014

Deposit	Measured			Indicated			Total (M&I)			Inferred		
	Tonnage Mt	Grade G/T	Content Moz	Tonnage Mt	Grade G/T	Content Moz	Tonnage Mt	Grade G/T	Content Moz	Tonnage Mt	Grade G/T	Content Moz
Nkran	13.24	2.55	1.09	25.80	2.23	1.85	39.04	2.34	2.94	7.06	2.34	0.53
Adubia so	0.73	2.60	0.06	1.40	2.04	0.09	2.13	2.23	0.15	0.20	2.27	0.02
Abore	1.61	1.70	0.09	3.37	1.63	0.18	4.98	1.65	0.27	6.59	1.65	0.35
Dynami te Hill	0.00	0.00	0.00	1.84	1.86	0.11	1.84	1.86	0.11	0.52	1.51	0.03
Asuadai	0.00	0.00	0.00	1.64	1.34	0.07	1.64	1.34	0.07	1.25	1.61	0.06
Esaase	23.38	1.49	1.12	71.25	1.44	3.28	94.63	1.45	4.40	33.59	1.40	1.51
Total	**38.96**	**1.88**	**2.36**	**105.30**	**1.65**	**5.58**	**144.26**	**1.71**	**7.94**	**49.21**	**1.58**	**2.50**

Notes:
Columns may not add up due to rounding
All figures are in metric tonnes
The Mineral Resources are stated as in situ tonnes
Individual Densities were used per mineralized zone
The tonnages and contents are stated as 100%, which means no attributable portions have been stated
Conversion from gr to oz – 31.10348

The 2015 Asanko PFS meets the customary industry criteria for a pre-feasibility study as well as those of the Canadian Institute of Mines, Metallurgy and Petroleum whose criteria are incorporated as the standard under NI 43-101. The 2015 Asanko PFS reports a Mineral Reserve for the Project based on the associated Mineral Resource estimation, dated September 2014 by CJM Consulting. While reserves were previously estimated for the Esaase Project in 2012 when it was a stand-alone project no Mineral Reserves are currently assigned to the Esaase deposit because it is the subject of the Phase 2 PFS and until that feasibility work supports a reserve estimate none will be made.

Asanko Gold Mine - Updated Mineral Resource and Reserve Estimate

As summarized above, on February 24, 2017, the Company published an updated Mineral Resource and Reserve Estimate for the AGM. The updated Mineral Resource and Reserve Estimate was prepared as at December 31, 2016.

The updated Mineral Resource and Reserve Estimates reflect depletion from the first two years of mining, the application of updated constraining parameters for resource modelling, and includes the three deposits discovered in 2016; Akwasiso, Nkran Extension and Adubiaso Extension, two additional pits at Esaase, as well as an updated Mineral Resource Estimate for the Nkran pit, which has been prepared by a second independent expert CSA Global (“CSA”), a leading mineral consulting group.

CSA Global Review

The new Mineral Resource Estimate (“MRE”) for Nkran is the outcome of a third party external audit carried out by CSA, which was commissioned by the Company in mid-2016. The scope of the review was for CSA to verify the modelling techniques applied by CJM Consulting (“CJM”) to the original November 2014 Definitive Project Plan (“DPP) MRE (see the Company’s news release dated November 13, 2014) and to verify the Company’s grade control, mining, reconciliation methodology and the mine to metal accounting. The audit concluded that the MRE modelling methodology was appropriate for the style of mineralization at Nkran and that the grade control, mining, reconciliation methodology and the mine to metal accounting that was implemented at the mine was excellent.

As part of the audit, CSA also reviewed the geological modelling of Nkran, given the complex nature of the structural controls associated with the Nkran mineralization. The Nkran pit gold mineralization is controlled by a combination of sandstone rock units enclosed by steep shear structures and a later cross cutting and shallow dipping vein style of mineralization. The challenge for mineral resource estimation is the integration of the gold mineralization associated with both of these structures. CSA concurred with the Company’s geological interpretation and acknowledge the existence of the flat structures but downplay the contribution of gold from them into the block model.

CSA compiled the MRE for Nkran and Dynamite Hill, and reviewed the Esaase Main pit MRE and concurred with the CJM estimate. CJM compiled the MRE for all the other deposits.

Mineral Resource Estimate

The MRE has been updated as at December 31, 2016 following two years of mining operations at the Nkran pit, infill drilling at the Dynamite Hill deposit, and the discovery and evaluation of the Akwasiso, Adubiaso Extension and Nkran Extension deposits.

In line with best practice, the AGM MRE has also been updated from previous Mineral Resources (using a 0.3 g/t Au waste determination) to Mineral Resources above a cut-off grade of 0.5 g/t Au within a $2,000 per ounce gold pit shell. The resultant resource estimate is fully compliant with the intent of the CIM 2014 Code (Canada) with respect to stating mineral resources that have a reasonable prospect of eventual economic extraction.

With regards to Nkran, the reserve has been depleted by 270,471 ounces during 2015 and 2016 due to mining operations through to the end of December 2016. In addition, the application of the constraining parameters has resulted in a further 352,000 ounce reduction when compared to the original unconstrained November 2014 DPP MRE. The MRE includes the grade control drilling data on a 10m x 5m grid below the December 31, 2016 pit floor.

Analysis was conducted using uniform conditioning, indicated kriging and ordinary kriging to align the mineral resource estimate methodology to reflect the reconciliation of production during 2016. The sensitivity of the indicated kriging method for ore zone delineation was analyzed in detail and the method confirmed to be appropriate for the Nkran style of mineralization.

During Q4 2016, additional infill drilling was completed at Dynamite Hill, which increased the resource estimate from 110,000 ounces to 180,000 ounces.

The Phase 1 drilling program at the Akwasiso deposit has provided the basis for an initial MRE. The Company is currently completing a second phase of drilling (4,800 metres) which aims to upgrade the considerable inferred resource at this pit to an Indicated classification. The results are expected in H2 2017.

There have been other incremental increases in the satellite pits due to an adjustment of Whittle input parameters such as an improved fuel price, mining and processing costs, process plant throughput and gold recovery rates.

Table 1 Asanko Gold Mine Global Mineral Resource Estimate (as at December 31, 2016)

Deposit	Measured			Indicated			Total (M&I)		
	Mt	g/t Au	Moz	Mt	g/t Au	Moz	Mt	g/t Au	Moz
Esaase Main	26.64	1.37	1.17	65.50	1.37	2.89	92.14	1.37	4.06
Nkran	5.58	1.67	0.30	34.71	1.68	1.87	40.29	1.68	2.17
Abore	2.30	1.39	0.10	4.68	1.33	0.20	6.98	1.35	0.30
Dynamite Hill	-	-	-	3.80	1.45	0.18	3.80	1.45	0.18
Akwasiso	-	-	-	4.61	1.20	0.18	4.61	1.20	0.18
Abudbiaso	0.83	2.35	0.06	1.57	1.89	0.10	2.40	2.05	0.16

Deposit	Measured			Indicated			Total (M&I)		
	Mt	g/t Au	Moz	Mt	g/t Au	Moz	Mt	g/t Au	Moz
Esaase D	0.97	1.09	0.03	1.35	1.39	0.06	2.33	1.26	0.09
Esaase B	0.87	0.99	0.03	2.21	0.76	0.05	3.08	0.82	0.08
Asuadai	-	-	-	1.97	1.21	0.08	1.97	1.21	0.08
Adubiaso Ext.	0.16	1.94	0.01	0.31	1.59	0.02	0.47	1.71	0.03
Nkran Ext.	-	-	-	0.20	2.61	0.02	0.20	2.61	0.02
Total	**37.36**	**1.42**	**1.71**	**120.91**	**1.45**	**5.63**	**158.27**	**1.44**	**7.34**

Notes:

(1) All pits are at a cut-off of 0.5g/t Au within a US$2,000 per ounce of gold pit shell.
(2) Nkran includes depletion of 5.08Mt at 1.66 g/t Au for 270,471 ounces.
(3) All figures are rounded to reflect appropriate levels of confidence. Apparent differences may occur due to rounding.
(4) CSA Global undertook the MRE for Nkran and Dynamite Hill and reviewed the Esaase Main pit.
(5) CJM Consulting undertook and completed updates to the MRE on Abore, Asuadai, Esaase B and D zones, Akwasiso, Adubiaso, Adubiaso Extension and Nkran Extension.

Table 2: Asanko Gold Mine Global Mineral Resource Estimate (as at December 31, 2016)

Deposit		Inferred	
	Mt	g/t Au	Moz
Esaase Main	0.95	1.37	0.04
Nkran	1.69	1.77	0.10
Abore	5.37	1.44	0.25
Dynamite Hill	1.19	1.43	0.05
Akwasiso	3.85	1.56	0.19
Abudbiaso	0.30	1.98	0.02
Esaase D	1.17	1.24	0.05
Esaase B	2.46	0.84	0.07
Asuadai	0.92	1.61	0.05
Adubiaso Ext.	0.24	2.55	0.02
Nkran Ext.	0.02	1.12	0.00
Total	**18.17**	**1.43**	**0.83**

Notes:

(1) All pits are at a cut-off of 0.5g/t Au within a US$2,000 per ounce of gold pit shell.
(2) Nkran includes depletion of 5.08Mt at 1.66 g/t Au for 270,471 ounces.
(3) All figures are rounded to reflect appropriate levels of confidence. Apparent differences may occur due to rounding.
(4) CSA Global undertook the MRE for Nkran and Dynamite Hill and reviewed the Esaase Main pit.
(5) CJM Consulting undertook and completed updates to the MRE on Abore, Asuadai, Esaase B and D zones, Akwasiso, Adubiaso, Adubiaso Extension and Nkran Extension.

Mineral Reserve Estimate

The Mineral Reserve Estimate ("MRev") update process commenced with the depletion of the 2014 November DPP MRev to the Nkran pit bottom, as at December 31, 2016. Since the re-commencement of mining operations at the Nkran pit in 2015, 5.08 million tonnes ("Mt") of ore have been mined at a grade average of 1.66 g/t Au for a total of 270,471 ounces of gold.

The mining depletion of the 2014 November DPP MRev reduced the reserve ounces in Nkran from 2.2Moz to 1.9Moz over the last two years, resulting in a 14% reduction in the Nkran reserve base, although this translated to only a 6% reduction in global DPP reserves.

The reserves for Nkran have been updated based on the more conservative CSA resource model, which has impacted the size and strip ratio of the final Nkran pit. This updated MRev reduced the Nkran ounces from 1.9Moz to 1.47Moz, a reduction of 23%. However, with the addition of new reserves for Akwasiso, Adubiaso Extension and Nkran Extension, as well as the reserves for Dynamite Hill, Abore and Asuadai, the global Mineral Reserves for the AGM complex have only been reduced by 2%.

Table 3: Asanko Gold Mine Global Mineral Reserve Estimate (as at December 31, 2016)

Deposit	Proven			Probable			Total		
	Mt	g/t Au	Moz	Mt	g/t Au	Moz	Mt	g/t Au	Moz
Esaase Main	22.8	1.40	1.03	36.5	1.38	1.62	59.39	1.39	2.65
Nkran	3.96	1.98	0.25	18.57	2.04	1.22	22.53	2.03	1.47
Abore	1.35	1.62	0.07	1.77	1.70	0.01	3.12	1.66	0.17
Abudbiaso	0.96	2.19	0.07	1.23	1.92	0.08	2.19	2.04	0.14
Dynamite Hill	0.00	0.00	0.00	2.62	1.60	0.13	2.62	1.60	0.13
Akwasiso	0.00	0.00	0.00	3.03	1.38	0.13	3.03	1.38	0.13
Asuadai	0.00	0.00	0.00	1.08	1.23	0.04	1.08	1.23	0.04
Nkran Ext.	0.24	1.98	0.02	0.26	1.79	0.01	0.50	1.88	0.03
Esaase D	0.20	1.05	0.01	0.40	1.70	0.02	0.62	1.50	0.03
Adubiaso Ext.	0.11	2.26	0.01	0.10	1.68	0.01	0.22	1.98	0.01
Esaase B	0.10	0.83	0.00	0.00	0.92	0.00	0.13	0.85	0.00
Total	**29.8**	**1.52**	**1.45**	**65.6**	**1.60**	**3.37**	**95.41**	**1.57**	**4.82**

Notes:

(1) Nkran includes depletion since February 2015 of 5.08Mt at 1.66 g/t Au for 270,471 ounces.
(2) Reserves excludes the ROM stockpile of 1.52Mt at 1.36 g/t Au for 66,669 ounces and the marginal stockpile of 0.43Mt at 0.67 g/t Au for 9,121 ounces.
(3) All pits are at a cut-off of 0.8g/t Au, except Esaase Main, Esaase B and D zones, which are at a cut-off of 0.6g/t Au.
(4) Reserves estimated at a US$1,300/oz gold price.
(5) All figures are rounded to reflect appropriate levels of confidence. Apparent differences may occur due to rounding.
(6) Only Measured and indicated Mineral Resources were converted to Mineral Reserves.

Qualified Person

Malcolm Titley (CSA Global Principal Geologist; AIG), is the Qualified Person for the sign off of the Nkran and Dynamite Hill MRE. Charles J. Muller, (B.Sc. Geology (Hons), PR.Sci.Nat., MGSSA, a Director of CJM Consulting Pty Ltd. (“CJM”) of Johannesburg, South Africa) is the Qualified Person for the sign off of the Esaase Main, Esaase B and D zones, Abore, Adubiaso, Adubiaso Extension, Asuadai, Akwasiso and Nkran Extension MRE. The MREv are reported in accordance with Canadian NI 43-101 requirements and the South African Code of Reporting of Exploration Results (SAMREC), which is consistent with the CIM Estimation Best Practice Guidelines in Canada. Mr Titley and Mr. Muller have reviewed and approved the technical content of this news release. Phil Bentley, Asanko Executive: Geology and Resources (Pr.Sci.Nat.) is the Asanko Qualified Person under NI 43-101 guidelines who assumes technical responsibility for Mineral Resource contents pertaining to the MREv contained in the Company’s news release dated February 24, 2017 and summarized herein.

The Reserve Statements were all prepared by Thomas Obiri-Yeboah, B.Sc. Mining Engineering (Hons), PR.Eng, a Senior Mining Engineer of DRA Mining (Pty) Ltd. (“DRA”) of Johannesburg, South Africa. The reserve is reported in accordance with Canadian NI 43-101 requirements, which is consistent with the CIM Estimation Best Practice Guidelines in Canada. Frederik Fourie, Asanko Senior Mine Engineer (Pr.Eng.) is the Asanko Qualified Person under NI 43-101 who assumes responsibility for the Mineral Reserve contents contained in the Company’s news release dated February 24, 2017 and summarized herein. Mr. Obiri-Yeboah has reviewed and approved the technical content of the Company’s February 24, 2017 news release and has consented to extracts of such news release being contained in this AIF .

Expansion Projects

The Phase 2 PFS (published in May 2015) envisioned integrating the Esaase deposit with first phase of the AGM to create one large, multi-pit mine and expanding the existing processing facilities to produce an average of 411,000 ounces of gold per annum over a 10.5 year Life of Mine ("LoM") from 2018. The ore would be mined and crushed at Esaase and then conveyed to the expanded CIL processing facility, which would include an upgrade to the CIL circuit with two extra tanks to increase capacity from 3Mtpa to 3.8Mtpa and the addition of a 5Mtpa flotation plant.

The scope of the Expansion DFS (previously described as Phase 2) has changed since the publication of the Phase 2 PFS, following the successful commissioning of the first phase of the AGM in Q1 2016. The performance of current CIL plant, operating at 120% of the 3Mtpa design with gold recovery at 94% vs design of 92.5%, provided the basis for thorough review of the PFS plan for a flotation plant. The scope change from a flotation plant to a CIL plant has been driven by the reduction in operating costs, based on the actual operating performance, as well as positive metallurgical test work conducted during 2016.

Therefore, the Expansion DFS has been modified to include a two-stage approach for the integration of the Esaase deposit with the current mining and processing operations. Once complete, the Company plans to increase gold production at the AGM from 230,000 – 240,000 ounces per year in 2017 to approximately 450,000 per year by 2020.

Therefore, the Expansion DFS has been modified to include a two-stage approach for the integration of the Esaase deposit with the current mining and processing operations. Once complete, the Company plans to increase gold production at the AGM from 230,000 – 240,000 ounces per year in 2017 to ~450,000 per year by 2020.

- Project 5M (previously described as Phase 2A): upgrade the existing CIL circuit from 3.6Mtpa to 5Mtpa and development of the Esaase mine, including the construction of a 27km overland conveyor to transport the Esaase ore (up to 2Mtpa) to the existing processing facility; and

- Project 10M (previously described as Phase 2B): construction of an additional 5Mtpa CIL plant to double the total processing capacity to 10Mtpa and increase the mining tonnage of Esaase ore to 7Mtpa.

Overview of Project 5M

Project 5M plans brownfield modifications to upgrade the existing process facility from 3.6Mtpa to 5Mtpa through the addition of additional gravity recovery equipment, upgrading pumping systems and a twin tailings pipe line. The upgrades to the processing facility that were originally envisioned to expand capacity from 3Mtpa to 3.8Mtpa in the PFS are now expected to increase production levels up to 5Mtpa with some minor additional capital expenditure. Capital costs are expected to be $20-25 million, which will be detailed in the DFS, due to be published in Q2 2017. Front End Engineering and Design ("FEED") is currently underway and expected to be completed in Q2 2017. Work on the brownfield modifications is expected to begin during Q2 2017 and will be complete in H2 2017.

Development plans also include construction of mining and crushing infrastructure at Esaase and a 27km overland conveyor belt to transport the ore to the existing processing facility. FEED for the conveyor belt has commenced and construction is expected to begin in Q2 2017 and take 21 months to complete with a capital cost estimate including ancillary infrastructure of $100 - 110 million. The Environmental Permit and Mine Operating Permit for the Esaase mine and overland conveyor were received from the Ghanaian EPA and the Ghanaian Minerals Commission respectively in January 2017.

While the overland conveyor is being constructed and the Esaase mine is being developed, ore will be sourced from the Nkran pit and surrounding satellite deposits to fill the additional capacity of the processing plant. Dynamite Hill is expected to commence ore mining operations during H2 2017 and in 2018, Akwasiso will also be developed and mined. These two pits will supply oxide ores to the processing plant. A full mine plan and multi-pit schedule will be detailed in the Expansion DFS.

In November 2016, following receipt of the Environmental Invoice (a pre-cursor to receiving the final environmental Permit) from the relevant Ghanaian regulatory authorities for the Esaase mine and conveyor development, the Board of Directors approved Project 5M.

Based on the PFS capital cost estimate and mine plan, Project 5M is expected to take approximately 21 months for detailed design and construction at a total capital cost of approximately US$120 – 135 million. Production of 270,000 ounces – 300,000 ounces per annum is targeted to commence in 2018. The increase in production by approximately 45% is expected to improve the overall unit operating costs as the fixed cost of operations is spread over a larger production base and the oxide ores from the satellite deposits are treated at incremental operating costs. The operating and capital cost estimates are currently being updated as part of the DFS, which is now due in Q2 2017.

Based on the current gold price environment, the Company is forecasting that it will be able to fund construction of Project 5M from cash resources and the cash flow from the existing operations.

Overview of Project 10M

The second stage of the Expansion project, Project 10M, will double the processing capacity of the AGM to 10Mtpa with the construction of an additional 5Mtpa CIL processing plant. Production is expected to be approximately 450,000 ounces per annum from 2020.

The scope change from a flotation plant in the PFS to a CIL plant has been driven by the reduction in operating costs, based on the actual operating performance of the existing processing plant, as well as positive metallurgical test work conducted during 2016. Furthermore, replicating the current CIL flowsheet delivers additional synergies, including:

- The workforce, experience and skills in Ghana are predominantly CIL based;
- Frequent power fluctuations and trips will cause instability in a flotation plant;
- Building an identical plant (except mills) offers potential savings on engineering design and capital costs risks (as built);
- Replicating the current flowsheet will result in simplified operations;
- Using the same reagents as the existing processing plant reduces holding costs and offers opportunities for savings; and
- Reduction in insurance and operating spares holdings.

Mining operations at Esaase will be increased to 7Mtpa of ore, with the balance of 3Mtpa being supplied from Nkran and the surrounding satellite deposits.

The capital cost is expected to be approximately US$210-220 million and development of Project 10M is being staggered to enable the capital cost to be funded from cash flow from operations. The current approach to phased development brings flexibility to the project execution timeline should market or financing conditions improve, thereby allowing the accelerated development of Project 10M.

Based on the current gold price environment, the Company is forecasting that it should be able to fund construction of Project 5M from the cash flow from the existing operations.

Mining Operations

Mining

The Project is based on an open pit contractor mining operation and, what was originally a 3 Mtpa processing plant using conventional CIL technology. The primary source of feed material for the CIL plant is the Nkran pit, with satellite pits at Adubiaso, Abore, Dynamite Hill, Asuadai and possibly Akwasiso providing additional feed.

A detailed LoM plan was developed for Phase 1 using the CJM technical report as of September 30, 2014 filed on SEDAR October 24, 2014 comprising 3.54 Moz of gold in the Measured and Indicated category with an average grade of 2.2 g/t gold at a 0.8 g/t gold cut-off.

All Phase 1 deposits are mined utilising conventional truck and shovel method. Ore and waste are drilled and blasted, then loaded and hauled to either the Nkran ROM pad, direct tip into the crushing facility at Nkran, placed on pit rim stockpiles for the remote deposits, or placed on waste rock storage facility with 90 tonne haul trucks. A single fleet of mining equipment will be shared between all deposits. The project is to be mined utilising modern technology with proven success, with no requirement for untried or untested technology. For the pits Adubiaso, Abore, Dynamite Hill and Asuadai, a fleet of road trucks will be utilised to haul ore from the respective pit rim stockpiles to the central processing facility at Nkran. This assisted in keeping the pre-stripping volumes low and delivering higher mill feed grades early in the project life.

Approximately one year of waste stripping was required to expose sufficient ore to maintain a constant ore feed rate of 3 Mtpa once the mill has been commissioned. During the first year of commercial production, ore that was mined was stockpiled. Once the processing facility was constructed the stockpiled ore was utilized as commissioning material.

Nkran commenced commercial production first on April 1, 2016 with mill throughput rates exceeding design by 25%.

Ore mining rates in the quarter averaged 433,353 tonnes per month (“tpm”) at an average mining grade of 2.0g/t. Ore mining took place from the central portion of the pit as well as the newly opened up “eastern flank”. The dual ramp system was fully commissioned enabling access from both the eastern and western sides of the Nkran pit. Focus on waste mining shifted to the north and western sides in preparation for the next sequence of ore mining in the centre and east of the pit.

Key Mining Statistics	**Units**	**Q3 2016**	**Q4 2016**
Total Tonnes Mined	000 t	7,332	7,231
Waste Tonnes Mined	000 t	6,003	5,931
Ore Tonnes Mined	000 t	1,326	1,300
Strip Ratio	W:O	4.5:1	4.6:1
Average Gold Grade Mined	g/t	1.9	2.0

The stockpile movements during the quarter are shown below.

	September 30, 2016			**December 31, 2016**		
ROM Stockpile	**Tonnes**	**Gold (g/t)**	**Gold (oz)**	**Tonnes**	**Gold (g/t)**	**Gold (oz)**
High grade	8,482	3.20	872	44,366	3.16	4,507
Medium grade	138,824	1.77	7,920	222,273	1.96	13,981
Low grade	975,687	1.09	34,051	1,255,632	1.19	48,181
Total ROM	**1,122,993**	**1.19**	**42,843**	**1,522,271**	**1.36**	**66,669**

In addition to these stockpiles, there is a marginal ore stockp pile for processing at the end of the mine life that consists of 465,343 tonnes at 0.79g/t (11,819 ounces of gold).

In a news release issued February 6, 2017 the Company announced the permitting process for the first phase of the expansion had been completed. The Ghanaian Environmental Protection Agency ("EPA") had issued its environmental permit for mining operations at Esaase and the overland conveyor to the AGM processing facility. This critical step was achieved following the EPA's approval of the Environmental Impact Statement. The Minerals Commission had also issued the mine operating permit for the Esaase pits.

Processing and Recovery Operations

Process Plant Design

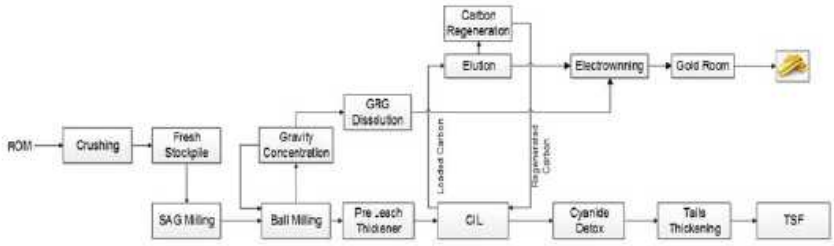
The Asanko Phase 1 processing plant design is based on a ty ypical single stage crushing, SAG and SABC followed by a CIL plant, to treat 3 million tonnes per annum of material sources from the Obotan pits. The flow sheet includes a single stage jaw crusher that can either feed onto a live stockpile or directly into an open circuit SAG, (complete with pebble crusher) an nd ball milling unit in closed circuit with classification cyclones. A gravity recovery circuit will be utilised to treat a portion of the cyclone underflow stream to recover coarse free gold from the recirculating load.

The milled product, (cyclone overflow) will gravitate to a pre-leach thickener, via a trash removal screen. Thickener underflow will be pumped directly to a pre-oxidation stage followed by a seven stage CIL plant. Leached gold will adsorb onto activated carbon, which flows counter-currently to the gold bearing slurry. Loaded carbon will be directed to the elution circuit while tailings will gravitate to cyanide destruction. Cyanide in the CIL tailings will be detoxified using a three phase hybrid cyanide destruction process. Weak Acid Dissociable cyanide ("WAD") concentration will be reduced in a single tank by means of Sodium Meta Bi Sulphite ("SMBS") and air. The SO_2/ Air process will be used for cyanide destruction.

The detoxified tailings are then pumped to the Tailings Storage Facility ("TSF"). Adsorbed gold will be eluted from the activated carbon by means of a heated solution of sodium cyanide and caustic soda via the split Anglo American Research Laboratories ("AARL") procedure. Barren carbon from the batch elution process will be directed to carbon regeneration while pregnant leach solution will be routed to electrowinning. After washing the gold sludge from the electrowinning cathodes, the sludge will be decanted and treated in a drying oven after which it will be mixed with fluxes and loaded into an induction smelting furnace. After smelting the gold bullion bars will be cleaned, labelled, assayed and prepared for shipping.

The plant will further incorporate water treatment, reagent preparation, oxygen generation and supply, compressed air and water services.

Figure 5.3: Asanko Phase 1 Process Flow Sheet – 3 Mtpa CIL Plant



Phase 2 of the Asanko Gold Mine Project includes the addition of a 5 Mtpa flotation plant consisting of a ROM handling and two stage crushing circuit located at the Esaase mining site, followed by an overland conveying circuit to transport the crushed material to the Obotan processing site where the gravity recovery, milling, flotation, concentrate regrind and CIL circuits will be located. Provision is made for intermediate stockpiling and interlinking conveyors between the AGM Phase 1 whole ore leach circuit and the AGM Phase 2 flotation circuit expansion to allow for optimisation of the different ore types to be fed to either of the two processing facilities, in order to optimise recoveries and processing plant operating costs for the different ore types.

In addition to the above, the Asanko Phase 1 circuit will be operated at a maximum of 3.8 Mtpa by processing additional oxide material. The whole ore leach circuit design will further remain as described above with additional leaching capacity.

The AGM Phase 2 flotation plant design makes provision for a ROM handling and two-stage crushing circuit located at the Esaase pits, from where the crushed material will be conveyed overland to the AGM Phase 1 processing site.

The crushed oxide material will feed onto an intermediate stockpile from where the material can either be fed to the CIL plant milling circuit or to the flotation plant milling circuit. The crushed fresh material will feed directly to a live stockpile from where it is fed to the flotation plant ball milling circuit. Provision is made for a secondary crushing stage of the Obotan fresh material from the CIL plant live stockpile, after which the material will be of a suitable size fraction to be fed to the flotation plant fresh ore stockpile prior to feeding to the flotation plant ball milling circuit. This ore handling arrangement makes it possible to feed oxide material from the Esaase pits to the CIL circuit and to feed fresh material from the Obotan pits to the flotation circuit.

The flotation plant ball milling circuit operates in closed-circuit with a classification cyclone cluster. A gravity recovery circuit will be utilised to treat a portion of the cyclone underflow stream to recover coarse free gold from the recirculating load.

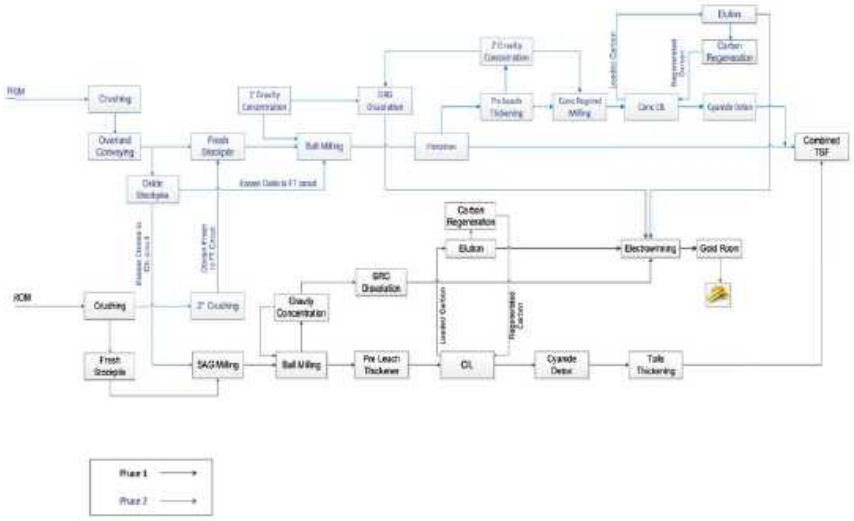
The milled product (cyclone overflow) will gravitate to the flotation circuit. The flotation circuit consists of 7 rougher flotation cells in series. The concentrate produced by the flotation circuit gravitates to a collection tank from where it is pumped to the pre-leach thickener. The pre-leach thickener underflow product will be pumped to the secondary gravity recovery circuit to recover any coarse free gold prior to regrinding. The secondary gravity circuit tailings stream is pumped to the concentrate regrinding circuit, where the concentrate is milled using a stirred media mill. The regrind concentrate product is then pumped to the concentrate CIL circuit, consisting of a seven stage CIL plant. Leached gold will adsorb onto activated carbon, which flows counter-currently to the gold-bearing slurry. Loaded carbon will be directed to the elution circuit while tailings will gravitate to cyanide destruction. Cyanide in the concentrate CIL tailings will be detoxified using a three phase hybrid cyanide destruction process. WAD concentration will be reduced in a single tank by means of SMBS and air. The SO_2 / Air process will be used for cyanide destruction.

The detoxified concentrate tailings are then pumped, together with the flotation circuit tailings, to a common 8 million tonne per annum tailings storage facility (shared with AGM Phase 1 circuit).

Adsorbed gold will be eluted from the activated carbon by means of a heated solution of sodium cyanide and caustic soda via the split AARL procedure. Barren carbon from the batch elution process will be directed to carbon regeneration while pregnant leach solution will be routed to electrowinning. After washing the gold sludge from the electrowinning cathodes, the sludge will be decanted and treated in a drying oven after which it will be mixed with fluxes and loaded into an induction smelting furnace. After smelting the gold bullion bars will be cleaned, labelled, assayed and prepared for shipping.

The plant further incorporates water treatment, reagent preparation, oxygen generation and supply, compressed air and water services. Services are shared with the Asanko Phase 1 processing plant as far as possible.

Figure 5.4: Asanko Phase 2 Process Flow Sheet – 3.8 Mtpa CIL Plant and 5 Mtpa Flotation Plant



*Gold Rec**o**very*

Based o**n** the metall**u**rical testwo**r**k as well a**s** operational experience for previously mined deposits overall, g**o**ld recoveries for the con**v**entional gra**v**ity/CIL flo**w** sheet are sh**o**wn in Tabl**e** 5-4 below. **E**saase recovery **i**s based on g**r**avity/flotati**o**n/CIL proce**s**sing.

Table 5-4: Predicted Gold Recovery

Composite	**Phase 1** **Obotan** **Definitive Project Plan (DPP)**	**Phase 2** **Obotan and Esaase** **Combined**
Ore sourced from Obotan		
Oxide	94.8%	90.7%
Transitional	95.1%	91.1%
Fresh	93.8%	93.0%
Ore sourced from Esaase		
Oxide	-	89.8%
Transitional	-	87.0%
Fresh	-	92.4%
LoM Blend Recovery	93.9%	91.7%
LoM Blend Discounted Recovery	92.6%	90.9%

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Production Schedule

The production schedule developed for the Project is included in Table 5-5. The Phase 2 PFS is expected to develop an integrated production schedule for all deposits of the AGM, including Esaase, if feasible.

Table 5-5: Production Schedule

			2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
		LOM	**Y1**	**Y2**	**Y3**	**Y4**	**Y5**	**Y6**	**Y7**	**Y8**	**Y9**	**Y10**	**Y11**	**Y12**	**Y13**
CIL Circuit Feed															
Esaase Laterite/Oxide	('000t)	14 309		1 387	2 348	2 720	2 880	3 040	712	204	198	423	398		
Esaase Transitional	('000t)	4 035							2 170	1 342	356	167			
Esaase Fresh	('000t)														
Obotan Laterite/Oxide	('000t)	1 237	58	235	372					342	186	44			
Obotan Transitional	('000t)	1 234	58	12						308	693	162			
Obotan Fresh	('000t)	21 409	2 884	1 765	680	680	720	760	920	1 578	2 041	2 702	3 000	3 000	679
Total Tons to CIL	('000t)	42 224	3 000	3 400	3 400	3 400	3 600	3 800	3 802	3 774	3 473	3 498	3 398	3 000	679
CIL Feed Grade	g/t	1.76	2.15	1.85	1.68	1.63	1.48	1.4	1.47	1.76	1.8	1.88	2.01	2.15	2.24
Recovery Estimate (Discounted)	%	91.10%	88.10%	90.90%	90.10%	91.00%	90.00%	89.50%	88.50%	90.70%	91.50%	92.10%	92.60%	93.10%	108.40%

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			2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
		LOM	**Y1**	**Y2**	**Y3**	**Y4**	**Y5**	**Y6**	**Y7**	**Y8**	**Y9**	**Y10**	**Y11**	**Y12**	**Y13**
Flotation Circuit Feed															
Esaase Laterite/Oxide	('000t)	1 067			551	426	46								44
Esaase Transitional	('000t)	2 484			218	1 421	622	159							63
Esaase Fresh	('000t)	35 812			2	816	3 212	1 749	4 952	4 945	4 043	4 164	4 910	5 000	2 018
Obotan Laterite/Oxide	('000t)	0													
Obotan Transitional	('000t)	926			695	188									43
Obotan Fresh	('000t)	11 699			3 283	1 974	1 120	3 092	48	55	957	836	90		244
Total Tons to Flotation	('000t)	51 988			4 750	4 825	5 000	5 000	5 000	5 000	5 000	5 000	5 000	5 000	2 413
Flotation Feed Grade	g/t	1.66			2.17	2.13	1.82	1.98	1.29	1.53	1.41	1.37	1.26	1.37	2.26
Recovery Estimate (Discounted)	%	90.60%			89.10%	90.60%	89.60%	92.20%	91.30%	92.30%	88.50%	88.30%	91.10%	91.70%	93.30%
Combined AGM Phase 2 Production	**('000t)**	**94 212**	**3 000**	**3 400**	**8 150**	**8 225**	**8 600**	**8 800**	**8 802**	**8 774**	**8 473**	**8 498**	**8 398**	**8 000**	**3 092**
Combined Feed Grade	**g/t**	**1.71**	**2.15**	**1.85**	**1.97**	**1.92**	**1.68**	**1.73**	**1.37**	**1.63**	**1.57**	**1.58**	**1.56**	**1.66**	**2.26**
Recovery Estimate (Discounted)	**%**	**90.90%**	**88.10%**	**90.90%**	**89.50%**	**90.70%**	**89.80%**	**91.20%**	**90.00%**	**91.60%**	**89.90%**	**90.10%**	**91.90%**	**92.40%**	**96.60%**

Note:

(1) Recovery in first and last year adjusted for inventory lock-up.

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Processing

The processing plant operated at an annualized rate of 3.6 million tonnes per annum (“Mtpa”) (20% above design) during the quarter following the crushing circuit upgrades in late Q3 2016. In addition, metallurgical recoveries continue to exceed expectations at 94%. With the benefit of six months of steady-state operations data, the Company expects these recoveries to continue into the foreseeable future. As a result, gold production for the Q4 2016 quarter averaged 19,000 ounces per month, which is well above the original feasibility parameters.

Key Production Statistics	Units	Q3 2016	Q4 2016
Ore Treated	000 t	852	901
Gold Feed Grade	g/t	2.1	2.1
Gold Recovery	%	94	94
Gold Produced	oz	53,986	57,178

Qualified Person Statements

Phil Bentley, Asanko Executive: Geology and Resources (Pr.Sci.Nat.) is the Qualified Person under NI 43-101 guidelines who assumes technical responsibility for Mineral Resource contents of the January 11, 2017 news release, and Frederik Fourie, Asanko Senior Mine Engineer (Pr.Eng.) is the Qualified Person under NI 43-101 who assumes responsibility for the Mineral Reserve contents of the same news release.

Tailings Storage Facility (TSF)

The TSF will consist of a multi-zoned downstream perimeter embankment, comprising a total footprint area (including the basin area) of approximately 86 ha for the Stage 1 TSF increasing to 309 ha for the final TSF. The TSF is designed to store total 33 Mt for Phase 1 with further raises required during Phase 2 expansion. Tailings will be discharged into the TSF by sub-aerial deposition methods, using a combination of spigots at regularly spaced intervals from the embankment.

The design incorporates an upstream toe-drain and basin under-drainage system in low lying basin areas to improve performance of the TSF. The under-drainage system comprises a network of collector and finger drains. The toe-drain and under-drainage system drain by gravity to a collection sump located at the lowest point in the TSF.

Supernatant water will be removed from the TSF via submersible pumps located on a floating barge located within the supernatant pond throughout operation. Solution recovered from the decant system will be pumped back to the plant for re-use in the process circuits.

A downstream seepage collection system will be installed within and downstream of the TSF embankment, to allow monitoring and collection of seepage from the TSF in the collection sump located downstream of the final TSF.

Monitoring bores are being installed around the TSF, to constantly monitor water quality of the samples withdrawn from them. This will allow any seepage, or contamination to be detected, and will trigger the mitigation measures to be outlined in the TSF Management Plan.

The TSF embankment will be constructed in stages to suit storage requirements and the availability of suitable mine waste. It is envisaged that the upstream portions of the embankment will be raised annually by an earthworks contractor with the bulk embankment fill being placed as part of the mining operations on an ongoing basis.

The TSF design utilises a beach angle that has been verified by laboratory testing, and the overall design is regarded as conservative, with no unique, or unusual design parameters, or methodologies utilised in the design. The use of downstream raise construction methods promote embankment stability, which has been demonstrated by the high factors of safety obtained for the stability assessment.

Infrastructure, Permitting and Compliance Activities

Environmental and Social

The Company completed a Scoping Report and the Environmental and Social Impact Assessment (ESIA) of the Project and developed the Environmental and Social Impact Statement (ESIS) which was submitted to the EPA and subsequently approved.

Detailed baseline studies were completed and this provided the required level of information for development of the ESIA.

Air quality, noise, surface water hydrology, groundwater hydrogeology, water quality, soil, fauna and flora baseline studies were completed and reports generated. Traffic, socio-economic and medical surveys were likewise completed.

The Company also completed an ESIA and ESIA for Esaase that has been submitted to the EPA for final approvals, which are still pending. The Environmental and Social studies will be expanded to include the integration of Phase 1 and Phase 2 during the development of the Phase 2 DFS.

On November 7, 2016 the Company announced in a news release that it had recently received the Environmental Invoice for mining and conveyor operations at Esaase, such invoice being a precursor to the receipt of the Environmental Permit. The Company also announced that the board had consequently approved an early works program for Project 5M (previously described as Phase 2A) expansion.

In a news release issued February 6, 2017 the Company announced the permitting process for the first phase of the expansion had been completed. The Ghanaian Environmental Protection Agency ("EPA") had issued its environmental permit for mining operations at Esaase and the overland conveyor to the AGM processing facility. This critical step was achieved following the EPA's approval of the Environmental Impact Statement. The Minerals Commission had also issued the mine operating permit for the Esaase pits.

Health and Safety Report

In a news release issued January 11, 2017, the Company announced there were no lost time injuries ("LTI") during Q4 2016, with only one LTI occurring in the last 12 months on March 8, 2016. Since then, there have been 3,732,222 LTI free man-hours worked. The 12-month rolling lost time injury frequency rate ("LTIFR") per million man hours worked is 0.20.

Survey and Baseline Study Results

Results from the various surveys and baseline studies across all of the areas of the AGM have indicated:

- dust levels will increase, requiring monitoring and mitigation by spraying roads and other dust generation surfaces;
- noise levels close to the Project site will increase, a noise monitoring regime has been established to assess the exposure of employees and the local population to noise generated from the Project activities and, if necessary, to take corrective action promptly by intensifying, or changing the mix of the mitigation measures;

- metal contamination in the environment has been assessed, and the results indicate no long-term effects from previous mining activities. Closure of the site and prevention of access to some areas will be carried out so as to minimise any potential impacts;
- cyanide in the environment will be mitigated by detoxification prior to release to the TSF, all waters arising from the TSF will be returned to the plant;
- there is no evidence of acid formation from the wastes generated during the previous operation, and therefore it is reasonable to conclude that the project wastes are unlikely to have an effect on the surrounding areas soil;
- effects on local suspended solids and turbidity will be mitigated by the use of suitable sedimentation structures together with an effective monitoring program to assess efficiency of those measures;
- significant local contamination of water with coliform exists. Adequate ablution facilities will be constructed for the project with all sewage treated before discharge. This discharge will also be monitored to ensure that coliform water discharge levels are met;
- the current phosphate concentrations in the Nkran and Adubiaso Pits are higher than the EPA guideline for phosphate. These pits will be dewatered and the phosphate levels downstream of the Project may be elevated for a limited period;
- damage from drilling and blasting activities will be limited by carefully developed drilling and blasting designs together with blasting practices (evacuation and guarding) that will be deployed to minimise damage and eliminate safety risks;
- effects on flora and fauna will be negligible, the results of the baseline fauna and flora study indicate the project area is presently degraded and lacks the characteristic feature of the original vegetation of the areas, following years of intense farming and mining operations. Because of the extensive habitat alteration, the associated fauna and flora species are mainly common and widespread habitat generalists that are able to tolerate the current level of disturbances. The separate aquatic flora assessment does not identify any species or areas that require specific attention, or actions. The areas affected by mining and processing are only 8% of the total licence areas, and the vast majority of the areas (waste dumps and TSF) will be rehabilitated to current levels, or better;
- similarly the soil in the area has been degraded by previous activities, waste from the plant will be sequestered and rehabilitated to ensure that it does not further contribute to the soil contamination;
- heritage sites have been identified and will be protected;
- farmers will be recompensed if their land is to be affected by the operation, and after rehabilitation the land will be returned to the landowners; and
- the effect of the Project on the galamsey activities will be minimal, limited to the need for the galamsey to vacate the areas required for pits, waste dumps, roads and the TSF.

Trade will be positively affected, and it is likely that local trade will flourish due to the increased income levels in the area and accompanying increase in discretionary spending.

The survey and baseline studies for the Phase 2 conveyor route were completed during the Phase 2 DFS.

Approvals and Community and Government Consultation

Adansi held a public forum as part of the environmental permitting for Phase 1 in July 2012. This was preceded with consultation with several stakeholder groups across the project area and consequently obtained the EPA environmental permit for the Project. KRGL held a public forum for Esaase in November 2013 and applied for its environmental permit in early 2014. The permitting process was put on hold following the merging of the two projects into the Asanko Gold Mine in early 2014.

The Company engages with stakeholder groups and committees as platforms through which to provide project updates; address concerns and discuss matters of mutual interest. The Company also engages with local government and village leaders, including:

- Amansie West District Assembly;
- Ministry of Food and Agriculture;
- Ghana Health Service;
- Land Valuation Board;
- Ghana Environmental Protection Agency;
- Forestry Commission;
- Minerals Commission;
- Inspectorate Division of Minerals Commission; and
- Water Resources Commission.

In a news release issued on November 7, 2016 the Company announced that it had recently received the Environmental Invoice for mining and conveyor operations at Esaase, such invoice being a precursor to the receipt of the Environmental Permit. The Company also announced that the board had consequently approved an early works program for the Project 5M (previously described as Phase 2A) expansion.

In a news release issued February 6, 2017 the Company announced the permitting process for the first phase of the expansion had been completed. The Ghanaian Environmental Protection Agency ("EPA") had issued its environmental permit for mining operations at Esaase and the overland conveyor to the AGM processing facility. This critical step was achieved following the EPA's approval of the Environmental Impact Statement. The Minerals Commission had also issued the mine operating permit for the Esaase pits.

Capital and Operating Costs

Operating Costs

The LoM cash operating cost of the AGM is estimated at $670/oz. See Table 5.6. All-In-Sustaining Costs ("ASIC") per World Gold Council guidance are $798/oz, which places the AGM in the lowest quartile of industry costs.

Operating costs were developed in conjunction with the project design criteria, process flow sheet, mass and water balance, mechanical and electrical equipment lists, and in-country labour cost data. The cash operating costs are defined as the direct operating costs including contract mining, processing, tailings storage, water treatment, general and administrative and refining costs.

Table 5.6: Cash Operating Costs

Description	**Obotan (Phase 1) (US$/oz)**	**AGM (Phase 1&2) (US$/oz)**
Ore Mining	348	368
Processing	210	243
General and Administrative	83	55
Refining	4	4

Description	Obotan (Phase 1) (US$/oz)	AGM (Phase 1&2) (US$/oz)
Cash Costs	**645**	**670**
Royalties	65	68
Sustaining and Deferred Capex	19	23
Corporate Overhead	35	24
Interest on Project Debt	17	13
All-in Sustaining Cash Costs	**781**	**798**

Capital Costs

The initial capital cost of the mine, process plant and associated infrastructure for Phase 1 is estimated at $295 million. The cost is inclusive of all infrastructure and indirect costs required for the Project including allowances for contingencies and estimating inaccuracies of 8.3% in aggregate (amounting to $22.75 million). The engineering has been developed to support a capital cost estimate to a nominal accuracy of -/+10% (see Table 5.7 below). At the time of writing of the technical report, approximately 50% of the capital works for Phase 1 have been undertaken.

The expansion of the processing plant and infrastructure for Phase 2 is estimated to require an additional $270 million in capital. The cost is inclusive of all infrastructure and indirect costs required for the Project including allowances for contingencies and estimating inaccuracies of 8.5% in aggregate (amounting to US$27 million). The engineering has been developed to support a capital cost estimate to a nominal accuracy of -/+15%.

Table 5.7: Capital Costs

Asanko Gold Mine	Capital Estimate (US$ million)
Process Plant	85
Mining (pre-production costs)	71
Power Infrastructure	18
Buildings, offices and accommodation	12
TSF, WRD, ROM, water supply, civil works	23
CSR, Owners Team, G&A	47
Indirect including EPCM	16
Sub Total Phase 1	**272**
Contingency and Estimating Inaccuracies	23
Total Phase 1	**295**
Process plant expansion	83
Crushing and conveying infrastructure	92
Other infrastructure	30
Indirect including EPCM	38
Subtotal Phase 2	**243**
Contingency and Estimating Inaccuracies	27
Total Phase 2	**270**
Grand Total Phase 1 and Phase 2	**565**

Economic Analysis

A cash flow based financial evaluation has been undertaken based on a gold price of $1,300/oz., the summary of which is presented in Table 5.8 and Table 5.9. The analysis has been prepared by Cresco based on inputs from other parties, namely DRA and Asanko Gold. All economics are shown after tax and appropriate royalties payable and on a 100% basis. Corporate tax in Ghana is 35%.

Table 5-8: Summary of Financial Outcomes

Key Project Physicals		
Ore Mined	Mt	94.2
Average Grade	g/t	1.71
Gold Sold	Moz	4.69
Mine Life	Yrs	12.5

Table 5-9 - Summary of Key Project Financials after Tax and Royalties on a 100% Basis

Key Project Financials		Base Case
Gold Price	US$/oz.	1 300
NPV (5%)	US$M	770
IRR	%	27
Payback	Years	3.1

A range of Project sensitivities have been evaluated to assess their impact on the base case numbers included in the financial model. The significant financial sensitivities identified were discount rate and gold price shown in Table 5.10.

Table 5.10 Gold Price Sensitivity – NPV and IRR

	Discount Rate					
Price US$ Gold/oz	**3%**	**5%**	**6%**	**7%**	**8%**	**IRR**
1,100	497	378	328	282	241	17.3%
1,200	725	574	510	452	399	22.6%
1,300	952	**770**	692	621	557	**27.3%**
1,400	1,180	965	873	790	714	31.7%
1,500	1,407	1,160	1,054	958	871	35.9%
1,600	1,634	1,355	1,235	1.127	1,029	39.9%

The project is less sensitive to changes in capital and operating expenditure than to the gold price.

Gold Offtake and Sale Agreement

In October 2013 (as amended in July 2014), the Company entered into an offtake agreement with Red Kite in connection with the Debt Facility, pursuant to which Red Kite is entitled to purchase at market, 100% of the future gold production from the AGM to a maximum of 2.22 million ounces. Red Kite is to pay for 100% of the value of the gold ten business days after shipment. A provisional payment of 90% of the estimated value will be made one business day after delivery. The gold sale price will be a spot price selected during a nine day quotational period following shipment. The Company can terminate the offtake agreement prior to satisfaction of the conditions precedent for the Project Facility by repaying all amounts outstanding under the Debt Facilities, subject to the payment of a termination fee in an amount dependent upon the total funds drawn under the Debt Facilities as well as the amount of gold delivered under the offtake agreement at the time of termination.

Exploration, Development and Production

Phase 1 was approved by the Company's Board of Directors in July 2014 and DRA was awarded an EPCM contract immediately following approval. Contractor mobilization to site occurred in August 2014 and Phase 1 development activity currently underway includes:

- plant terrace completed;
- 161 kV line started in December 2014 to be completed in September 2015;
- tailings dam construction started in October 2014;
- the contractor's camp completed;
- pit dewatering start December 2014 and is expected to continue for 10 months;
- the mining contractor mobilized to site in December 2014 and is currently clearing the pre-strip area around the Nkran pit;
- SMP construction started January 2015;
- Nkran pre-strip mining and ROM pad started;
- electrical and Instrumentation installation contractor site established May 2015; and
- piping installation contractor site established May 2015.

The major project milestones are as follows:

- Commissioning start – February 2016.
- Steady state production of 190,000 oz Au per year average – Q3 2016.
- For the integration of Esaase, the Company conducted a DFS which was submitted by Q3 2016. Pending a positive outcome, meeting permitting requirements, and an investment decision by the Company's Board of Directors, construction on the Phase 2 expansion could begin in Q3 2016 with steady state operation of over 400,000 oz Au per year of gold by Q1 2018.

Pursuant to Board approval in Q4 2016 of the Project 5M expansion noted above FEED has commenced and is on track for completion in Q2 2017. The plant upgrades are expected to be completed by Q4 2017. Construction of the conveyor is expected to begin in Q2 2017 and be completed in Q4 2018. Pre-stripping and mine infrastructure development at Esaase is expected to start in Q2 2018.

Independent Review of Global Mineral Resource Inventory - 2017

In a news release issued February 6, 2017 the Company announced that a globally recognized independent mining industry consultancy, CSA Global, has been engaged as an independent party to review the global Mineral Resource inventory using information from the outcomes of a Resource Reconciliation Study, which has been informed by over 4Mt of ore mining and nine months of steady-state operations. Despite individual variances on a pit-by-pit basis, no material change to the global AGM Mineral Reserves is expected. In line with best practice, the AGM resources are being updated from previously unconstrained Mineral Resources to now include the effects of constraining parameters. The constraining parameters being used are an economic cut-off grade of 0.5g/t gold within a US$2,000 per ounce gold pit shell. Relevant material disclosure via an updated NI 43-101 Technical Report for the AGM is expected to be published in Q2 2017.

The Asumura Property

The Asumura Property is without known reserves and the work being done by Asanko is exploratory in nature. Asanko's interest in this property stemmed from earlier exploration work, as described below, that was done in the area. The Asumura Property is not material to Asanko.

Location

The Asumura Property is located in the southwestern part of Ghana and is divided into two parts by the Bia River. The western part of the property is within the Western Region of Ghana in the Juabeso Bia District and the eastern part is in the Brong Ahafo Region of Ghana.

Accessibility, Climate, Infrastructure and Physiography

The Asumura Property is accessible from the town of Kumasi by road, the majority of which is asphalt. The last 22 miles is a laterite road. Laterite is a surface formation, found mostly in tropical areas, which is enriched in iron and aluminum. Within the property, there is a good network of laterite roads and foot trails, which provide access for the exploration crews.

Annual rainfall is between 58 inches and 78 inches and temperatures vary between 72 degrees and 97 degrees Fahrenheit with an average of about 84 degrees Fahrenheit. A major rainy season occurs from April to July followed by a minor one from September to October.

The closest town, Goaso, is about 24 miles away. It contains hotels, markets and restaurants, hospitals and medical clinics, a cell phone tower, a network of land phones connected to the Ghana Telephone system via radio, and an internet café with satellite dish.

The Asumura Property is sparsely populated.

History

The Asumura Property was once licensed by Anglo American Plc., an unrelated public company. Asanko is unaware of any surface exploration that Anglo American carried out in the area. There are no recorded mineral resources, reserves, or production from this property. When Asanko entered into the option agreement with GTE Ventures Limited ("GTE"), there were no known exploration samples of any kind taken from the property. Zaknet, Inc., a private Ghanaian company unrelated to Asanko, acquired a reconnaissance concession from the Ghanaian government in 2003. They quit-claimed the property to GTE in 2004 and Asanko entered into an option agreement with GTE in 2005.

Geological Setting

The Asumura Property is located on the Ahafo structure, a major fault bounding structure on the NW edge of the Sefwi-Bibiani Greenstone Belt, a well-defined aeromagnetic feature along which many gold occurrences occur. Volcanic and granitic rocks dominate the belts, while basin sedimentary rocks occur outboard to the belt. Approximately 15 kms of this tectonic-depositional boundary is contained within the Asumura Concession. Parallel faults that divide sedimentary and metaclastic rocks of the basin, such as the NW fault are also gold bearing. The geophysical and gravity maps show that these may be outbound basinal faults related to the same event which formed the Ahafo fault.

Exploration

The Asumura Property currently consists of two exploration concessions: Fosukrom and Asumura, which together equal 279.4 sq kms. Asanko entered into an agreement with GTE which allowed Asanko to acquire 100% of the private interest in the Asumura Property by performing work expenditures totaling $1 million, delivering cash payments totaling $100,000 and delivering shares of Asanko totaling $100,000 in value over a period of three years. GTE retained a 3.5% NSR, 50% of which may be purchased for $2 million by Asanko. The Ghanaian government is also entitled to claim a 5% revenue royalty after the property is converted to a mining license. The Ghanaian government is also entitled to a 10% free carried interest in the project. During the year ended March 31, 2008, the Company acquired an option to purchase the remaining 50% of the GTE NSR royalty for an additional $4,000,000.

The exploration license allows Asanko permission to trench and drill on the property, providing Asanko obtains a permit from the EPA. Asanko obtained its permits for 2006 in January 2006 and renewed these permits annually from 2007 up to 2012.

Asanko initially explored the concession using stream sediment techniques. After discovering significant stream sediment anomalies, Asanko conducted reconnaissance soil sampling in the drainages, which showed anomalous gold in the stream sediments. Asanko subsequently used grid sampling soil techniques at approximately 100 meter line spacing and 25 meter sample spacing together with induced polarization ("IP") geophysical surveying. The end result was the discovery of three distinct anomalies in the Twiapasi, Wagyakrom and Mangoase areas. The Twiapasi and Wagyakrom anomalies are on the southern side of a large topographic depression that hosts the Bia River and one of its major tributaries. The Mangoase anomaly is on the north side of the trough and parallels the east north east trend. The next phase will include further soil sampling, induced polarization geophysical studies and augur drilling.

Asanko received approval from the Ghanaian government during the latter part of 2005 to convert its holdings from reconnaissance to exploration concessions. This conversion allowed exploration trenching and drilling to proceed after successful permitting from the EPA in early 2006.

The Company began drilling at the Asumura Property shortly after receiving the approval from the Ghanaian government. Asanko drilled 124 shallow (30-102 meter) reverse circulation holes and 13 core holes. Asanko discovered from 10-30 meter widths of 0.5 -1.68 g/t Au mineralization at the Wagyakrom and Mangoase anomalies.

Subsequent to the initial drilling, Asanko was able to obtain aeromagnetic geophysical data for the entire property that caused Asanko to prioritize the existing Mangoase area and to identify a new potential mineralized structure: the Bia structure, which underlies the previously described topographic depression transcending the length of the property. This zone had not been previously explored due to alluvial cover.

In July 2007, the Company discovered the NW anomaly, which coincides with a large regional north east trending fault coincident with an aeromagnetic break in the northwestern portion of the property. The anomaly is over 5.5 km long and varies from 300 - 500 meters wide and is defined very consistently by Au values obtained in the low lying, deeply lateritic soils. In January of 2008 the company released auger results of up to 5900 ppb Au from the NW zone, following up on the previously mentioned soil anomalies.

In March 2008, the company conducted a small reverse circulation reconnaissance drilling program. An intercept of 14 meters of 14.48 g/t Au was intersected on the NW structure.

In April 2008, Asanko obtained the contiguous Mt. Olives reconnaissance concession, which tripled the size of the Asumura Property. The Company completed surface exploration during April and September of 2008 comprising stream sediment and soil sampling on the Mt. Olives reconnaissance concession along with a continuous program of soil and auger sampling on the Asumura exploration concessions. During the year ended March 31, 2009, the Company terminated its option agreement on the Mt. Olives concession.

The fiscal 2010 exploration program consisted of auger sampling and testing of soil anomalies along the NW, Mangoase, Wagyakrom Spur and Bia anomalies and a regional gravity survey (conducted by Newmont Mining Corporation under a confidentiality agreement) in order to obtain a gravity map for the entire concession. These programs identified drill worthy targets and Asanko designed a drill program and has since proceeded to drill.

Mineralization

The area is dominated by the Birimian Supergroup of metasedimentary and metavolcanic rocks with various granitoid intrusions. Within the Birimian Supergroup, northeast striking mafic metavolcanic belts are separated from intervening metasedimentary basins by major faults. The Asumura Property is situated on the NW edge of the Sefwi-Bibiani Greenstone Belt along a well-defined zone of gold occurrences. It covers a 6 kilometer segment of grandiorite-metasediment contact and a 5 kilometer segment of a metavolcanic-metasediment contact.

Through surface geochemistry and aeromagnetic and EM studies, three major gold bearing regional structures have been located on the property, one of which is the belt bounding structure mentioned in the previous paragraph.

Drilling

During the second quarter of the fiscal year ending March 31, 2011, the Company initiated its drill program on the Asumura Gold Property. The Company spent $1.45 million on Asumura Gold Property for the year ended March 31, 2011.

With the completion of the field program in March 2011, management focused on reviewing its technical data to determine the next phase for the project.

There have been no significant exploration expenditures incurred on the Asumura Property since the completion of the March 2011 field program. Exploration activities are currently on care and maintenance.

DIVIDENDS AND DISTRIBUTIONS

Asanko has no fixed dividend policy and has not declared any dividends on its Common Shares since its incorporation. Asanko currently expects to retain any potential future earnings to finance growth and expand its operations and does not anticipate paying any dividends on its Common Shares in the foreseeable future. Subject to the *Business Corporations Act* (British Columbia) (the "BCBCA"), the actual timing, payment and amount of any dividends declared and paid by the Company will be determined by and at the sole discretion of Asanko's board of directors from time to time based upon, among other factors, the Company's cash flow, results of operations and financial condition, the need for funds to finance ongoing operations and exploration, and such other considerations as the board of directors in its discretion may consider or deem relevant.

DESCRIPTION OF CAPITAL STRUCTURE

Common Shares

Asanko's authorized capital consists of an unlimited number of Common Shares without par value. At December 31, 2016, there were 201,829,207 Common Shares issued and outstanding. As at March 15, 2017, there were 203,278,707 shares issued and outstanding.

Each Common Share entitles the holder to one vote at all meetings of the Company's shareholders. The holders of the Company's Common Shares are entitled to receive during each year, as and when declared by the Board of Directors, dividends payable in money, property or by the issue of fully-paid Common Shares of Asanko. If the Company is dissolved, wound-up, whether voluntary or involuntary, or there is a distribution of Asanko's assets among shareholders for the purpose of winding-up its affairs, the holders of the Company's Common Shares are entitled to receive Asanko's remaining property.

Constraints

There are no constraints imposed on the ownership of the Common Shares by corporate law. There are certain Government review requirements regarding foreign investment in Canadian companies which are not expected to be relevant to Asanko shareholders.

MARKET FOR SECURITIES

Trading Price and Volume

The Company's common shares trade on the TSX and NYSE MKT under the symbol "AKG".

The following table sets out the low and high sale prices and the aggregate volume of trading of the Company's Common Shares on the TSX for the months indicated (Canadian Dollars) and NYSE MKT for the months indicated (US Dollars).

	TSX Price Range		
Month	High (C$)	Low (C$)	Total Volume
January 2016	2.37	1.85	7,740,198
February 2016	2.95	1.93	14,650,432
March 2016	3.26	2.55	19,177,707
April 2016	4.16	2.72	15,600,269
May 2016	4.72	3.92	18,141,906
June 2016	5.82	4.26	38,171,081
July 2016	5.89	4.77	20,062,896
August 2016	5.97	4.79	17,930,695
September 2016	6.09	4.87	39,725,084
October 2016	5.58	4.37	21,799,302
November 2016	5.47	4.11	27,638,525
December 2016	4.77	3.43	24,418,300
January 2017	5.07	4.09	23,379,574
February 2017	5.02	3.48	30,292,247

	NYSE MKT Price Range		
Month	High (US$)	Low (US$)	Total Volume
January 2016	1.68	1.27	2,214,842
February 2016	2.14	1.35	5,056,754
March 2016	2.52	1.95	9,499,502
April 2016	3.32	2.17	6,074,062
May 2016	3.73	3.03	12,483,395
June 2016	4.53	3.24	46,677,008
July 2016	4.52	3.60	13,277,215
August 2016	4.65	3.64	11,515,785

Month	TSX Price Range		Total Volume
	High (C$)	Low (C$)	
September 2016	4.73	3.68	14,024,332
October 2016	4.25	3.32	8,071,287
November 2016	4.17	3.03	14,217,834
December 2016	3.58	2.64	29,969,200
January 2017	3.90	3.04	16,634,764
February 2017	3.86	2.62	24,386,715

PRIOR SALES

From January 1, 2016 to December 31, 2016 the Company issued the following securities, which securities are outstanding but not listed or trading on any marketplace:

Date of Issuance	Type of Security	Exercise Price/Price per Share	Number of Securities
January 21, 2016	Stock Option	C$1.98	2,540,000
April 1, 2016	Stock Option	C$2.84	205,000
May 11, 2016	Stock Option	C$4.10	100,000
November 10, 2016	Stock Option	C$4.77	70,000

DIRECTORS AND EXECUTIVE OFFICERS

Name, Occupation and Security Holding

The following table sets out the names, province or state and country of residence, positions with or offices held with the Company, and principal occupation for the past five years of each of Asanko's directors and executive officers, as well as the period during which each has been a director of the Company.

The term of office of each director of Asanko expires at the annual general meeting of shareholders each year.

Name, Position and Province/State and Country of Residence (1)	Principal Occupation During the Past Five Years (1)	Director or Officer Since(2)
COLIN STEYN Chairman,Director London, UK	Businessman involved in managing public companies, Director of the Company; past Chief Executive Officer of LionOre Mining International, Ltd; past Director of Mantra Resources Ltd; Past Non-Executive Chairman of Coalspur Mines Ltd; past Director of Mirabela Nickel Limited;	October 15, 2012

Name, Position and Province/State and Country of Residence [1]	Principal Occupation During the Past Five Years [1]	Director or Officer Since[2]
MARCEL DE GROOT[3][4][6] Director British Columbia, Canada	Businessman involved in managing public companies, Director of the Company; Director of JDL Gold Corp.; past Chairman and Director of Luna Gold Corp.; Past Director of Underworld Resources Inc., Esperanza Resources, Northern Dynasty Minerals Ltd., Premier Royalty. Lowell Copper and Anthem United.	October 1, 2009
WILLIAM SMART [4][6][7] Director London, UK	Businessman involved in managing public companies, Director of the Company; past Director of Mantra Resources Ltd; past Director of Coalspur Mines Ltd.	November 11, 2015
GORDON J. FRETWELL[3][4][6] Director British Columbia, Canada	Lawyer, Director of the Company; Director of Coro Mining Corp, Northern Dynasty Minerals Ltd., Curis Resources Ltd., Lignol Energy Corp. and Auryn Resources Inc.; Past Director of Benton Resources Corp.	February 24, 2004
MICHAEL PRICE[3][7] Director London, UK	Businessman involved in managing public companies, Director of the Company; Director of Eldorado Gold. Corporation; and past Director of Buffalo Coal Corporation	February 6, 2013
PETER BREESE[5][7] Chief Executive Officer, President and Director Gauteng, South Africa	Businessman involved in managing public companies, Chief Executive Officer, President and Director of the Company; past Director of Rockridge Capital Corp.; past Chief Executive Officer and Director of Mantra Resources Limited; past Director of Coalspur Mines Limited.	October 15, 2012
SHAWN WALLACE Director British Columbia, Canada	Businessman involved in managing public companies, Director of the Company; Past Executive Chairman and Chief Executive Officer of the Company; Chief Executive Officer, President and Director of Auryn Resources Inc.; past Chairman and Director of Cayden Resources Inc.; Director of Stratton Resources Inc; and past Director of Full Metal Minerals Inc.	March 3, 2010
FAUSTO DI TRAPANI[5] Chief Financial Officer and Corporate Secretary British Columbia, Canada	Chief Financial Officer of the Company; joined Asanko in 2012 as Executive: Finance. Previously Mr. Di Trapani held senior financial management roles at Mantra Resources Limited, Norilsk Nickel International and BHP Billiton.	January 11, 2017

Notes:

(1) The information as to province of residence and principal occupation, is not within the knowledge of the Company, and has been individually provided by the respective directors and officers.

(2) Each of the Company's directors serve until the next annual general meeting of shareholders or until a successor is elected or appointed. The Company's officers serve at the determination of the Company's board of directors.

(3) Member of the Audit Committee.

(4) Member of the Compensation Committee.

(5) Member of the Disclosure Committee.

(6) Member of the Nominating and Governance Committee. (7) Member of the Operations, Health & Safety Committee.

As of the date of this AIF, the directors and executive officers of the Company, as a group, own beneficially, directly or indirectly, or exercise control or direction over 3,794,746 common shares representing approximately 1.9% of the issued and outstanding common shares of the Company.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

None of the individuals named above is, as at the date of this AIF, or has been, within ten (10) years before the date of this AIF a director, chief executive officer or chief financial officer of any company that:

(a) was subject to a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or

(b) was subject to a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Except as disclosed below, none of the individuals named above is, as at the date of this AIF, or has been, within ten (10) years before the date of this AIF, a director or executive officer of any company that, while that person was acting in that capacity or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or has, within ten (10) years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Mr. Steyn was a director of Mirabela Nickel Limited ("Mirabela") until January 11, 2014. On February 25, 2014, within a year of Mr. Steyn ceasing to be a director, Mirabela announced that it had entered into a legally binding plan support agreement ("PSA") which establishes a framework for a proposed recapitalisation of Mirabela, subject to certain terms and conditions, as well as the appointment of Messrs. Madden, Rocke and Winterbottom of KordaMentha as joint and several voluntary administrators. Mirabela also announced that, under the PSA, the proposed recapitalisation will be effected through a recapitalisation and restructuring plan to be implemented through a deed of company arrangement in Australia and an extrajudicial reorganization proceeding to be filed by Mirabela Brazil before the competent Brazilian court. Trading in securities of Mirabela on the Australian Securities Exchange has been suspended since October 9, 2013.

Mr. Price was a non-executive director of Q Resources plc. until January 2012. In November 2014, Q Resources plc. entered voluntary liquidation.

In addition, none of the individuals named above has been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable shareholder in deciding whether to vote for a nominee as director.

Conflicts of Interest

Directors and officers of Asanko are also directors, officers and/or promoters of other reporting and non-reporting issuers, which raises the possibility of future conflicts in connection with property opportunities which they may become aware of and have a duty to disclose to more than the issuer on whose board they serve. This type of conflict is common in the junior resource exploration industry and is not considered an unusual risk. Conflicts, if any, will be subject to the procedures and remedies provided under the BCBCA.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Except as set forth below, there are no legal proceedings to which the Company is a party or, to the best of the Company's knowledge, to which any of the Company's properties may be affected.

Legal Proceedings

Godbri Datano Claim

During September 2012, Godbri Mining Limited ("Godbri"), a private Ghanaian company, lodged a statement of claim in the High Court of Justice, Accra, Ghana, seeking a declaration that, among other things, that the sale of the Datano concession to Adansi Ghana is null and void. Godbri claims to be the owner of 38% of the issued share capital of Midras Mining Limited ("Midras") and states that it did not consent to the acquisition of the Datano concession by Adansi Ghana. Adansi Ghana filed a defence on November 12, 2012. Godbri subsequently amended its claim in January 2013 and in March 2013, after which both the Company and Adansi Ghana filed further defences. The matter is currently awaiting trial but the Company considers the claim made by Godbri to be spurious and without any merit. Godbri has taken no further steps in the suit since June 2013.

Matisse and Madison Claim

During October 2013, Matisse & Madison Co. Ltd. lodged a statement of claim in the High Court of Justice, Accra, Ghana, seeking compensatory damages of $20.0 million plus interest for breach of a verbal contract related to the purchase of the Datano Concessions from Midras. In April 2016, this claim was withdrawn by the plaintiff and is no longer active.

Regulatory Actions

There are no regulatory actions to which the Company is currently subject.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

To the best knowledge of Asanko's management, no (a) director or executive officer of the Company; (b) person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of any class or series of the Company's outstanding voting securities; or (c) an associate or affiliate of any of the persons or companies referred to in paragraphs (a) or (b), had any material interest, direct or indirect, in any transaction since the Company's incorporation or during the current financial year. Insiders of the Company participated in the 2015 bought deal offering but on the same terms as all other investors.

TRANSFER AGENT AND REGISTRAR

Asanko's registrar and transfer agent for its Common Shares is Computershare Trust Company of Canada, 3 rd Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9.

MATERIAL CONTRACTS

The following are the material contracts to which the Company or its subsidiaries are a party to as of the date of this AIF, which currently can reasonably be regarded as material to a security holder of the Company, copies of which have been filed at www.sedar.com as required under section 12.2 of National Instrument 51-102 *Continuous Disclosure Requirements*:

- The two agreements comprising the Debt Facilities, a redacted copy of each was SEDAR filed, on February 5, 2015;
- Non-Issuer Form of Submission to Jurisdiction and Appointment of Agent for Service of Process dated February 5, 2015 concerning Offering of 19,800,000 common shares of the Company at $2.02 per common share, such agency term being for six years; between the Company and

  Colin Steyn, Chairman and Director of the Company;
  Michael Price, Director of the Company;
  Peter Breese, President, Chief Executive Officer and Director of the Company;
  Peter Bradford, Director of the Company
- Shareholders Rights Plan Agreement ("Rights Plan") between the Company and Computershare Investor Services Inc., as Rights Agent, dated as of May 24, 2016, which Rights Plan will expire at the termination of the annual general meeting of the Company held in 2019; and
- The two agreements, dated as of October 20, 2015 and December 16, 2015, comprising the senior facilities agreement (Construction and Operations), a redacted copy of each was SEDAR filed, on March 15, 2016.

INTERESTS OF EXPERTS

Names of Experts

1. The following are the persons or companies who were named as having prepared or certified a statement, report or valuation in this AIF either directly or in a document incorporated by reference and whose profession or business gives authority to the statement, report or valuation made by the person or company:

   (a) Glenn Bezuidenhout, National Diploma (Extractive Metallurgy), FSIAMM;

   (b) Doug Heher, B.Sc Eng (Mechanical), Pr Eng.;

   (c) Thomas Kwabena Obiri-Yeboah, B.Sc Eng (Mining), Pr Eng;

   (d) John Stanbury, B Sc Eng (Industrial), Pr Eng.;

   (e) Charles J. Muller, B.Sc. Geology (Hons), PR.Sci.Nat., MGSSA, a Director of CJM Consulting Pty Ltd., Johannesburg, South Africa;

   (f) David Morgan, M.Sc. Eng (Civil), CP Eng, authored the 2015 Asanko PFS;

(g) Philip N. Bentley, PR.Sci.Nat, FGSSA, MSc, MSc (Minex), Geology and Resources Executive for Asanko;

(h) Joseph Mamphey (deceased in 2016), Diploma Geological Engineering, MSc Geostatistics, MRM Asanko Gold Mine;

(i) Malcolm Titley (CSA Global Principal Geologist), AIG;

(j) Phil Bentley, Asanko Executive: Geology and Resources, Pr.Sci.Nat; and

(k) Frederik Fourie, Asanko Senior Mine Engineer, Pr.Eng.

2. KPMG Chartered Professional Accountants, of Vancouver, British Columbia, has prepared the Auditor's Report with respect to the consolidated financial statements of Asanko for the financial years ended December 31, 2016 and 2015.

Interests of Experts

To the Company's knowledge, Messrs. Bezuidenhout, Heher, Obiri-Yeboah, Stanbury, Muller, Morgan, Bently, Titley and Fourie do not hold, directly or indirectly, any of the Company's issued and outstanding Common Shares.

The aforementioned persons have not received any direct or indirect interest in any securities of the Company or of any associate or affiliate of the Company in connection with the preparation of the Asanko 2016 PFS. The aforementioned persons are not currently expected to be elected, appointed or employed as a director, officer or employee of the Company or of any associate or affiliate of the Company.

KPMG LLP, our independent auditors, has audited our consolidated financial statements for the years ended December 31, 2016 and 2015. As at the date hereof, KPMG LLP has confirmed that they are independent with respect to the Company within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations and also that they are independent accountants with respect to the Company under all relevant US professional and regulatory standards.

ADDITIONAL INFORMATION

Additional Information

Additional financial information relating to the Company may be found on SEDAR at www.sedar.com.

Additional information relating to the Company, including directors' and officers' remuneration and indebtedness, principal holders of Asanko's securities, and securities authorized for issuance under equity compensation plans, is contained in the 2016 shareholders meeting Management Information Circular.

Additional financial information is provided in Asanko's financial statements and related MD&A for the year ended December 31, 2016.

Controls and Procedures

Disclosure Controls and Procedures

Evaluation of disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Company's Chief Executive Officer and Chief Financial Officer, on a timely basis so that appropriate decisions can be made regarding public disclosure. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Management of the Company, with the participation of the Chief Executive Officer and the Chief Financial Officer, have evaluated the design and effectiveness of the Company's disclosure controls and procedures and the design as required by Canadian and United States securities legislation, and have concluded that, as of December 31, 2016, such procedures are adequate to ensure accurate, complete and timely disclosures in public filings.

Management's Report on Internal Control over Financial Reporting

The Company's management, with the participation of its President and Chief Executive Officer and Chief Financial Officer, is responsible for establishing and maintaining adequate internal control over financial reporting. Under the supervision of the President and Chief Executive Officer and Chief Financial Officer, the Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company's internal control over financial reporting includes policies and procedures that:

- pertain to the maintenance of records that accurately and fairly reflect, in reasonable detail, the transactions and dispositions of assets of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS and that the Company's receipts and expenditures are made only in accordance with authorizations of management and the Company's Directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Company's consolidated financial statements.

The Company's management, with the participation of its President and Chief Executive Officer and its Chief Financial Officer, assessed the effectiveness of the Company's internal control over financial reporting. In making this assessment, management used the criteria set forth in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, management and the President and Chief Executive Officer and Chief Financial Officer have concluded that, as of December 31, 2016, the Company's internal control over financial reporting was effective.

Changes in Internal Control over Financial Reporting

There has been no change in the Company's internal control over financial reporting during the year ended December 31, 2016 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting, with the exception of new controls which have been implemented with respect to the recording of financial results upon and since the commencement of commercial production.

Limitations of Controls and Procedures

The Company's management, including the President and Chief Executive Officer and Chief Financial Officer, believes that any disclosure controls and procedures or internal control over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any control system also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected.

Audit Committee, Code of Ethics, Accountant Fees and Exemptions

Audit Committee Charter

The Audit Committee is ultimately responsible for the policies and practices relating to integrity of financial and regulatory reporting, as well as internal controls to achieve the objectives of safeguarding of corporate assets; reliability of information; and compliance with policies and laws.

The Company's audit committee charter can be viewed on the Company's website at http://www.asanko.com/assets/pdf/Asanko-Continuous-Disclosure-and-Corporate-Governanc.pdf.

Composition of Audit Committee

The Company's Board of Directors has a separately designated standing Audit Committee established in accordance with Section 3(a)(58)(A) of the Exchange Act and Section 803(B)(2) of the NYSE MKT Company Guide. The Company's Audit Committee is comprised of the following three directors that the Board of Directors have determined are independent as determined under each of National Instrument 52-110 *Audit Committees*, Rule 10A-3 of the Exchange Act and Section 803(A) of the NYSE MKT Company Guide: Marcel de Groot (Chairman), Gordon Fretwell and Michael Price. Each of Messrs. de Groot, Fretwell and Price is financially literate within the meaning of National Instrument 52-110 *Audit Committees,* and is able to read and understand fundamental financial statements, including a Company's balance sheet, income statement, and cash flow statement as required under Section 803(B)(2)(iii) of the NYSE MKT Company Guide.

Relevant Education and Experience

Set out below is a brief description of the education and experience of each audit committee member that is relevant to the performance of his responsibilities as an audit committee member.

Marcel de Groot is a Chartered Accountant and a founder and President of Pathway Capital Ltd., a Vancouver based private venture capital corporation. Pathway Capital Ltd, formed in 2004, invests in and provides strategic support to early stage private and public companies. He is currently a director of JDL Gold Corp.

Gordon Fretwell holds a Bachelor of Commerce degree and graduated from the University of British Columbia in 1979 with his Bachelor of Law degree. Formerly a partner in a large Vancouver law firm, Mr. Fretwell has, since 1991, been a self-employed solicitor (Gordon J. Fretwell Law Corporation) in Vancouver practicing primarily in the areas of corporate and securities law.

Michael Price has been a Mining Finance Consultant and Adviser and London Representative of Resource Capital Funds since 2006 and has over 30 years' experience in Mining and Investment banking. He has BSc and Phd degrees in mining engineering from University College Cardiff. Mr. Price also holds a Mine Manager's Certificate of Competency (Coal Mines, South Africa) and professional engineering qualifications MIMMM and Eur Ing (FEANI).

Such education and experience provides each member with:

- an understanding of the accounting principles used by the Company to prepare its financial statements;
- the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;
- experience analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements; and
- an understanding of internal controls and procedures for financial reporting.

Pre-Approval Policies and Procedures

The Audit Committee's charter sets out responsibilities regarding the provision of non-audit services by the Company's external auditor. This policy encourages consideration of whether the provision of services other than audit services is compatible with maintaining the auditor's independence and requires Audit Committee pre-approval of permitted audit and non-audit-related services.

Audit Fees

The following table discloses the aggregate fees billed for each of the last two fiscal years for professional services rendered by the Company's audit firm for various services.

Nature of Services	**Fees Paid to Auditor for Year Ended December 31, 2016**	**Fees Paid to Auditor for Year Ended December 31, 2015**
Audit Fees(1)	C$675,147	C$458,154
Tax Fees(2)	Nil	Nil
All Other Fees(3)	Nil	Nil
Total	C$675,147	C$458,154

Notes:

(1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Company's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits. The audit fees increased year of year due to the Company reaching commercial production in 2016 and resulting in additional audit work.

(2) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

(3) "All Other Fees" include all other non-audit services.



CONSOLIDATED FINANCIAL STATEMENTS

Years ended December 31, 2016 and 2015

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management's Report on Financial Statements

The consolidated financial statements of Asanko Gold Inc. have been prepared by, and are the responsibility of the Company's management. The consolidated financial statements have been prepared by management on a going concern basis in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. Financial statements are not exact since they include certain amounts based on estimates and judgements. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly, in all material respects.

The Board of Directors is responsible for ensuring management fulfills its financial reporting responsibilities. The Audit Committee meets with the Company's management and external auditors to discuss the results of the audits and to review the consolidated financial statements prior to the Audit Committee's submission to the Board of Directors for approval. The Audit Committee also reviews the quarterly financial statements and recommends them for approval to the Board of Directors, reviews with management the Company's systems of internal control, and reviews the scope of the external auditors' audit and non–audit work. The Audit Committee is appointed by the Board, and all of its members are independent directors.

The consolidated financial statements have been audited by KPMG LLP, Chartered Professional Accountants, in accordance with Canadian generally accepted auditing standards and standards of the Public Company Accounting Oversight Board (United States) on behalf of the shareholders.

Management's Report over Internal Controls over Financial Reporting

Management has developed and maintains systems of internal accounting and administrative controls in order to provide, on a reasonable basis, assurance that the financial information is relevant, reliable and accurate and that the Company's assets are appropriately accounted for and adequately safeguarded. All internal control systems have inherent limitations, including the possibility of circumvention and overriding of controls, and therefore, may not prevent or detect misstatements. Management has assessed the effectiveness of the Company's internal control over financial reporting based on the framework in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The effectiveness of the company's internal control over financial reporting as of December 31, 2016 has been audited by KPMG LLP.

"Peter Breese"

Peter Breese
Director, President and Chief Executive Officer

"Fausto Di Trapani"

Fausto Di Trapani
Chief Financial Officer

KPMG LLP
Chartered Professional Accountants
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Canada

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of Asanko Gold Inc.

We have audited the accompanying consolidated statements of financial position of Asanko Gold Inc. as of December 31, 2016 and 2015 and the related consolidated statements of operations and comprehensive income (loss), changes in equity and cash flows for the years then ended. These consolidated financial statements are the responsibility of Asanko Gold Inc.'s management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Asanko Gold Inc. as of December 31, 2016 and 2015, and its consolidated financial performance and its consolidated cash flows for the years then ended in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Asanko Gold Inc.'s internal control over financial reporting as of December 31, 2016, based on the criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated March 15, 2017 expressed an unqualified opinion on the effectiveness of Asanko Gold Inc.'s internal control over financial reporting.

//**s**// **KPMG LLP**
Chartered Professional Accountants

March 15, 2017
Vancouver, Canada

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Shareholders and Board of Directors of Asanko Gold Inc.

We have audited Asanko Gold Inc.'s (the "Company") internal control over financial reporting as of December 31, 2016, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying "Management's Annual Report on Internal Control over Financial Reporting". Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2016, based on criteria established in *Internal Control – Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

We also have audited, in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States), the consolidated statements of financial position of the Company and subsidiaries as of December 31, 2016 and 2015, and the related consolidated statements of operations and comprehensive income (loss), changes in equity, and cash flows for the years then ended, and our report dated March 15, 2017 expressed an unqualified opinion on those consolidated financial statements.

//s// KPMG LLP

Chartered Professional Accountants

Vancouver, Canada
March 15, 2017

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KPMG Canada provides services to KPMG LLP.

ASANKO GOLD INC.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2016 AND 2015
(In thousands of United States Dollars)

	Note	December 31, 2016 $	December 31, 2015 $
Assets			
Current assets			
Cash and cash equivalents		59,675	114,800
Receivables		1,468	18
Inventories	12	32,374	1,179
Prepaid expenses and deposits		3,320	2,923
VAT receivable	13	22,881	-
		119,718	118,920
Non-current assets			
Reclamation deposit	14	1,750	1,696
Exploration and evaluation assets	15	12,757	12,732
Mineral properties, plant and equipment	15	528,487	490,821
		542,994	505,249
Total assets		662,712	624,169
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		46,934	34,789
Foreign currency forward contract liability	25 (d)(i)	-	36
Current portion of long-term debt	16	469	15,214
		47,403	50,039
Non-current liabilities			
Long-term debt	16	154,503	131,880
Asset retirement provisions	17	25,374	18,741
Deferred income tax liability	11	19,007	9,100
		198,884	159,721
Total liabilities		246,287	209,760
Shareholders' equity			
Share capital	18	556,256	540,133
Equity reserves	19	46,613	47,504
Accumulated deficit		(186,444)	(173,228)
Total shareholders' equity		416,425	414,409
Total liabilities and shareholders' equity		662,712	624,169
Commitments and contractual obligations	20		
Contingencies	21		

Approved by the Board of Directors on March 15, 2017

"Peter Breese"	*"Marcel de Groot"*
Director	*Director*

SEE ACCOMPANYING NOTES WHICH FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

ASANKO GOLD INC.

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
YEARS ENDED DECEMBER 31, 2016 AND 2015
(In thousands of United States Dollars, except dollar per share amounts)

	Note	**2016** **$**	2015 $
Revenue	6	185,167	-
Royalties	6	(9,258)	-
Net Revenue		175,909	-
Cost of sales			
Production costs	7	(88,688)	-
Depreciation and depletion	15	(52,958)	-
Total cost of sales		(141,646)	-
Write-off of deferred stripping asset	9	(7,123)	-
Income from mine operations		27,140	-
Exploration and evaluation expenditures		(1,425)	(3,515)
General and administrative expenses	8	(12,538)	(7,520)
Income (loss) from operations		13,177	(11,035)
Finance income		634	1,015
Finance expense	10	(13,849)	(524)
Foreign exchange loss		(1,777)	(1,645)
Gain on derivatives	25 (d)(i)	37	899
Loss before income taxes		(1,778)	(11,290)
Income tax (expense) recovery	11	(11,438)	2,984
Net loss and comprehensive loss for the period		(13,216)	(8,306)
Loss per share			
Basic and diluted		($0.07)	($0.04)
Weighted average number of shares outstanding			
Basic and diluted		198,973,570	194,357,744

SEE ACCOMPANYING NOTES WHICH FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENT

ASANKO GOLD INC.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEAR ENDED DECEMBER 31, 2016 AND 2015
(In thousands of United States Dollars, except for number of common shares)

	Note	Number of shares	Share capital $	Equity reserves $	Accumulated deficit $	Total Equity $
Balance as at December 31, 2014		174,075,607	505,469	43,032	(164,922)	383,579
Issuance of common shares for:						
Bought deal financing	18 (b)	22,770,000	34,284	-	-	34,284
Exercise of share-based options		150,000	380	(134)	-	246
Share-based payments	19 (a)	-	-	3,078	-	3,078
Share-purchase warrants				1,528		1,528
Loss and comprehensive loss for the period		-	-	-	(8,306)	(8,306)
Balance as at December 31, 2015		196,995,607	540,133	47,504	(173,228)	414,409
Balance as at December 31, 2015		196,995,607	540,133	47,504	(173,228)	414,409
Issuance of common shares for:						
Asset acquisition	15 (e)	2,000,000	8,395	-	-	8,395
Exercise of share-based options	19 (a)	2,833,600	7,728	(2,493)	-	5,235
Share-based payments	19 (a)	-	-	1,602	-	1,602
Loss and comprehensive loss for the period		-	-	-	(13,216)	(13,216)
Balance as at December 31, 2016		**201,829,207**	**556,256**	**46,613**	**(186,444)**	**416,425**

SEE ACCOMPANYING NOTES WHICH FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

ASANKO GOLD INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(In thousands of United States Dollars)

	Note	2016 $	2015 $
Cash provided by (used in):			
Operating activities:			
Loss for the period		(13,216)	(8,306)
Adjustments for:			
Depreciation and depletion	15	52,977	59
Write-off of deferred stripping asset		7,123	-
Finance expense	10	13,849	420
Gain on derivatives, net	25 (d)(i)	(37)	(899)
Deferred income tax expense (recovery)	11 (a)	9,907	(2,984)
Interest and other income		(634)	(1,015)
Share-based payments	19 (a)	983	1,564
Unrealized foreign exchange loss		2,670	2,860
Operating cash flow before working capital changes		73,622	(8,301)
Change in non-cash working capital	22	(18,660)	(2,467)
Cash provided by (used for) operating activities		54,962	(10,768)
Investing activities:			
Expenditures on mineral properties, plant and equipment	15	(132,355)	(219,034)
VAT refund relating to development activities	13	25,979	-
Reclamation bond	14	-	(1,696)
Interest received		435	910
		(105,941)	(219,820)
Financing activities:			
Shares issued for cash, net of share issuance costs	19 (a)	5,235	34,530
Interest paid	16 (a)	(5,859)	-
Long term debt proceeds, net of draw down fees and deferred debt financing costs	16 (a)	-	85,960
Loan modification fees	16 (a)	(3,275)	-
		(3,899)	120,490
Impact of foreign exchange on cash and cash equivalents		(247)	(3,782)
Increase (decrease) in cash and cash equivalents for the period		(55,125)	(113,880)
Cash and cash equivalents, beginning of period		114,800	228,680
Cash and cash equivalents, end of period		59,675	114,800
Supplemental cash flow information	22		

SEE ACCOMPANYING NOTES WHICH FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

1. Nature of operations

Asanko Gold Inc. ("Asanko" or the "Company") was incorporated on September 23, 1999 under the laws of British Columbia, Canada. The Company's principal project, the Asanko Gold Mine ("AGM" or "the Project"), which consists of two neighboring gold projects, the Obotan Project and the Esaase Project, both located in the Amansie West District of the Republic of Ghana ("Ghana"), West Africa, is being developed in three distinct phases. January 2016 saw Phase 1 of the AGM produce and pour its first gold and on April 1, 2016, the Company declared that the AGM was in commercial production. A definitive feasibility study is currently being undertaken with respect to Project 5M and Project 10M (formerly described as Phases 2A and 2B, respectively), which together form the development of the Esaase deposit and is expected to be released in Q2 2017.

In addition to its principal project, the Company holds a portfolio of other Ghanaian gold concessions in various stages of exploration.

The parent Company is Asanko Gold Inc., whose head office, principal address and registered and records office are located at 1066 West Hastings Street, Suite 680, Vancouver, British Columbia, V6E 3X2, Canada.

2. Basis of presentation

(a) Statement of compliance

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

These consolidated financial statements were authorized for issue and approved by the Board of Directors on March 15, 2017.

(b) Basis of presentation and consolidation

The financial statements have been prepared on the historical cost basis, with the exception of the forward currency contract liability (note 25(d)(i)) which is measured at fair value.

All amounts are expressed in thousands of United States dollars, unless otherwise stated, and the United States dollar is the functional currency of the Company and each of its subsidiaries. References to C$ are to Canadian dollars. Certain prior period numbers have been reclassified in order to conform to current year presentation.

These consolidated financial statements incorporate the financial statements of the Company and its controlled subsidiaries. Control exists when the Company has power, directly or indirectly, to govern the financial and operating policies of an entity as to obtain benefits from its activities. All intercompany amounts and transactions have been eliminated on consolidation.

2. Basis of presentation (continued)

The consolidated financial statements include the accounts of the Company and the following subsidiaries:

Subsidiary name	Jurisdiction	Ownership
Asanko Gold Ghana Limited ("Asanko Ghana")	Ghana	90%
Adansi Gold Company (GH) Limited ("Adansi Ghana")	Ghana	100%
Asanko Gold Exploration Ghana Limited	Ghana	100%
Asanko Gold South Africa (PTY) Ltd.	South Africa	100%
Asanko International (Barbados) Inc.	Barbados	100%
Asanko Gold (Barbados) Inc.	Barbados	100%
PMI Gold Corporation	Canada	100%

During the year ended December 31, 2016, the Company transferred the assets related to the Obotan project from Adansi Ghana to Asanko Ghana in order to have the two neighboring gold projects, Obotan and Esaase (which together form the Asanko Gold Mine Project) owned and managed by the same Ghanaian subsidiary. The assets transferred include the Abirem, Abore and Adubea mining leases and all of the AGM assets. The transfer had no impact on the consolidated position or results of the Company.

3. Significant accounting policies

(a) Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured as the aggregate of the fair value at the date of acquisition of the consideration transferred in exchange for the interest in the acquiree. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognized at their fair values at the acquisition date. The acquisition date is the date the Company obtains control over the acquiree, which is generally the date that consideration is transferred and the Company acquires the assets and assumes the liabilities of the acquiree. The Company considers all relevant facts and circumstances in determining the acquisition date.

Acquisition-related costs, other than costs to issue equity securities, of the acquirer, including investment banking fees, legal fees, accounting fees, valuation fees and other professional or consulting fees are expensed as incurred. The costs to issue equity securities of the Company as consideration for the acquisition are reduced from share capital as share issue costs.

Goodwill arising on acquisition is recognized as an asset and initially measured at cost, being the excess of the cost of the business combination over the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognized. If, after reassessment, the Company's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognized immediately in the consolidated statement of operations and comprehensive income (loss).

3. Significant accounting policies (continued)

(b) Non-controlling interest

Non-controlling interests in the Company's less than wholly-owned subsidiaries are classified as a separate component of equity. Non-controlling interests are recorded at their proportionate share of the fair value of identifiable net assets acquired on initial recognition. Subsequent to the acquisition date, adjustments are made to the carrying amount of the non-controlling interests for the non-controlling interests' share of changes to the subsidiary's equity. In the event an arrangement (either contractual or statutory) exists between the Company and the non-controlling interest whereby losses and all commitments are assumed by the parent entity, then net income is allocated between the Company and non-controlling interest on the consolidated statement of operations and comprehensive income (loss) in accordance with the terms of the arrangement.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are recorded as equity transactions. The carrying amount of non-controlling interests is adjusted to reflect the change in the non-controlling interests' relative interest in the subsidiary and the difference to the carrying amount of the non-controlling interests and the Company's share of proceeds received and/or consideration paid is recognized in equity and attributed to the shareholders of the Company.

(c) Foreign currency translation

Transactions in foreign currencies are initially recorded at the functional currency rate of exchange at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange at the date of the statement of financial position. Foreign exchange gains (losses) are recorded in the consolidated statement of operations and comprehensive income (loss) for the period.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

(d) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and short-term investments with original maturity dates of less than ninety days or that are fully redeemable without penalty or loss of interest.

(e) Inventories

Gold on hand, gold in process and stockpiled ore inventories are recorded at the lower of weighted average production cost and net realizable value. Production costs include the cost of raw materials, direct labour, mine-site overhead expenses and applicable depreciation and depletion. Net realizable value is calculated as the estimated price at the time of sale based on prevailing and long-term metal prices less estimated future costs to convert the inventories from their respective states into saleable form less estimated costs to sell.

Production costs are included in work-in-process inventory based on current costs incurred up to the point of dore production. The costs of finished goods represents the costs of work-in-process inventories plus applicable treatment costs. The costs of inventories sold during the period are presented as cost of sales in the statement of operations and comprehensive income (loss) for the period.

3. Significant accounting policies (continued)

Additions to the cost of ore stockpiles are based on the related current cost of production for the period, while reductions in the cost of ore stockpiles are based on the weighted average cost per tonne of ore in the stockpile. Stockpiles are segregated between current and non-current inventories in the consolidated statement of financial position based on the planned period of usage.

Supplies and spare parts are valued at the lower of weighted average cost and net realizable value. Replacement costs of materials and spare parts are generally used as the best estimate of net realizable value. Provisions are recorded to reduce the carrying amount of materials and spare parts inventory to net realizable value to reflect current intentions for the use of redundant or slow-moving items. Provisions for redundant and slow-moving items are made by reference to specific items of inventory. The Company reverses write-downs where there is a subsequent increase in net realizable value and where the inventory is still on hand.

(f) Mineral properties, plant and equipment

(i) Mineral properties

Recognition

Capitalized costs of mining properties include the following:

- Costs assigned to mining properties acquired in business combinations;
- Expenditures incurred to develop mineral properties including pre-production stripping costs;
- Stripping costs in the production phase of a mine if certain criteria have been met (see below);
- Costs to define and delineate known economic resources and develop the project;
- Borrowing costs attributable to qualifying mining properties;
- Costs incurred during testing of the processing facility, net of proceeds from sales, prior to operating in the manner intended by management; and
- Estimates of reclamation and closure costs.

Stripping costs

In open pit mining operations, it is necessary to incur costs to remove overburden and other mine waste materials in order to access the ore from which minerals can be extracted economically. Stripping costs incurred in order to provide initial access to the ore body (referred as pre-production stripping) are capitalized as incurred. Stripping costs incurred during the production stage of an open pit mine are accounted for as production costs in the consolidated statement of operations and comprehensive income (loss) during the period that the stripping costs were incurred, unless these costs provide a future economic benefit. Production phase stripping costs are considered to generate a future economic benefit when (i) it is probable that future economic benefit associated with the stripping activity will flow to the entity; (ii) the entity can identify the component of the ore body for which access has been improved; and (iii) the costs relating to the stripping activity associated with that component can be measured reliably. These costs are capitalized as mine development costs.

3. Significant accounting policies (continued)

Production costs are allocated between inventory produced and the stripping asset based on the volume of waste extracted compared with the expected volume, for a given volume of ore production. Stripping costs incurred and capitalized during the production phase are depleted using the units-of-production method over the proven and probable reserves of the component of the ore body to which access has been improved as a result of the specific stripping activity.

Management reviews the estimates of the waste and ore in each identified component of operating open pit mines at the end of each financial year, and when events and circumstances indicate that such a review should be made. Deferred stripping assets are written-down to their recoverable amount when their carrying value is not considered supportable. Changes to the estimated identification of components and the associated waste and ore within each component are accounted for prospectively.

Exploration and evaluation expenditures

Exploration and evaluation expenditures include the costs of acquiring rights to explore, exploratory drilling and related exploration costs incurred on sites without an existing mine and on areas outside the boundary of a known mineral deposit which contain proven and probable reserves. Exploration and evaluation expenditures incurred on a mineral deposit, with the exception of acquisition costs and costs arising from the recognition of an asset retirement obligation, are expensed as incurred up to the date of establishing that costs incurred on a mineral deposit are technically feasible and commercially viable.

Expenditures incurred on a mineral deposit subsequent to the establishment of being technically feasible and commercially viable are capitalized and included in the carrying amount of the related mining property.

The technical feasibility and commercial viability of a mineral deposit is assessed based on a combination of factors, such as, but not limited to:

- The extent to which mineral reserves or mineral resources have been identified through a feasibility study or similar level document;
- The results of optimization studies and further technical evaluation carried out to mitigate project risks identified in the feasibility study;
- The status of environmental permits, and
- The status of mining leases or permits.

Borrowing costs

Borrowing costs directly relating to the financing of qualifying assets are added to the capitalized cost of those related assets until such time as the assets are substantially ready for their intended use or sale which, in the case of mining properties, is when they are capable of commercial production. Where funds have been borrowed specifically to finance a project, the amount capitalized represents the actual borrowing costs incurred. Where the funds used to finance a project form part of general borrowings, the amount capitalized is calculated using a weighted average of rates applicable to relevant general borrowings of the Company during the period. Capitalized borrowing costs are depreciated over the life of the related asset.

All other borrowing costs are recognized in the consolidated statement of operations and comprehensive income (loss) in the year in which they are incurred. Borrowing costs are included as part of interest paid in the statement of cash flows.

3. Significant accounting policies (continued)

Depletion

Mining properties in production are depleted on a mine-by-mine basis using the units-of-production method over the mine's estimated proven and probable reserves, with the exception of deferred stripping which is depleted using the unit-of-production method over the reserves that directly benefit from the specific stripping activity, and will commence when the mine is capable of operating in the manner intended by management. The Company uses a number of criteria to assess whether the mine is in the condition necessary for it to be capable of operating in a manner intended by management. These criteria include, but are not limited to:

- Completion of operational commissioning of each major mine and plant component;
- Demonstrated ability to mine and mill consistently and without significant interruption at a pre-determined average rate of designed capacity;
- The passage of a reasonable period of time for testing of all major mine and plant components;
- Gold recoveries at or near expected production levels; and
- A significant portion of available funding is directed towards operating activities.

Mining properties in development are not depleted.

(ii) Plant and equipment

Recognition

The cost of plant and equipment consists of the purchase price, costs directly attributable to the delivery of the asset to the location and the condition necessary for it to be capable of operating in the manner intended by management, including the cost of testing whether these assets are operating in the manner intended by management. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. Where significant components of an asset have differing useful lives, depreciation is calculated on each separate component.

Depreciation

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

The carrying amounts of plant and equipment are depreciated using either the straight-line or units-of-production method over the shorter of the estimated useful life of the asset or the life of mine. The significant classes of depreciable plant and equipment and their estimated useful lives are as follows:

Fixed plant & related components and infrastructure	Units of production over life of mine
Mobile and other mine equipment components	3 to 8 years
Computer equipment and software	3 years

3. Significant accounting policies (continued)

Management reviews the estimated useful lives, residual values and depreciation methods of the Company's plant and equipment at the end of each financial year, and when events and circumstances indicate that such a review should be made. Changes to estimated useful lives, residual values or depreciation methods resulting from such review are accounted for prospectively.

Major maintenance and repairs

Expenditure on major maintenance and repairs includes the cost of replacement parts of assets and overhaul costs. Where an asset or part of an asset is replaced and it is probable that future economic benefits associated with the item will be available to the Company, that expenditure is capitalized and the carrying amount of the item replaced derecognized. Similarly, overhaul costs associated with major maintenance are capitalized when it is probable that future economic benefits will be available and any remaining carrying amounts of the cost of previous overhauls are derecognized. All other maintenance and repair costs are expensed as incurred.

(iii) Assets under construction

Assets under construction include property, plant and equipment in the course of construction for the Company's own purposes. Assets under construction are carried at cost less any recognized impairment loss and are not subject to depreciation. The cost comprises the purchase price and any costs directly attributable to bringing it into working condition for its intended use. Depreciation of these assets commences when the asset is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

(iv) Impairment of non-financial assets

The carrying amounts of assets included in mining interests are reviewed for impairment when events and changes in circumstances indicate that the related carrying amounts may not be recoverable. If any such indication exists, the recoverable amount of the relevant cash-generating unit ("CGU") is estimated in order to determine the extent of impairment. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The Company's CGUs are its significant mine sites, represented by its principal producing mining properties and significant development projects.

The carrying amounts of the CGUs are compared to their recoverable amounts where the recoverable amount is the higher of value-in-use and fair value less costs to sell ("FVLCS"). For mining assets, when a binding sale agreement and observable market prices are not readily available, FVLCS is estimated using a discounted cash flow approach for each of the Company's cash generating units (CGUs) to which the individual assets are allocated. The assumptions used in determining the FVLCS for the CGU's include long-term mining plans, long-term commodity prices, discount rates and foreign exchange rates. If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount is reduced to its recoverable amount. An impairment is recognized immediately in the consolidated statement of operations and comprehensive income (loss).

3. Significant accounting policies (continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset (CGU) is increased to the revised estimate of its recoverable amount (however, the increased carrying amount shall not exceed the net carrying amount that would have been recognized should no impairment loss have been previously recognized for the asset (or CGU) in prior years).

(v) Derecognition

Upon disposal or abandonment, the carrying amounts of mining properties and plant and equipment are derecognized and any associated gains or losses are recognized in the consolidated statement of operations and comprehensive income (loss).

(g) Provisions

General

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statement of operations and comprehensive income (loss) net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre- tax rate that reflects where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as finance expense in the consolidated statement of operations and comprehensive income (loss).

Asset retirement provisions

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. The Company records the estimated present value of future cash flows associated with site reclamation as a liability when the liability is incurred with a corresponding increase in the carrying value of the related assets. Discount rates using a pre-tax, risk-free rate that reflect the time value of money are used to calculate the net present value. The liability is accreted over time to reflect the unwinding of the discount with the accretion expense included in finance costs in the consolidated statement of operations and comprehensive income (loss). Changes in estimates or circumstances include changes in legal or regulatory requirements, increased obligations arising from additional mining and exploration activities, changes to cost estimates, changes to the discount rate and changes to the risk-free interest rates.

(h) Revenue recognition

Revenue is derived from the sale of gold and by-products. Revenue is recognized on individual contracts when there is persuasive evidence that all of the following criteria are met:

- the significant risks and rewards of ownership have been transferred to the buyer;
- neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold have been retained;
- the amount of revenue and costs to sell can be measured reliably;

3. Significant accounting policies (continued)

- it is probable that the economic benefits associated with the transaction will flow to the Company and collectability of proceeds is reasonably assured.

Revenue from gold is generally recorded at the time of physical delivery of the refined gold, which is also the date when title to the gold passes to the customer. Revenue from saleable gold produced during the testing phase of production activities is deducted from capitalized mine development costs.

(i) Royalties and mining taxes

Payments to governments that are based on a measure of income less expense are accounted for in accordance with the Company's income tax accounting policy. Payments to governments which are based on gross amounts such as revenue are classified in accordance with the substance of the transaction; this means that for royalties calculated based on revenues, the royalty is presented as a reduction of revenues and that for royalties calculated based on production costs, the royalty is presented as an increase in production costs.

(j) Financial instruments

(i) Financial assets

Recognition

All financial assets are initially recorded at fair value plus directly attributable transaction costs and designated upon inception into one of four categories: held-to-maturity, available-for-sale, loans and receivables or fair value through profit or loss.

Subsequent to initial recognition, the financial assets are measured in accordance with the following:

- Held-to-maturity investments, and loans and receivables, are initially measured at fair value and subsequently measured at amortized cost. Amortization of premiums or discounts and transaction costs are amortized into net earnings (loss), using the effective interest method less any impairment. Cash and cash equivalents, receivables, VAT receivable, and the reclamation deposit are classified as loans and receivables.

- Available-for-sale financial assets are measured at fair value, with unrealized gains and losses recorded in other comprehensive income until the asset is derecognized, at which time they are reclassified to net earnings (loss). Other than temporary impairments on available-for-sale financial assets are recorded in net earnings (loss).

- Financial assets classified as fair value through profit or loss are measured at fair value. All gains and losses resulting from changes in their fair value are included in net earnings (loss) in the period in which they arise.

3. Significant accounting policies (continued)

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through 'arrangement; and either (a) the Company has transferred substantially all the risks and rewards of ownership of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(ii) Financial liabilities

Recognition

All financial liabilities are initially recorded at fair value and designated upon inception as fair value through profit or loss or other financial liabilities.

Subsequent to initial recognition, other financial liabilities are measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company's accounts payable and accrued liabilities and long-term debt are classified as other financial liabilities.

Fair value changes on financial liabilities classified as fair value through profit or loss are recognized in the consolidated statement of operations and comprehensive income (loss).

(iii) Embedded derivatives

The Company may enter into derivative contracts or financial instruments and non-financial contracts containing embedded derivatives. Embedded derivatives are required to be accounted for separately at fair value as derivatives when the risks and characteristics of the embedded derivatives are not closely related to those of their host contract, and the host contract is not designated as fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognized in the consolidated statement of operations and comprehensive income (loss).

3. Significant accounting policies (continued)

(k) Share-based compensation

The fair value of the share-based compensation awards is determined at the date of grant using the Black-Scholes option pricing model. The fair value of the award is charged to the consolidated statement of operations and comprehensive income (loss) and credited to the Equity reserve (within equity in the consolidated statement of financial position) rateably over the vesting period, after adjusting for the number of awards that are expected to vest.

Expenses recognized for forfeited awards are reversed. For awards that are cancelled, any expense not yet recognized is recognized immediately in the statement of operations and comprehensive income (loss).

Where the terms of an equity-settled award are modified, as a minimum an expense is recognized as if the terms had not been modified over the original vesting period. In addition, an expense is recognized for any modification which increases the total fair value of the share-based payment arrangement as measured at the date of modification, over the remainder of the vesting period.

(l) Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred income tax. Income tax is recognized in the consolidated statement of operations and comprehensive income (loss) except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current income tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred income tax is recognized in respect of unused tax losses, tax credits and temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the tax rates that have been substantively enacted at the reporting date.

A deferred income 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 income tax asset will be recovered, it does not recognize the asset.

Deferred income 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 tax assets and liabilities on a net basis.

3. Significant accounting policies (continued)

The Company records foreign exchange gains and losses representing the impacts of movements in foreign exchange rates on the tax bases of non-monetary assets and liabilities which are denominated in foreign currencies. Foreign exchange gains and losses relating to the translation of the deferred income tax balance from local statutory accounts to functional currency accounts are included in deferred income tax expense or recovery in the consolidated statement of operations and comprehensive income (loss).

(m) Income (loss) per share

Basic income (loss) per share is computed by dividing net income (loss) by the weighted average number of common shares outstanding during the period. The computation of diluted income (loss) per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on income (loss) per share. For this purpose, the treasury stock method is used for the assumed proceeds upon the exercise of stock options and warrants that are used to purchase common shares at the average market price during the period.

4. Changes in accounting standards

Accounting standards and amendments issued but not yet adopted.

Revenue recognition
In May 2014, the IASB issued IFRS 15 – Revenue from Contracts with Customers ("IFRS 15") which supersedes IAS 11 – Construction Contracts; IAS 18 – Revenue; IFRIC 13 – Customer Loyalty Programmes; IFRIC 15 – Agreements for the Construction of Real Estate; IFRIC 18 – Transfers of Assets from Customers; and SIC 31 – Revenue – Barter Transactions involving Advertising Services. IFRS 15 establishes a single five-step model framework for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. On July 22, 2015 the IASB confirmed a one-year deferral of the effective date of IFRS 15 to January 1, 2018. The Company is currently evaluating the impact the final standard is expected to have on its consolidated financial statements.

Financial instruments
In July 2014, the IASB issued the final version of IFRS 9 – Financial Instruments ("IFRS 9") to replace IAS 39 – Financial Instruments: Recognition and Measurement. IFRS 9 provides a revised model for recognition and measurement of financial instruments and a single, forward-looking 'expected loss' impairment model. IFRS 9 also includes a substantially reformed approach to hedge accounting. The standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company is currently evaluating the impact the final standard is expected to have on its consolidated financial statements.

Leases
In January 2016, the IASB issued IFRS 16 – Leases ("IFRS 16") which replaces IAS 17 – Leases and its associated interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting remains similar to current accounting practice. The standard is effective for annual periods beginning on or after January 1, 2019, with early application permitted for entities that apply IFRS 15. The Company is currently evaluating the impact the final standard is expected to have on its consolidated financial statements.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Management believes the estimates and assumptions used in these consolidated financial statements are reasonable, however, actual results could differ from those estimates and could impact future results of operations and cash flows. The significant accounting judgements and estimates which have the most significant effect on these financial statements are as follows:

Estimates

Reserves and Resources – Estimates of the quantities of proven and probable mineral reserves and mineral resources form the basis for the Company's life-of-mine plans, which are used for a number of key business and accounting purposes, including: the calculation of depreciation expense, the capitalization of stripping costs and the forecasting and timing of payments related to the asset retirement provision. In addition, when required, the life-of-mine plans are used in impairment tests for mineral properties, plant and equipment. To the extent that these estimates of proven and probable mineral reserves and resources varies, there could be changes in depreciation expense, stripping asset and asset retirement provision recorded.

Depletion of mineral interests – estimates are made of recoverable ounces in the Company's mining properties which are depleted based on recoverable tonnes contained in proven and probable reserves. To the extent that changes are made to the estimate of proven and probable reserves, the depletion charge may change. In addition, mineral properties, plant and equipment are depreciated to their estimated residual value over the estimated useful life of the asset. Should the actual useful life of the mineral properties, plant or equipment vary, future depreciation charges may change.

Inventory valuation of production costs - the Company's management makes estimates of quantities of ore on stockpiles and in process and the recoverable gold in this material to determine the cost of inventories and the average costs of finished goods sold during the period. To the extent that these estimates vary, production costs of finished goods may change.

Net realizable value of inventory - in order to determine the net realizable value of gold-in-process and stockpiled ore, the Company estimates future metal selling prices, production forecasts, realized grades and recoveries, timing of processing, and future costs to convert the respective inventories into saleable form. Reductions in metal price forecasts, increases in estimated future costs to convert, reductions in the amount of recoverable ounces, and a delay in timing of processing can result in a write-down of the carrying amounts of the Company's stockpiled ore inventory.

Current and deferred Income taxes - in assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. Levels of future taxable income are affected by, among other things, market gold prices, production costs, quantities of proven and probable gold reserves, interest rates and foreign currency exchange rates.

5. Significant accounting judgements and estimates (continued)

Where applicable tax laws and regulations are either unclear or subject to varying interpretations, it is possible that changes in these estimates could occur that materially affect the amounts of deferred income tax assets and liabilities recorded in the financial statements. Changes in deferred tax assets and liabilities generally have a direct impact on earnings in the period that the changes occur.

Deferred stripping – in order to determine whether stripping costs incurred during the production phase of a mining property relate to reserves and resources that will be mined in a future period and therefore should be capitalized, the Company makes estimates of the stripping activity over the life of the component of reserves and resources which have been made accessible. In addition, judgement is involved when allocating production costs between inventory produced and the stripping asset; the allocation is based on the volume of waste extracted compared with the expected volume, for a given volume of ore production. To the extent that these estimates and judgements change, there could be a change to the amount of production costs which are deferred to the statement of financial position.

Estimated assets retirement provisions - The Company's provision for reclamation and closure cost obligations represents management's best estimate of the present value of the future cash outflows required to settle closure cost liabilities. Significant judgements and estimates are required in forming assumptions of future activities, future cash outflows and the timing of those cash outflows. These assumptions are formed based on environmental and regulatory requirements or the Company's environmental policies which may give rise to constructive obligations. The Company's assumptions are reviewed at the end of each reporting period and adjusted to reflect management's current best estimate and changes in any of the above factors can result in a change to the provision recognized by the Company. Changes to these estimates and judgements may result in actual expenditures in the future differing from the amounts currently provided for.

Judgements

Arrangements containing a lease - the Company's management assessed its mining contract under IFRIC 4 – Determining whether an Arrangement contains a Lease, to assess whether the contract contains a finance or operating lease. In order to determine whether the lease was an operating or finance lease, management had to make judgements with respect to the useful economic lives of the equipment identified in the lease as well as how much of the costs associated with the mining contract related to use of the equipment and how much related to personnel charges. Should some of these judgements change, the conclusion as to whether an arrangement contains a lease may change, which would result in a materially higher asset value on the consolidated statement of financial position and an associated periodic depreciation charge.

5. Significant accounting judgements and estimates (continued)

Commercial production - the Company's management determined that Phase 1 of the AGM was in commercial production effective April 1, 2016. The development phase ends and the production phase begins when the mine is in the condition necessary for it to be capable of operating in a manner intended by management. The Company uses a number of criteria to assess whether the mine has reached the commercial production phase. These criteria include, but are not limited to:

(i) Completion of operational commissioning of each major mine and plant component;

(ii) Demonstrated ability to mine and mill consistently and without significant interruption at a pre-determined average rate of designed capacity;

(iii) The passage of a reasonable period of time for testing of all major mine and plant components;

(iv) Gold recoveries are at or near expected steady-state production levels;

(v) Level of capital expenditure is within 90% of the forecast final construction cost; and

(vi) A significant portion of available funding is directed towards operating activities.

Impairment of mining interest - the Company considers both external and internal sources of information in assessing whether there are any indications that mining interests are impaired. External sources of information the Company considers include changes in the market, economic and legal environment in which the Company operates that are not within its control and affect the recoverable amount of mining interests. Internal sources of information the Company considers include the manner in which mining properties and plant and equipment are being used or are expected to be used and indications of economic performance of the assets. The estimates and judgements are subject to risk and uncertainty; hence, there is the possibility that changes in circumstances will alter these projections, which may impact the recoverable amount of the assets. In such circumstances the carrying value of the assets may be impaired or a prior period's impairment charge reversed (with the exception of goodwill for which impairment charges are not reversed) with the impact recorded in the consolidated statement of operations and comprehensive income (loss).

Functional currency - the determination of a subsidiary's functional currency often requires significant judgment where the primary economic environment in which an entity operates may not be clear. This can have a significant impact on the consolidated results of the Company.

6. Revenue

The Company sold 147,950 ounces of gold to Red Kite during the nine months ended December 31, 2016 (being the period post commercial production), in accordance with an Offtake Agreement (note 16(c)). Sales proceeds earned in the first quarter of 2016, prior to the commencement of commercial production, were recorded as an offset to pre- commercial production costs and included in development costs (note 15(b)). Sales proceeds earned since the commencement of commercial production on April 1, 2016 are included in revenue in the consolidated statement of operations and comprehensive income (loss).

Included in revenue is $0.6 million relating to by-product silver sales for the year ended December 31, 2016.

All of the Company's concessions are also subject to a 5% gross revenue royalty payable to the Government of Ghana.

7. Production costs by nature

	Year ended December 31,	
	2016	**2015**
(in thousands of US dollars)	$	$
Raw materials and consumables	36,182	–
Salary and employee benefits	17,375	–
Contractors	43,515	–
Change in inventories	(11,417)	–
Insurance, government fees, permits and other	3,033	–
Total Production costs	88,688	–

The Company is party to an operating lease for mining services performed at the AGM by a contractor. The lease term is until December 31, 2020 and there are no specific renewal terms attached to the lease.

Salaries and employee benefits in production costs excludes $4.7 million of salaries and employee benefits included in corporate general and administrative expenses for the year ended December 31, 2016.

8. General and administrative expenses

The following is a summary of general and administrative expenses incurred during the years ended December 31, 2016 and 2015.

	Year ended December 31,	
	2016	**2015**
(in thousands of US dollars)	$	$
Wages and benefits	4,711	2,189
Office and rent	2,272	1,620
Professional fees	1,500	837
Share–based payments	536	1,322
Travel and marketing	843	803
Corporate reorganisation	1,585	–
Other	1,091	749
Total	**12,538**	**7,520**

9. Write-off of deferred stripping asset

Subsequent to year-end, the Company announced a reserve and resource update for the AGM. The results of this update led the Company to re-evaluate the ore tonnes within each identified component of the AGM for deferred stripping purposes. The analysis performed by management showed that one of the six identified components for deferred stripping purposes, had less ore tonnes remaining as at December 31, 2016 as compared to the previous estimate, whereas the value associated with the other five components was considered to be fully supportable. The updated reserve tonnes in this one component did not support the capitalized value of this deferred stripping asset which is recorded as part of Mineral properties, plant and equipment, and accordingly, the Company has recorded a $7.1 million write-down related to this component of the deferred stripping asset. This write-down forms part of the Ghana operating segment (note 23). See also note 15(c).

10. Finance expense

The following is a summary of finance expenses incurred during the years ended December 31, 2016 and 2015.

	Year ended December 31,	
	2016	**2015**
(in thousands of US dollars)	$	$
Interest charges on Red Kite loan (Note 16(a))	13,451	–
Accretion charges for asset retirement obligation (Note 17)	398	524
Total	**13,849**	**524**

11. Income tax

a) Tax expense

	Year ended December 31,	
	2016	**2015**
(in thousands of US dollars)	$	$
Current tax (expense) recovery	(1,531)	–
Deferred tax (expense) recovery	(9,907)	2,984
Total	**(11,438)**	**2,984**

Income tax expense differs from the amount that would result from applying the Canadian federal and provincial income tax rates to earnings from continuing operations before taxes. These differences result from the following items:

	Year ended December 31,	
	2016	**2015**
(in thousands of US dollars)	$	$
Average statutory tax rate	26.00%	26.00%
Loss before incom etaxes	(1,778)	(11,290)
Expected income tax recovery	462	2,935
Increase (decrease) in income taxr ecovery resulting from:		
Permanent differences	22	(8,212)
True–up prior year balances	1,372	2,338
Effect of differences in tax rate in foreign jurisdictions	(180)	(53)
Change in unrecognized tax assets	(11,117)	6,418
Withholding tax	(1,531)	–
Foreign exchange and other	(466)	(442)
Income tax(expense) recovery	**(11,438)**	**2,984**

11. Income tax (continued) b) Deferred tax liabilities and assets

The significant components of the Company's deferred tax liabilities and assets are as follows:

(in thousands of US dollars)	**December 31, 2016** $	**December 31, 2015** $
Property and equipment	(91,021)	(1,890)
Embedded derivative	–	2,290
Mineral interests	67,202	(12,360)
Asset retirement provision	4,812	2,860
Unrealized foreign exchange	(1,266)	
Non–capital losses carried forward	1,266	–
	(19,007)	(9,100)
Deferred tax assets	73,281	5,150
Deferred tax liabilities	(92,288)	(14,250)
Net deferred tax balance	(19,007)	(9,100)

The Company has losses in Ghana of $29.8 million, which expire between 2017 and 2021, and a loss of $25.9 million in Canada which expires between 2028 and 2036.

Deductible temporary differences and unused tax losses for which no deferred tax assets have been recognized are attributable to the following:

(in thousands of US dollars)	**December 31, 2016** $	**December 31, 2015** $
Property and equipment	(91)	(650)
Share issuance costs	619	1,090
Investment in associate	248	240
Mineral interests	23,159	18,560
Asset retirement provision	–	3,700
Unrealized foreign exchange	–	(2,080)
Foreign exchange loss carried forward	709	–
Non–capital losses carried forward	15,630	8,300
Total	40,274	29,160

The aggregate amount of taxable temporary differences associated with investments in subsidiaries for which deferred taxes have not been recognized, as at December 31, 2016 is $58.8 million (2015 - $33.3 million).

12. Inventories

	Year ended December 31,	
	2016	**2015**
(in thousands of US dollars)	$	$
Gold dore on hand	5,968	–
Gold–in–process	4,461	–
Ore stockpiles	14,361	1,001
Materials and spare parts	7,584	178
Total Inventories	**32,374**	**1,179**

No inventory has been recognized at fair value less cost to sell as at December 31, 2016 or 2015.

13. VAT receivable

On April 1, 2016, the Company announced that the AGM was in commercial production and in addition, in April 2016, the Company received a letter from the Ghana Revenue Agency stating that the Company was entitled to a VAT refund to a total of $20.5 million with respect to the period July 2013 to December 2015. The Company considers these two events to be key triggers with respect to the recognition of all VAT receivable on the purchase of goods and services in Ghana. Effective April 1, 2016, with the commencement of commercial production, the Company recognizes a VAT receivable for the total of all VAT returns filed with the Ghana Revenue Agency less associated refunds. Prior to March 31, 2016, the Company had provided a full allowance against the VAT receivable with an offsetting charge to deferred development costs. The Company has received total VAT refunds of $26.0 million as of December 31, 2016, which includes the vast majority of VAT claimed by the Company relating to the Phase I development of the AGM up to and including the commencement of commercial production.

As of December 31, 2016, a total current VAT receivable of $22.9 million has been recognized (December 31, 2015 - $nil).

14. Reclamation deposit

The Company is required to provide security to the Environmental Protection Agency of Ghana (“EPA”) for the performance by the Company of its reclamation obligations in respect of the Abriem, Abore and Adubea mining leases. The initial security totaled $8.5 million and was made up of a Reclamation Deposit in the amount of $1.7 million and a bank guarantee of $6.8 million. The reclamation deposit accrues interest and is carried at $1.8 million at December 31, 2016 (December 31, 2015 - $1.7 million).

During the year ended December 31, 2015, the Company deposited the Reclamation Deposit in a Ghanaian Bank in the joint names of the Company and the EPA. The Reclamation Deposit matures annually, but the Company is required to reinstate the deposit until receiving the final completion certificate by the EPA. The Company is expected to be released from this requirement 45 days following the third anniversary of the date the Company receives a final completion certificate.

15. Mineral properties, plant and equipment and exploration and evaluation assets

	Mineral interests						
(in thousands of US dollars)	Depletable $	Non-depletable $	Exploration and evaluation assets	Plant, buildings and equipment $	Assets under construction $	Corporate assets $	Total $
Cost							
As at December 31, 2014	-	170,513	12,732	4,513	62,848	660	**251,266**
Additions	-	30,510	-	156	218,652	29	**249,347**
Changes to rehabiliatation provisions	-	5,683	-	-		-	**5,683**
As at December 31, 2015	-	206,706	12,732	4,669	281,500	689	**506,296**
Additions	36,709	17,720	25	36,755	25,379	34	**116,622**
Reclassification of VAT recoverable	-	(25,013)	-	-	-	-	**(25,013)**
Write-off of deferred stripping assets	(7,123)	-	-	-	-	-	**(7,123)**
Change in rehabilitation provisions	5,382	853	-	-	-	-	**6,235**
Transfers	111,177	(111,177)	-	299,538	(299,538)	-	-
As at December 31, 2016	**146,145**	**89,089**	**12,757**	**340,962**	**7,341**	**723**	**597,017**
Accumulated depreciation and depletion							
As at December 31, 2014	-	-	-	(1,628)	-	(530)	**(2,158)**
Depreciation	-	-	-	(559)	-	(26)	**(585)**
As at December 31, 2015	-	-	-	(2,187)	-	(556)	**(2,743)**
Depreciation and depletion	(23,405)	-	-	(29,606)	-	(19)	**(53,030)**
As at December 31, 2016	**(23,405)**	-	-	**(31,793)**	-	**(575)**	**(55,773)**
Net book value							
At December 31, 2015	-	206,706	12,732	2,482	281,500	133	503,553
As at December 31, 2016	**122,740**	**89,089**	**12,757**	**309,169**	**7,341**	**148**	**541,244**

Depreciation and depletion for the year ended December 31, 2016 includes $19 (2015 - $59) of depreciation included in general and administrative expenses. The total asset cost includes capitalized borrowing costs incurred during the year ended December 31, 2016 of $3.6 million (2015 - $10.7 million); these were capitalized at a rate of 11.12% (2015 –11.36%) .

15. Mineral properties, plant and equipment and exploration and evaluation assets (continued)

(a) Mineral interests and plant, buildings and equipment

Depletable mineral interests consist of Phase 1 of the AGM, while non-depletable mineral interests primarily consist of Phase 2 of the AGM. Production began in January 2016 at Phase 1 of the AGM and on April 1, 2016 commercial production was declared. During the second quarter 2016, construction of Phase 1 of the AGM was completed and as a result, all related balances previously held as Assets under construction have been transferred to Plant, buildings & equipment and such assets commenced depreciation.

In addition, all related balances previously held as Non-depletable mineral interests relating to Phase 1 have been transferred to Depletable mineral interests and effective April 1, 2016, all depletable mineral interests commenced depletion on a units-of-production basis.

(b) Pre-commercial production costs

During the pre-commercial production period, the Company capitalized the costs incurred for pre-commercial production mining, processing and support operations offset by the revenue from gold sales (net of royalties). A summary of the costs and revenues is provided below. Effective April 1, 2016, all such deferred development costs/assets under construction were transferred to the cost of mineral properties, plant and equipment.

	January 1, 2016–March 31, 2016
	$
Costs incurred during pre–commercial production	21,222
Revenue during pre–commercial production, net of royalties	(10,048)
Net costs capitalized	**11,174**

(c) Deferred stripping

During the year ended December 31, 2016, the Company deferred a total of $36.0 million (2015 - $nil) of stripping costs to depletable mineral interests. Depletion of $11.4 million (2015 - $nil) was charged on this asset during the same period and was recorded in depreciation and depletion, part of cost of sales. See also note 9.

(d) Non-controlling interest

The AGM is wholly-owned by Asanko Ghana, and the Government of Ghana holds a 10% free carried interest in this subsidiary. At December 31, 2016, no amount has been recorded as non-controlling interest as Asanko Ghana has a deficit in the pool from which dividends can be paid.

15. Mineral properties, plant and equipment and exploration and evaluation assets (continued)

(e) Asset acquisitions

During 2016, the Company finalized the acquisition of various mining concessions located approximately 2 km from the Nkran pit; the area currently being mined by Asanko. The purchase consideration was a combination of cash and shares for a total of $8.6 million and has been recognized as part of non-depletable mineral interests.

16. Long-term debt

(a) Long-term debt

In 2013, the Company entered into a Definitive Senior Facilities Agreement ("DSFA") with a special purpose vehicle of RK Mine Finance Trust I ("Red Kite"), which is now fully drawn for a total of $150 million. The debt is carried at amortized cost and is presented net of unamortized financing fees of $16.5 million and unpaid interest up to May 2016 (when the loan was modified; see below). Interest on the DFSA is calculated on a quarterly basis at a rate of LIBOR +6% and there is a 1% minimum LIBOR rate which creates an interest rate floor. The Company can elect to repay the DSFA, or a portion thereof, early without penalty. The DSFA is fully secured by shares of the Company's Ghanaian subsidiaries.

During the second quarter 2016, the DSFA was amended in order to defer the repayment of the principal for two years (being the principal deferral period). The amendment provides that the first principal repayment will now be payable on July 1, 2018 after which the facility will be repaid in nine equal quarterly instalments, with the last repayment on July 1, 2020. The Company will continue to pay quarterly interest on the loan facility during the principal deferral period. There are no other changes to the existing debt facility terms. A deferral fee of 2% of the loan principal was paid commensurate with signing the amendment. The amendments are considered to be a modification of the previous DFSA; the deferral fee of $3.275 million was paid during the second quarter 2016 and has been deferred to the loan balance and is being amortized with previously deferred debt financing costs over the remaining life of the DSFA based on the revised effective interest rate of 10.6% ..

Prior to April 1, 2016, all interest and accretion costs were capitalized to assets under construction. Commensurate with the declaration of commercial production all interest and accretion costs are now charged to the consolidated statement of operations and comprehensive income (loss). During the year ended December 31, 2016, $17.0 million (2015 - $10.7 million) of loan accretion and accrued interest was recorded at a weighted average effective interest rate of approximately 10.6% . Of this balance, during the year ended December 31, 2016 a total of $3.6 million (2015 - $10.7 million) was capitalized to assets under construction.

16. Long-term debt (continued)

(b) Embedded derivative

An embedded derivative liability was recognized upon initial recognition for the loan in relation to the interest rate floor. The total fair value of the embedded derivative on drawdowns was estimated to be $1.4 million. During 2016, the Company has changed its accounting policy in respect of its methodology to assess whether an interest rate floor embedded derivative is closely related to the host debt contract to incorporate contractual spread. Based on this change, the Company has determined that the interest rate floor embedded derivative is closely related to the host debt contract and as a result, the embedded derivative previously recognized in respect of the loan has been derecognized. The impact on prior periods or the current period is not material and therefore the Company has recorded the adjustment related to this change in the 2016 fiscal year.

(c) Offtake agreement

In addition to the DSFA the Company entered into an Offtake Agreement with Red Kite with the following details:

- Sale of 100% of the future gold production up to a maximum of 2.22 million ounces to Red Kite;
- Red Kite to pay for 100% of the value of the gold ten business days after shipment;
- A provisional payment of 90% of the estimated value will be made one business day after delivery;
- The gold sale price will be a spot price selected during a nine day quotational period following shipment of gold from the mine; and
- Should the Company wish to terminate the Offtake Agreement, a termination fee will be payable according to a schedule based upon the total funds drawn under the DSFA as well as the amount of gold delivered under the Offtake Agreement at the time of termination.

As of December 31, 2016, 156,660 ounces have been delivered to Red Kite under the offtake agreement.

17. Asset retirement obligation

The decommissioning liability consists of reclamation and closure costs for the Company's Ghanaian mining properties. Reclamation and closure activities include land rehabilitation, dismantling of buildings and mine facilities, ongoing care and maintenance and other costs. The undiscounted cash flow amount of the total obligation was $35.0 million as at December 31, 2016 (2015 - $26.1 million) and the present value of the obligation was estimated at $25.4 million (2015 - $18.7 million).

The discount rates used by the Company in 2016 and 2015 are based on prevailing risk-free pre-tax rates in for the USA (given the majority of reclamation costs will be incurred in US dollars), for periods of time which coincide with the periods over which the decommissioning costs are discounted. The inflation rate used in the ARO calculation is based on US inflation data again, given the majority of reclamation costs will be incurred in US dollars.

17. Asset retirement obligation (continued)

The following table shows the movement in the asset retirement obligation for the years ended December 31, 2016 and 2015:

(in thousands of US dollars)	December 31, 2016 $	December 31, 2015 $
Balance, beginning of year	18,741	12,638
Accretion expense	398	420
Change in obligation	6,235	5,683
Balance, end of year	**25,374**	**18,741**

18. Share capital

(a) Authorized

Unlimited common shares without par value or restrictions; and
Unlimited preferred shares without par value or restrictions.

(b) Issued and outstanding common shares

(in thousands of US dollars except for share amounts)	Number of shares	Amount $
Balance, December 31, 2014	174,075,607	505,469
Issued pursuant to bought deal financing(i)	22,770,000	36,387
Share issuance costs	–	(2,103)
Issued pursuant to exercise of share–based options (note 19(a))	150,000	380
Balance, December 31, 2015	196,995,607	540,133
Issued pursuant to asset acquisition (note 15(e))	2,000,000	8,395
Issued pursuan tto exercise of share–based options (note 19(a))	2,833,600	7,728
Balance, December 31, 2016	**201,829,207**	**556,256**

(i) On February 11, 2015, the Company closed a bought deal financing of 22,770,000 common shares at C$2.02 for gross proceeds $36.4 million or C$46.0 million. The Company incurred share issuance costs of $2.1 million, of which $1.8 million in fees were paid to the underwriters.

19. Equity reserves

(a) Share-based options

The Company maintains a rolling share-based option plan providing for the issuance of share-based options for up to 10% of the Company's issued and outstanding common shares. The Company may grant options from time to time to its directors, officers, employees and other service providers. The options vest 25% on the date of the grant and 12.5% every three months thereafter for a total vesting period of 18 months.

19. Equity reserves (continued)

The following table is a reconciliation of the movement in share-based options for the period:

	Number of Options	Weighted average exercise price C$
Balance, December 31, 2014	10,594,291	2.95
Granted	5,121,000	2.05
Exercised	(150,000)	2.12
Cancelled/Expired	(778,500)	4.35
Balance, December 31, 2015	14,786,791	2.57
Granted	2,915,000	2.18
Exercised	(2,833,600)	2.39
Cancelled/Expired	(276,441)	1.89
Balance, December 31, 2016	**14,591,750**	**2.54**

The fair value of the share-based options granted is determined using the Black Scholes pricing model. For all grants in 2015, the assumed life, dividend yield and forfeiture rate were 3.11 years, nil and 3.57%, respectively. For all grants during 2016, the assumed life, dividend yield and forfeiture rate were 3.14 years, nil and 2.89%, respectively. Other conditions and assumptions were as follows:

Period	Number of options	Weighted average exercise price C$	Weighted average risk–free interest rate	Weighted average volatility	Weighted average Black–Scholes value assigned $
Year ended December 31, 2015	5,121,000	2.05	0.71%	52.96%	0.56
Year ended December 31, 2016	2,915,000	2.18	0.55%	49.52%	0.50

The following table summarizes the share-based options outstanding and exercisable at December 31, 2016:

	Total options outstanding			**Total options exercisable**		
Range of exercise price	Number	Weighted average contractual life (years)	Weighted average exercise price C$	Number	Weighted average contractual life (years)	Weighted average exercise price C$
C$1.00–C$2.00	2,753,750	3.93	1.97	1,801,250	3.87	1.97
C$2.01–C$3.00	8,533,750	2.55	2.18	8,343,750	2.52	2.18
C$3.01–C$4.00	2,557,500	0.65	3.79	2,557,500	0.65	3.79
C$4.01–C$5.00	720,500	1.20	4.50	618,000	0.64	4.51
C$6.01–C$7.00	26,250	0.43	6.10	26,250	0.43	6.10
	14,591,750	**2.41**	**2.54**	**13,346,750**	**2.25**	**2.57**

19. Equity reserves (continued)

(b) Warrants

On December 21, 2015, the Company issued 4,000,000 share purchase warrants to Red Kite in conjunction with the drawdown of the final $20.0 million of the loan facility (note 16(a)). The warrants have an exercise price of $1.83 and expire three years from the date of issuance. All of these warrants remain outstanding as of December 31, 2016.

A total of 126,000 warrants with an exercise price of C$5.00 expired in September 2015.

20. Commitments and contractual obligations

As at December 31, 2016, the Company had contractual obligations totaling $198.0 million, relating to long-term debt (December 31, 2015 - $185.5 million). Contractual obligations related to the long-term debt are subject to changes in the three-month LIBOR rate. Prepayment terms allow the Company to prepay the long-term debt, with no penalty, in whole or in part at any time. As at December 31, 2016 the long-term debt had a face value of $163.9 million (December 31, 2015 - $158.1 million).

In addition, the Company is a party to certain construction and engineering contracts relating to the construction of the Asanko Gold Mine Phase 1.

The following table shows the Company's contractual obligations as they fall due as at December 31, 2016:

(in thousands of US dollars)	**Within 1 year**	**1–5 years**	**Over 5 years**	**Total 2016**	Total 2015
Long–term debt and related interest and withholding tax payments	12,610	185,418	–	**198,028**	185,509
Accounts payable and accrued liabilities	46,934	–	–	**46,934**	34,789
Decommissioning liability (undiscounted)	–	–	34,977	**34,977**	26,094
Mine operating/construction and other service contracts, open purchase orders	23,381	4,588	–	**27,969**	37,200
Total	**82,925**	**190,006**	**34,977**	**307,908**	283,592

21. Contingencies

Except as set forth below, there are no material legal proceedings to which the Company is a party or, to the best of the Company's knowledge, to which any of the Company's property is or was subject to.

Godbri Datano Claim

During September 2012, Godbri Mining Limited ("Godbri"), a private Ghanaian company, lodged a statement of claim in the High Court of Justice, Accra, Ghana, seeking a declaration that, among other things, that the sale of the Datano concession to Adansi Ghana is null and void. Godbri claims to be the owner of 38% of the issued share capital of Midras Mining Limited and states that it did not consent to the acquisition of the Datano concession by Adansi Ghana. Adansi Ghana filed a defense on November 12, 2012. Godbri subsequently amended its claim in January 2013 and in March 2013, after which both the Company and Adansi Ghana filed further defenses. The matter is currently awaiting trial but the Company considers the claim made by Godbri to be spurious and without any merit. Godbri has taken no further steps in the suit since June 2013.

21. Contingencies (continued)

Matisse and Madison Claim

During October 2013, Matisse & Madison Co. Ltd. lodged a statement of claim in the High Court of Justice, Accra, Ghana, seeking compensatory damages of $20.0 million plus interest for breach of a verbal contract related to the purchase of the Datano Concessions from Midras. In April 2016, this claim was withdrawn by the plaintiff and is no longer active.

22. Supplemental cash flow information

	Year ended December 31,	
	2016	**2015**
(in thousands of US dollars)	$	$
Change in asset retirement provision included in mineral interest	6,235	5,683
Change in accounts payable related to mineral property, plant and equipment	(29,903)	17,585
Reclassification from mineral property, plant and equipment to VAT receivable	(25,013)	–
Fair value of shares included in mineral property, plant and equipment	8,395	–
Borrowing costs included in mineral properties, plant and equipment	3,568	10,686
Share–based compensation included in mineral properties, plant and equipment	620	1,514

Changes in non-cash working capital consist of the following:

	Year ended December 31,	
	2016	**2015**
(in thousands of US dollars)	$	$
Trade and other receivables	(1,313)	241
VAT receivable	(27,566)	–
Prepaid Expense	(389)	(2,661)
Inventories	(31,195)	(1,179)
Trade and other payables	41,803	1,132
Total	(18,660)	(2,467)

23. Segmented information

Geographic Information

The Company has two reportable operating segments determined by geographical location. Ghana is the Company's only segment with mining operations at present; Canada acts as a head office function. All revenues are derived from the mining and sale of precious metals to Red Kite under an offtake agreement (note 16(c)).

23. Segmented information (continued)

Geographic allocation of total assets and liabilities

December 31, 2016 *(in thousands of US dollars)*	**Canada** $	**Ghana** $	**Total** $
Current assets	17,505	102,213	**119,718**
Mineral properties, plant and equipment	148	541,096	**541,244**
Other non–current assets		1,750	**1,750**
Total assets	17,653	645,059	**662,712**
Current liabilities	3,008	44,395	**47,403**
Non–current liabilities	–	198,884	**198,884**
Total liabilities	**3,008**	**243,279**	**246,287**

December3 1, 2015 *(in thousands of US dollars)*	**Canada** $	**Ghana** $	**Total** $
Current assets	87,505	31,415	**118,920**
Mineral properties, plant and equipment	133	503,420	**503,553**
Other non–current assets	–	1,696	**1,696**
Total assets	87,638	536,531	**624,169**
Current liabilities	1,630	48,409	**50,039**
Non–current liabilities	–	159,721	**159,721**
Total liabilities	**1,630**	**208,130**	**209,760**

23. Segmented information (continued)

Geographic allocation of the Statement of Operations and Comprehensive Income (loss)

December 31, 2016 *(in thousands of US dollars)*	**Canada** $	**Ghana** $	**Total** $
Revenue	–	185,167	185,167
Royalties	–	(9,258)	(9,258)
Net Revenue	–	175,909	175,909
Cost of sales			
Production costs	–	(88,688)	(88,688)
Depreciation and depletion	–	(52,958)	(52,958)
Total cost of sales	–	(141,646)	(141,646)
Write–off of deferred stripping assets	–	(7,123)	(7,123)
Income from mine operations	–	27,140	27,140
Exploration and evaluation expenditures	–	(1,425)	(1,425)
General and administrative expenses	(10,487)	(2,051)	(12,538)
Income (loss) from operations	(10,487)	23,664	13,177
Finance income	200	434	634
Finance expense	(10)	(13,839)	(13,849)
Foreign exchange (loss) gain	(34)	(1,743)	(1,777)
Gain (loss) on derivatives	37	–	37
Income (loss) before income taxes	(10,294)	8,516	(1,778)
Income tax (expense) recovery	–	(11,438)	(11,438)
Net income (loss) and comprehensive income (loss) for the period	(10,294)	(2,922)	(13,216)

December 31, 2015 *(in thousands of US dollars)*	**Canada** $	**Ghana** $	**Total** $
Exploration and evaluation expenditures	–	(3,515)	(3,515)
General and administrative expenses	(7,307)	(213)	(7,520)
Income (loss) from operations	(7,307)	(3,728)	(11,035)
Finance income	624	391	1,015
Finance expense	(11)	(513)	(524)
Foreign exchange (loss) gain	(3,589)	1,944	(1,645)
Gain (loss) on derivatives	(36)	935	899
Income (loss) before income taxes	(10,319)	(972)	(11,290)
Income tax (expense) recovery	–	2,984	2,984
Net income (loss) and comprehensive income (loss) for the period	**(10,319)**	**2,012**	**(8,306)**

24. Capital management

The Company's objectives in managing capital are to ensure the Company has the financial capacity to support its operations in a low gold price environment with sufficient capability to manage unforeseen operational or industry developments, ensure the Company has the capital and capacity to support its long-term growth strategy, and to provide returns for shareholders and benefits for other stakeholders. The Company defines capital that it manages as total shareholders' equity, being a total of $416.4 million as at December 31, 2016 (2015 - $414.4 million).

The Company is not subject to externally imposed capital requirements or covenants.

The Company manages its capital structure and makes adjustments to it in light of general economic conditions, the risk characteristics of the underlying assets and the Company's working capital requirements. In order to maintain or adjust its capital structure, the Company, upon approval from its Board of Directors, may issue shares, or undertake other activities as deemed appropriate under the specific circumstances; the Company does not currently pay out dividends. The Board of Directors reviews and approves any material transactions out of the ordinary course of business, including proposals on acquisitions or other major investments or divestitures, as well as capital and operating budgets. The Company's investment policy is to invest its cash in highly liquid short-term interest-bearing investments with maturities of 90 days or less from the original date of acquisition.

The Company has not made any changes to its policies and processes for managing capital during the year.

25. Financial instruments

As at December 31, 2016, the Company's financial instruments consist of cash and cash equivalents, receivables, VAT receivable, reclamation bond, accounts payable and accrued liabilities and long-term debt. The Company classifies cash and cash equivalents, receivables, VAT receivable and the reclamation bond as loans and receivables, and classifies accounts payable and accrued liabilities and long-term debt as other financial liabilities. All financial assets and liabilities are carried at amortized cost.

All of the Company's financial instruments are considered to be Level 1 within the fair value hierarchy, with the exception of the foreign currency forward contract liability in 2015 which was considered to be Level 2.

Level 1 – fair values based on unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – fair values based on inputs that are observable for the asset or liability, either directly or indirectly; and

Level 3 – fair values based on inputs for the asset or liability that are not based on observable market data.

The Company's policy for determining when a transfer occurs between levels in the fair value hierarchy is to assess the impact at the date of the event or the change in circumstances that could result in a transfer. There were no transfers between the levels during 2016 or 2015.

The carrying value of the Company's debt is $155.0 million (2015 - $147.1 million) and the fair value is $169.0 million (2015 - $146.6 million). The fair value of all of the Company's other financial instruments approximates their carrying value.

25. Financial instruments (continued)

The risk exposure arising from these financial instruments is summarized as follows:

(a) Credit risk

Credit risk is the risk of an unexpected loss if a customer or the issuer of a financial instrument fails to meet its contractual obligations. The Company is subject to credit risk on the cash and cash equivalent balances held at banks in each of Canada, Ghana and South Africa. The majority of the Company's cash is held in highly-rated Canadian based banking institutions, authorized under the Bank Act (Canada) to accept deposits. The risk of loss associated with cash investments is considered to be low. As at December 31, 2016, the Company had interest receivable of $nil (December 31, 2015 - $nil). In addition, the Company is subject to credit risk in relation the receivable balances relating to the sale of gold. The Company currently sells all of the gold it produces to Red Kite under an offtake agreement (note 16(c)). Payments are routine, scheduled and received within a contractually-agreed time frame. Total receivables from precious metal sales as at December 31, 2016 is $0.6 million; the risk associated with receivables from Red Kite as at December 31, 2016 is considered to be negligible.

The Company expects to receive VAT refunds on a regular basis from the Government of Ghana and makes monthly VAT filings (as required by law). The Company does not consider there to be a significant risk related to the VAT receivable balance as at December 31, 2016.

(b) Liquidity risk

The Company manages liquidity risk through a rigorous planning and budgeting process, which is reviewed and updated on a regular basis, to help determine the funding requirements to support current operations, expansion and development plans, and by managing the Company's capital structure (note 24). By managing liquidity risk, the Company aims to ensure that it will have sufficient liquidity to settle obligations and liabilities as they fall due. As at December 31, 2016, the Company had a cash and cash equivalents balance of $59.7 million (December 31, 2015 – $114.8 million) and is generating positive cash flows from operations, allowing it to settle current accounts payable and accrued liabilities of $46.9 million (December 31, 2015 - $34.8 million) and current debt of $0.5 million (December 31, 2015 - $nil) (note 16).

(c) Market risk

(i) 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's exposure to interest rate risk is limited to its loan agreement with Red Kite (note 16), which is subject to an interest rate of LIBOR plus 6% with a minimum LIBOR of 1%.

With other variables, unchanged, a 1% change in the annualized interest rate would not result in a material change in the Company's interest expense for year ended December 31, 2016.

(ii) Foreign currency risk

The Company is exposed to foreign currency risk through its foreign currency monetary assets and liabilities. A significant change in the currency exchange rate between the US dollar and Canadian dollar (C$) and South African rand (ZAR) could have an effect on the Company's results of operations, financial position and cash flows. During the year ended December 31, 2015, the Company had entered into a series of forward contracts to purchase a total of ZAR 346.6 million in exchange for Canadian and US dollars at specified exchange rates; all such contracts expired by February 2016. The Company at present has not entered into any further derivative instruments to reduce its exposure to currency risk, however, management monitors differing currency needs and tries to reduce its exposure to currency risks through exchanging currencies at what are considered to be optimal times.

25. Financial instruments (continued)

(iii) Price risk

Other price risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from currency risk or interest rate risk. The Company poured its first gold in January 2016 and starting selling refined gold during the first quarter 2016. The Company's future cash flows fluctuate due to changes in gold and silver prices. The Company has not hedged any precious metal sales as part of the Company's overall strategy.

A 10% increase or decrease in the gold price as at December 31, 2016 and December 31, 2015, with all other variables held constant, would have resulted in a $11.4 million increase (decrease) to after-tax net income (loss) (2015 - $nil).

(d) Fair values

(i) Foreign currency forward contracts derivative

During the year ended December 31, 2015, the Company entered into a series of forward contracts to purchase ZAR in exchange for Canadian and US dollars at specified exchange rates. These forward contracts had settlement terms that range from one month to eleven months.

At December 31, 2015, the Company had outstanding foreign currency forward contracts to buy ZAR 6.0 million in exchange for C$0.6 million with settlement dates between one and two months.

The fair values of outstanding foreign currency forward contracts are determined using the forward rates at the measurement date, with the resulting value discounted to present value and are categorized within level 2 of the fair value hierarchy.

All such forward contracts expired by February 2016 and as such there is no forward contract derivative liability recorded by the Company as at December 31, 2016. At December 31, 2015, the outstanding contracts had a carrying value and fair value of $37.

26. Related party transactions

All transactions with related parties have occurred in the normal course of operations and are measured at the exchange amount agreed to by the parties. All amounts are unsecured, non-interest bearing and have no specific terms of settlement.

Transactions with key management personnel were as follows:

	Year ended December 31,	
	2016	**2015**
(in thousands of US dollars)	$	$
Salaries and benefits	3,694	1,660
Share–based payments	313	777
Total compensation	4,007	2,437

Key management personnel consist of directors and officers of the Company.

No other related party transactions have taken place during 2016 or 2015.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year ended December 31, 2016

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This Management's Discussion and Analysis ("MD&A") of Asanko Gold Inc. ("Asanko" or the "Company") has been prepared by management as of March 15, 2017 and should be read in conjunction with the Company's consolidated financial statements for the year ended December 31, 2016 and 2015 and the related notes thereto.

Additional information on the Company, including its Annual Information Form ("AIF") for the year ended December 31, 2016 is available under the Company's profile at www.sedar.com and he Company's website: www.asanko.com.

Unless otherwise specified, all financial information has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. All dollar amounts herein are expressed in United States dollars unless stated otherwise. References to $ means US dollars and C$ are to Canadian dollars.

This MD&A contains forward-looking statements and should be read in conjunction with the risk factors described in the "Risks and uncertainties" and "Cautionary statement on forward looking information" sections at the end of this MD&A.

1) Overview of the business

Asanko Gold Inc. ("Asanko" or the "Company") is a Canadian-based gold producer with operations in the Republic of Ghana ("Ghana"). Asanko's vision is to build a low cost, mid-tier gold mining company. The Company's principal asset is the Asanko Gold Mine ("AGM" or "the Project") located in Ghana, West Africa. The mine is being developed and expanded in phases. The construction of the first phase, which included a 3 million tonne per annum ("Mtpa") carbon-in-leach ("CIL") processing facility and associated infrastructure, was completed in early 2016 within budget and ahead of schedule. Gold production commenced in January 2016, commercial production was declared on April 1, 2016, and the operation reached steady-state production levels by the end of the second quarter ("Q2") of 2016, and the mine is currently running at gold production rates of 20% above original feasibility study levels. Gold production is expected to be 230,000 to 240,000 ounces in 2017.

Asanko is planning two additional expansion projects, which combined have the potential to increase production from 230,000 to 240,000 ounces per annum to over 450,000 ounces per annum. Project 5M (previously described as Phase 2A) will upgrade the plant's throughput to 5Mtpa and expand mining operations to integrate the Esaase deposit, including the construction of a 27km overland conveyor. The second expansion project is the construction of an additional 5Mtpa carbon-in-leach ("CIL") plant to double throughput from 5Mtpa to 10Mtpa, known as Project 10M (previously described as Phase 2B). A Definitive Feasibility Study ("DFS") on the expansion projects will be published in Q2 2017. A Preliminary Feasibility Study ("PFS") on the expansion projects, previously known collectively as Phase 2, was published in May 2015, and posited attractive project economics and low operating costs. The PFS is available on the Company's website: www.asanko.com and can be found under the Company's profile at www.sedar.com (see **"5. "Development and exploration update"** below).

In addition to the AGM, the Company holds a portfolio of other Ghanaian gold concessions in various stages of exploration.

The Company's shares are listed on the Toronto Stock Exchange ("TSX") and the New York Stock Exchange ("NYSE") under the symbol "AKG".

2) Highlights and key business developments

2016 Business developments

- The Company completed the finalization of capital expenditures on the first phase of the AGM for $291 million, approximately $4 million under the budget of $295 million.
- On April 1, 2016, the Company declared commercial production for the first phase of the AGM, a full quarter ahead of schedule. Commercial production was declared as a result of the mine achieving a number of key milestones including the mill processing at 111% of design capacity and gold recovery exceeding design during the month of March.
- Steady state production was achieved at the AGM by the end of Q2.
- During September, a mobile crusher was commissioned to mitigate a bottleneck in the primary crushing complex and the processing plant operated at 20% above design capacity (3.6Mtpa).
- Mined ore grade increased steadily during the three quarters post the commencement of commercial production (2.0g/t average mined grade in Q4) as the central mineralized domains in the Nkran pit were exposed.
- 111,164 ounces were produced in H2 2016 ("H2"), exceeding the Company's top-end revised H2 guidance of 106,000 – 111,000 ounces. The H2 guidance was increased twice during 2016 as the Company continuously exceeded gold production targets and as the processing facility continued to perform at above design performance levels.
- A total of 147,501 ounces of gold were produced following the commencement of commercial production (a nine- month period ending December 31, 2016), and 147,950 ounces were sold at an average price of $1,247/ounce for gross gold revenue of $184.5 million.
- The Company completed the acquisition of a new exploration target, Akwasiso, located 5 kms north-east of the processing facility. Highly encouraging drill results obtained from 10,000 metres of drilling over 81 holes with visible gold intercepts and extensive mineralized intersections of similar style to the main Nkran pit.
- The 2016 near mine exploration program yielded success with the delineation of Mineral Resources and Reserves at the Adubiaso Extension and Nkran Extension.
- The Company amended the terms of its existing $150 million loan facility in order to defer principal payments for two years allowing the Company to re-invest in its Phase 2 growth projects.
- The Company received total VAT refunds of $26 million in Ghana, being the majority of VAT refunds relating to first phase of construction of the AGM, as well as operational VAT receivables from Q1 pre-commercial production operations. Operational VAT payments from Q2 and Q3 2016 have been validated, and Q4 is currently being validated by the authorities in Ghana. The Company expects once the VAT backlog is recovered, quarterly VAT outflows will be offset by quarterly VAT inflows as the audit and claim process of VAT receivables is regularized.
- The balance sheet at December 31, 2016 remains strong with cash of $60 million, unrefined gold dore on hand with a cost of $5.9 million and $0.6 million in receivables from gold sales. The working capital position of the Company strengthened from $66.7 million at September 30, 2016 to $72.8 million as of December 31, 2016.
- In December 2016, Asanko received the Ghana Mining Industry Awards 2016 Corporate Social Investment Project of the Year for the Obotan Cooperative Credit Union project, an initiative aimed to increase access to financial capital and other financial services to assist small businesses address the challenge of access to credit and to support the development of economic growth in and around the Asanko Gold Mine catchment area.

- On October 25, 2016, the Company received the Environmental Invoice (a pre-cursor to receiving the final Environmental Permit) from the relevant Ghanaian regulatory authorities for the development of the new Esaase mine and construction of the overland conveyor. Following the receipt of the Environmental Invoice, the Board of Directors gave approval to proceed with Project 5M. Front End Engineering and Design ("FEED") for the plant upgrade and the overland conveyor is currently underway.

- During January 2017, the Ghanaian Environmental Protection Agency ("EPA") issued its environmental permit for mining operations at Esaase and the overland conveyor to the AGM processing facility. This critical step was achieved following the EPA's approval of the Environmental Impact Statement. The Minerals Commission also issued the mine operating permit for the Esaase mine.

- An updated Mineral Resource and Reserve Estimate for the AGM was published on February 24, 2017, including maiden resource and reserve estimates for the three near-mine exploration deposits, Akwasiso, Nkran Extension and Adubiaso Extension. The details are included in section **5.4. Mineral resource and reserve statements** below.

Key consolidated financial information

- Cash provided by operating activities in Q4 ("Q4") was $23.4 million, representing a 33% increase on Q2 2016 and a 27% increase on Q3 2016. Since the commencement of commercial production on April 1, 2016, cash provided by operating activities was $74.5 million.

- The Company earned net revenues (after royalties) of $66.6 million and $175.3 million from the sale of gold in Q4 2016 and in the nine-month period since the commencement of commercial production, respectively. Total cost of sales (including depreciation and depletion) of $53.4 million and $141.6 million for the same time periods, resulted in income from mine operations of $6.3 million and $27.1 million for the quarter and 9 months respectively after a $7.1 million write-off of a deferred stripping asset.

- The Company incurred a net loss of $8.5 million ($0.04 per share) and $13.2 million ($0.07 per share) in Q4 and 2016 respectively. In Q4, the Company booked a net $4.6 million write-down of a deferred stripping asset (see **6. Financial results**), which when adjusted against net loss resulted in an adjusted net loss[1] of $4.1 million ($0.02 per share) for Q4 and a $8.6 million ($0.04 per share) in the year ended December 31, 2016.

- The Company incurred operating cash costs per ounce [1] and total cash costs per ounce [1] to $524 and $584 respectively in Q4, and $593 and $656 for the nine-month period since the commencement of commercial production.

- The Company incurred all-in sustaining costs [1] per ounce of $893 and $984, respectively, in Q4 and in the nine- month period since the commencement of commercial production.

- Unit costs of production for the mining and processing areas are substantially in-line with the Definitive project plan [2] mining costs, averaging $3.88/tonne mined and processing costs averaging $12.80/tonne milled during Q4.

- The Company incurred all-in sustaining costs [1] per ounce of $893 and $984, respectively, in Q4 and in the nine- month period since the commencement of commercial production.

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[1] See "**9. Non-GAAP measures**"

[2] Definitive Project Plan("DPP") filed on www.sedar.com on December 17, 2014.

Selected consolidated data

	Year ended December 31,		
	2016	**2015**	**2014**
Key performance Data			
Tonnes of ore milled (000s)	2,455	–	–
Gold produced (ounces)	147,501	–	–
Gold sold (ounces)	147,950	–	–
Average realized price per gold ounce sold($)	1,247	–	–
Average London PM fix ($)	1,273	–	–
Operating cash costs ($ per gold ounce)[1]	593	–	–
Total cash costs ($ per gold ounce)[1]	656	–	–
All–in sustaining costs ($ per gold ounce)[1]	984	–	–

	Year ended December 31,		
Financial Data	**2016**	**2015**	**2014**
(in thousands of US dollars except per share amounts)		–	–
Revenue	185,167	–	–
Income from mine operations	27,140	–	–
Net income (loss)	(13,216)	(8,306)	(22,642)
Adjusted net income (loss)[1]	(8,623)	(9,205)	(22,592)
Basic and diluted income (loss) per share	($0.07)	($0.04)	($0.14)
Adjusted net income (loss) per share[1]	($0.04)	($0.05)	($0.14)
Operating cashflows before working capital changes	73,622	(8,301)	(16,291)
Assets			
Mining interests	541,244	503,553	249,108
Total assets	662,712	624,169	481,102
Liabilities			
Long–term liabilities	198,884	159,721	82,169
Total liabilities	246,287	209,760	97,523
Equity			
Weighted average shares outstanding (basic and diluted)	198,973,570	194,357,744	164,415,743

Performance data in the table above is presented for the three years ended December 31, 2016, 2015 and 2014. The Company commenced commercial production on April 1, 2016 and as a result, some measures presented in the table above are not applicable for 2015 and 2014 given the Company was not yet operating. All results in the table above are the consolidated results of the Company. The Company operates in two segments, Ghana and Canada; the Canadian segment is a head office function and is not presented separately in the results below as its results are not material to the Company's overall operations. All financial results in this MD&A are discussed on a consolidated basis and include 100% of the results from the Ghanaian operations.

3) 2016 Outlook and strategy

Current operations

During H2, the Company produced 111,164 ounces, meeting the upper end of the increased production guidance of 106,000 - 111,000 ounces. H2 production guidance was increased twice during 2016 as a result of three principal factors: i) the processing facility operating at 20% above design capacity in September; ii) gold recovery at 94%, or 1.5% above plan; and iii) the increase in the average feed grade to the plant of 2.1 g/t gold. A mobile crusher commissioned on-site during Q3 2016 mitigated a bottleneck in the primary crushing facility allowing the processing plant to mill a record 901,000 tonnes during Q4 with average milling rates now at 300,000 tonnes per month. The operations produced 57,178 ounces of gold in Q4, representing a 6% increase over Q3 2016 and a 57% increase over Q2 2016.

The 2016 near mine exploration program yielded success during the year with the completion of the Nkran Extension and Adubiaso Extension resource estimates, positive drill results and completion of an initial mineral resource estimate from the newly acquired Akwasiso deposit and the completion and submission of the Supplementary Environmental Impact Study for Adubiaso Extension. The Company received the permit for the Adubiaso Extension in Q3 and completed initial grade control drilling in Q4 2016, progressing the deposit to be mine ready. The permit for the Nkran extension is expected to be received in Q1 2017 with mining expected to commence on a small northern pit during Q4 2018. An initial Akwasiso Mineral Resource Estimate ("MRE") has been completed during January 2017, and the oxides of that deposit have now been scheduled for exploitation commencing during Q1 2018. Further drilling is being to be completed during Q1 2017 to augment the indicated resource inventory. The predominantly oxide ores from these targets are expected to be blended with fresh ore from the Nkran pit to maximise utilization of the existing processing plant's capacity. These satellite deposits, together with Dynamite Hill, are planned to provide additional ore sources from H2 2017 onwards.

By the end of Q3 2016 the capital project for the first phase of the AGM was complete and the mine and processing facility were fully operational. As at December 31, 2016: $290 million had been spent, $0.9 million in payables remained to be paid and $0.9 million in invoices were yet to be received bringing the total capital cost of the project to $291 million, approximately $4 million under the budget estimated in the Definitive Project Plan("DPP") filed on www.sedar.com on December 17, 2014.

Planned expansion

The Company proposes to increase gold production at the AGM from 230,000 – 240,000 ounces per year in 2017 to ~450,000 ounces per year by 2020. The expansion plans to bring the large Esaase deposit into production, leveraging off current plant infrastructure, in two stages.

For the first stage, Project 5M (previously described as Phase 2A), the existing process facility will be upgraded from 3.6Mtpa to 5Mtpa, through the addition of additional gravity recovery equipment, upgrading pumping systems and a twin tailings pipe line. Capital costs are expected to be $25-30 million. FEED is underway and expected to be completed in Q2 2017. Work on the project is expected to begin during Q2 2017 and will be complete in H2 2017.

Initial ore feed to the expanded processing facility during 2017 will be sourced from the near mine at surface oxide deposit Dynamite Hill. During 2018 Akwasiso will augment ore feed bringing the AGM's third pit into production while the conveyor from Esaase is completed and prepared for commissioning during Q4 2018.

Mining operations are planned to commence at the Esaase deposit in H2 2018. Ore will be transported via a 27km overland conveyor to the process facility. FEED for the conveyor belt has also commenced and construction is expected to begin in Q2 2017 and take 18 months to complete, with a capital cost estimate of $100 - 110 million. The Environmental Permit and Mine Operating Permit were received from the Ghanaian EPA and the Ghanaian Minerals Commission respectively in January 2017.

During Q2 2016, the Company announced that it had successfully agreed to terms with RK Mine Finance ("Red Kite") to amend its existing US$150 million loan facility and defer repayment of the principal for two years to allow cash flow from operations (**see "8. Liquidity and capital resources"** below) to be utilized to fund the planned expansion projects. On November 2, 2016 the Board of Directors gave approval to proceed with Project 5M.

The second stage of the proposed expansion plan is Project 10M, the construction of an additional 5Mtpa CIL processing facility to double throughput from 5Mtpa to 10Mtpa. Ore is expected to be sourced from Nkran and the surrounding satellite deposits (3Mtpa) and Esaase (7Mtpa). Gold production is envisioned to be ~ 450,000 ounces per year by 2020.

Exploration

Following encouraging results from a near-mine exploration program in the first half of 2016, the 2016 exploration program continued to focus on near-mine priority targets. The first drilling campaign delineated two mineralized zones - one is an extension of the existing Adubiaso pit (3km from the existing processing facility) named Adubiaso Extension, and the other is a north-easterly extension of the main Nkran pit mineralization, named Nkran Extension. Both zones present at surface and given that they have not been mined before and are located within the existing mine permit boundaries, the permitting process should be streamlined therefore enabling mining of the oxide ores during 2018-2019.

During Q3 2016 the Company finalized the acquisition of Akwasiso, a previously drilled exploration target, located approximately 5km along a strike to the north east of the Nkran pit mining operation. As part of the purchase agreement, the Company also signed a contract to issue the seller a net smelter royalty of 2% on ores mined from Akwasiso, in the event that the Akwasiso property commences production in the future.

The first phase of drilling (10,000m) on Akwasiso was completed during Q3 2016, with extremely positive drilling results. An initial Mineral Resource Estimate for Akwasiso has been published as part of the Company's updated Global Mineral Resource and Reserve Estimate, as at December 31, 2016 (**see "5.4. Global AGM mineral resource and reserve statements"**). For further discussion on exploration see "**5. Development and exploration update**" below.

4) Operating performance

The following table provides a summary of operating performance at the AGM for the three and nine months ended December 31, 2016. Data prior to this date has not been provided as it does not provide meaningful information for comparative purposes as it relates to production in the period prior to commercial production.

	Three months ended December 31, 2016	Nine months ended December 31, 2016
Key performance Data		
Tonnes of ore mined (000s)	1,300	3,865
Tonnes of ore milled (000s)	901	2,455
Mining cost ($/tmined)	3.88	3.83
Processing cost ($/ttreated)	12.80	13.24
Average mill head grad e(g/t)	2.1	2.0
Average recovery rate (%)	94.4%	93.7%
Gold produced (ounces)	57,178	147,480
Gold sold (ounces)	58,483	147,950
Silver produced (ounces)	13,849	34,272
Silver sold (ounces)	12,998	36,673
Average realized price per gold ounces old($)	1,199	1,247
Average London PM fix ($)	1,221	1,273
Operating cash costs (per gold ounce)[1]	524	593
Total cash cost s(per gold ounce)[1]	584	656
All–in sustaining costs (per gold ounce)[1]	893	984

The Company's pre-commercial production operations commenced January 1, 2016 with the mechanical completion of the processing facility, and ceased on March 31, 2016 on the eve of the declaration of commercial production. Commercial production was announced at the AGM effective April 1, 2016. Below, the Company has presented a discussion of pre-commercial production operations during Q1 2016 as well as a discussion of operations for Q2, Q3 and Q4 2016, post commercial production; there are no comparative numbers as the mine was not operating in 2015.

Pre-commercial production – Q1 2016

The quarter saw a highly successful ramp-up of the processing plant which was commissioned six weeks ahead of schedule, ramped up to design throughput three months faster than expected, and operated consistently at more than 10% above design throughput rates. The processing plant produced its first gold in January and during Q1 produced 15,337 ounces of gold; 6,591 ounces of which were held as inventory as of March 31, 2016. During this pre-commercial production period, gold recovery exceeded expectations achieving in excess of 94% over the last two weeks of March versus a design of 92.5%.

As a result of higher than expected demand for feed, ore in the pre-commercial production period was predominantly bulk mined with a focus on mining higher rates from the pit in order to open up the main ore zones, as well as to give the pit more operational flexibility. Consequently, lower head grades were mined, with higher levels of dilution and gold losses than planned.

Commercial production Q2 2016

Q2 2016 was the Company's first quarter of commercial production and prior to the mine reaching steady state operations. Mining operations during this period were exclusively in the Nkran pit where bulk mining of the periphery of the main ore zones was undertaken to open up access to the main ore body. This objective was achieved by the end of Q2 with 5.8 million tonnes ("Mt") of waste removed from the pit and 1.2Mt of ore mined at a strip ratio of 4.7:1. As anticipated, the bulk mining resulted in higher levels of dilution and gold losses than expected at steady state, resulting in an average grade of mined ore of 1.48 g/t gold.

By the end of Q2, the first two ore domains were encountered at Nkran and the dilution and ore losses started to approach projected normal rates, resulting in higher grade ore being fed to the processing plant. The average mill feed grade for the month of June was 2.0 g/t gold. Recovery of gold in Q2 was in line with expectations with higher recoveries achieved in the latter half of the quarter once the oxygen plant was fully operational. The average gold recovery for the quarter was 92%. During Q2 a number of operational improvements were implemented in the processing plant including mechanical changes to the materials handling and crushing circuits, ball mill and SAG mill gear changes and other de-bottlenecking work that resulted in higher than normal planned mechanical down-time in the processing plant. The goal of the work was to optimize the inherent additional mill capacity and operate at 275,000t per month, or about 10% above design rates on a continuous basis. With the bulk of the changes completed by early June, the processing plant treated 265,000t during the month was operating at the levels anticipated from these improvements.

Q3 & Q4 2016 Health and safety

There were no lost time injuries ("LTI") during H2, with only one LTI occurring in the last 12 months on March 8, 2016. As at December 31, 2016, there have been 4,853,083 LTI free man-hours worked. The 12-month rolling lost time injury frequency rate as at December 31, 2016 per million man hours worked is 0.20.

Mining

As anticipated, the bulk mining in Q2 resulted in exposure of the central mineralized zone of the Nkran pit, where the majority of mining operations continued for Q3 & Q4, and shall continue for the life-of-mine. The average gold grade mined was 1.9 g/t in Q3, 2.0 g/t in Q4 and 1.95 g/t in H2. During H2, a total of 12 million tonnes ("Mt") of waste was removed from the pit and 2.6Mt of ore mined at a strip ratio of 4.6:1. The key mining statistics for the Company's first three quarters of commercial production are presented below, and show, as expected, the Company reaching steady-state operations for Q3 and Q4, 2016, in-line with the Company's plan.

Key Mining Statistics	Units	Q4 2016	Q3 2016	Q2 2016
Total Tonnes Mined	000 t	**7,231**	7,332	7,059
Waste Tonnes Mined	000 t	**5,931**	6,003	5,816
Ore Tonnes Mined	000 t	**1,300**	1,326	1,243
Strip Ratio	W:O	**4.6:1**	4.5:1	4.7:1
Average Gold Grade Mined	g/t	**2.0**	1.87	1.48

The mining costs for Q2, Q3 and Q4 remained relatively consistent at $3.74/tonne, $3.88/tonne and $3.88/tonne mined, respectively. During the post-commercial production period, the mining fleet was revitalized to include new CAT 777 haul trucks and three new drill rigs. The Company is seeing improved equipment utilization and increased efficiencies as a result of the new fleet and equipment and expects the cost of mining to improve to $3.50 -$3.70/t mined in 2017.

Processing

The processing plant processed 1,753,000 tonnes of ore in H2 at an average grade of 2.1 g/t. Recovery of gold in H2 exceeded expectations at 94% as compared to a plan of 92.5%. The key production statistics for the Company's first three quarters of commercial production are presented below, and show, as expected, the significant improvement each quarter, in-line with the Company's plan.

Key Production Statistics	Units	Q4 2016	Q3 2016	Q2 2016
Ore Treated	000 t	**901**	852	702
Gold Feed Grade	g/t	**2.1**	2.1	1.7
Gold Recovery	%	**94**	94	92
Gold Produced	oz	**57,178**	53,986	36,337

During Q4 the milling facility processed an average of 300,000t per month.

Ore inventory movements

During H2, the mining operations continued to stockpile ore ahead of the processing plant on the Run-of-Mine (ROM) pad. The stockpile balances for the Company's first three quarters of commercial production are presented below.

	3 months ended December			3 months ended September			3 months ended June 30,		
ROM	31, 2016			31, 2016			2016		
Stockpile	**Tonnes**	**Gold (g/t)**	**Ounces**	**Tonnes**	**Gold (g/t)**	**Ounces**	**Tonnes**	**Gold (g/t)**	**Ounces**
High grade	44,366	3.16	4,507	8,482	3.20	872	17,817	3.30	1,890
Medium grade	222,273	1.96	13,981	138,824	1.77	7,920	75,033	1.54	3,715
Low grade	1,255,632	1.19	48,181	975,687	1.09	34,051	555,210	1.05	18,808
Total ROM	**1,522,271**	**1.36**	**66,669**	**1,122,993**	**1.19**	**42,843**	**648,060**	**1.17**	**24,414**

At the end of Q3, stockpiles had reached suitable levels and ore mining rates were aligned to optimize the ROM pad management. During Q4, mining was predominantly from the main mineralized domain in the Nkran pit and the Company took the opportunity to improve the overall grade profile of the stockpile by adding additional high grade material to the 3 respective stockpiles. In addition to the ROM stockpiles, the processing plant maintains a crushed ore stockpile for emergency use in the event of a crusher breakdown. As well, during the Nkran pre-stripping operations, marginal ore was stockpiled separately for potential processing at the end of the mine life and consists of 465,343t at 0.79 g/t (11,819 ounces of gold); this ore is included in inventory as at December 31, 2016.

5) Development and Exploration update

5.1 Phase 1

Development expenditures

The development of the first phase of the AGM was completed both ahead of schedule and under budget. The capital cost budget for the Project as approved by the Board of Directors was $295 million with the Project commencing July 1, 2014. A summary of the Phase 1 development expenditures at December 31, 2016 was as follows:

Cost of Property, Plant and Equipment	$ millions
As at December 31 ,2016	328.4
Less: costs incurred prior to July 1, 2014 (pre–construction decision)	(13.8)
Less: costs acquired through the acquisition of PMI	(9.2)
Less: capitalizd interest	(15.4)
Total Phase 1 Development Expenditures	**290.0**

Of the total of $290 million Phase 1 expenditure incurred by December 31, 2016, approximately $0.9 million was in payables as at December 31, 2016. A further $0.9 million in cash remains to be incurred with respect to Phase 1 relating to the final EPCM (engineering, procurement contract management), EC & I (electrical, controls and instrumentation) and S&PP (steelwork, platework and piping). With the commencement of commercial production on April 1, 2016, all of the Phase 1 development costs were transferred to depletable mineral properties.

5.2 Expansion projects

The Phase 2 PFS (published in May 2015) envisioned integrating the Esaase deposit with first phase of the AGM to create one large, multi-pit mine and expanding the existing processing facilities to produce an average of 411,000 ounces of gold per annum over a 10.5 year Life of Mine ("LoM") from 2018. The ore would be mined and crushed at Esaase and then conveyed to the expanded CIL processing facility, which would include an upgrade to the CIL circuit with two extra tanks to increase capacity from 3Mtpa to 3.8Mtpa and the addition of a 5Mtpa flotation plant.

The scope of the Expansion DFS (previously described as Phase 2) has changed since the publication of the Phase 2 PFS, following the successful commissioning of the first phase of the AGM in Q1 2016. The performance of current CIL plant, operating at 120% of the 3Mtpa design with gold recovery at 94% vs design of 92.5%, provided the basis for thorough review of the PFS plan for a flotation plant. The scope change from a flotation plant to a CIL plant has been driven by the reduction in operating costs, based on the actual operating performance, as well as positive metallurgical test work conducted during 2016.

Therefore, the Expansion DFS has been modified to include a two-stage approach for the integration of the Esaase deposit with the current mining and processing operations. Once complete, the Company plans to increase gold production at the AGM from 230,000 – 240,000 ounces per year in 2017 to ~450,000 per year by 2020.

- Project 5M (previously described as Phase 2A): upgrade the existing CIL circuit from 3.6Mtpa to 5Mtpa and development of the Esaase mine, including the construction of a 27km overland conveyor to transport the Esaase ore (up to 2Mtpa) to the existing processing facility; and
- Project 10M (previously described as Phase 2B): construction of an additional 5Mtpa CIL plant to double the total processing capacity to 10Mtpa and increase the mining tonnage of Esaase ore to 7Mtpa.

Overview of Project 5M

Project 5M plans brownfield modifications to upgrade the existing process facility from 3.6Mtpa to 5Mtpa through the addition of additional gravity recovery equipment, upgrading pumping systems and a twin tailings pipe line. The upgrades to the processing facility that were originally envisioned to expand capacity from 3Mtpa to 3.8Mtpa in the PFS are now expected to increase production levels up to 5Mtpa with some minor additional capital expenditure. Capital costs are expected to be $25-30 million, which will be detailed in the DFS, due to be published in Q2 2017. FEED is currently underway and expected to be completed in Q2 2017. Work on the brownfield modifications is expected to begin during Q2 2017 and will be complete in H2 2017.

Development plans also include construction of mining and crushing infrastructure at Esaase and a 27km overland conveyor belt to transport the ore to the existing processing facility. FEED for the conveyor belt has commenced and construction is expected to begin in Q2 2017 and take 18 months to complete with a capital cost estimate including ancillary infrastructure of $100 - 110 million. The Environmental Permit and Mine Operating Permit for the Esaase mine and overland conveyor were received from the Ghanaian EPA and the Ghanaian Minerals Commission respectively in January 2017.

Whilst the overland conveyor is being constructed and the Esaase mine is being developed, ore will be sourced from the Nkran pit and surrounding satellite deposits to fill the additional capacity of the processing plant. Dynamite Hill is expected to commence ore mining operations during H2 2017 and in 2018, Akwasiso will also be developed and mined. These two pits will supply oxide ores to the processing plant. A full mine plan and multi-pit schedule will be detailed in the Expansion DFS.

In November 2016, following receipt of the Environmental Invoice (a pre-cursor to receiving the final environmental Permit) from the relevant Ghanaian regulatory authorities for the Esaase mine and conveyor development, the Board of Directors approved Project 5M.

Based on the PFS capital cost estimate and mine plan, Project 5M is expected to take approximately 21 months for detailed design and construction at a total capital cost of approximately US$125 – 140 million. Production of 270,000 ounces – 300,000 ounces per annum is targeted to commence in 2018. The increase in production by approximately 45% is expected to improve the overall unit operating costs as the fixed cost of operations is spread over a larger production base and the oxide ores from the satellite deposits are treated for the incremental operating costs. The operating and capital cost estimates are currently being updated as part of the DFS, which is now due in Q2 2017.

Based on the current gold price environment, the Company is forecasting that it will be able to fund construction of Project 5M from the cash flow from the existing operations.

Overview of Project 10M

The second stage of the Expansion project, Project 10M, will double the processing capacity of the AGM to 10Mtpa with the construction of an additional 5Mtpa CIL processing plant. Production is expected to be ~450,000 ounces per annum from 2020.

The scope change from a flotation plant in the PFS to a CIL plant has been driven by the reduction in operating costs, based on the actual operating performance of the existing processing plant, as well as positive metallurgical test work conducted during 2016. Furthermore, replicating the current CIL flowsheet delivers additional synergies, including:

- The workforce, experience and skills in Ghana are predominantly CIL based;
- Frequent power fluctuations and trips will cause instability in a flotation plant;
- Building an identical plant (except mills) offers potential savings on engineering design and capital costs risks (as built);
- Replicating the current flowsheet will result in simplified operations;

- Using the same reagents as the existing processing plant reduces holding costs and offers opportunities for savings; and
- Reduction in insurance and operating spares holdings.

Mining operations at Esaase will be increased to 7Mtpa of ore, with the balance of 3Mtpa being supplied from Nkran and the surrounding satellite deposits.

The capital cost is expected to be approximately US$210-220 million and development of Project 10M is being staggered to enable the capital cost to be funded from cash flow from operations. The current approach to phased development brings flexibility to the project execution timeline should market or financing conditions improve, thereby allowing the accelerated development of Project 10M.

5.3 Exploration and evaluation

Following a successful prospectivity mapping program in 2015 that identified a series of drill ready targets on the Company's substantial land package on the Asankrangwa Belt, a number of these targets were drilled during the year with a goal of delineating a mineral resource and reserve estimate.

The focus for 2016 was three near surface oxide targets within short trucking distance of the processing plant: Nkran Extension, Adubiaso Extension and Akwasiso. Each of these targets is expected to provide additional ore feed to the processing plant from 2018 onwards. Given these deposits are free milling and present as near surface oxide deposits, they are expected to produce gold at lower operating costs than current operations.

Nkran Extension, Adubiaso Extension as well as the newly acquired and drilled Akwasiso deposit are being incorporated into the updated Life of Mine plan for the AGM which forms part of the Expansion DFS, due in Q2 2017.

Nkran Extension
The Nkran Extension is located on the Nkran shear structure, approximately 1.5km from the Nkran pit, and runs for 900m North-South adjacent to the existing Tailings Storage Facility ("TSF"). The zone of interest was originally indicated from sterilization drilling for the TSF in 2013.

During Q1 2016 the zone was infilled by RC drilling on a heel-toe 40m x 20m grid. In Q2 2016, following the completed assaying of the 29 Reverse Circulation ("RC") drill holes (approximately 2,200m), an initial classified Mineral Resource was estimated. Whittle pit analysis, combined with infringement on the eastern embankment of the existing tailings dam, has restricted the Nkran extension to one pit at the northern end of its strike, just south of the Akwasiso deposit. An updated Mineral Resource and Reserve, as at December 31, has been published as part of the Company's annual filings (refer to Tables 1, 2 and 3 below, **see "5.4. Global AGM mineral resource and reserve statements"**).

The Nkran extension permit applications were lodged with the relevant regulatory bodies during Q3 2016 and the permits are expected in Q1 2017.

Adubiaso Extension
The Adubiaso pit is a previously mined satellite pit at the AGM, which is estimated to contain a remaining 2.2Mt of Proven and Probable Mineral Reserves at 2.04 g/t gold (refer to Table 3 below, **see "5.4. Global AGM mineral resource and reserve statements"**). These Mineral Reserves lie predominantly under the old pit. In 2015, mineralization in two zones over a 300m strike length extending to the North-East of the existing pit, named Adubiaso Extension, were identified based on an analysis of historical drill hole data.

In the first quarter of 2016, the Company drilled 20 holes (approximately 2,100m) of RC drilling and delineated a classified Mineral Resource for Adubiaso Extension. In February 2017, a Mineral Resource and Reserve Estimate was published (refer to Tables 1, 2 and 3 below, **see "5.4. Global AGM mineral resource and reserve statements"**).

The supplementary Environmental Impact Statement for Adubiaso Extension was submitted earlier in 2016 and the requisite permits were received during Q3 2016. Mining of the deposit has been scheduled for 2018-2019.

Akwasiso Satellite Deposit

The newest deposit, Akwasiso, is located on the Nkran shear corridor and lies approximately 2km north of the current Nkran pit, immediately north of Nkran Extension and approximately 5km south of the Dynamite Hill deposit. Until recently the area was designated as a Small Miners Concession. Asanko acquired the rights to the mineral concessions during Q3 2016, which are contained within its existing Abirem mining lease.

The Akwasiso target area is particularly prospective as it was previously drilled by the past owner of the mineral concessions and had a known non-compliant Mineral resource estimate. Asanko completed a 10,000m drilling program during Q4 2016 to validate the geology and grade continuity of surface mineralized oxide zones defined by a previous operator. The historical drilling only evaluated the deposit to a depth of approximately 100m, whereas Asanko's drilling campaign incorporated deeper drilling to more fully understand the potential of the deposit.

Visual inspection and logging of the diamond core shows similarities of the mineralization style to Nkran and other satellite deposits, with intrusive granite in a mixed sedimentary package, with altered and mineralized sandstone units containing silicification, sulphides and quartz veining. Visual gold was observed in several intercepts. In addition to confirming this historical work, significant mineralization has now been discovered below and on the western flank of the previous drilling.

A maiden Mineral resource and reserve estimate was published in February 2017 (refer to Tables 1, 2 and 3 below, **see "5.4. Global AGM mineral resource and reserve statements"**). A further phase of RC and Diamond drilling is currently nearing completion, and is expected to convert a large portion of the Inferred resources to an Indicated classification.

5.4 Global AGM mineral resource and reserve estimate

Mineral resources
In February 2014, Asanko acquired PMI Gold Inc ("PMI") and merged its Obotan project with the Esaase project to form what is now the Asanko Gold Mine. Following the acquisition, Asanko undertook a complete re-assessment of the mineral resource estimates ("MRE") for the Obotan project, namely the Nkran, Adubiaso, Abore, Dynamite Hill and Asuadai deposits.

The Mineral resources were estimated in accordance with the guidelines of the Canadian Institute of Mines, Metallurgy and Petroleum ("CIM") whose criteria are incorporated as the standard under Canadian Securities regulators National Instrument 43-101 ("NI 43-101") Disclosure Standards for Mineral Projects. The Independent Qualified Person ("QP") was Charles Muller of CJM Consulting and the NI 43-101 compliant technical report dated September 30, 2014, is filed under the Company's profile on SEDAR.

The Global Mineral Resource Estimate ("MRE") for the AGM has been updated (refer to news release dated February 24, 2017 available on the Company's website at www.asanko.com) as at December 31, 2016 to reflect depletion from the first two years of mining the Nkran pit, the application of updated constraining parameters for resource modelling, and includes the three deposits discovered in 2016; Akwasiso, Nkran Extension and Adubiaso Extension, two additional pits at Esaase, as well as an updated Mineral Resource Estimate for the Nkran pit, which has been prepared by a second independent expert CSA Global ("CSA"), a leading mineral consulting group.

In line with best practice, the AGM MRE has also been updated from previous Mineral resources (using a 0.3 g/t Au waste determination) to Mineral resources above a cut-off grade of 0.5 g/t Au within a US$2,000 per ounce gold pit shell. The resultant resource estimate is fully compliant with the intent of the CIM 2014 Code (Canada) with respect to stating mineral resources that have a reasonable prospect of eventual economic extraction.

With regards to Nkran, the resource has been depleted by 270,471 ounces during 2015 and 2016 due to mining operations through to the end of December 2016. In addition, the application of the constraining parameters has resulted in a further 352,000 ounce reduction when compared to the original unconstrained November 2014 DPP MRE (see press release dated November 13, 2014). The MRE includes the grade control drilling data on a 10m x 5m grid below the December 31, 2016 pit floor.

Analysis was conducted using uniform conditioning, indicated kriging and ordinary kriging to align the mineral resource estimate methodology to reflect the reconciliation of production during 2016. The sensitivity of the indicated kriging method for ore zone delineation was analyzed in detail and the method confirmed to be appropriate for the Nkran style of mineralization.

During Q4 2016, additional infill drilling was completed at Dynamite Hill, which increased the resource estimate from 110,000 ounces to 161,000 ounces.

The Phase 1 drilling program at the Akwasiso deposit has provided the basis for an initial MRE (see Tables 1 and 2 below). The Company is currently completing a second phase of drilling (4,800m) which aims to upgrade the considerable Inferred resource at this pit to an Indicated classification. The results are expected in H2 2017.

There have been other incremental increases in the satellite pits due to an adjustment of Whittle input parameters such as an improved fuel price, mining and processing costs, process plant throughput and gold recovery rates.

Mineral Resource Estimate Comparisons

AGM Global Mineral Resource Estimate (Measured & Indicated)	**Tonnes (Mt)**	**Grade (g/t Au)**	**Ounces (Moz)**
Nov 2014 DPP Resource (unconstrained pit shell)	144.26	1.71	7.94
Depleted Dec 2016 DPP (with constraining parameters)	143.46	1.61	7.42
Updated Dec 2016 MRE (with constraining parameters)	**158.27**	**1.44**	**7.34**
Variance between Depleted Dec 2016 DPP and Updated Dec 2016 MRE	+10%	-10%	-1%

Table 1: Asanko Gold Mine Global Measured and Indicated Mineral Resource Estimate (as at December 31, 2016)

Deposit	**Measured**			**Indicated**			**Total (M&I)**		
	Mt	g/t Au	Moz	Mt	g/t Au	Moz	Mt	g/t Au	Moz
Esaase Main	26.64	1.37	1.17	65.50	1.37	2.89	92.14	1.37	4.06
Nkran	5.58	1.67	0.30	34.71	1.68	1.87	40.29	1.68	2.17
Abore	2.30	1.39	0.10	4.68	1.33	0.20	6.98	1.35	0.30
Dynamite Hill	-	-	-	3.80	1.45	0.18	3.80	1.45	0.18
Akwasiso	-	-	-	4.61	1.20	0.18	4.61	1.20	0.18
Adubiaso	0.83	2.35	0.06	1.57	1.89	0.10	2.40	2.05	0.16
Esaase D	0.97	1.09	0.03	1.35	1.39	0.06	2.33	1.26	0.09
Esaase B	0.87	0.99	0.03	2.21	0.76	0.05	3.08	0.82	0.08
Asuadai	-	-	-	1.97	1.21	0.08	1.97	1.21	0.08
Adubiaso Ext.	0.16	1.94	0.01	0.31	1.59	0.02	0.47	1.71	0.03
Nkran Ext.	-	-	-	0.20	2.61	0.02	0.20	2.61	0.02
Total	**37.36**	**1.42**	**1.71**	**120.91**	**1.45**	**5.63**	**158.27**	**1.44**	**7.34**

Notes:
All pits are at a cut-off of 0.5g/t Au within a US$2,000 per ounce of gold pit shell.
Nkran includes depletion of 5.08Mt at 1.66 g/t Au for 270,471 ounces.
All figures are rounded to reflect appropriate levels of confidence. Apparent differences may occur due to rounding.
CSA Global undertook the MRE for Nkran and Dynamite Hill and reviewed the Esaase Main pit.

CJM undertook and completed updates to the MRE on Abore, Asuadai, Esaase B and D zones, Akwasiso, Adubiaso, Adubiaso Extension and Nkran Extension.

Table 2: Asanko Gold Mine Global Inferred Mineral Resource Estimate (as at December 31, 2016)

Deposit	Inferred		
	Mt	g/t Au	Moz
Esaase Main	0.95	1.37	0.04
Nkran	1.69	1.77	0.10
Abore	5.37	1.44	0.25
Dynamite Hill	1.19	1.43	0.05
Akwasiso	3.85	1.56	0.19
Adubiaso	0.30	1.98	0.02
Esaase D	1.17	1.24	0.05
Esaase B	2.46	0.84	0.07
Asuadai	0.92	1.61	0.05
Adubiaso Ext.	0.24	2.55	0.02
Nkran Ext.	0.02	1.12	0.00
Total	18.17	1.43	0.83

Notes:
All pits are at a cut-off of 0.5g/t Au within a US$2,000 per ounce of gold pit shell.
Nkran includes mining depletion 5.08Mt at 1.66 g/t Au for 270,471 ounces.
All figures are rounded to reflect appropriate levels of confidence. Apparent differences may occur due to rounding.
CSA Global undertook the MRE for Nkran and Dynamite Hill and reviewed the Esaase Main pit.
CJM undertook and completed updates to the MRE on Abore, Asuadai, Esaase B and D zones, Akwasiso, Adubiaso, Adubiaso Extension and Nkran Extension.

CSA Global review of the Nkran, Esaase and Dynamite Hill MRE

The new MRE for Nkran is the outcome of a third party external audit carried out by CSA, which was commissioned by the Company in mid-2016. The scope of the review was for CSA to verify the modelling techniques applied by CJM Consulting ("CJM") to the original November 2014 DPP MRE (see press release dated November 13, 2014 available on the Company's website at www.asanko.com) and to verify the Company's grade control, mining, reconciliation methodology and the mine to metal accounting. The audit concluded that the MRE modelling methodology was appropriate for the style of mineralization at Nkran and that the grade control, mining, reconciliation methodology and the mine to metal accounting that was implemented at the mine was excellent.

As part of the audit, CSA also reviewed the geological modelling of Nkran, given the complex nature of the structural controls associated with the Nkran mineralization. The Nkran pit gold mineralization is controlled by a combination of sandstone rock units enclosed by steep shear structures and a later cross cutting and shallow dipping vein style of mineralization. The challenge for mineral resource estimation is the integration of the gold mineralization associated with both of these structures. CSA concurred with the Company's geological interpretation and acknowledge the existence of the flat structures but downplay the contribution of gold from them into the block model.

CSA compiled the MRE for Nkran and Dynamite Hill, and reviewed the Esaase Main pit MRE and concurred with the CJM estimate. CJM compiled the MRE for all the other deposits.

Qualified Person for Mineral Resource Estimate

Malcolm Titley (CSA Global Principal Geologist; AIG), is the Qualified Person for the sign off of the Nkran and Dynamite Hill MRE. Charles J. Muller, (B.Sc. Geology (Hons), PR.Sci.Nat., MGSSA, a Director of CJM Consulting Pty Ltd. ("CJM") of Johannesburg, South Africa) is the Qualified Person for the sign off of the Esaase, Abore, Adubiaso, Adubiaso Extension, Asuadai, Akwasiso and Nkran Extension MRE. The MREs are reported in accordance with Canadian National Instrument 43-101 requirements and the South African Code of Reporting of Exploration Results (SAMREC), which is consistent with the CIM Estimation Best Practice Guidelines in Canada. Mr Titley and Mr. Muller have reviewed and approved the technical content of this MD&A. Phil Bentley, Asanko Executive: Geology and Resources (Pr.Sci.Nat.) is the Asanko Qualified Person under NI 43-101 guidelines who assumes technical responsibility for Mineral resource contents of this MD&A.

Mineral reserves

As a result of the positive economic outcomes of the May 2015 Asanko Gold Mine PFS, a portion of the Company's Mineral resources for Esaase were upgraded to Mineral reserves. The Mineral Reserves were estimated in accordance with CIM criteria for Mineral Reserves, incorporated as standard under NI 43-101. The MRE was prepared by an independent engineering firm, DRA Projects SA (Pty) Ltd and can be found in a NI 43-101 compliant technical report dated June 29, 2015 and filed on SEDAR.

The Mineral Reserve Estimate ("MRev") update process commenced with the depletion of the 2014 November DPP MRev to the Nkran pit bottom, as at December 31, 2016. Since the re-commencement of mining operations at the Nkran pit in 2015, 5.08 Mt of ore have been mined at a grade average of 1.66 g/t Au for a total of 270,471 ounces of gold.

The mining depletion of the 2014 November DPP MRev reduced the reserve ounces in Nkran from 2.2Moz to 1.9Moz over the last two years, resulting in a 14% reduction in the Nkran reserve base, although this translated to only a 6% reduction in global DPP reserves.

The reserves for Nkran have been updated based on the more conservative CSA resource model, which has impacted the size and strip ratio of the final Nkran pit. This updated MRev reduced the Nkran ounces from 1.9Moz to 1.47Moz, a reduction of 23%. However, with the addition of new reserves for Akwasiso, Adubiaso Extension and Nkran Extension, as well as the reserves for Dynamite Hill, Abore and Asuadai, the global Mineral Reserves for the AGM complex have only been reduced by 2%.

Mineral reserve estimate comparisons

AGM Global Mineral Reserve Estimate (Proven & Probable)	**Tonnes (Mt)**	**Grade (g/t Au)**	**Ounces (Moz)**
Nov 2014 DPP Reserve	97.10	1.68	5.24
Dec 2016 DPP Reserves based on Depleted Resources	91.48	1.68	4.94
Dec 2016 Reserves based on Updated Resources	**95.41**	**1.57**	**4.82**
Variance between Dec 2016 DPP Reserves (Depleted Resources) and Dec 2016 Reserves (Updated Resources)	+4%	-6%	-2%

Table 3: Asanko Gold Mine Global Mineral Reserve Estimate (as at December 31, 2016)

Deposit	Proven			Probable			Total		
	Mt	g/t Au	Moz	Mt	g/t Au	Moz	Mt	g/t Au	Moz
Esaase Main	22.8	1.40	1.03	36.5	1.38	1.62	59.39	1.39	2.65
Nkran	3.96	1.98	0.25	18.57	2.04	1.22	22.53	2.03	1.47
Abore	1.35	1.62	0.07	1.77	1.70	0.01	3.12	1.66	0.17
Adubiaso	0.96	2.19	0.07	1.23	1.92	0.08	2.19	2.04	0.14
Dynamite Hill	0.00	0.00	0.00	2.62	1.60	0.13	2.62	1.60	0.13
Akwasiso	0.00	0.00	0.00	3.03	1.38	0.13	3.03	1.38	0.13
Asuadai	0.00	0.00	0.00	1.08	1.23	0.04	1.08	1.23	0.04
Nkran Ext.	0.24	1.98	0.02	0.26	1.79	0.01	0.50	1.88	0.03
Esaase D	0.20	1.05	0.01	0.40	1.70	0.02	0.62	1.50	0.03
Adubiaso Ext.	0.11	2.26	0.01	0.10	1.68	0.01	0.22	1.98	0.01
Esaase B	0.10	0.83	0.00	0.00	0.92	0.00	0.13	0.85	0.00
Total	29.8	1.52	1.45	65.6	1.60	3.37	95.41	1.57	4.82

Notes:
Nkran includes depletion since February 2015 of 5.08Mt at 1.66 g/t Au for 270,471 ounces.
Reserves excludes the ROM stockpile of 1.52Mt at 1.36 g/t Au for 66,669 ounces and the marginal stockpile of 0.43Mt at 0.67 g/t Au for 9,121 ounces.
All pits are at a cut-off of 0.8g/t Au, except Esaase Main, Esaase B and D zones, which are at a cut-off of 0.6g/t Au.
Reserves estimated at a US$1,300/oz gold price.
All figures are rounded to reflect appropriate levels of confidence. Apparent differences may occur due to rounding.
Only Measured and Indicated Mineral Resources were converted to Mineral Reserves.

Qualified person

The Reserve Statements were all prepared by Thomas Obiri-Yeboah, B.Sc. Mining Engineering (Hons), PR.Eng, a Senior Mining Engineer of DRA Projects Pty Ltd. ("DRA") of Johannesburg, South Africa. The reserve is reported in accordance with Canadian National Instrument 43-101 requirements, which is consistent with the CIM Estimation Best Practice Guidelines in Canada. Frederik Fourie, Asanko Senior Mine Engineer (Pr.Eng.) is the Asanko Qualified Person under NI 43-101 who assumes responsibility for the Mineral reserves.

Notes on Mineral Terminology

Mineral resources and reserves are derived from Canadian Institute of Mining definitions (CIM 2014) which are aligned with the Canadian NI 43-101 guidance for reporting Mineral resources and reserves. Similar terminologies are in use in Australia (JORC) and South Africa (SAMRAC) and are being considered in the United States.

Mineral resources do not have demonstrated economic viability, but have reasonable prospects for eventual economic extraction. They fall into three categories: measured, indicated and inferred. Measured and indicated mineral resources can be estimated with sufficient confidence to allow the appropriate application of technical, economic, marketing, legal, environmental, social and governmental factors to support evaluation of the economic viability of the deposit. For measured resources: we can confirm both geological and grade continuity to support detailed mine planning. For indicated resources: we can reasonably assume geological and grade continuity to support mine planning.

Mineral reserves are the economically mineable part of measured and/or indicated mineral resources demonstrated by at least a preliminary feasibility study. The reference point at which mineral reserves are defined is the point where the ore is delivered to the processing plant. Mineral reserves fall into two categories: a) proven reserves: the economically mineable part of a measured resource for which at least a preliminary feasibility study demonstrates that economic extraction is justified; and b) probable reserves: the economically mineable part of a measured and/or indicated resource for which at least a preliminary feasibility study demonstrates that economic extraction is justified.

6) Financial results

The following table is a summary of the consolidated Statement of Operations of the Company for the three and twelve months ended December 31, 2016. There are no comparative numbers in the table below with respect to a number of measures given the Company was not yet in commercial production and so not earning revenues or incurring production costs related to said revenues.

	Three months ended December 31,		Year ended December 31,	
	2016	2015	**2016**	2015
(in thousands of US dollars)	$	$	$	$
Revenue	70,304	–	185,167	–
Royalties	(3,515)	–	(9,258)	–
Net Revenue	66,789	–	175,909	–
Cost of sales				
Production costs	(30,935)	–	(88,688)	–
Depreciation and depletion	(22,432)	–	(52,958)	–
Total cost of sales	(53,367)	–	(141,646)	–
Write–off of deferred stripping assets	(7,123)	–	(7,123)	–
Income from mine operations	6,299	–	27,140	–
Exploration and evaluation expenditures	(383)	(1,948)	(1,425)	(3,515)
General and administrative expenses	(5,683)	(2,126)	(12,538)	(7,520)
Income (loss) from operations	233	(4,074)	13,177	(11,035)
Financ eincome	218	305	634	1,015
Finance expense	(5,623)	(195)	(13,849)	(524)
Foreign exchange (loss) gain	(1,501)	113	(1,777)	(1,645)
Gain on derivatives, net liability	302	980	37	899
Loss before income taxes	(6,371)	(2,871)	(1,778)	(11,290)
Income tax (expense) recovery	(2,106)	3,084	(11,438)	2,984
Net income (loss) and comprehensive income (loss) for the period	(8,477)	213	(13,216)	(8,306)
Income (loss) per share				
Basic and Diluted	($0.04)	$ 0.00	($0.07)	($0.04)

Three months ended December 31, 2016 and 2015

Revenue and royalties

During Q4 2016, the Company sold 58,483 ounces of gold at an average realized gold price of $1,199 for total revenue of $70.3 million (including $0.2 million of by-product revenue), representing an 8% increase over Q3 sales of 54,393 ounces (for revenue of $71.5 million including by-product revenue of $0.3 million) and a 67% increase over Q2 sales of 35,074 ounces (for revenue of $43.3 million including $0.2 million of by-product revenue). The Company currently sells all of the gold it produces to Red Kite under an offtake agreement (see "**8. Liquidity and capital resources"** below). The Ghanaian government charge a 5% royalty on revenues earned through sales of minerals, which is treated as a reduction of revenue in accordance with the Company's revenue recognition accounting policy. During the three months ended December 31, 2016, the Company recognized a reduction to revenue of $3.5 million relating to the royalty.

No revenue was earned in 2015 as the Company was not yet in commercial production.

Production costs

During the three-month period ended December 31, 2016, the Company incurred production costs of $30.9 million relating to the sale of 58,483 ounces of gold. In accordance with the Company's accounting policy for stripping costs, to the extent that excess waste is mined in an identified component of the mine during the period, as compared to the expected waste (based on the component-specific stripping ratio), a portion of costs are deferred to mineral properties. A total of $10.8 million of stripping costs were deferred to mineral properties during Q4 and are not included in cost of sales. For a discussion of production costs incurred during the period see **"4. Operating performance"** above.

No production costs were incurred in 2015 as the Company was not yet in commercial production.

Depletion and depreciation

Depletion of $11.9 million (including $7.8 million of depletion of amounts capitalized in respect of deferred stripping) was recorded during the fourth quarter as a result of mining 1.3M/t of ore. Depletion of the mineral asset is charged to the statement of operations based on a units of production basis and is not impacted by any other factors. Depreciation of $10.5 million was recorded during Q4 in relation to plant, equipment and other fixed assets. All such assets are depreciated based on a units of production basis or straight-line over their useful economic lives.

No depletion or depreciation was recorded in cost of sales in 2015 as the Company was not yet in commercial production.

Write-off of deferred stripping asset

Subsequent to year-end, the Company announced a reserve and resource update for the AGM. The results of this update led the Company to re-evaluate the ore tonnes within each identified component of the AGM for deferred stripping purposes. The analysis performed by management showed that one of the six identified components for deferred stripping purposes, had less ore tonnes remaining as at December 31, 2016 as compared to the previous estimate, whereas the value associated with the other five components was considered to be fully supportable. The updated reserve tonnes in this one component did not support the capitalized value of this deferred stripping asset which is recorded as part of Mineral properties, plant and equipment, and accordingly, the Company has recorded a $7.1 million write-down related to this component of the deferred stripping asset. This write-down forms part of the Ghana operating segment.

General and administrative expenses

A summary of general and administrative expenses for the three months ended December 31, 2016:

	Three months ended December 31	
	2016	**2015**
(in thousands of US dollars)	**$**	$
Wages ,benefits and consulting	2,674	883
Office and rent	918	698
Professional fees and legal costs	614	263
Share–based payments	51	(141)
Travel and marketing	254	153
Corporate reorganisation	748	–
Other	424	270
Total	**5,683**	**2,126**

General and administrative expenses of $5.7 million were incurred in Q4 2016 as compared to $2.1 million in the same period in 2015. The increase in 2016 was partly due to an accrual for short-term incentive payments, as well as corporate reorganization costs incurred in 2016 in relation to the Company's Ghanaian subsidiaries which were reorganized to move all operating assets into the same legal entity and all exploration assets into a separate legal entity.

Finance expense

Total finance expense of $5.6 million incurred during Q4 consists of $5.5 million of interest recognized in relation to the Company's $150 million long-term loan (see **"8. Liquidity and capital resources"** below) and $0.1 million in accretion charges relating to the asset retirement obligation recognized in respect of the AGM.

Finance expense for the three-month period ended December 31, 2016 is higher than for the same period in 2015 as prior to the AGM being in commercial production on April 1, 2016, all interest expenses relating to the long-term loan were capitalized to deferred development costs in accordance with the Company's accounting policy on borrowing costs. In 2015, finance expenses consisted primarily of accretion expense on the asset retirement obligation related to the AGM.

Year ended December, 2016 and 2015

Revenue and royalties

The Company declared achievement of commercial production at the AGM on April 1, 2016. In its first nine months of commercial operations, the Company sold 147,950 ounces of gold at an average realized gold price of $1,247 for total revenue of $185.2 million (including $0.6 million of by-product revenue). During the first nine months of commercial operations, the Company recognized a reduction to revenue of $9.3 million relating to the royalty payable to the Ghanaian government (as discussed above under **"Three months ended December, 2016 and 2015"**).

With the declaration of commercial production, the Company started recording revenues from sales of gold. However, the Company did produce and sell gold in the first quarter of 2016; the Company's pre-commercial production operations commenced January 1, 2016 with the mechanical completion of the processing facility, and ceased March 31, 2016 on the eve of the declaration of commercial production. In accordance with the Company's revenue recognition accounting policy, during this period, the Company included as development costs the costs incurred for pre-commercial production mining, processing and support operations offset by the revenue from saleable gold sold (net of royalties). A summary of the costs and revenues is provided below:

(in thousands of US dollars)	**3 months ended March 31, 2016**
Costs incurred during pre–commerical production	21,222
Revenue during pre–commercial production, net of royalties	(10,048)
Net costs deferred to development assets	**11,174**

Production costs

In the first nine months of commercial production ended December 31, 2016, the Company incurred production costs of $88.7 million relating to the sale of 147,950 ounces of gold. A total of $36 million of stripping costs were deferred to mineral properties during the nine months ended December 31, 2016, and as such are not included in cost of sales. For a discussion of production costs incurred during the period see **"4. Operating performance"** above.

The Company declared commercial production at the AGM on April 1, 2016; prior to this point, all pre-commercial operating costs were capitalized (see "*Revenue and royalties"* above).

Depletion and depreciation

Depletion of $23.4 million (including $11.4 million of depletion of the deferred stripping asset) was recorded during the first nine months of commercial production ended December 31, 2016 as a result of mining 3.9M/t of ore. Depletion of the mineral asset is charged to the statement of operations based on a units of production basis and is not impacted by any other factors. Depreciation of $29.6 million was recorded during the same period related to plant, equipment and other fixed assets. All such assets are depreciated based on a units of production basis or straight-line over their useful economic lives.

No depletion and depreciation was charged to cost of sales prior to April 1, 2016 as the Company was not in commercial production.

Write-off of deferred stripping asset

See above under "**Three months ended December 31, 2016 and 2015".**

General and administrative expenses

A summary of general and administrative expenses year ended December 31, 2016 and 2015 is as follows:

	Year ended December 31,	
	2016	**2015**
(in thousands of US dollars)	**$**	$
Wages and benefits	4,711	2,189
Office and rent	2,272	1,620
Professional fees	1,500	837
Share–based payments	536	1,322
Travel and marketing	843	803
Corporate reorganisation	1,585	–
Other	1,091	749
Total	**12,538**	**7,520**

During 2016, general and administrative expenses of $12.5 million were incurred in comparison to $7.5 million for the same period in 2015. The majority of the increase in cost was as a result of an accrual for short-term incentive payments, corporate reorganization costs incurred in 2016 in relation to the Company's Ghanaian subsidiaries which were reorganized to move all operating assets into the same legal entity and all exploration assets into a separate legal entity. Bonus payments for the achievement of production status at the AGM during the first quarter 2016 resulted in higher wages and benefits than the same period in 2015. The increases were offset by lower share-based payments in 2016 as the graded vesting schedule of the options resulted in a lower expense in 2016 as compared to 2015.

Finance expense

Total finance expense of $13.8 million incurred in 2016 consists of $13.5 million of interest recognized in relation to the Company's $150 million long-term loan (see **"8. Liquidity and capital resources"** below) and $0.3 million in accretion charges relating to the asset retirement obligation recognized in respect of the AGM.

Finance expense in 2016 is higher than for 2015, as prior to the AGM being in commercial production on April 1, 2016, all interest expenses relating to the long-term loan was capitalized to deferred development costs in accordance with the Company's accounting policy on borrowing costs. In 2015, finance expenses consisted primarily of accretion expense on the asset retirement obligation related to the AGM.

7) Selected quarterly financial data

The following table provides summary unaudited financial data for the last eight quarters:

	2016				2015			
(in thousands of US dollars)	Q4 $	Q3 $	Q2 $	Q1 $	Q4 $	Q3 $	Q2 $	Q1 $
Revenue, net of royalties	66,789	67,694	41,156	–	–	–	–	–
Total cost of sales	(53,367)	(47,456)	(40,823)	–	–	–	–	–
Write–off of deferred stripping asset	(7,123)	–	–	–	–	–	–	–
Income from mine operations	6,299	20,508	333	–	–	–	–	–
Exploration and evaluation expenditures	(383)	(188)	(226)	(628)	(1,948)	(464)	(557)	(546)
General and administrative expenses	(5,683)	(1,785)	(1,677)	(3,393)	(2,127)	(1,452)	(1,776)	(2,165)
Income (loss) from operations	233	18,535	(1,570)	(4,021)	(4,075)	(1,916)	(2,333)	(2,711)
Other income (expenses)	(6,604)	(3,113)	(5,337)	99	1,208	(1,417)	1,686	(1,726)
Income tax recovery (expense)	(2,106)	(3,766)	(5,620)	54	3,086	29	(113)	(16)
Net income (loss) for the period	(8,477)	11,656	(12,527)	(3,868)	219	(3,304)	(760)	(4,453)
Basic and diluted income (loss) per share	($0.04)	$0.06	($0.06)	($0.02)	$0.00	($0.02)	$0.00	($0.02)

With the commencement of commercial production effective April 1, 2016, the Company began recording revenue and cost of sales in Q2 2016 (see **"6. Financial results"**). During Q2 2016, the Company was still ramping-up operations and bulk mining to obtain access to the main orebody, which was reached at the end of the quarter. Q3 and Q4 2016 saw the operation achieve expected levels of production, resulting in higher revenues and earnings from operations.

General and administrative expense primarily consists of wages & benefits, office rental costs, professional fees, legal fees, corporate reorganization, business development and share-based payments. These costs were higher in Q1 2016 as a result of an accrual for short-term incentive payments, a corporate reorganization and payment of bonuses upon reaching production status at the AGM (see **"6. Financial results"**). The general and administrative costs were also higher in Q4 2016 as a result of accruing for annual bonuses for Company personnel.

Other income and expense in Q2, Q3 and Q4 2016 includes interest expense on the Company's debt balance (see " **8. Liquidity and capital resources"**); prior to Q2 2016, interest incurred on the loan was capitalized to mine development costs. In addition, other income and expense primarily includes accretion on the asset retirement obligation associated with the AGM, movements in foreign exchange and fair value movements with respect to derivative financial instruments (see `**13. Risks and Uncertainties`)** which are marked-to-market each reporting period. Fluctuations in the other income (expense) lines in all other periods are due to movements in foreign exchange rates and changes in the fair value of derivative financial instruments.

With the commencement of commercial production at the AGM on April 1, 2016, the related mineral properties, plant and equipment started being depreciated for tax purposes; this resulted in a deferred income tax expense of $5.6 million in Q2 2016 and $3.8 million in Q3. The tax expense in Q4 2016 related primarily to current withholding taxes incurred in Ghana in relation to service and direct costs charged from the Company's Canadian subsidiaries to the Company's Ghanaian subsidiary which houses the operating mines of Asanko. The tax recovery in Q4 2015 related to the reversal of a deferred tax liability relating to the sale of assets.

A $7.1 million write-down of a deferred stripping asset in Q4 2016 contributed to a net loss of $8.5 million for the quarter. With the exception of the net income per share in Q3 2016, the net loss per share incurred by the Company had remained reasonably consistent throughout the other seven periods presented.

8) Liquidity and capital resources

A key financial objective of the Company is to actively manage its cash balance and liquidity in order to meet the Company's strategic plan. The Company aims to achieve positive cash flows from operations to internally fund operating, capital and project development requirements. A summary of the Company's net assets and key financial ratios related to liquidity are as follows:

(in thousands of US dollars)	**December 31, 2016** $	**December 31, 2015** $
Cash and cashe quivalents	59,675	114,800
Other current assets	60,043	4,120
Non–current assets	542,994	505,249
Total assets	**662,712**	**624,169**
Current liabilities (excluding short–term debt)	46,934	34,825
Non–current liabilities (excluding long–term debt)	44,381	27,841
Debt	154,972	147,094
Total liabilities	**246,287**	**209,760**
Working capital[1]	72,784	84,095
Total shareholders' equity	**416,425**	**414,409**
Total common shares outstanding	201,829,207	196,995,607
Total options outstanding	14,591,750	14,786,791
Total warrants outstanding	4,000,000	4,000,000
Key financial ratios		
Current ratio	2.55	3.41
Total liabilities to equity	0.59	0.51
Debt–to–total capitalization	0.19	0.19

[1]Currentassetlesscurrentliabilities

T he Company anticipates that its balance sheet shall continue to strengthen now that the AGM is operating as anticipated. The Company was in a strong net asset position at both December 31, 2016 and 2015 and had a significant cash balance of $59.7 million as at December 31, 2016; the Company is now in a cash-accumulation phase as steady-state operations have been reached. Through a combination of this cash balance and cash flows from operations, the Company believes it is in a position to meet all working capital requirements, contractual obligations and commitments as they fall due (see "*Commitments*" below). However, the Company's cash flows and its ability to meet working capital requirements and contractual obligations is significantly influenced by the price of gold. The Company aims to manage its liquidity by ensuring that, even in a low gold price environment its operations can manage spending and provide adequate cash flow to meet all commitments.

Debt

In 2013, the Company entered into a Definitive Senior Facilities Agreement ("DSFA") with a special purpose vehicle of RK Mine Finance Trust I ("Red Kite"), which is now fully drawn for a total of $150 million. Interest on the DSFA is calculated on a quarterly basis at a rate of LIBOR +6% and there is a 1% minimum LIBOR rate which creates an interest rate floor. The Company can elect to repay the DSFA, or a portion thereof, early without penalty. During the second quarter 2016, the DSFA was amended in order to defer the repayment of the principal for two years (being the principal deferral period). The amendment provides that the first principal repayment will now be payable on July 1, 2018 after which the facility will be repaid in nine equal quarterly installments, with the last repayment on July 1, 2020. The Company will continue to pay quarterly interest on the loan facility during the principal deferral period with the first interest payment on July 1, 2016. There are no other changes to the existing debt facility terms. A deferral fee of 2% of the loan principal (for a total of $3.275 million) was paid commensurate with signing the amendment.

Equity
The Company is financially stable with a total liabilities-to-equity ratio of 0.59. With a significant increase in the Company's share price during 2016, the Company started seeing stock option exercises increase significantly, creating another source of financing for the Company (see "*Cash flows*" below).

The Government of Ghana ("the Government") has a 10% free carried interest in the AGM in accordance with Ghanaian Law; this was granted to through the issuance of 10% of the common shares of the Company's Ghanaian subsidiary, Asanko Gold Ghana Limited (formerly "Keegan Resources (Ghana) Limited"), which owns the Abore, Abirem, Adubea and Esaase mining leases, to the Government. The Government has a nominee on the board of this subsidiary and is entitled to 10% of declared dividends being paid out of the subsidiary but does not have to contribute to its capital investment. Asanko Gold Ghana Limited currently records a net deficit in the pool from which dividends can be paid and as such no non-controlling interest is presented in the financial statements of the Company for the year ended December 31, 2016; therefore, all results in this MD&A show 100% of results as being attributable to the Company. At such a point in time as Asanko Gold Ghana Ltd records retained earnings and have a positive pool from which to pay dividends, the Company shall record a non-controlling interest in its financial statements representing the equity attributable to the Government of Ghana.

Commitments
The following table summarizes the Company's contractual obligations as at December 31, 2016:

(in thousands of US dollars)	**Within 1 year**	**1–3 years**	**4–5 years**	**Over 5 years**	**Total 2016**	Total 2015
Long–term debt and related interest and withholding tax payments	12,610	127,969	57,449	–	**198,028**	185,509
Accounts payable and accrued liabilities	46,934	–	–	–	**46,934**	34,789
Decommissioning liability (undiscounted)	–	–	–	34,977	**34,977**	26,094
Mine operating/construction and other service contracts, open purchase orders	23,381	4,588	–	–	**27,969**	37,200
Total	**82,925**	**132,557**	**57,449**	**34,977**	**307,908**	**283,592**

The Company has no off-balance sheet arrangements.

Cash flows
The following table provides a summary of cash flows for the three months and year ended December 31, 2016:

(in thousands of US dollars)	Three months ended December 31, 2016	2015	Year ended December 31, 2016	2015
Cash flow:				
Cash provided by (used in) operating activities	23,353	(3,623)	54,962	(10,768)
Used in investing activities	(17,941)	(59,980)	(105,941)	(219,820)
Provided by (used in) financing activities	(2,929)	19,460	(3,899)	120,490
Impact of foreign exchange on cash and cash equivalent	(364)	(322)	(247)	(3,782)
Increase (decrease) in cash and cash equivalents for the period	2,119	(44,465)	(55,125)	(113,880)
Cash and cash equivalents, beginning of period	57,556	159,265	114,800	228,680
Cash and cash equivalents, end of period	**59,675**	**114,800**	**59,675**	**114,800**

Three months ended December 31, 2016

Cash provided by operating activities

In the three months ending December 31, 2016, the Company recorded cash flows from operations of $23.4 million, being cash inflows before working capital changes of $29.2 million and outflows from non-cash working capital of $5.8 million. The cash flows before working capital changes consist primarily of cash earnings from mine operations of $35.9 million less cash G&A of $5.6 million. The outflow of $5.8 million from non-cash working capital was primarily the result of a $4.3 million increase in accounts payable and accrued liabilities, a $6.4 million increase in inventory, a $4.9 million decrease in trade receivables and a $7.9 million increase in VAT receivable.

The prior period numbers do not form a good base for comparison as the Company was not yet in commercial production and cash flows from operating activities consisted mainly of general and administrative and exploration and evaluation expenditures.

Cash used in investing activities

During Q4 2016, the Company spent $17.9 million on mineral properties, plant and equipment. Of the total expenditure on investing activities during the period, $10.8 million related to capitalization of deferred stripping costs, $2.1 million related to Phase 2 of the AGM and approximately $2 million relates to the finalization of Phase 1 of the AGM and optimization equipment. During the same period in the prior year, the expenditures on investing activities were higher as the Company was in the midst of developing the AGM in order to prepare for production to commence in early 2016. The expenditure in 2015 related predominantly to civil engineering infrastructure, earthworks and crushing, milling and processing complex construction.

Cash provided by (used in) financing activities

During the three months ended December 31, 2016, the Company paid $2.9 million in interest relating to the DSFA (see " *Debt"* above).

During the three months ended December 31, 2015, the Company drew down the final $20 million under the DSFA, being a cash inflow of $19.5 million after transaction costs.

Year ended December 31, 2016

Cash provided by operating activities

In the year ended December 31, 2016, the Company recorded cash flows from operations of $55 million, being cash inflows before working capital changes of $73.6 million and outflows from non-cash working capital of $18.7 million. The cash flows before working capital changes consist primarily of cash earnings from mine operations of $87.2 million less cash G&A of $12.0 million. The outflow of $18.7 million from non-cash working capital was primarily the result of a $41.8 million increase in accounts payable and accrued liabilities, a $31.2 million increase in inventory, and a $27.6 million increase in VAT receivable.

The prior period numbers do not form a good base for comparison as the Company was not yet in commercial production and cash flows from operating activities consisted mainly of general and administrative and exploration and evaluation expenditures.

Cash used in investing activities

During the year ended December 31, 2016, the Company spent $132.4 million on mineral properties, plant and equipment. As discussed above, the majority of the expenditures in 2016 have related to the finalization of the development of the AGM. Also, included in the expenditures in 2016 are $36 million of deferred stripping costs, $11.1 million of pre-commercial production costs (see "**6. Financial results**" above), $7.5 million spent in relation to Phase 2 of the AGM and approximately $1.1 million on mine equipment. During the same period in the prior year, the expenditures on investing activities were significantly higher as the Company was in the midst of developing the AGM. The expenditure in 2015 related predominantly to civils, earthworks and crushing, milling and processing complex construction.

In 2016 the Company received total VAT refunds of $26.0 million.

In the year ended December 31, 2015, Asanko deposited a $1.7 million Reclamation Deposit in a Ghanaian Bank in the joint names of the Company and the Environmental Protection Agency as security for the performance by the Company of its reclamation obligations in respect of the Abriem, Abore and Adubea mining leases.

Cash provided by (used in) financing activities

During the year ended December 31, 2016, the Company received a total of $5.2 million as a result of the exercise of stock options. In addition, during 2016, the Company paid a deferral fee of $3.3 million in relation to the amendment to the DSFA (see *"Debt"* above) as well as $5.9 million of interest relating to the same facility.

During the year ended December 31, 2015, the Company drew down $90 million on its DSFA with Red Kite (see *"Debt"* above). The Company recorded net proceeds of $86 million after draw down fees and deferred financing costs. In addition, in 2015, the Company recorded $34.5 million in new equity (net of share issuance costs) with respect to a bought deal financing in which the Company issued 22.8 million shares.

9) Non-GAAP measures

The Company has included certain non-GAAP performance measures throughout this document. These performance measures are employed by management to assess the Company's operating and financial performance and to assist in business decision-making. The Company believes that, in addition to conventional measures prepared in accordance with GAAP, certain investors and other stakeholders use this information to evaluate the Company's operating and financial performance; however, these non-GAAP performance measures do not have any standardized meaning. Accordingly, these performance measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP.

9.1) Operating cash costs per ounce and total cash costs per ounce

The Company has included the non-GAAP performance measures of operating cash costs per ounce and total cash costs per ounce on a by-product basis, throughout this document. In the gold mining industry, this is a common performance measure but does not have any standardized meaning. The Company follows the recommendations of the Gold Institute Production Cost Standard. The Gold Institute, which ceased operations in 2002, was a non-regulatory body and represented a global group of suppliers of gold and gold products. The production cost standard developed by the Gold Institute remains the generally accepted standard of reporting cash costs of production by many gold mining companies.

Management uses operating cash costs per ounce and total cash costs per ounce to monitor the operating performance of its mines and to assess the attractiveness of potential acquisition targets. The Company believes that, in addition to conventional measures prepared in accordance with GAAP, some investors use this information to evaluate the Company's performance and ability to generate cash flow. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. The following table provides a reconciliation of total cash costs per gold ounce on a by-product basis to operating expenses (the nearest GAAP measure) as presented in the consolidated financial statements of the Company; note that the Company has only provided Operating cash costs per gold ounce and Total cash costs per gold ounce for the three and nine months ended December 31, 2016 as the Company only commenced commercial production on April 1, 2016.

(in thousands of US dollars except per ounce amounts)	Three months ended December 31, 2016 $	Nine months ended December 31, 2016 $
Total production costs from consolidated statement of operations	30,935	88,688
Share-based payment included in production costs	(81)	(336)
By-product revenue	(209)	(623)
Total operating cash costs	30,645	87,729
Royalties and production taxes	3,515	9,258
Total cash costs	34,160	96,987
Gold ounces sold	58,483	147,950
Operating cash costs per gold ounce ($/ounce)	524	593
Total cash costs per gold ounce ($/ounce)	584	656

9.2 All-in sustaining costs per gold ounce

In June 2013, the World Gold Council ("WGC"), a non-regulatory association of many of the world's leading gold mining companies established to promote the use of gold to industry, provided guidance for the calculation of "all-in sustaining costs per gold ounce" in an effort to encourage improved understanding and comparability of the total costs associated with mining an ounce of gold. The Company has adopted the reporting of "all-in sustaining costs per gold ounce", which is a non-GAAP performance measure. The Company believes that the all-in sustaining costs per gold ounce measure provides additional insight into the costs of producing gold by capturing all of the expenditures required for the discovery, development and sustaining of gold production and allows the Company to assess its ability to support capital expenditures to sustain future production from the generation of operating cash flows. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, some investors use this information to evaluate our performance and ability to generate cash flow. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

The following table provides a reconciliation of all-in sustaining costs per gold ounce the consolidated financial statements for the three and nine months ended December 31, 2016 as the Company only commenced commercial production on April 1, 2016.

(in thousands of US dollars except per ounce amounts)	Three months ended December 31, 2016 $	Nine months ended December 31, 2016 $
Total cash costs (as reconciled above to the Statement o fOperations)	34,160	96,987
Cash corporate general and administrative expenses	5,631	8,844
Sustaining capital expenditures	1,596	3,727
Sustaining capitalised stripping costs	10,785	35,952
Reclamation cost accretion	41	124
All–in sustaining cost	52,213	145,634
Gold ounces sold	58,483	147,950
All–in sustaining cost per gold ounce ($/ounce)	893	984

All-in sustaining costs adjust "Total cash costs", for corporate general and administrative expenses, reclamation cost accretion, sustaining capitalized stripping costs and sustaining capital expenditures. Corporate general and administrative expenses used in the calculation are those included as a line item on the Company's statement of operations excluding share-based payment. Sustaining capital expenditures, capitalized stripping costs and reclamation cost accretion are not line items on the Company's financial statements. Sustaining capital expenditures are defined as those capital expenditures which do not increase annual gold ounce production at a mine site and exclude all expenditures at the Company's projects and certain expenditures at the Company's operating sites which are deemed expansionary in nature. Capitalized stripping costs represent costs incurred during the period which have been deferred to mining interests as they allow the Company to gain access to ore to be mined in future periods; these costs relate to the currently identified reserves and resources and are not considered expansionary in nature. Reclamation cost accretion represents the growth in the Company's decommissioning liability due to the passage of time. This amount does not reflect cash outflows but it is considered to be representative of the periodic costs of reclamation and remediation. Reclamation cost accretion is included in finance expense in the Company's consolidated statements of operations and comprehensive income (loss).

The following table reconciles sustaining capital expenditures to the Company's total capital expenditures as presented in the Company's consolidated statement of cash flows.

	Three months ended December 31, 2016 $	Nine months ended December 31, 2016 $
Capital expenditures in the consolidated statement of cash flows	17,953	97,214
Less: non–sustaining capital expenditures	(16,357)	(93,487)
Total sustaining capital expenditures	1,596	3,727

The majority of the non-sustaining capital expenditures during the three and nine months ended December 31, 2016 related to the development of the AGM (see "**8. Liquidity and capital resources**" above).

9.3 Adjusted Net Income (Loss)

The Company has included the non-GAAP performance measures of adjusted net income (loss) and adjusted net income (loss) per share, throughout this MD&A. Neither adjusted net income nor adjusted net income per share have any standardized meaning and are therefore unlikely to be comparable to other measures presented by other issuers. Adjusted net income excludes certain non-cash items from net income or net loss to provide a measure which helps the Company and investors to evaluate the results of the underlying core operations of the Company and its ability to generate cash flows. The Company believes that the presentation of adjusted net income is appropriate to provide additional information to investors regarding items that we do not expect to continue at the same level in the future or that management does not believe to be a reflection of the Company's ongoing operating performance. The Company further believes that its presentation of this non-IFRS financial measure provides information that is useful to investors because it is an important indicator of the strength of our operations and the performance of our core business. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. The following table provides a reconciliation of adjusted net income to net income (the nearest GAAP measure) per the consolidated financial statements. All adjustments are shown net of estimated tax.

(in thousands of USd ollars except share per share amounts)	Three months ended December 31, 2016 $	2015 $	Year ended December 31, 2016 $	2015 $
Net income (loss) for the period	(8,477)	213	(13,216)	(8,306)
Unrealized gain on derivative instruments	(302)	(980)	(37)	(899)
Write–off of deferred stripping asset	4,630	–	4,630	–
Adjusted loss for the period	(4,149)	(767)	(8,623)	(9,205)
Basic weighted average number of common share outstanding	201,829,207	196,995,607	198,973,570	194,357,744
Adjusted net loss per share, basic ($/share)	($0.02)	($0.00)	($0.04)	($0.05)

9.4 Operating cash flows before working capital changes

The Company has included the non-GAAP performance measure operating cash flows before working capital changes in this MD&A. Non-GAAP performance measures do not have any standardized meaning and are therefore unlikely to be comparable to other measures presented by other issuers. The Company believes that, in addition to conventional measures, prepared in accordance with GAAP, certain investors use this information to evaluate the Company's performance and ability to generate cash flow. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. The following table provides a reconciliation of operating cash flows before working capital changes to cash (used in) provided by operating activities (the nearest GAAP measure) per the consolidated financial statements.

(in thousands of US dollars)	Three months ended December 31, 2016	2015	Year ended December 31, 2016	2015
Cash provided by (used in) operating activities	23,353	(3,623)	54,962	(10,768)
Changes in non–cash working capital	(5,852)	521	(18,660)	(2,467)
Operating cash flow before working capital changes	**29,205**	**(4,144)**	**73,622**	**(8,301)**

10) Summary of Outstanding Share Data

As of the date of this MD&A, there were 203,278,707 common shares of the Company issued and outstanding and 15,678,250 share purchase options and 4,000,000 warrants outstanding (with exercise prices ranging between C$1.85 and C$6.10 per share). The fully diluted outstanding share count at the date of this MD&A is 222,956,957.

11) Related party transactions

As at December 31, 2016, the Company's related parties are its subsidiaries and key management personnel. During normal course of operations, the Company enters into transactions with its related parties. During the year ended December 31, 2016 all related party transactions were in the normal course of business including compensation payments to key management personnel.

Transactions with key management personnel were as follows:

	Year ended December 31,	
	2016	2015
(in thousands of US dollars)	$	$
Salaries and benefits	3,694	1,660
Share–based payments	313	777
Total compensation	4,007	2,437

12) Critical accounting policies and estimates

12.1 Estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Management believes the estimates and assumptions used in these consolidated financial statements are reasonable, however, actual results could differ from those estimates and could impact future results of operations and cash flows. The significant accounting judgements and estimates which have the most significant effect on these financial statements are as follows:

Estimates

Reserves and Resources – Estimates of the quantities of proven and probable mineral reserves and mineral resources form the basis for the Company's life-of-mine plans, which are used for a number of key business and accounting purposes, including: the calculation of depreciation expense, the capitalization of stripping costs and the forecasting and timing of payments related to the asset retirement provision. In addition, when required, the life-of-mine plans are used in impairment tests for mineral properties, plant and equipment. To the extent that the estimate of proven and probable mineral reserves and resources varies, there could be changes in depreciation expense, stripping asset and asset retirement provision recorded.

Depletion of mineral interests – estimates are made of recoverable ounces in the Company's mining properties which are depleted based on recoverable tonnes contained in proven and probable reserves. To the extent that changes are made to the estimate of proven and probable reserves, the depletion charge may change. In addition, mineral properties, plant and equipment are depreciated to their estimated residual value over the estimated useful life of the asset. Should the actual useful life of the mineral properties, plant or equipment vary, future depreciation charges may change.

Inventory valuation of production costs - the Company's management makes estimates of quantities of ore on stockpiles and in process and the recoverable gold in this material to determine the cost of inventories and the average costs of finished goods sold during the period. To the extent that these estimates vary, production costs of finished goods may change.

Net realizable value of inventory - in order to determine the net realizable value of gold-in-process and stockpiled ore, the Company estimates future metal selling prices, production forecasts, realized grades and recoveries, timing of processing, and future costs to convert the respective inventories into saleable form. Reductions in metal price forecasts, increases in estimated future costs to convert, reductions in the amount of recoverable ounces, and a delay in timing of processing can result in a write-down of the carrying amounts of the Company's stockpiled ore inventory.

Current and deferred Income taxes - in assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. Levels of future taxable income are affected by, among other things, market gold prices, production costs, quantities of proven and probable gold reserves, interest rates and foreign currency exchange rates.

Where applicable tax laws and regulations are either unclear or subject to varying interpretations, it is possible that changes in these estimates could occur that materially affect the amounts of deferred income tax assets and liabilities recorded in the financial statements. Changes in deferred tax assets and liabilities generally have a direct impact on earnings in the period that the changes occur.

Deferred stripping – in order to determine whether stripping costs incurred during the production phase of a mining property relate to reserves and resources that will be mined in a future period and therefore should be capitalized, the Company makes estimates of the stripping activity over the life of the component of reserves and resources which have been made accessible. In addition, judgement is involved when allocating production costs between inventory produced and the stripping asset; the allocation is based on the volume of waste extracted compared with the expected volume, for a given volume of ore production. To the extent that these estimates and judgements change, there could be a change to the amount of production costs which are deferred to the statement of financial position.

Estimated assets retirement provisions - The Company's provision for reclamation and closure cost obligations represents management's best estimate of the present value of the future cash outflows required to settle closure cost liabilities. Significant judgements and estimates are required in forming assumptions of future activities, future cash outflows and the timing of those cash outflows. These assumptions are formed based on environmental and regulatory requirements or the Company's environmental policies which may give rise to constructive obligations. The Company's assumptions are reviewed at the end of each reporting period and adjusted to reflect management's current best estimate and changes in any of the above factors can result in a change to the provision recognized by the Company. Changes to these estimates and judgements may result in actual expenditures in the future differing from the amounts currently provided for.

Judgements

Arrangements containing a lease - the Company's management assessed its mining contract under IFRIC 4 – Determining whether an Arrangement contains a Lease, to assess whether the contract contains a finance or operating lease. In order to determine whether the lease was an operating or finance lease, management had to make judgements with respect to the useful economic lives of the equipment identified in the lease as well as how much of the costs associated with the mining contract related to use of the equipment and how much related to personnel charges. Should some of these judgements have changed, the conclusion as to whether an arrangement contains a lease may change which would result in a materially higher asset value on the consolidated statement of financial position and an associated periodic depreciation charge.

Commercial production - the Company's management determined that Phase 1 of the AGM was in commercial production effective April 1, 2016. The development phase ends and the production phase begins when the mine is in the condition necessary for it to be capable of operating in a manner intended by management. The Company uses a number of criteria to assess whether the mine has reached the commercial production phase. These criteria include, but are not limited to:

(i) Completion of operational commissioning of each major mine and plant component;
(ii) Demonstrated ability to mine and mill consistently and without significant interruption at a pre- determined average rate of designed capacity;
(iii) The passage of a reasonable period of time for testing of all major mine and plant components;
(iv) Gold recoveries are at or near expected steady-state production levels;
(v) Level of capital expenditure is within 90% of the forecast final construction cost; and
(vi) A significant portion of available funding is directed towards operating activities.

Impairment of mining interest - the Company considers both external and internal sources of information in assessing whether there are any indications that mining interests are impaired. External sources of information the Company considers include changes in the market, economic and legal environment in which the Company operates that are not within its control and affect the recoverable amount of mining interests. Internal sources of information the Company considers include the manner in which mining properties and plant and equipment are being used or are expected to be used and indications of economic performance of the assets. The estimates and judgements are subject to risk and uncertainty; hence, there is the possibility that changes in circumstances will alter these projections, which may impact the recoverable amount of the assets. In such circumstances the carrying value of the assets may be impaired or a prior period's impairment charge reversed (with the exception of goodwill for which impairment charges are not reversed) with the impact recorded in the consolidated statements of operations and comprehensive income (loss).

Functional currency - the determination of a subsidiary's functional currency often requires significant judgment where the primary economic environment in which an entity operates may not be clear. This can have a significant impact on the consolidated results of the Company.

12.2 Changes in Accounting Policies including Initial Adoption

There has been no significant change in significant accounting policies during 2016, however, given that the Company declared commercial production at the AGM effective April 1, 2016, a number of the Company's accounting policies were being implemented for the first time in the three months ended June 30, 2016. A full list of the Company's accounting policies is presented in the Company's consolidated financial statements for the year ended December 31, 2016.

13) Risks and uncertainties

13.1 Financial instruments & risk

As at December 31, 2016, the Company's financial instruments consist of cash and cash equivalents, receivables, VAT receivable, reclamation bond, accounts payable and accrued liabilities and long-term debt. The Company classifies cash and cash equivalents, receivables, VAT receivable and the reclamation bond as loans and receivables, and classifies accounts payable and accrued liabilities and long-term debt as other financial liabilities. All financial assets and liabilities are carried at amortized cost.

All of the Company's financial instruments are considered to be Level 1 within the fair value hierarchy, with the exception of the foreign currency forward contract liability in 2015 which was considered to be Level 2.

Level 1 – fair values based on unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – fair values based on inputs that are observable for the asset or liability, either directly or indirectly; and

Level 3 – fair values based on inputs for the asset or liability that are not based on observable market data.

The Company's policy for determining when a transfer occurs between levels in the fair value hierarchy is to assess the impact at the date of the event or the change in circumstances that could result in a transfer. There were no transfers between the levels during 2016 or 2015.

The carrying value of the Company's debt is $155.0 million (2015 - $147.1 million) and the fair value is $169.0 million (2015 - $146.6 million). The fair value of all of the Company's other financial instruments approximates their carrying value.

The risk exposure arising from these financial instruments is summarized as follows:

(a) Credit risk

Credit risk is the risk of an unexpected loss if a customer or the issuer of a financial instrument fails to meet its contractual obligations. The Company is subject to credit risk on the cash and cash equivalent balances held at banks in each of Canada, Ghana and South Africa. The majority of the Company's cash is held in highly-rated Canadian based banking institutions, authorized under the Bank Act (Canada) to accept deposits. The risk of loss associated with cash investments is considered to be low. As at December 31, 2016, the Company had interest receivable of $nil (December 31, 2015 - $nil). In addition, the Company is subject to credit risk in relation the receivable balances relating to the sale of gold. The Company currently sells all of the gold it produces to Red Kite under an offtake agreement. Payments are routine, scheduled and received within a contractually-agreed time frame. Total receivables from precious metal sales as at December 31, 2016 is $0.6 million; the risk associated with receivables from Red Kite as at December 31, 2016 is considered to be negligible.

The Company expects to receive VAT refunds on a regular basis from the Government of Ghana and makes monthly VAT filings (as required by law). The Company does not consider there to be a significant risk related to the VAT receivable balance as at December 31, 2016.

(b) Liquidity risk

The Company manages liquidity risk through a rigorous planning and budgeting process, which is reviewed and updated on a regular basis, to help determine the funding requirements to support current operations, expansion and development plans, and by managing the Company's capital structure. By managing liquidity risk, the Company aims to ensure that it will have sufficient liquidity to settle obligations and liabilities as they fall due. As at December 31, 2016, the Company had a cash and cash equivalents balance of $59.7 million (December 31, 2015 – $114.8 million) and is generating positive cash flows from operations, allowing it to settle current accounts payable and accrued liabilities of $46.9 million (December 31, 2015 - $34.8 million) and current debt of $0.5 million (December 31, 2015 - $nil).

(c) Market risk

(i) 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's exposure to interest rate risk is limited to its loan agreement with Red Kite, which is subject to an interest rate of LIBOR plus 6% with a minimum LIBOR of 1%. With other variables, unchanged, a 1% change in the annualized interest rate would not result in a material change in the Company's interest expense for year ended December 31, 2016.

(ii) Foreign currency risk

The Company is exposed to foreign currency risk through its foreign currency monetary assets and liabilities.

A significant change in the currency exchange rate between the US dollar and Canadian dollar (C$) and South African rand (ZAR) could have an effect on the Company's results of operations, financial position and cash flows. During the year ended December 31, 2015, the Company had entered into a series of forward contracts to purchase a total of ZAR 346.6 million in exchange for Canadian and US dollars at specified exchange rates; all such contracts expired by February 2016. The Company at present has not entered into any further derivative instruments to reduce its exposure to currency risk, however, management monitors differing currency needs and tries to reduce its exposure to currency risks through exchanging currencies at what are considered to be optimal times.

(iii) Price risk

Other price risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from currency risk or interest rate risk. The Company poured its first gold in January 2016 and starting selling refined gold during the first quarter 2016. The Company's future cash flows fluctuate due to changes in gold and silver prices. The Company has not hedged any precious metal sales as part of the Company's overall strategy.

A 10% increase or decrease in the gold price as at December 31, 2016 and December 31, 2015, with all other variables held constant, would have resulted in a $11.4 million increase (decrease) to after-tax net income (loss) (2015 - $nil).

(d) Fair values

(i) Foreign currency forward contracts derivative

During the year ended December 31, 2015, the Company entered into a series of forward contracts to purchase ZAR in exchange for Canadian and US dollars at specified exchange rates. These forward contracts had settlement terms that range from one month to eleven months.

At December 31, 2015, the Company had outstanding foreign currency forward contracts to buy ZAR 6.0 million in exchange for C$0.6 million with settlement dates between one and two months.

The fair values of outstanding foreign currency forward contracts are determined using the forward rates at the measurement date, with the resulting value discounted to present value and are categorized within level 2 of the fair value hierarchy.

All such forward contracts expired by February 2016 and as such there is no forward contract derivative liability recorded by the Company as at December 31, 2016. At December 31, 2015, the outstanding contracts had a carrying value and fair value of $37.

13.2 Other risks and uncertainties

The Company's business, operations and future prospects are subject to significant risks. For details of these risks, please refer to the risk factors set forth in the Company's Annual Information Form for the year-ended December 31, 2016, which can be found under the Company's corporate profile on SEDAR at www.sedar.com, and the Company's Form 40-F Annual Report for the year-ended December 31, 2016, which can be found on EDGAR at www.sec.gov. These risks could materially affect the Company's business, operations, prospects and share price and could cause actual events to differ materially from those described in forward-looking statements relating to the Company. Additional risks and uncertainties not presently known to the Company or that the Company currently considers immaterial may also impair the business, operations, prospects and share price of the Company. If any of the risks actually occur, the business of the Company may be harmed and its financial condition and results of operations may suffer significantly.

14) Internal control

14.1 Disclosure Controls and Procedures

Evaluation of Disclosure Controls and Procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Company's Chief Executive Officer and Chief Financial Officer, on a timely basis so that appropriate decisions can be made regarding public disclosure. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Management of the Company, with the participation of the Chief Executive Officer and the Chief Financial Officer, have evaluated the design and effectiveness of the Company's disclosure controls and procedures and the design as required by Canadian and United States securities legislation, and have concluded that, as of December 31, 2016, such procedures are adequate to ensure accurate, complete and timely disclosures in public filings.

14.2 Internal Controls Over Financial Reporting

The Company's management, with the participation of its President and Chief Executive Officer and Chief Financial Officer, is responsible for establishing and maintaining adequate internal control over financial reporting. Under the supervision of the President and Chief Executive Officer and Chief Financial Officer, the Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company's internal control over financial reporting includes policies and procedures that:

- pertain to the maintenance of records that accurately and fairly reflect, in reasonable detail, the transactions and dispositions of assets of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS and that the Company's receipts and expenditures are made only in accordance with authorizations of management and the Company's Directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Company's consolidated financial statements.

The Company's management, with the participation of its President and Chief Executive Officer and its Chief Financial Officer, assessed the effectiveness of the Company's internal control over financial reporting. In making this assessment, management used the criteria set forth in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, management and the President and Chief Executive Officer and Chief Financial Officer have concluded that, as of December 31, 2016, the Company's internal control over financial reporting was effective.

There has been no change in the Company's internal control over financial reporting during the year ended December 31, 2016 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting, with the exception of new controls which have been implemented with respect to the recording of financial results upon and since the commencement of commercial production.

14.3 Limitations of controls and procedures

The Company's management, including the President and Chief Executive Officer and Chief Financial Officer, believes that any disclosure controls and procedures or internal control over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any control system also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

15) Cautionary statements

15.1 Cautionary statement on forward-looking information

This MD&A may contain "forward-looking statements" which reflect the Company's current expectations regarding the future results of operations, performance and achievements of the Company, including but not limited to statements with respect to the Company's plans or future financial or operating performance, the estimation of mineral reserves and resources, conclusions of economic assessments of projects, the timing and amount of estimated future production, costs of future production, future capital expenditures, costs and timing of the development of deposits, success of exploration activities, permitting time lines, requirements for additional capital, sources and timing of additional financing, realization of unused tax benefits and future outcome of legal and tax matters.

The Company has tried, wherever possible, to identify these forward-looking statements by, among other things, using words such as "anticipate," "believe," "estimate," "expect", "budget", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". The statements reflect the current beliefs of the management of the Company, and are based on currently available information. Accordingly, these statements are subject to known and unknown risks, uncertainties and other factors, which could cause the actual results, performance, or achievements of the Issuer to differ materially from those expressed in, or implied by, these statements. These uncertainties are factors that include but are not limited to risks related to international operations; risks related to general economic conditions and credit availability, uncertainty related to the resolution of legal disputes and lawsuits; actual results of current exploration activities, unanticipated reclamation expenses; fluctuations in prices of gold; fluctuations in foreign currency exchange rates, increases in market prices of mining consumables, possible variations in mineral resources, grade or recovery rates; accidents, labour disputes, title disputes, claims and limitations on insurance coverage and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities, changes in national and local government regulation of mining operations, mineral tenure rules, tax rules and regulations, and political and economic developments in countries in which the Company operates, as well as those factors discussed in the Company's AIF for the year-ended December 31, 2016, and it's 40-F filing for the year ended December 31, 2016, available under the Company's profile on SEDAR at www.sedar.com and EDGA at www.sec.gov.

The Company's management reviews periodically information reflected in forward-looking statements. The Company has and continues to disclose in its Management's Discussion and Analysis and other publicly filed documents, changes to material factors or assumptions underlying the forward-looking statements and to the validity of the statements themselves, in the period the changes occur.

Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations. Historically, the Company's operations have been primarily funded from debt and share issuances, as well as the exercise of share-based options. The Company has had and may have in future capital requirements in excess of its currently available resources. In the event the Company's plans change, its assumptions change or prove inaccurate, or its capital resources in addition to projected cash flow, if any, prove to be insufficient to fund its future operations, the Company may be required to seek additional financing.

Although the Company has been successful in raising capital, there can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future.

Readers are cautioned that there can be no certainty that Expansion Projects (Project 5M and Project 10M) of the AGM will be built or that the overall conclusions of the Expansion DFS will confirm the June 29, 2016 PFS outcomes for the AGM, which is available under the Company's profile on SEDAR at www.sedar.com.

15.2 Cautionary note for United States investors

As a British Columbia corporation and a "reporting issuer" under Canadian securities laws, the Company is subject to certain rules and regulations issued by Canadian Securities Administrators. The Company is required to provide detailed information regarding its properties including mineralization, drilling, sampling and analysis, on security of samples and mineral reserve estimates under Canadian National Instrument 43-101 ("NI 43-101"). The United States Securities and Exchange Commission applies different standards than the standards under NI 43-101 in order to classify mineralization as a reserve. Accordingly, mineral reserve estimates contained in this MD&A may not qualify as "reserves" under SEC standards. Further, the Company describes any mineral resources associated with its properties utilizing terminology such as "measured resources", "indicated resources" or "inferred resources" which are terms recognized by Canadian regulators under NI 43-101 but not recognized by the United States' Securities and Exchange Commission. United States investors are cautioned not to assume that any part or all of the mineral deposits in these categories will ever be converted into mineral reserves. These terms have a greater amount of uncertainty as to their existence and feasibility than reserves recognized by the United States Securities and Exchange Commission. Further, "inferred resources" have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically. Therefore, United States investors are also cautioned not to assume that all or any part of the "inferred resources" exist. United States investors are also cautioned that disclosure of exploration potential is conceptual in nature by definition and there is no assurance that exploration of the mineral potential identified will result in any category of NI 43-101 mineral resources being identified.

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Internet www.kpmg.ca

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors of Asanko Gold Inc.

We consent to the use of our reports, each dated March 15, 2017 with respect to the consolidated financial statements and the effectiveness of internal control over financial reporting included in this annual report on Form 40-F.

/s/ KPMG LLP

Chartered Professional Accountants

March 15, 2017
Vancouver, Canada

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.

EXHIBIT 99.9

VIA EDGAR

TO: United States Securities and Exchange Commission

Re: Asanko Gold Inc. (the "Company")
Annual Report on Form 40-F
Consent of Expert

This consent is provided in connection with the Company's annual report on Form 40-F for the financial year ended December 31, 2016, and any amendments thereto (the "**Annual Report**"), as filed by the Company with the United States Securities and Exchange Commission. The Annual Report incorporates by reference, among other things, the Company's Annual Information Form for the financial year ended December 31, 2016 (the "**Annual Information Form**"), and the Management's Discussion and Analysis for the year ended December 31, 2016 (the "**MD&A**").

I, Charles Muller, **DO HEREBY CONSENT**, to:

- the use of my name and the disclosure of my involvement in the preparation of information that forms the basis for disclosure of a technical and scientific nature related to the Company's Asanko Gold Mine, contained in the Annual Information Form;
- the use of my name and the disclosure of me as the person responsible for verifying of certain scientific and technical information contained in the MD&A in respect of the Asanko Gold Mine; and
- the inclusion and incorporation by reference of such information in the Annual Report.

Dated March 15, 2017

/s/ Charles Johannes Muller
Charles Johannes Muller
B. Sc. Hons (Geology)
B. Sc. Hons (Geology) Pr. Sci. Nat.
Director – Mineral Resources
CJM Consulting (Pty) Ltd

EXHIBIT 99.10

VIA EDGAR

TO: United States Securities and Exchange Commission

Re: Asanko Gold Inc. (the "Company")
Annual Report on Form 40-F
Consent of Expert

This consent is provided in connection with the Company's annual report on Form 40-F for the financial year ended December 31, 2016, and any amendments thereto (the "**Annual Report**"), as filed by the Company with the United States Securities and Exchange Commission. The Annual Report incorporates by reference, among other things, the Company's Annual Information Form for the financial year ended December 31, 2016 (the "**Annual Information Form**").

I, Glenn Bezuidenhout, **DO HEREBY CONSENT**, to:

- the use of my name and the disclosure of my involvement in the preparation of information that forms the basis for disclosure of a technical and scientific nature related to the Company's Asanko Gold Mine, contained in the Annual Information Form; and
- the inclusion and incorporation by reference of such information in the Annual Report.

Dated March 15, 2017

/s/ Glenn Bezuidenhout
Glenn Bezuidenhout
National Diploma (Extractive Metallurgy), FSIAMM
DRA Mineral Projects (Pty) Ltd

EXHIBIT 99.11

VIA EDGAR

TO: United States Securities and Exchange Commission

Re: Asanko Gold Inc. (the "Company")
Annual Report on Form 40-F
Consent of Expert

This consent is provided in connection with the Company's annual report on Form 40-F for the financial year ended December 31, 2016, and any amendments thereto (the "**Annual Report**"), as filed by the Company with the United States Securities and Exchange Commission. The Annual Report incorporates by reference, among other things, the Company's Annual Information Form for the financial year ended December 31, 2016 (the "**Annual Information Form**"), and the Management's Discussion and Analysis for the year ended December 31, 2016 (the "**MD&A**").

I, Thomas K. Obiri-Yeboah, **DO HEREBY CONSENT**, to:

- the use of my name and the disclosure of my involvement in the preparation of information that forms the basis for disclosure of a technical and scientific nature related to the Company's Asanko Gold Mine, contained in the Annual Information Form;
- the use of my name and the disclosure of me as the person responsible for verifying of certain scientific and technical information contained in the MD&A in respect of the Asanko Gold Mine; and
- the inclusion and incorporation by reference of such information in the Annual Report.

Dated March 15, 2017

/s/ Thomas K. Obiri-Yeboah
Thomas K. Obiri-Yeboah
B. Sc Eng (Mining), Pr Eng
DRA Mining (Pty) Ltd.

EXHIBIT 99.12

VIA EDGAR

TO: United States Securities and Exchange Commission

Re: Asanko Gold Inc. (the "Company")
Annual Report on Form 40-F
Consent of Expert

This consent is provided in connection with the Company's annual report on Form 40-F for the financial year ended December 31, 2016, and any amendments thereto (the "**Annual Report**"), as filed by the Company with the United States Securities and Exchange Commission. The Annual Report incorporates by reference, among other things, the Company's Annual Information Form for the financial year ended December 31, 2016 (the "**Annual Information Form**").

I, Doug Heher, **DO HEREBY CONSENT**, to:

- the use of my name and the disclosure of my involvement in the preparation of information that forms the basis for disclosure of a technical and scientific nature related to the Company's Asanko Gold Mine, contained in the Annual Information Form; and
- the inclusion and incorporation by reference of such information in the Annual Report.

Dated March 15, 2017

/s/ Doug Heher
Doug Heher
B.Sc Eng (Mechanical), Pr Eng.
DRA Mineral Projects (Pty) Ltd.

EXHIBIT 99.13

VIA EDGAR

TO: United States Securities and Exchange Commission

Re: Asanko Gold Inc. (the "Company")
Annual Report on Form 40-F
Consent of Expert

This consent is provided in connection with the Company's annual report on Form 40-F for the financial year ended December 31, 2016, and any amendments thereto (the "**Annual Report**"), as filed by the Company with the United States Securities and Exchange Commission. The Annual Report incorporates by reference, among other things, the Company's Annual Information Form for the financial year ended December 31, 2016 (the "**Annual Information Form**").

I, John Stanbury, **DO HEREBY CONSENT**, to:

- the use of my name and the disclosure of my involvement in the preparation of information that forms the basis for disclosure of a technical and scientific nature related to the Company's Asanko Gold Mine, contained in the Annual Information Form; and
- the inclusion and incorporation by reference of such information in the Annual Report.

Dated March 15, 2017

/s/ J S Stanbury
J S Stanbury
Pr Eng.
Cresco Project Finance (Pty) Ltd.

EXHIBIT 99.14

VIA EDGAR

TO: United States Securities and Exchange Commission

Re: Asanko Gold Inc. (the "Company")
Annual Report on Form 40-F
Consent of Expert

This consent is provided in connection with the Company's annual report on Form 40-F for the financial year ended December 31, 2016, and any amendments thereto (the "**Annual Report**"), as filed by the Company with the United States Securities and Exchange Commission. The Annual Report incorporates by reference, among other things, the Company's Annual Information Form for the financial year ended December 31, 2016 (the "**Annual Information Form**").

I, David Morgan, **DO HEREBY CONSENT**, to:

- the use of my name and the disclosure of my involvement in the preparation of information that forms the basis for disclosure of a technical and scientific nature related to the Company's Asanko Gold Mine, contained in the Annual Information Form; and
- the inclusion and incorporation by reference of such information in the Annual Report.

Dated March 15, 2017

/s/ David Morgan
David Morgan
M.Sc. Eng (Civil), CP Eng
Managing Director
Knight Piesold Pty Ltd

EXHIBIT 99.15

VIA EDGAR

TO: United States Securities and Exchange Commission

Re: Asanko Gold Inc. (the "Company")
Annual Report on Form 40-F
Consent of Expert

This consent is provided in connection with the Company's annual report on Form 40-F for the financial year ended December 31, 2016, and any amendments thereto (the "**Annual Report**"), as filed by the Company with the United States Securities and Exchange Commission. The Annual Report incorporates by reference, among other things, the Company's Annual Information Form for the financial year ended December 31, 2016 (the "**Annual Information Form**"), and the Management's Discussion and Analysis for the year ended December 31, 2016 (the "**MD&A**").

I, Malcolm Titley, CSA Global Pty Ltd Principal Geologist, **DO HEREBY CONSENT**, to:

- the use of my name and the disclosure of me in the Annual Information Form as the person responsible for approving the new mineral resource estimates for the Nkran deposit and the Dynamite Hill deposit, each forming part of the Asanko Gold Mine located in Ghana, West Africa;
- the use of my name and the disclosure of me as the person responsible for verifying of certain scientific and technical information contained in the MD&A in respect of the Asanko Gold Mine; and
- the inclusion and incorporation by reference of such information in the Annual Report.

Dated March 15, 2017

/s/ Malcolm Titley
Malcolm Titley, AIG

EXHIBIT 99.16

VIA EDGAR

TO: United States Securities and Exchange Commission

Re: Asanko Gold Inc. (the "Company")
Annual Report on Form 40-F
Consent of Expert

This consent is provided in connection with the Company's annual report on Form 40-F for the financial year ended December 31, 2016, and any amendments thereto (the "**Annual Report**"), as filed by the Company with the United States Securities and Exchange Commission. The Annual Report incorporates by reference, among other things, the Company's Annual Information Form for the financial year ended December 31, 2016 (the "**Annual Information Form**"), and the Management's Discussion and Analysis for the year ended December 31, 2016 (the "**MD&A**").

I, Philip Bentley, Company Executive: Geology and Resources (Pr.Sci.Nat.), **DO HEREBY CONSENT**, to:

- the use of my name and the disclosure of me in the Annual Information Form as the person responsible for approving the new mineral resource estimates for the Nkran deposit and the Dynamite Hill deposit, each forming part of the Asanko Gold Mine located in Ghana, West Africa;
- The use of my name and the disclosure of me as the person responsible for verifying of certain scientific and technical information contained in the MD&A in respect of the Asanko Gold Mine; and
- the inclusion and incorporation by reference of such information in the Annual Report.

Dated March 15, 2017

/s/ Philip Bentley
Philip Bentley, Pr.Sci.Nat.

EXHIBIT 99.17

VIA EDGAR

TO: United States Securities and Exchange Commission

Re: Asanko Gold Inc. (the "Company")
Annual Report on Form 40-F
Consent of Expert

This consent is provided in connection with the Company's annual report on Form 40-F for the financial year ended December 31, 2016, and any amendments thereto (the "**Annual Report**"), as filed by the Company with the United States Securities and Exchange Commission. The Annual Report incorporates by reference, among other things, the Company's Annual Information Form for the financial year ended December 31, 2016 (the "**Annual Information Form**"), and the Management's Discussion and Analysis for the year ended December 31, 2016 (the "**MD&A**").

I, Frederik Fourie, Senior Mine Engineer for the Company, **DO HEREBY CONSENT**, to:

- the use of my name and the disclosure of me as the person responsible for verifying of certain scientific and technical information contained in the Annual Information Form in respect of the Asanko Gold Mine;
- the use of my name and the disclosure of me as the person responsible for verifying of certain scientific and technical information contained in the MD&A in respect of the Asanko Gold Mine; and
- the inclusion and incorporation by reference of such information in the Annual Report.

Dated March 15, 2017

/s/ Frederik Fourie
Frederik Fourie
Pr.Eng.