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, 2017**

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)

Puglisi & Associates
850 Library Avenue, Suite 204
Newark, Delaware
United States 19711
Tel: (302) 738-6680
(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:
203,449,957 Common Shares as of December 31, 2017

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 [X] No [ ]

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 12b-2 of the Exchange Act.

Emerging growth company [ ]

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

[ ]

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, 2017;
- the Company's Audited Consolidated Financial Statements as at December 31, 2017 and 2016, and the notes thereto; and
- the Company's Management Discussion and Analysis for the year ended December 31, 2017.

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 development, 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 IFRS as issued by 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, 2017, based upon the noon rate published by the Bank of Canada, was U.S.$1.00=CDN$ 1.2545. The exchange rate of United States dollars into Canadian dollars, on March 14, 2018, based upon the noon rate as published by the Bank of Canada, was U.S.$1.00=CDN$ 1.2944.

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, 2017, our disclosure controls and procedures, as defined in Rule 13a-15(e), were effective. See "Internal Controls" on page 31 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, 2017. There have been no changes in the Company's internal control over financial reporting during the year ended December 31, 2017 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

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, 2017, 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, 2017, but is doing so voluntarily. KPMG LLP has audited the Company's internal control over financial reporting as at December 31, 2017 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$743,036 for the year ended December 31, 2017 and C$768,049 for the year ended December 31, 2016. 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 20 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/Governance/Governance-Documents/default.aspx.

Amendments or Waivers

During the fiscal year ended December 31, 2017, 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, 2017.

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, 2017 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, 2018.

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, 2017
99.6	Audited consolidated statements of financial position as at December 31, 2017 and 2016 and the consolidated statements of operations and comprehensive income (loss), changes in equity, and cash flows for the years ended December 31, 2017 and 2016, 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, 2017
99.7	Management's discussion and analysis of financial condition and results of operations for the year ended December 31, 2017
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 Godknows Njowa
99.14	Consent of David Morgan
99.15	Consent of Malcolm Titley
99.16	Consent of Phil Bentley
99.17	Consent of Frederik Fourie
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

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, 2017.

(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 16, 2018

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, 2017.

(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 16, 2018

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, 2017 (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 16, 2018

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, 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, 2017 (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 16, 2018



ASANKO GOLD INC.

ANNUAL INFORMATION FORM

FOR THE YEAR ENDED DECEMBER 31, 2017

DATED AS OF MARCH 15, 2018

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

TABLE OF CONTENTS

PRELIMINARY NOTES	3
CAUTIONARY NOTE TO US INVESTORS REGARDING DISCLOSURE OF MINERAL RESERVE AND RESOURCE ESTIMATES	3
CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION	4
GLOSSARY	6
CORPORATE STRUCTURE	13
DESCRIPTION AND GENERAL DEVELOPMENT OF BUSINESS	16
MINERAL PROPERTIES	26
RISK FACTORS	75
DIVIDENDS AND DISTRIBUTIONS	93
DESCRIPTION OF CAPITAL STRUCTURE	90
MARKET FOR SECURITIES	90
PRIOR SALES	91
DIRECTORS AND EXECUTIVE OFFICERS	91
LEGAL PROCEEDINGS AND REGULATORY ACTIONS	94
INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS	95
TRANSFER AGENT AND REGISTRAR	95
MATERIAL CONTRACTS	95
INTERESTS OF EXPERTS	95
ADDITIONAL INFORMATION	96

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, 2017, unless otherwise indicated.

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

This AIF has been prepared in accordance with the requirements of Canadian provincial securities laws, which differ from the requirements of U.S. securities laws. Unless otherwise indicated, all reserve and resource estimates included in this AIF have been prepared in accordance with Canadian National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* ("NI 43-101") and the 2014 CIM Definition Standards on Mineral Resources and Reserves (the "CIM Definition Standards") adopted by the Canadian Institute of Mining, Metallurgy and Petroleum (the "CIM Council"). 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.

This AIF includes mineral reserve estimates that have been calculated in accordance with NI 43-101 and CIM Standards, as required by Canadian securities regulatory authorities. The terms "mineral reserve", "proven mineral reserve" and "probable mineral reserve" are Canadian mining terms as defined in accordance with NI 43-101 and CIM standards. These definitions differ from the definitions adopted by the United States Securities and Exchange Commission (the "SEC") in the SEC's Industry Guide 7.

In addition, this AIF 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, these terms are not defined terms under SEC Industry Guide 7, are not recognized by the SEC and are normally not permitted to be used in reports and registration statements filed with the SEC. Investors are cautioned not to assume that any part or all of the mineral deposits in these categories will ever be converted into either NI 43-101 or SEC defined 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, except in rare cases.

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 AIF is economically or legally mineable.

Disclosure of "contained ounces" in a resource is permitted disclosure under Canadian regulations; however, the SEC normally only permits issuers to report mineralization that does not constitute "reserves" by SEC Industry Guide 7 standards as in place tonnage and grade without reference to unit measures.

For the above reasons, information contained in this AIF containing descriptions of the Company's 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.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

The Company cautions readers regarding forward-looking statements found in this AIF and in any other statement made by, or on the behalf of the Company. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "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. 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 from the Asanko Gold Mine (the "AGM"), including production rates and gold recovery,
- operating costs with respect to the operation of the AGM,
- capital expenditures that are required to sustain and expand mining activities,
- the timing and costs associated with the Company's expansion plans for the AGM,
- the availability of capital to fund the Company's expansion plans,
- the 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 and remediation measures,
- unanticipated reclamation expenses,
- 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 reflect the Company'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. 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. The Company's actual future results or performance are subject to certain risks and uncertainties including but not limited to:

- the value of the Company's reserves and its outlook for profitable mining from its operations is dependent on gold prices continuing to be around $1,250 and on the Company achieving planned production rates and life-of-mine all-in sustaining costs per ounce of gold sold. Gold prices are driven by many factors including industrial demand and jewellery use, but gold also has speculative investment demand and so prices have been historically volatile and can be subject to long periods of depressed prices;
- the estimation of mineral resources and reserves is, to a significant degree, a subjective process, the accuracy of which is a function of the quantity and quality of available data and the assumptions made in the engineering and geological interpretation of that data and such assumptions and judgment, may prove mistaken. The Company's estimates of resources and reserves may be subject to revision based on various factors, some of which are beyond our control, for example due to natural variations in underground structures and future gold price fluctuations;
- 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, indigenous population concerns and export regulations;
- operational risks associated with mining and mineral processing including experiencing lower grades than estimated, lower metal recovery than projected, lower metals prices than anticipated, unavailability of power and energy 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;
- other mining risks which affect all companies in the industry to various degrees include impact and cost of compliance with environmental regulations and the actions of groups opposed to mining, adverse changes in mining and reclamation laws and compliance with increasingly complex worker health and safety rules; and
- the risk factors described under the heading “Risk Factors” in, or incorporated by reference in, this AIF.

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 the Company’s control and many of which, regarding future business decisions, are subject to change. Assumptions underlying the Company’s expectations regarding forward-looking statements or information contained in this AIF include, among others:

- the price of gold will not decline significantly or for a protracted period of time,
- the AGM will not experience any significant production disruptions that would materially affect revenues,
- 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 will have sufficient working capital necessary to sustain operations on an ongoing basis,
- 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 cannot be considered exhaustive.

Although the Company 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 should be considered carefully and readers should not place undue reliance on the Company’s forward-looking statements. 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.

GLOSSARY

We use the following defined terms in this AIF:

AARL	Anglo American Research Laboratories
AGM	Our principal asset, the Asanko Gold Mine located in Ghana, West Africa. The AGM is also known as the “Project”.
AISC/oz (all-in sustaining cost per ounce of gold)	This is a non-GAAP financial measurement which the Company has adopted using World Gold Council's guidance for calculation of this number. AISC include total cash costs, corporate overhead expenses, sustaining capital expenditure, capitalized stripping costs and reclamation cost accretion for each ounce of gold sold. AISC is intended to assist the comparability of the Company’s operations with those of other gold producers who disclose operating results using the same or similar guidance standards.
Asanko or the “Company”	Asanko Gold Inc.
Asanko Gold Ghana	Asanko Gold Ghana Limited, a 90% owned Ghanaian subsidiary of Asanko Gold. The Government of Ghana has a 10% free carried interest in the Project under Section 8 of the Ghanaian Mining Act.
Au	Chemical symbol for gold.
Base Case or Phase 1	Phase 1 of the Project refers to the initial development of the Project to supply a 3Mtpa mill feed from the Nkran pit and four satellite deposits which entered into commercial production on April 1, 2016.
BCBCA	*Business Corporations Act* (British Columbia).
brownfields	a reference to a mining project situated in an existing mining area with the result that environmental approval procedures are generally expedited (as contrasted with a “greenfields” project which is a mine proposed for a previously non- mining area or an altogether undisturbed area.
Carbon-in-leach process or “CIL”	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.
CFPOA	Corruption of Foreign Public Officials Act of 1998, a law in force in Canada.
concentrate	a product containing the valuable metal and from which most of the waste material in the ore has been eliminated.
contained ounces	ounces in the mineralized rock without reduction due to mining loss or processing loss.

CSA	CSA Global Pty Ltd., a geological, mining and management consulting company operating in numerous prominent mining jurisdictions.
CSR	corporate social responsibility.
cut-off grade	the lowest grade of mineralized material considered economic; used in the estimation of mineral reserves in a given deposit.
DCF Model	discounted cash flow model
depletion	the decrease in quantity of mineral reserves in a deposit or property resulting from extraction or production during a particular period.
DFS and 12/17 DFS	the "Definitive Feasibility Study" technical report for the Asanko Gold Mine originally filed on SEDAR on July 18, 2017, which was subsequently amended and restated on December 20, 2017 (the latter version is herein the "12/17 DFS").
DSFA	the Definitive Senior Facilities Agreement with Red Kite, which was fully drawn for a total of $150 million plus $13.9 million in unpaid interest that was accrued up to May 2016.
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.
EPA	the Ghanaian Environmental Protection Agency
ESIA	Environmental and Social Impact Assessment
Exchange Act	The *United States Securities Exchange Act of 1934* , as amended
FCPA	The *Foreign Corrupt Practices Act of 1977*, a United States federal law
FEED	Front End Engineering and Design for the plant upgrade and the overland conveyor associated with P5M and P10M.
Ghana	The Republic of Ghana
g/t Au	Reference to ore grade in terms of grams of gold per tonne (1 gm/t is equivalent to one part per million)
grade	the relative quantity or percentage of metal or mineral content.
H1	the first half of our fiscal year
H2	the second half of our fiscal year
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.
IRR	internal rate of return
IT	information technology
LoM	Life of mine
LTIFR	rolling lost time injury frequency rate per million man-hours worked.
Moz	million ounces.
MRE	Mineral Resource Estimate
MRev	Mineral Reserve Estimate
Mt	Million tonnes
Mtpa	Mt per annum
NI 43-101	Canadian National Instrument 43-101 - *Standards of Disclosure for Mineral Projects*, as adopted by the Canadian Securities Administrators
NPV	net present value
NSR	net smelter returns.
NYSE American	The NYSE American, formerly known as the NYSE MKT and prior to that the NYSE Amex
ounce	refers to one troy ounce, which is equal to 31.1035 grams
Phase 1 or Base Case	Phase 1 of the Project refers to the initial development of the Project to supply a 3Mtpa mill feed from the Nkran pit and four satellite deposits which entered into commercial production on April 1, 2016
PMI	PMI Gold Corp. which was acquired by Asanko in 2014 and which previously developed the Obotan deposit.
Project	the Asanko Gold Mine, also known as the “AGM”
Project 5M or P5M	Project 5M (or “P5M”) is a two-stage planned upgrade to the AGM with first stage being the upgrade of the CIL plant’s throughput to 5Mtpa and the second stage to expand mining operations to integrate the Esaase deposit, including the construction of a 27-kilometer overland ore conveyor. Stage one has an estimated capital cost of $22 million and the stage two cost is estimated in the 12/17 DFS at $128 million. In addition, management expects to install a permanent secondary crusher ($4.0 million) and upgraded mill motors ($1.0 Million) in 2018, which are not contemplated in the 12/17 DFS.
Project 10M or P10M	Project 10M (or “P10M”) means a future expansion project of the AGM which has the potential to increase production from about 200,000 ounces per annum to over 450,000 ounces per annum. Project 10M requires the construction of an additional 5Mtpa CIL plant to double throughput from 5Mtpa to 10Mtpa at an estimated cost of some $200 million.

Q	refers to a fiscal quarter.
QA/QC	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 (a method of 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
Red Kite	a special purpose vehicle of RK Mine Finance Trust I, the counterparty to the DSFA
ROM	run of mine
royalty	cash payment or physical payment (in-kind) generally expressed as a percentage of NSR or mine production.
RQD	rock quality designation.
SAG	semi-autogenous grinding (ore is tumbled to smash against itself)
SEDAR	System for Electronic Document Analysis and Retrieval available on the Internet at www.sedar.com, (the Canadian securities regulatory filings website)
SEC	the United States Securities and Exchange Commission
SIB	Stay-in-business Capital
SMBS	Sodium Meta Bi Sulfate
stripping	in mining, the process of removing overburden or waste rock to expose ore
SO_2	Sulfur dioxide
Spot price	the current price of a metal for immediate delivery.
tailings	the material that remains after metals or minerals considered economic have been removed from ore during processing
Tailings Storage Facility or **TSF** **tonne**	a containment area used to deposit tailings from milling commonly referred to as the metric ton in the United States, is a metric unit of mass equal to 1,000 kilograms; it is equivalent to approximately 2,204.6 pounds, 1.102 short tons (US) or 0.984 long tons (imperial).

TSX	Toronto Stock Exchange
U.S. Securities Act	The United States Securities Act of 1933, as amended
volatility	propensity for variability. A market or share is volatile when it records rapid variations.
WAD	weak acid dissociable, often used with reference to cyanide concentration

GLOSSARY OF CERTAIN TECHNICAL TERMS

This AIF uses the certain technical terms presented below as they are defined in accordance with the CIM Definition Standards. Unless otherwise indicated, all reserve and resource estimates contained in or incorporated by reference in this Prospectus have been prepared in accordance with the CIM Standards, as required by NI 43-101. The following definitions are reproduced from the latest version of the CIM Standards, which were adopted by the CIM Council on May 10, 2014:

feasibility study	A comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable modifying factors together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate, at the time of reporting, that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a pre-feasibility study. The Company uses the term “12/17 DFS” to describe its current definitive feasibility study.
indicated mineral resource	That part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of modifying factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation. An indicated mineral resource has a lower level of confidence than that applying to a measured mineral resource and may only be converted to a probable mineral reserve.
inferred mineral resource	That part of a mineral resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and may not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.
measured mineral resource	That part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing and is sufficient to confirm geological and grade or quality continuity between points of observation. A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proven Mineral Reserve or to a Probable Mineral Reserve.

mineral reserve	The economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. The reference point at which Mineral Reserves are defined, usually the point where the ore is delivered to the processing plant, must be stated. It is important that, in all situations where the reference point is different, such as for a saleable product, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported. The public disclosure of a Mineral Reserve must be demonstrated by a Pre-Feasibility Study or Feasibility Study.
mineral resource	A concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade or quality, continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling.
modifying factors	Considerations used to convert Mineral Resources to Mineral Reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.
pre- feasibility study	A comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the Modifying Factors and the evaluation of any other relevant factors which are sufficient for a Qualified Person, acting reasonably, to determine if all or part of the Mineral Resource may be converted to a Mineral Reserve at the time of reporting. A Pre-Feasibility Study is at a lower confidence level than a Feasibility Study.
probable mineral reserve	The economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Mineral Reserve is lower than that applying to a Proven Mineral Reserve.
proven mineral reserve	The economically mineable part of a Measured Mineral Resource. A Proven Mineral Reserve implies a high degree of confidence in the Modifying Factors.

CORPORATE STRUCTURE

Name, Address and Incorporation

The Company was incorporated on September 23, 1999 as a British Columbia corporation under the *Business Corporations Act* (British Columbia) (the "BCBCA.") The Company changed its corporate name to Asanko Gold Inc. on February 23, 2013. The Company completed the acquisition of PMI Gold Corporation ("PMI") on February 6, 2014 by way of a court approved plan of arrangement transaction.

The Company's primary asset is its AGM located on the Asankrangwa gold belt in Ghana.

The Company's common shares trade in Canada on the Toronto Stock Exchange (the "TSX") and in the United States on the NYSE American, each under the symbol "AKG". The Company 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's common shares are registered under Section 12(b) of the United States Securities Exchange Act of 1934, as amended.

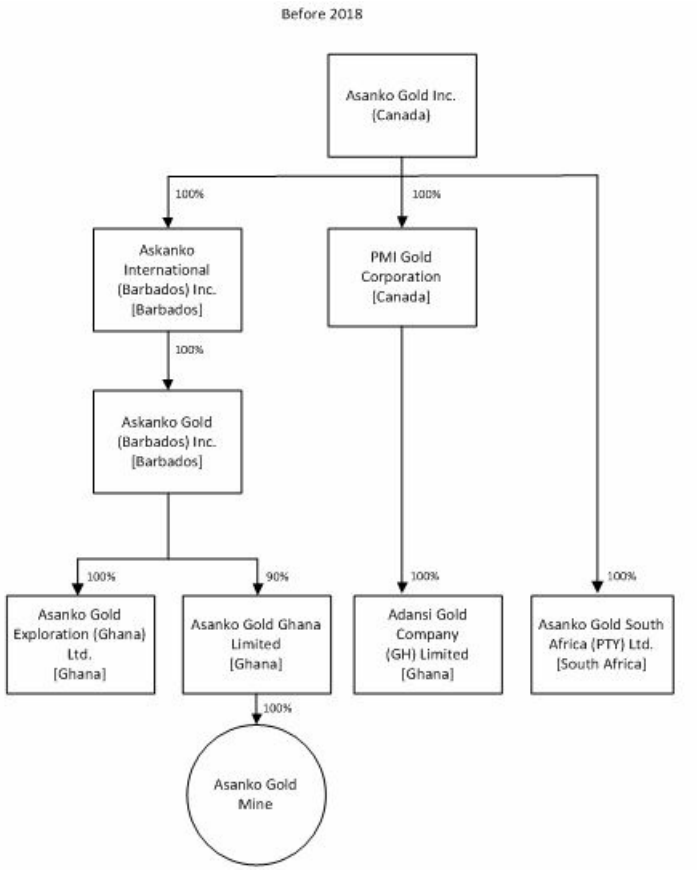
The Company's registered and records office is located at Suite 1500 Royal Centre, 1055 West Georgia Street, P.O. Box 11117, Vancouver, British Columbia, V6E 4N7. The Company's Canadian head office is located at Suite 680 – 1066 West Hastings Street, Vancouver, British Columbia, V6E 3X2.

Inter-corporate Relationships

The Company had the following subsidiaries as at December 31, 2017:

Subsidiary name	Jurisdiction	Ownership
Asanko Gold Ghana Limited	Ghana	90% (10% owned by Ghanaian Government)
Adansi Gold Company (GH) Limited	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%

The Company's inter-corporate relationships with its subsidiaries as at December 31, 2017 is illustrated in the chart below:



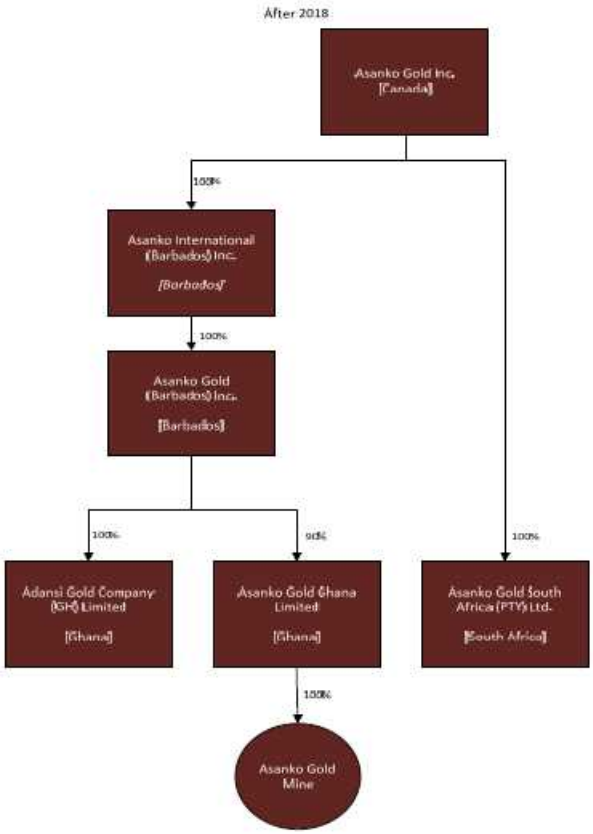
Reorganization of Corporate Structure

During early 2018, the Company commenced a reorganization of its corporate group structure which existed since its acquisition of the previously publicly traded PMI in 2014. The simplification is not expected to have material tax or financial consequences to shareholders, but is expected to result in some cost savings through elimination of redundant corporate entities and a more efficient structure. The reorganization is expected to be completed in Q1 2018 and is subject to approval by the government of Ghana.

The restructuring, once completed, is expected to include:

1. The amalgamation of Asanko Gold Inc. and PMI Gold Corp.
2. The assignment of unsecured subordinate intercompany debt (owing from Asanko Gold Ghana Limited to Adansi Gold Company (GH) Limited) from Adansi Gold Company (GH) Limited to Asanko Gold Inc.
3. The transfer of Asanko Gold Inc.'s 100% interest in Adansi Gold Company (GH) Limited to Asanko Gold (Barbados) Inc.

Following the completion of the restructuring, the Company's inter-corporate relationships with its subsidiaries are expected to be as follows:



DESCRIPTION AND GENERAL DEVELOPMENT OF THE BUSINESS

Summary

The Company is a Canadian-incorporated and headquartered gold producer with gold mining operations in Ghana. The Company's vision is to become a mid-tier mining company as a producer of gold via open pit mining and conventional processing of gold ores.

The Company's principal asset is the AGM located in Ghana, West Africa. The AGM was created in 2014 through the combination of the Company's Esaase Gold Project with PMI's Obotan Gold Project following the Company's acquisition of PMI. The AGM is a multi-deposit complex, with two main deposits, Nkran and Esaase, and nine satellite deposits. The mine is being developed in phases. The first phase comprised the construction of a 3 million tonne per annum ("Mtpa") carbon-in-leach ("CIL") processing facility and bringing the first pit, Nkran, into production ("Phase 1"). Phase 1 was funded by cash on hand and a $150 million debt facility (see section "*General Development of the Business – Debt Facilities with Red Kite*" below) and was completed in early 2016 within budget and ahead of schedule. Gold production commenced in January 2016, commencement of 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.

General Development of the Business

Debt Facilities with Red Kite

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"). The DSFA is presently fully drawn in the total outstanding principal amount of $150.0 million. Interest on the DSFA is calculated in advance on a quarterly basis at a rate of LIBOR +6%, subject to a floor LIBOR rate of 1%. The Company can elect to repay the DSFA, or a portion thereof, early without penalty. During Q2 2016, the DSFA was amended in order to defer the repayment of the principal for two years (being the principal deferral period). The amendment provided that the first principal repayment of approximately $18.0 million would be payable on July 1, 2018 after which the facility was scheduled to be repaid in nine equal quarterly installments, with the last repayment on July 1, 2020. On February 22, 2018, the Company agreed to a new term sheet with Red Kite (the "RK Term Sheet"), whereby the Company would be able to defer the repayment of principal associated with the long-term debt by up to three years (repayment commencing on July 2021). An initial one-year deferral is subject primarily to fees and the finalization of definitive documentation, while a further two-year deferral is subject to additional customary conditions precedent which would have to be complied with by June 30, 2019. The Company would continue to pay quarterly interest on the loan facility during the principal deferral period.

Performance under the DSFA is fully secured by the assets of the Company's Ghanaian subsidiaries and guaranteed by the Company. There are no gold hedging provisions, cash sweep requirements or other restrictions usually associated with traditional project finance facilities of this nature.

Offtake Agreement

In October 2013, the Company entered into an offtake agreement with Red Kite in connection with the DSFA, 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 of the AGM to a maximum of 2.2 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 is 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 DSFA, subject to the payment of a termination fee in an amount dependent 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.

During the years ended December 31, 2017 and 2016, the Company sold 206,079 ounces and 147,950 ounces to Red Kite under the Offtake Agreement and recorded revenue of $243.4 million and $184.5 million, respectively.

Fiscal 2015 (Year ended December 31, 2015)

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 Project.

During 2015, the Company focused 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 neared completion, with over 19Mt of material mined.

Ore mined to December 31, 2015 had been mostly from zones that were in the inferred category, which did not form an integral part of the mine plan, and were located peripheral to the main orebodies, which were exposed as the mining pushback 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 was commissioned and ramped up to steady-state. The ore from these zones was verified by RC grade control drilling where access permitted.

Commencing in 2015, mining rates were 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 those 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.

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

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

Commissioning of the crusher was achieved with waste on December 10, 2015.

The tailings pipeline and return water system components of the tailings storage facility (the “TSF”) were completed and the Ghanaian Environmental Protection Agency (the “EPA”) conducted its final inspection of the TSF and confirmed that all conditions of the permit had been met.

The Company also advanced engineering of the next phase of development of the project (which would ultimately become the basis of the P5M and P10M expansion plans, as discussed below).

Fiscal 2016 (Year ended December 31, 2016)

The Company completed the finalization of capital expenditures on Phase 1 of the AGM for $292 million, approximately $3 million under the budget of $295 million.

Ore commissioning of the milling and CIL circuits was completed in Q1 2016. On April 1, 2016, the Company declared commercial production for Phase 1 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 2016.

During the second quarter of 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 were considered to be a modification of the previous DSFA; the deferral fee of $3.275 million was paid during the second quarter 2016 and was 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 completed the acquisition of a new exploration target, Akwasiso, located 9kms north-east of the processing facility. The Company completed 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 results of the drill program would be included in the definitive feasibility study that was published on July 18, 2017 (the "DFS") and subsequently amended and restated on December 20, 2017 (the latter the "12/17 DFS").

During September 2016, a mobile crusher was commissioned to mitigate a bottleneck in the primary crushing complex and the processing plant operated at 20% above design capacity.

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 P5M, and the Company commenced with front-end engineering design ("FEED") for the plant upgrade and the overland conveyor associated with P5M and P10M.

Mined ore grade increased steadily during the three quarters post the commencement of commercial production (2.0g/t average mined grade in Q4 2016) as the central mineralized domains in the Nkran pit were exposed.

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 2016 near mine exploration program yielded success with the delineation of Mineral Resources and Reserves at the Adubiaso Extension and Nkran Extension, results of the which would be included in the 12/17 DFS.

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 AGM catchment area.

Fiscal 2017 (Year ended December 31, 2017)

During January 2017 the 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 Estimate ("MRE") and Mineral Reserve Estimate ("MRev") for the AGM was published on February 24, 2017, for the three near-mine exploration deposits, Akwasiso, Nkran Extension and Adubiaso Extension. See: "Mineral Resource and Mineral Reserve Estimates" and "Asanko Gold Mine Mineral Reserve Statement".

During Q1 2017, there was a partial failure on the western wall of the Nkran pit, however due to the mitigation measures which have been put in place, as well as the slope stability radar (which has been instrumental in predicting geotechnical issues in the walls of the pit since mining began) there was no impact on either production or safety in the pit.

The Cut 2 pushback of the Nkran pit commenced during the Q2 2017 and initially focused on the western wall sequence, which included an additional 1.1Mt of waste material to align updated side wall designs to geotechnical recommendations received from SRK in the slump area. Once the required design elevation was reached on the western wall, the southeast sequence of the cut commenced, which continued in this area throughout the remainder of 2017.

Mining operations adopted the new MRE and grade control estimation processes during Q1 2017, which were fully implemented by the end of April 2017. The new MRE and associated grade control processes have been operational since May 2017.

During the year, the Company refined its mining reconciliation process relative to the reserve model and, as a result, identified blast movements were impacting ore losses and dilution. In response, blast movement monitoring technology was deployed in the Nkran pit to address the issue and align ore losses and dilution to design levels.

Pre-stripping and mining activities commenced at Akwasiso in June 2017. Early ore mining operations experienced higher levels of previously disturbed surface material from historic artisanal workings than expected which resulted in less oxide tonnes and lower grades reporting to the mill. As a result of the deeper levels of historic artisanal workings at Akwasiso, combined with the recently identified ore loss and dilution metrics at the Nkran pit, the Company revised its 2017 guidance to 205,000 to 225,000 ounces (compared to the previous guidance of from 230,00 to 240,000 ounces) at all-in sustaining cost per ounce of gold ("AISC") of $920 to $960/oz.

At Dynamite Hill, the second satellite pit to be brought into production, site establishment commenced during the period in preparation of mining operations which commenced in Q4 2017. This included 3,096m of grade control drilling which validated the resource model and confirmed the mine plan and oxide ore volumes.

On July 18, 2017, the Company published its DFS for the AGM, which included an updated MRE with an updated Mineral Resource constraining pit shell assuming a gold price of $1,500/oz. The AGM reserves were unchanged and included 101Mt at 1.57 g/t for 5.1 million ounces of contained gold, based on a $1,300/oz gold price.

The Company acquired the Miradani Mining Lease (the "Miradani Project"), which is adjacent to the AGM, from AngloGold Ashanti.

Commissioning and ramping up to name plate capacity of the P5M volumetric upgrades (part of the first stage of P5M) was completed during the period, ahead of schedule and under budget. The processing facility continued to operate above expectations, processing 3.7Mt during 2017, with a feed grade of 1.8 g/t. Importantly, the processing plant achieved record milling rates of 1.1Mt for Q4 2017 including an annualized milling rate of 5Mtpa for the month of December.

During 2017, the Company produced 205,047 ounces, in line with the revised 2017 production guidance of 205,000 – 225,000 ounces.

The Company achieved an industry-leading safety record of 0.17 LTIFR, despite one lost time injury occurring during Q1 2017.

The Company did not complete any significant acquisitions during the year ended December 31, 2017.

Expansion Plans

The Company has developed plans for two production expansions at the AGM, which combined have the potential to increase production from the current capacity of approximately 205,000 to 225,000 ounces per annum to about 450,000 ounces per annum. These two production expansion projects are known as the "Project 5M" or "P5M" and the "Project 10M" or "P10M". These projects are named with reference to their projected throughput of ore so that Project 5M will upgrade the existing CIL plant's throughput from 3.6Mtpa to 5Mtpa. The second stage of Project 5M includes the construction of a 27km overland conveyor to integrate the nearby Esaase deposit, which, along with the development of the Esaase deposit, is estimated to have a total capital cost of $128 million and may vary due to future foreign exchange differences. In addition, management expects to install a permanent secondary crusher ($4.0 million) and upgraded mill motors ($1.0 Million) in 2018, which are not contemplated in the 12/17 DFS.

A second planned expansion project, known as Project 10M, comprises the construction of an additional 5Mtpa CIL ore processing plant in order to double plant capacity from 5Mtpa to 10Mtpa. The timing of the second stage of Project 5M or Project 10M will be at the Board's discretion and is also dependent on the Company's balance sheet, financing opportunities as well as favourable market conditions. No determination has been made to date to proceed with the P10M expansion plan, and any decision to proceed will be contingent upon the Company securing the required additional financing to fund the required capital cost.

These two expansion projects were originally analyzed in a technical report called "*Asanko Gold Mine– Definitive Feasibility Study – National Instrument 43-101 Technical Report*" with an effective date of June 5, 2017. This report was amended and restated to clarify certain of its contents and filed on SEDAR on December 27, 2017. (the amended version being herein the "12/17 DFS"). The 12/17 DFS is the primary source for the current technical information referenced in this Prospectus. The summary of the 12/17 DFS is re-produced below under "*Mineral Properties*".

The first stage of P5M, the brownfield modifications and upgrades to the CIL processing plant to increase throughput to 5Mtpa, was approved in November 2016. The Company completed the volumetric upgrades to the plant under budget and ahead of schedule. Since the volumetric upgrades were fully commissioned in December 2017, the processing plant has been operating at a 5Mtpa annualized milling rate. Installation and commissioning of the P5M recovery circuit upgrades are expected to be completed in Q1 2018.

The second stage of P5M is the construction of an overland conveyor and development of the Esaase deposit. The estimated capital cost of the second stage of P5M per the 12/17 DFS has been estimated at $128 million. The decision to proceed with the second stage of P5M has been deferred until such time as the Red Kite senior debt restructuring in accordance with the RK Term Sheet is completed. The timing of P10M will be at the Board's discretion and dependent on the Company's balance sheet, financing opportunities as well as favourable market conditions.

5-Year Outlook (2019 - 2023)

The Company's current mine optimization plan, using current mine operating data, has improved the multi-pit schedule and reduced the overall strip ratio to deliver competitive AISC over a life of mine of 19 years under the P5M scenario. Average annual production over the outlook period (2019 - 2023) of 253,000 ounces at AISC of $860/oz, an increase in ounces and improvement in AISC versus previous P5M pre-optimized plan of 243,000 ounces at AISC of $1,007/oz

The optimized plan generates improved cashflows to provide the Company with sufficient liquidity during the period of capital spend on Esaase, the installation of the overland conveyor and subsequent debt repayment period.

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, risk management 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 with 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, for the recruitment and retention of qualified employees and other personnel, as well as operating supplies. 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 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.

Asanko's revenues may be significantly affected by changes in commodity demand and prices. The Company's ability to fund ongoing exploration and development is impacted by the sale of gold produced by the mine and the proceeds of such sales. 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 producer of gold, the Company is not considered to be dependent on any particular sales contract as the market for gold is deep and worldwide. In fact, under the terms of the DSFA, the Company is required to sell all of its production to Red Kite (up to a maximum of 2.2 million ounces of gold). The Company could be considered to be significantly dependent upon its DSFA with Red Kite, as well key operational contracts associated with mining services, fuel supply and processing consumables. Asanko and Red Kite are currently finalizing definitive documentation associated with the refinancing of the current debt facility to support the second stage of its P5M growth plan with a contemplated extension of the principal repayment date of up to three years. As the Company's gold production increases and sales of its produced minerals continue to add value, the Company is expected to be in a position to augment its working capital with its sales and lessen the Company's reliance on debt financing. The Company also believes that each of these supplier arrangements could be, if necessary, replaced by other suppliers. The current debt and supplier arrangements are set out below.

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, 2017, the Company had approximately 396 full-time employees, and 50 temporary workers employed across its site operations and corporate and regional offices.

Foreign Operations

All of the Company's 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; changes to export regulations 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 if such instability were to recur, 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 Asanko Gold Ghana, the Company's Ghanaian subsidiary which owns the Obotan and Esaase properties, have been issued into the name of the Government of Ghana. The government has a nominee on the board of this subsidiary. There is no shareholder agreement between the Asanko Gold Ghana and any of its shareholders, as the 10% ownership stake of the Government of Ghana represents a non-participating interest where the Ghanaian Government is entitled to 10% of declared dividends from the net profit of Asanko Gold Ghana, but does not have to contribute to its capital investment.

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.

Social and Environmental Policies

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 its corporate social responsibility ("CSR") is based on the following principles:

- Complying with our corporate governance principles, national and international laws, industry codes and being a responsible corporate citizen.
- Mitigating our impact on the environment.
- Maintaining a high-level Health and Safety performance.
- Actively identifying opportunities to make a positive and meaningful contribution to the communities we operate in beyond the life of our mines.
- Contributing to the economic and social development of our host countries.
- Developing our employees.
- Adhering to our values and demonstrating them in our behavior.

The Company follows the following guidelines in our CSR conduct:

- We embrace the objectives of the African Mining Vision and are guided by the Global Reporting Initiative in our CSR reporting.
- We regularly engage with our stakeholders and take into consideration their perspectives, concerns, customs and cultural heritage before we act.
- We work closely with landowners prior to commencing activities on the ground, and negotiate fair compensation for such activities where appropriate.
- 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.

- We uphold fundamental human rights and do not interfere or take sides in politics or social issues.
- We work with unified local committees to identify and prioritize community development projects intended to promote long-lasting livelihood improvements.
- We do not tolerate any unethical behavior 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 2016 Corporate Social Investment 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 1,700 members and more than GHS790,000 in assets. The OCCU is sponsored by Asanko and the German government-backed development organization, Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH, 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 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:

- Asanko will communicate its commitment to excellence in environmental performance to our employees, contractors, government agencies and the community.
- Asanko will comply with host country laws and regulations, and will augment these with appropriate international guidelines and best practice environmental management.
- Asanko will allocate the necessary resources to ensure we meet our reclamation and environmental obligations.
- Asanko will strive to prevent pollution of air, land and water, and will implement appropriate waste management practices.
- Asanko will strive to be energy efficient in everything we do.
- Asanko will explore opportunities with government agencies and communities to remediate and mitigate historic mining impacts on acquired properties.
- Asanko will develop and utilize an Environmental Management System that ensures prioritization, planning, implementation, monitoring, review and transparent reporting.
- 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.

MINERAL PROPERTIES

The Asanko Gold Mine

The following is a summary description of the project known as the AGM and is a direct extract and reproduction of the summary, without material modification, contained in the National Instrument 43-101 Technical Report entitled "Asanko Gold Mine Definitive Feasibility Study (Amended and Restated)" with an effective date of June 5, 2017, amended and restated December 20, 2017. The 12/17 DFS was prepared on behalf of Asanko by Charles Muller, B.Sc. Hons (Geology), Malcolm Titley, BSc (Geology and Chemistry), MAIG; MAusIMM, Phil Bentley, MSc (Geology), MSc (Mineral Exploration) Pr. Sci. Nat. SACNASP, Thomas Kwabena Obiri-Yeboah, B.Sc Eng (Mining), PrEng, Glenn Bezuidenhout, National Diploma (Extractive Metallurgy), FSIAMM, Dave Morgan, M.Sc. Eng (Civil), CP Eng, Douglas Heher, B.Sc Eng (Mechanical), PrEng and Godknows Njowa, M.Sc Eng (Mining), PrEng, each of whom is an independent Qualified Person. The work and conclusions of the 12/17 DFS are disclosed in accordance with NI 43-101.

Asanko is intending to develop the AGM in two phases, with the first phase 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. The construction of the first phase was completed in early 2016. 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. The Company completed the volumetric upgrades associated with P5M during 2017 and expects to complete the P5M recovery upgrades in 2018. The balance of P5M is expected to be carried out in late 2018/2019, dependent on the Company's balance sheet, financing opportunities as well as favourable market conditions.

The 12/17 DFS

The 12/17 DFS evaluates the expansion of the AGM from the current open pit mining and processing operation to include an expanded processing facility and to bring the Esaase deposit into production, with construction expected to start in Q2 2017. The status of the Company's determinations as to proceeding with these expansion plan scenarios is discussed above under "*Description and General Development of the Business – Expansion Plans*". The 12/17 DFS evaluated the Project in the following three scenarios:

Base Case: Current operation (previously referred to as Phase 1) - as commissioned in Q1 2016:

- CIL processing facility, located at the Obotan project site, operating at 3.6Mtpa (design was originally 3Mtpa)
- Tailings Storage Facility ("TSF")
- Life of Mine ("LoM") approximately 10 years to 2026
- Ore sources: Nkran and Satellite pits

P5M Expansion

- Existing CIL processing facility at Obotan upgraded from the current 3.6Mtpa to 5Mtpa (Brownfields expansion)

- Overland conveyor constructed from Esaase to Obotan o Power line from Obotan to Esaase constructed
- Esaase deposit brought into production at 2Mtpa run of mine ("ROM")
- Ore sources: Nkran, Satellite pits and Esaase, upon commissioning of the conveyor
- On a standalone basis, LoM approximately 20 years to 2037

P10M Expansion

- Second CIL plant constructed, adjacent to the current plant at Obotan, with a capacity of 5Mtpa, thereby doubling processing capacity to 10Mtpa
- Production from Esaase pit ramped up to 7Mtpa ROM
- Resettlement of the village of Tetrem, comprising 250 structures o Expansion of the footprint of the existing TSF
- Ore sources: Esaase, Nkran, Satellite pits o LoM approximately 10 years to 2027

All defined terms used in the summary below have the meaning ascribed to them in the 12/17 DFS, 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 12/17 DFS and is qualified in its entirety with reference to the full text of the 12/17 DFS, which has been filed on July 18, 2017, is available for review under the Company's profile at www.sedar.com.

Project Description, Location and Access

The AGM concessions, the Obotan and Esaase project areas, are located in the Amansie West District of the Ashanti Region of Ghana (Figure 1-2). The Project concessions are owned 100% by Asanko Gold Ghana, a 90% owned Ghanaian subsidiary of the Company. The Government of Ghana has a 10% free carried interest in Asanko Gold Ghana under Section 8 of the Ghanaian Mining Act.

Asanko Gold holds seven mining leases (Table 1-1), as well as prospecting and reconnaissance licenses, which collectively make up the AGM and span 30 km strike length of the Asankrangwa Gold Belt. The mining lease concessions cover an area of approximately 213.2 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, Datano, Jeni River and Adubea Mining Leases contain all of the mineral resources defined to date. All other concessions held by Asanko Gold in the area contain exploration potential defined to date and in some instances locations for infrastructure. The Ghana EPA grants permits on a perennial basis to conduct exploration. With respect to the AGM concession areas, all permitting within the afore-mentioned governmental permitting structure is up to date and accounted for.

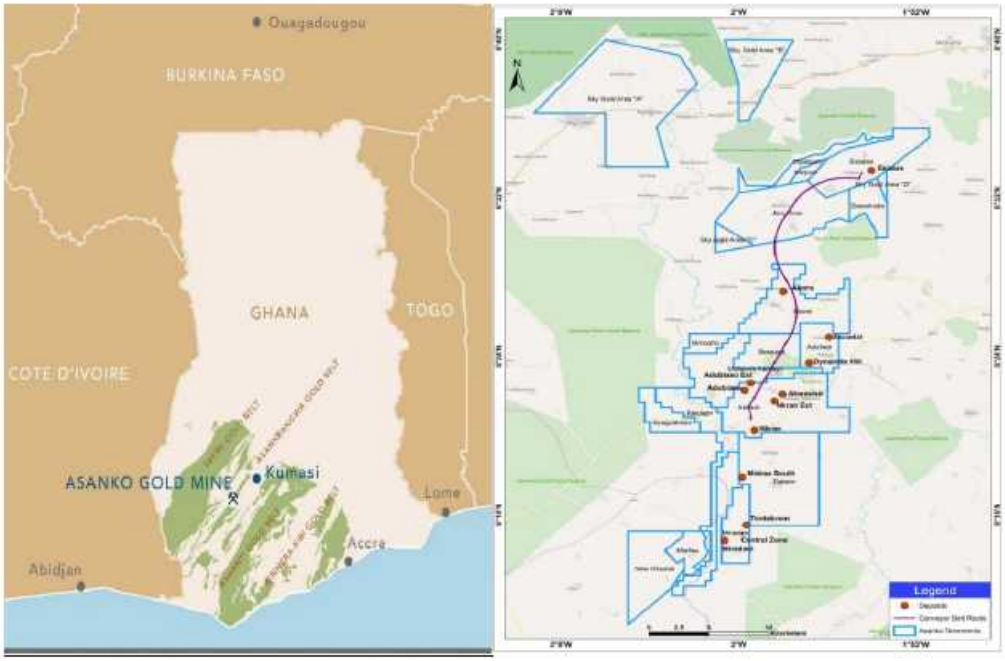


Figure 1-2: The AGM Location and location of the various tenements making up the AGM (Source: 12/17 DFS)

Table 1-1: The Asanko Gold Mine Mining Licenses (Source: 12/17 DFS)

Tenement name	Licence Category	100% owned title holder	Minerals Commission file	Status of licence	Area Km²
Datano	Mining Lease	Asanko Gold Ghana – 100%	PL 6/32/Vol 3	Valid-ML renewal	53.78
Abore	Mining Lease	Asanko Gold Ghana – 100%	PL 6/303	Valid-ML received	28.47
Abirem	Mining Lease	Asanko Gold Ghana – 100%	PL 6/303	Valid-ML received	47.13
Adubea	Mining Lease	Asanko Gold Ghana – 100%	PL 6/310	Valid-ML received	13.38
Esaase	Mining Lease	Asanko Gold Ghana – 100%	PL 6/8/Vol.8	Valid-ML received	27.03
Jeni River	Mining Lease	Asanko Gold Ghana – 100%	RL 6/21	Valid	43.41
Miradani	Mining Lease	Asanko Gold Ghana – 100%	RL 6/22	Valid	14.98

All concessions carry a 10% free carried interest in favour of the Ghanaian government. The government interest is reflected in a 10% ownership of Asanko Gold Ghana, and the government has a right to 10% of any dividends paid by the subsidiary. The leases are also subject to a 5% royalty on the value of metals sold 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 the Obotan project area, 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 the Company's December 31, 2017 financial statements as an Asset Retirement Obligation.

Accessibility, Climate, Infrastructure and Physiography

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 Obotan project site infrastructure west of the Nkran village, which is used by the AGM to transport staff and service providers to and from Accra. 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 80m above sea level, but the areas impacted by the AGM deposits generally lie at less than 50m elevation. Despite the subdued topography, hill slopes are typically steep. Ecologically the AGM area is situated in the wet evergreen forest zone.

Project Infrastructure

Current site infrastructure consists of:

- an administration block, training facilities, exploration offices, core storage area, clinic and laboratory
- senior and junior accommodation facilities located to the west of the Obotan mine
- an exploration camp and office at Esaase
- an established mining operation at Obotan with various structures like offices, stores, workshops and fuel storage facilities
- a new CIL Plant at Obotan with various structures like offices, stores, workshops and reagent buildings
- a TSF
- Multiple boreholes sunk for water supply
- a 161-kV incoming power line fed from the Asawinso sub-station
- Communications currently available at the site are good due to the erection of an additional Vodafone tower at the Obotan camp.

History

Nkran Area

Nkran is important from the view point of historical artisanal gold mining that dates back many generations and remains quite extensive to the present day.

In the late 1980's, 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 then 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 1990's, the Obotan concession was examined by American consultant Al Perry who was working on behalf of two related Australian juniors, Associated Gold Fields NL ("AGF") and Kiwi International Resources Limited ("KIR").

By early 1995, resource estimates (Measured, Indicated and Inferred) were reported as 4.8Mt grading 3.7 g/t Au for an in-situ content of approximately 600,000 oz Au. A feasibility study was completed and a mining lease was granted in late 1995. In May 1996 the combined interests of KIR and AGF 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 150m 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 1.4Mtpa. 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 to the Government of Ghana.

Abore Area

The Abore area was covered in a prospecting concession granted to the Oda River Gold small scale mining license (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.

Akwasiso Area

Resolute originally tested the Oxide material at Akwasiso in 2001 and then disposed of the area to Small Scale Miners. Asanko Gold managed to re-acquire the area during 2016, and have subsequently completed further RC and Diamond core drilling programs.

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

Regional Geological Setting

West Africa is underlain by the West African craton, an Archaean aged (>2,5Ga) stable crustal block which forms the geological basement in Sierra Leone, Liberia and parts of Guinea, Cote d'Ivoire and Ghana (Figure 1-2). The core of Archaean sequences is surrounded by younger Palaeo-Proterozoic (2,2Ga-2,0Ga) sedimentary and volcanic units, collectively known as the "Birimian", that form narrow (20 km to 60 km wide) alternating belts of mafic volcanic greenstone units, separated by wider basins of mainly marine clastic sediments. The greenstone belt-sedimentary basin trend is northeast-southwest across central and southern Ghana and can may be traced for hundreds of kilometres along strike. At least five greenstone belts are identified, namely the Ashanti, Asankrangwa, Sefwi, Kibi and Bui belts (Figure 1-2) The intervening sedimentary basins include from east to west; the Cape Coast Basin, Kumasi Basin and the Sunyani Basin.

The geology of Ghana is dominated by predominantly metavolcanic paleoproterozoic Birimian Supergroup (2.25 – 2.06 billion years ago) sequences inclusive of the clastic Tarkwaian Group sediments (2.12 -2.14 billion years), after WAXI 2015) in the central-west and northern parts of the country. Clastic shallow water sediments of the Neoproterozoic Volta Basin cover the northeast of the country (Figure 1-2). A small strip of Paleozoic and Cretaceous to Tertiary sediments occur along the coast and in the extreme southeast of the country.

The Birimian rocks formed during two major orogenic phases, the Eoeburnian from ca. 2250-2150 Ma, and the Eburnian between ca. 2116-2060 Ma. These two orogenic stages were separated by a major extensional event during which flysch type basins developed throughout the southern and western parts of the Birimian. A marked break in the timing of events is apparent between eastern (Cote d'Ivoire/Ghana) and western parts of the Birimian, near the centre of the West African Craton and the western margin of the Comoé Basin in Cote d'Ivoire.

Key geotectonic events are:

- In Ghana Eoeburnian plutonism and contractional deformation occurred between ca. 2190-2140 Ma
- Basin formation between the Eoeburnian and Eburnian cycles occurred between ca. 2130-2116 Ma in Ghana
- Eburnian plutonism had essentially ceased by ca. 2095 Ma in Ghana
- Gold mineralisation in Ghana occurred during wrench deformation at ca. 2100-2090 Ma, after severe compression and probable basin inversion. At Nkran two distinct gold deposition periods are associated with early ductile-brittle deformation and a later cross cutting brittle quartz veining event.

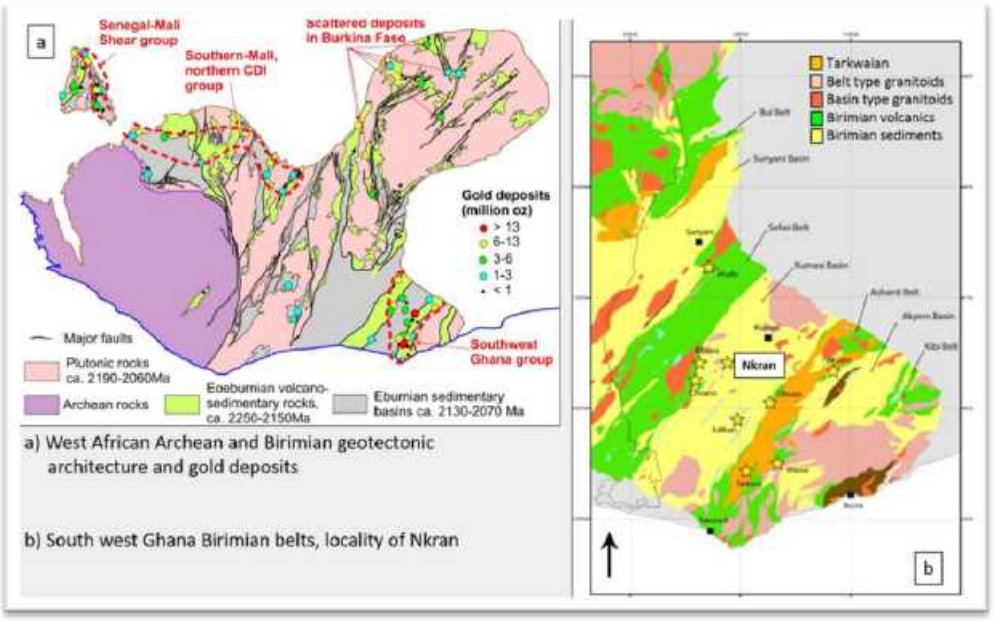


Figure 1-3: West Africa and southwest Ghana geological framework and location of the Nkran deposit (Asanko Gold Mine) (Source: 12/17 DFS)

The Birimian rocks consist of narrow greenstone (volcanic) belts, which may be traced for hundreds of kilometres along strike, but are usually only 20 km to 60 km wide. These belts are separated by wider basins (such as the Kumasi Basin) of mainly marine clastic sediments. Along the margins of the basins and belts, there appears to be considerable inter-bedding of basin sediments and volcanoclastic and pyroclastic units derived from the volcanic belts. Thin, but laterally extensive chemical sediments (exhalites), consisting of chert and fine-grained manganese-rich and graphitic sediments often mark the transitional zones. 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.

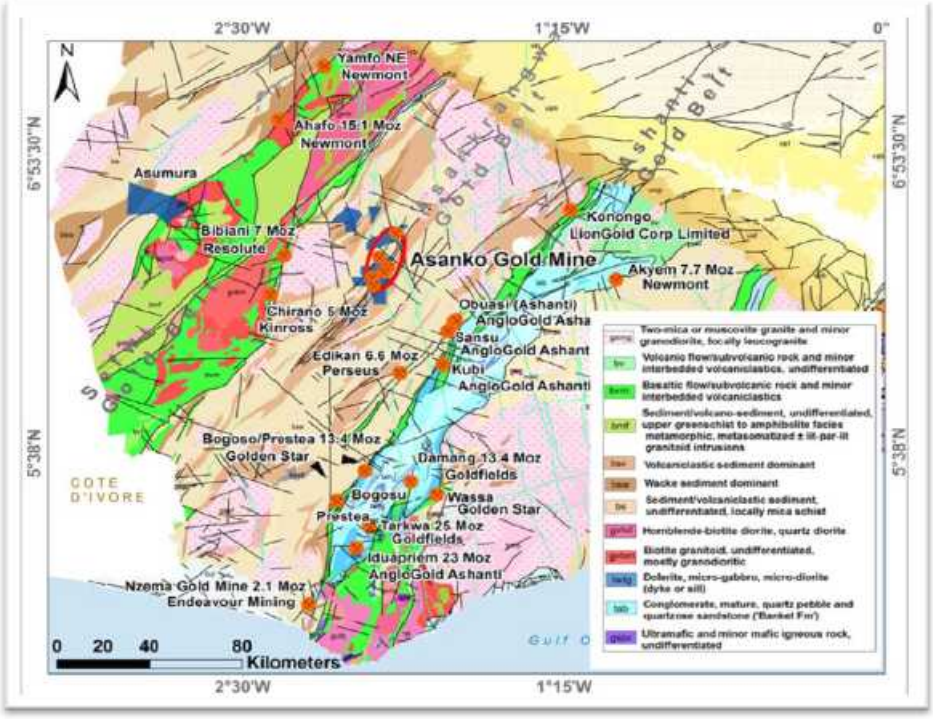


Figure 1-4: Geology of Southwest Ghana highlighting the Regional Geology around the AGM (Source: 12/17 DFS)

The Tarkwaian rocks consist of a distinct sequence of metasediments (quartzite, conglomerate and phyllite) occurring within a broad band along the interior of the Ashanti Belt. Conglomerates host important palaeoplacer gold deposits in the Tarkwa district. Equivalent rock types occur in other belts of the region, but in relatively restricted areas. In the type locality at Tarkwa, the sequence is in the order of 2.5 km thick, whereas in the Bui belt, comparable units are approximately 9 km thick. These sediments mark a rapid period of erosion and proximal deposition during the late-stage of the orogenic cycle. They unconformably overlie the Birimian metavolcanics at the Damang mine near Tarkwa. (Figure 1-6) shows the generalized stratigraphy of southwest Ghana.

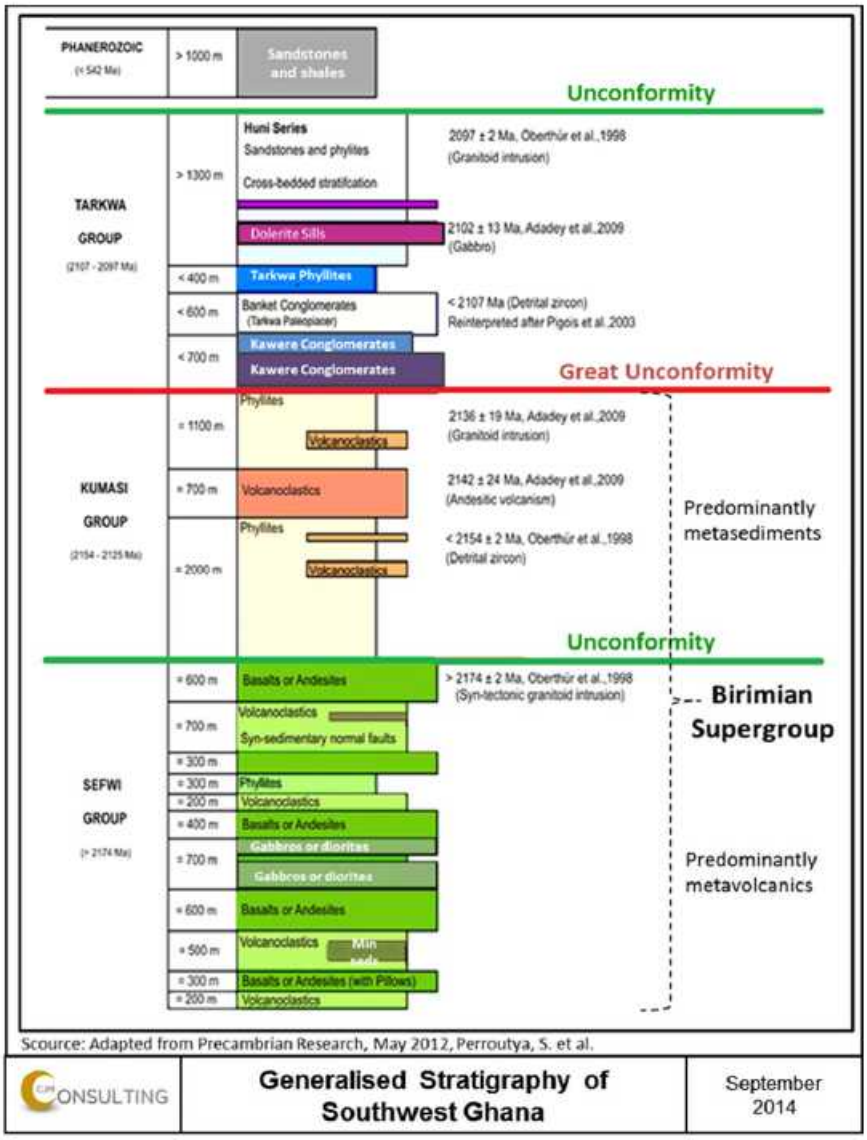


Figure 1-5: Generalized Stratigraphy of Southwest Ghana (Source: 12/17 DFS)

The Birimian sediments and volcanics have been extensively metamorphosed to greenschist facies, although in many areas, higher temperatures and pressures are indicated by amphibolite facies. Multiple tectonic events have affected virtually all Birimian rocks with the most substantive being a fold thrust compressional event (Eburnean Orogeny) that affected both volcanic and sedimentary belts throughout the region and to a lesser extent, Tarkwaian rocks. For this reason, relative age relations suggest that final deposition of Tarkwaian rocks took place as the underlying and adjacent volcanic and sedimentary rocks were undergoing the initial stages of compressional deformation. Studies in the western part of the region (Milesi et al., 1992) have proposed several separate phases of folding and faulting suggesting a change in stress direction from northeast to southwest to north to south. However, a regional synthesis by Eisenlohr (1989) has concluded that although there is considerable heterogeneity in the extent and styles of deformation in many areas, most of the structural elements have common features, which (in his opinion) are compatible with a single, extended and progressive phase of regional deformation involving substantial northwest-southeast compression.

Ongoing studies of the geotectonic evolution of the Birimian have involved more extensive precision U/Pb age dating (eg WAXI 2016), the results of which have significantly improved the constraints on timing of deformation as well as the timing of gold mineralization events. This work is supporting at least two periods of basin sedimentation (2135-2116 Ma and 2105-2070 Ma) and accretionary (oblique compression) tectonics (2116 – 2105 Ma and 2070-1980 Ma), as well as two ages of gold deposition in the Asankrangwa Belt.

AGM Gold Deposit and Geological Overview

The AGM is a collective term for the significant Nkran and Esaase gold deposits plus nine other satellite deposits. These are located on the Asankrangwa Belt within the Kumasi Basin sediments. Nkran was previously exploited by Resolute (1997-2001) and produced approximately 730,000oz Au. The Nkran pit was dewatered and reopened by Asanko Gold in 2015-2016.

Although each gold occurrence within the AGM has its own idiosyncrasies, geological and geophysical studies have advanced a similar mine scale setting for all the deposits discovered to date (Table 1-2).

There is an underlying structural relationship between reactivated WNW basement structures and the dominant NE-SW shears that have juxtaposed the sandstone, siltstone and lesser shale metasedimentary packages, coupled by N-S structures that may control flexures in the steeply dipping sediments.

All deposits have intrusive tonalitic – porphyritic granite dykes and small apophyses that have been emplaced after the main shortening deformation and syn-late with the transpressive shearing of the metasedimentary rock package.

Gold mineralization has occurred at least twice at two or more distinct deformational events.

Gold occurs largely as free particles. It is deposited in economic concentrations predominantly around zones of rheological contrast between sandstone (porous) and siltstone facies (non-porous) that are commonly subvertical shear zones, as well as in late, shallow dipping conjugate quartz vein arrays that transgress rheologically contrasting metasedimentary units and the later granite intrusives.

Table 1-2: Summary of AGM Mineral Deposits (Source: 12/17 DFS)

Deposit	Mineral Style	Main host rock	Measured & Indicated Mineral Resources	Proven & Probable Mineral Reserves
Nkran	D2 shear + granite + Late conjugate QV's	Qtz sandstone + granite + QV's	30.07Mt @ 1.78 g/t Au for 1.72 Moz	22.77Mt @ 1.91 g/t Au for 1.40 Moz
Esaase	D2 shear + tensional QV's	Highly deformed sandstone-siltstone-shale + QV's	84.02Mt @ 1.38 g/t Au for 3.72 Moz	62.56Mt @ 1.39 g/t Au for 2.94 Moz
Akwasiso	D2 shear + granite + Late conjugate QV's	Qtz sandstone + granite + QV's	6.33Mt @ 1.50 g/t Au for 0.31 Moz	4.95Mt @ 1.51 g/t Au for 0.24 Moz
Dynamite Hill	Granite + Late conjugate QV's	Qtz sandstone + granite	3.41Mt @ 1.48 g/t Au for 0.16 Moz	2.84Mt @1.49 g/t Au for 0.14 Moz
Adubiaso	D2 shear + granite dyke + Late conjugate QV's	Qtz sandstone + granite	2.73Mt @ 1.80 g/t Au for 0.16 Moz	2.28Mt @ 1.90 g/t Au for 0.14 Moz
Abore	D2 shear + granite dyke + Late conjugate QV's	Granite + QV's	5.33Mt @ 1.45 g/t Au for 0.25 Moz	3.18Mt @ 1.48 g/t Au for 0.15 Moz
Nkran Extension	D2 shear + Late conjugate QV's	Qtz sandstone	0.19Mt @ 2.70 g/t Au for 0.02 Moz	0.19Mt @ 2.24 g/t Au for 0.01 Moz
Adubiaso Ext	D2 shear + late conjugate QV's	Qtz sandstone	0.42Mt @ 1.61 g/t Au for 0.02 Moz	0.21Mt @ 1.53 g/t Au for 0.01 Moz
Asuadai	D2 + Granite + late conjugate QV's	Granite + QV's	1.88Mt @ 1.22 g/t Au for 0.07 Moz	1.30Mt @ 1.09 g/t Au for 0.05 Moz

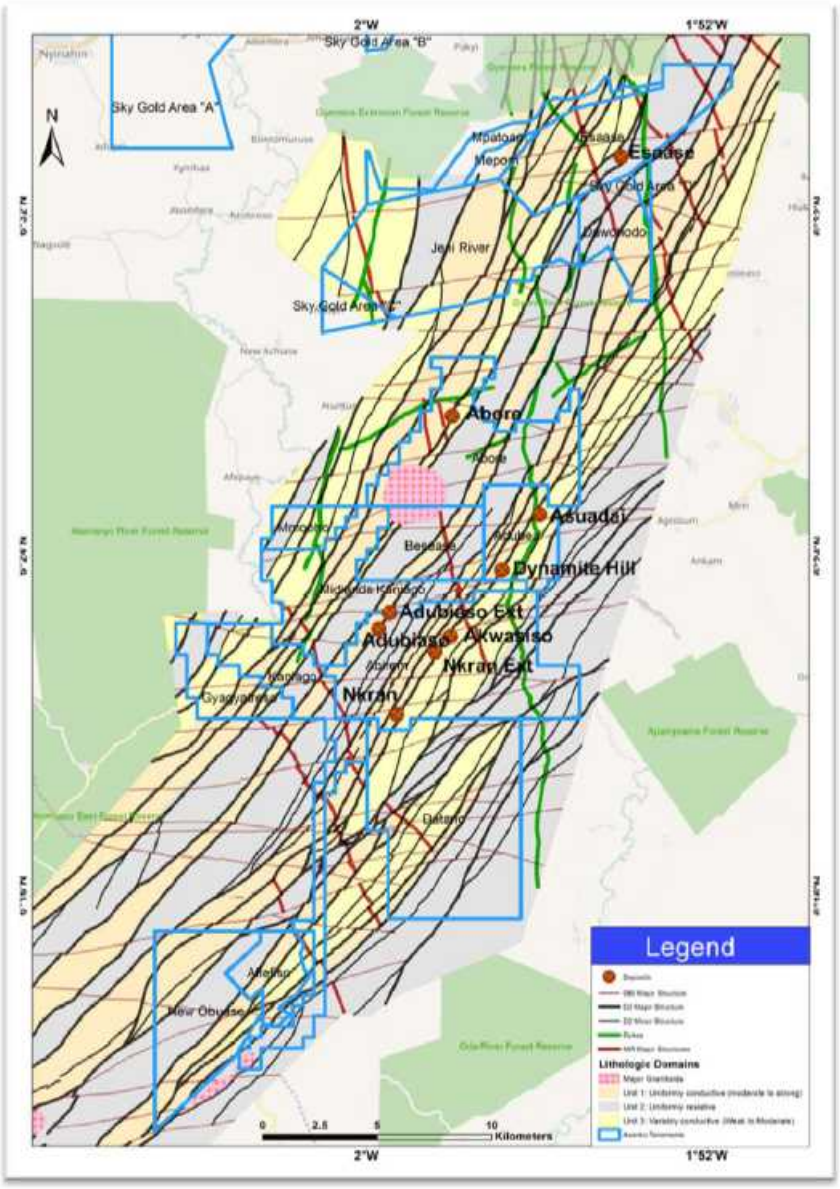


Figure 1-6: AGM leases and regional geological interpretation with gold deposits (Source: 12/17 DFS)

In 2013 an exercise was initiated to generate 3D litho-structural models for all of the AGM deposits. This was intended to increase the geological and structural understanding of the AGM deposits, as well as introduce proper geological and structural controls into the updated MRE. The process involved geological and structural re-logging of drill core, interpretation of historic flitch diagrams, and use of Leapfrog® software to produce the 3D litho-structural models.

These models are currently being updated with recent drilling data and integrated into Micromine and Datamine 3D modelling software.

In addition to the creation of the 3D litho-structural models, Asanko Gold initiated a prospectivity mapping analysis of the Asankrangwa Belt. This exercise provided a basis to collate available regional geophysical and geological data, as well as drilling and geochemical survey information. An important outcome of the regional and local structural interpretation was the completion of a revised property geological map (Figure 1-7)

During 2016 Asanko Gold completed a full (72 borehole) relog of the Nkran deposit, and subsequently updated the 3D litho-domaining used for the Nkran MRE.

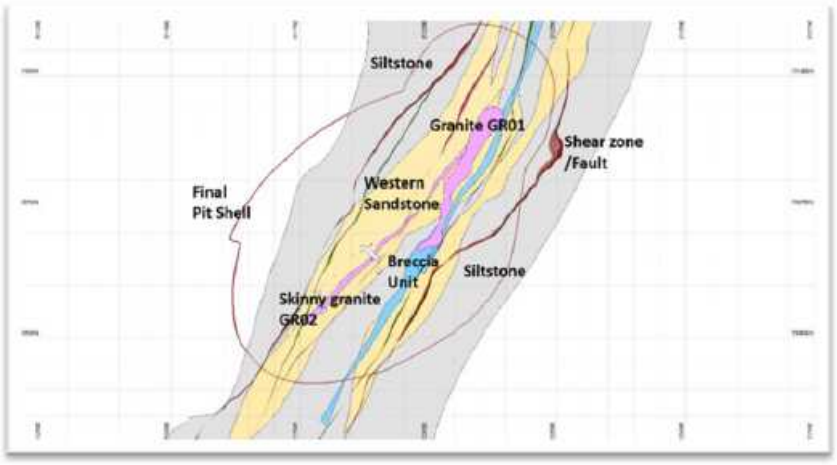


Figure 1-7: The Nkran Pit Geology (Source: 12/17 DFS)

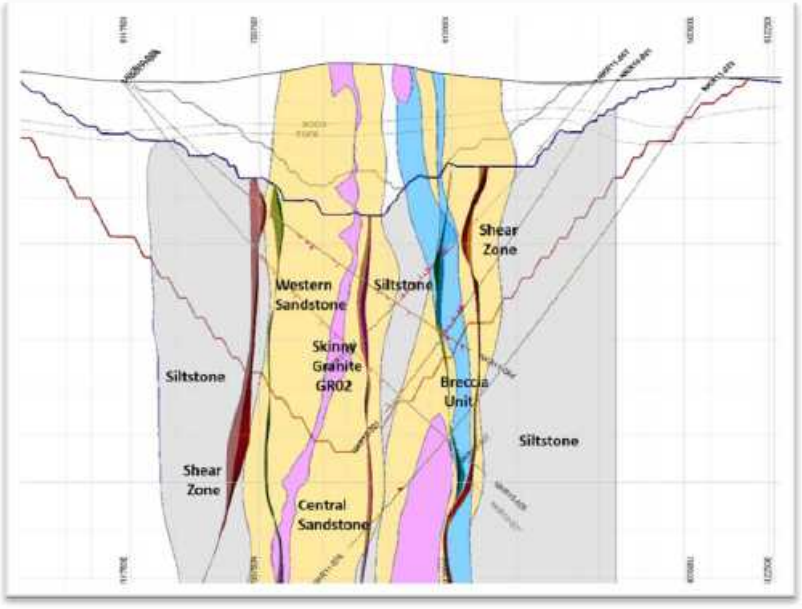


Figure 1-8: Nkran cross section at 10400N, looking north (Source: 12/17 DFS)

Exploration

The Company initiated an ongoing systematic exploration program, that includes regional (generative) and near mine (advanced) program, targeting new gold deposits as well as incremental mineral resources (oxide and fresh). The regional prospectivity work was initiated during 2014, and advanced drilling programs have been ongoing since Q1 2015. The key elements completed to date:

- Prospectivity analysis of the Kumasi Basin
- June 2014 CJM Technical report on the Asanko Gold assets and revised mineral resource estimations
- Review of previous exploration and drilling programmes
- Exploration target prioritisation for generative and advanced exploration
- 3,000 line kilometre Heli-borne VTEM survey infilling previous gaps in coverage
- Updated regional geological interpretation based on the interpretation of the VTEM survey
- 3-D inversion study of the VTEM data
- Two relogs of Nkran DD core, detailed
- Updated Nkran geological model
- Evaluation drilling to Indicated resource classification at the Dynamite Hill, Akwasiso, Nkran Extension and Adubiaso Extension projects;
- Updated MRE for Nkran, Dynamite Hill, Akwasiso, Nkran Extension and Adubiaso Extension

The statistics of this exploration work are shown below in Table 1-3.

Table 1-3: Statistics of Exploration Work (Source: 12/17 DFS)

Surface Geochem Stats.	**Sample Type**				
Year	**Grab**	**Rock**		**Soil**	**Grand Total**
2016	24	7		190	221
2017	17			619	636
Grand Total	41	7		809	857
Drilling Statistics	**Hole Type**				
Year	**DDH**	**RC**	**RCD**	**TR**	**Grand Total**
2014	9	48			57
2015		65		17	82
2016	25	167	11	23	226
2017	10	28	26	7	71
Grand Total	44	308	37	47	436
Grade Control Sampling	**Sampling Method**				
Open Pit and Year	**RC**	**RCD**	**RL**	**TR**	**Grand Total**
2015	1,902		107	2	2,011
Nkran Pit	1,902		107	2	2,011
2016	3,322				3,322
Adubiaso Extension	323				323
Nkran Pit	2,999				2,999
2017	1,379	1	15		1,395
Akwasiso Pit	313		15		328
Nkran Pit	1,066	1			1,067
Grand Total	**6,603**	**1**	**122**	**2**	**6,728**

Drilling

Drill traverses for all project areas are generally aligned perpendicular to the local NE-SW mineralized trends. A variety of drilling methods have been used for exploration and pit evaluation over the years.

To date, a total of 3,552 evaluation DD, RC and RCD boreholes totaling 504,768m have been drilled in the AGM deposits, as well as nearly 103,000 Grade Control boreholes totaling over 685,000m.

Table 1-4: Asanko Gold Summary Drilling to 31 December 2016 (Source: 12/17 DFS)

Deposit	DDH		RCD		RC		GC		RAB	
	No	Meters	No	Meters	No	Meters	No	Meters	No	Meters
Nkran	279	83,567	29	8,532	556	26,810	97,939	620,028	-	-
Esaase	111	24,341	289	92,093	716	111,584	-	-	-	-
Abore	54	9,437	-	-	-	-	3,006	42,003	31	716
Abore N	15	1,985	-	-	409	31,594	-	-	-	-
Adubiaso	53	10,327	4	590	289	26,495	-	-	-	-
Adubiaso Ext	-	-	-	-	35	3,460	4,986	65,258	-	-
Asuadai	68	8,820	-	-	84	5,551	-	-	209	5,931
Dynamite Hill	12	2,502	1	249	158	18,303	-	-	-	-
Akwasiso	59	10,888	8	2,168	231	16,991	-	-	2	87
Nkran Ext	-	-	3	698	89	7,781	-	-	-	-
Total	**651**	**151,868**	**334**	**104,330**	**2,567**	**248,570**	**105,931**	**727,289**	**242**	**6,734**

The resource drill hole spacing varies between the projects, ranging from 10m to 20m across strike to 20m to 50m along strike (to define near mine surface projections of mineralization). Drill coverage at depth is variable approaching the maximum drilled depth on the property of 590m from surface in drill hole RCD802A at the Nkran project.

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. The Company's strategy is to conduct drilling sufficient to assume geology and grade continuity to a level to support at least Indicated Mineral Resources and thus support the application of modifying factors in sufficient detail to support mine planning and evaluation of economic viability. Recent analysis suggests that intersection spacing of 25m to 40m fulfils this criteria.

Table 1-5: Confidence Levels of Key Criteria for Drilling, Sampling and Geology (Source: 12/17 DFS)

Items	Discussion	Confidence
Drilling Techniques	RC/Diamond - Industry standard approach.	High
Logging	Standard nomenclature and apparent high quality.	High
Drill Sample Recovery	Diamond core and RC recovery adequate.	High
Sub-sampling Techniques and Sample Preparation	Industry standard for both RC and Diamond core.	High
Quality of Assay Data	Quality control conclusions outlined in Section 14. Some issues were identified. Recent improvements were noted.	Moderate
Verification of Sampling and Assaying	Dedicated drill hole twinning to reproduce original drill intercepts.	High
Location of Sampling Points	Survey of all collars with adequate down hole survey. Investigation of available down hole survey indicates expected deviation.	High

Items	Discussion	Confidence
Data Density and Distribution	Core mineralisation defined on a notional 40 mE by 30 mN drill spacing with a small area drilled at 20 mE by 20 mN. Other areas more broadly spaced to approximately 80 mN.	Moderate to High
Database Integrity	Minor errors identified and rectified	High
Geological Interpretation	The broad mineralisation constraints are subject to a large amount of uncertainty concerning localised mineralisation trends as a reflection of geological complexity. Closer spaced drilling is required to resolve this issue.	Moderate
Rock Dry Bulk Density	DBD measurements taken from drill core, DBD applied is considered robust when compared with 3D data.	High below top of transition, moderate in oxide material

Sampling, Analysis and Data Verification

Nkran

RC drill chips were collected as 1m intervals down hole via a cyclone into PVC bags, and then weighed prior to splitting. The collected samples 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. All 1m interval samples were analyzed. RC chip trays were systematically compiled and logged with all bulk rejects stored at the project site. Unfortunately, sun damage through improper storage has destroyed most of the bulk rejects at the Project. A full record of pulp samples is stored in containers on both sites.

Grade Control drilling at Nkran was initiated mid-2015. The sampling methodology is the same as above, although samples are collected on a 1.5m down hole basis, due to the 3m flitch and 6m bench thicknesses. Currently the splitter methodology on the Grade Control rigs is being modified with instalment of the latest Metzke rotary splitters, which generate 3 equal samples (assay, backup, geology) for each sample interval.

The sampling review for the project has been thorough. Initially H&S (2010) carried out a detailed review of sampling procedures and protocols; this was followed by SRK's QA/QC review (March 2011) and a later detailed QA/QC analysis of assays and densities in September 2011. This was again updated by the addition of the latest set of QA/QC data from August 2011 to January 2012, as well as that from Dynamite Hill in 2013 and 2014. The QA/QC sampling conducted during 2015 and 2016 has been incorporated into this report. CSA have conducted independent reviews of sample methodologies and QAQC practices applied by Asanko Gold on site.

SRK has observed the onsite sample processing facility at Nkran and preparation procedures (core splitting, panning, logging, sampling and storage). The observation by SRK was that the methodology and procedures used were appropriate and this is detailed in previous NI 43-101 technical reports. Subsequent site visits by CJM and latterly CSA for purposes of the updated MRE made the same conclusions.

Original sampling was predominantly carried out at 1.0m intervals, but sample intervals ranging from 0.25m to 5m have also been utilized.

It should be noted that these sampling intervals are much smaller than the true width of overall mineralized zones, which is variable throughout the deposit, but is typically in excess of 30m.

Esaase

RC drill chips were collected as 1m intervals down hole via a cyclone into PVC bags, and then weighed prior to splitting. The collected samples 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. All 1m interval samples were analyzed. RC chip trays were systematically compiled and logged with all bulk rejects stored at the project site. Unfortunately, sun damage through improper storage has destroyed most of the bulk rejects at the Project. A full record of pulp samples is stored in containers on both sites.

Grade Control drilling at Nkran was initiated mid-2015. The sampling methodology is the same as above, although samples are collected on a 1.5m down hole basis, due to the 3m flitch and 6m bench thicknesses. Currently the splitter methodology on the Grade Control rigs is being modified with instalment of the latest Metzke rotary splitters, which generate 3 equal samples (assay, backup, geology) for each sample interval.

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.

After the marking out of the required interval, the core was cut in half by electric diamond blade core saw. The cut is made 1 cm to the right (looking down hole) 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.

Core structure orientations 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 is transferred from the trays and pieced together on a V-rail (angle iron) rack and the orientation line (bottom of hole), determined by the orientation tool recorded during drilling, is 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 approximately 28 oriented core HQ3 core holes have been drilled radially outward from within the deposit through depths beyond an assortment of potential pit wall limits.

Mineral Processing and Metallurgical Testing

The Obotan Gold Project was developed by Resolute during 1996-1997. In 1999 Resolute completed an upgrade study to expand the Obotan Gold Project to treat Oxide ore from the satellite pit Adubiaso and primary ore from the Nkran ore body. After the closure of the Resolute mining operations at Obotan in November 2002, further metallurgical test work campaigns were carried out for the treatment of Obotan ore. The AGM Phase 1 flow sheet was developed on historical operating data and testing conducted on Obotan samples in 2015. The AGM Phase 1 circuit was based on a typical single stage crushing, SABC milling circuit with gravity concentration followed by a CIL plant, and was commissioned in 2016.

The Esaase deposit has been subjected to six phases of metallurgical test work aimed at determining comminution, gravity, and leaching and flotation parameters. As a result of the findings from the Phase IV test work the final process for the Esaase 2012 PFS included ball milling, gravity gold recovery from the milling circuit and flotation of the milled product, at a grind of 80% passing 75 µm. The flotation concentrate would then be subjected to ultra-fine grinding, treated in a gravity concentration circuit and leached with cyanide in a CIL circuit for gold recovery. In late 2014 and early 2015 further metallurgical test work was undertaken to support the AGM Phase 2 PFS which considered the combined treatment of Esaase and Obotan ore at a central processing facility consisting of a 3Mtpa gravity-CIL circuit and a 5Mtpa gravity-Flotation-Regrind-Concentrate CIL circuit. The PFS targeted the treatment of the majority of the Obotan and Esaase sulphide material in a new 5Mtpa gravity-Flotation-Regrind-Concentrate CIL circuit, while the remaining material reported to existing 3Mtpa gravity-CIL processing circuit.

Further test work was conducted as part of the 2016 AGM DFS, during which the opportunity was investigated to process Obotan gravity tailings and Esaase flotation concentrate as a combined feed stream to the existing Phase 1 CIL circuit. Laboratory recovery was unaffected by the co-processing of the Obotan gravity tailings and Esaase flotation concentrate, however, carbon adsorption test work indicated slow carbon adsorption kinetics for the co-processed slurry due to carbon poisoning of the Esaase flotation reagents, which resulted in additional capital cost required to allow for extra adsorption stages to limit gold solution losses.

Based on the above, a decision was taken to re-evaluate the opportunity of a whole ore leach circuit for the Esaase material. Additional gravity-CIL test work on Esaase Sulphide material was then conducted as an addendum to the Phase 2 test work campaign, to investigate and support the decision to change the P10M processing plant from a 5 Mtpa gravity-Flotation-Regrind-Concentrate CIL circuit to a gravity-CIL circuit. During the addendum test campaign, the Esaase Sulphide material achieved similar recovery to the Obotan Sulphide material when processed in the same gravity-CIL circuit configuration at a grind of 80% passing 106 µm. Final residue grades ranging from 0.100 g/t Au to 0.125 g/t Au where achieved resulting in overall recovery of 93.5% to 95.6% .

Mineral Resource and Mineral Reserve Estimates

The global AGM MRE includes the Nkran, Adubiaso, Adubiaso Extension, Nkran Extension, Abore, Dynamite Hill, Asuadai, Akwasiso, Esaase Main, Esaase B and Esaase D deposits.

Asanko's Mineral Resources disclosures use a >0.5 g/t Au cut-off and a constraining pit shell equivalent to a $1,500/oz Au price (May 2017). The previous Asanko MRE (2014), undertaken by CJM Consulting ("CJM"), were stated at a 0.8 g/t Au cut-off, with the exception of the Esaase deposit, which was stated at 0.6 g/t Au cut-off. No other constraints were applied.

The updated AGM global MRE, as at December 31, 2016 and in the case of Akwasiso as at April 25, 2017, has been adjusted to be in line with accepted resource disclosure practice and applied a 0.5 g/t Au cut-off and a constraining $1,500/oz Au pit shell. The AGM mineral reserves, which are the economically viable portion within the $1,500/oz pit shell resources, are estimated at a $1,300/oz Au price. Based on the 12/17 DFS, the AGM mineral reserves support a variable LoM between 21 years, if the Company only processes 5Mtpa (P5M) or 12 years if the Company decides to double its processing capacity to 10Mtpa (P10M).

With respect to the AGM Mineral Resource and Reserve disclosures, it should be noted that:

- Asanko has adjusted the mineral resource constraining Au price shell from $2,000/oz Au (refer to press release dated 24 February 2017) to $1,500/oz Au

- All Mineral Resources are stated inclusive of Mineral Reserves
- The adoption of a $1,500/oz Au resource shell does not impact stated Mineral Reserves
- Economic evaluation of the AGM is based on Mineral Reserves, not Mineral Resources
- Given that the AGM has between a 12 and 21-year LoM based on current mineral reserves, $1,500/oz was deemed by CSA as an appropriate future gold price for the potential of “eventual economic extraction” and best practice Mineral Resource disclosure

Cut-off Grade Estimate

The AGM Mineral Resource cut-off grade (0.5 g/t Au) is based on the actual operating expenditure for the Nkran pit. The operating costs for the Nkran pit opencast mining from April 2016 (commencement of commercial production) to the end of May 2017 have been used as a basis of establishing a pay limit or break-even grade (Table 1-6) The analysis indicates a pay limit of 0.45 g/t Au. This supports the application of a cut-off grade of 0.50 g/t Au for Mineral Resource disclosure. This cut-off has been deemed appropriately conservative for this purpose and validated by Malcolm Titley (CSA).

Table 1-6: Nkran Pay Limit Calculation based on Actual Operating Costs (Source: 12/17 DFS)

	Opex	Gold	Pay Limit	Ave. Selling Price $/oz	Opex Costs $/t		
	$/t	$/g	Au g/t		Mining	Processing	G&A
April 2016 – May 2017	17.50	39.15	0.45	1,247	3.66	13.00	0.84

Mineral Resource Summary

The MRE for the AGM, as of December 31, 2016 and in the case of Akwasiso as at April 25, 2017, is summarized as follows:

Table 1-7: Asanko Gold Mine Global Resource Estimate (Source: 12/17 DFS)

Deposit	Measured			Indicated			Total (M&I)		
	Mt	g/t Au	Moz	Mt	g/t Au	Moz	Mt	g/t Au	Moz
Esaase	26.49	1.38	1.17	57.53	1.38	2.55	84.02	1.38	3.72
Nkran	5.50	1.68	0.30	24.57	1.81	1.43	30.07	1.78	1.72
Akwasiso	-	-	-	6.33	1.50	0.31	6.33	1.50	0.31
Abore	2.23	1.41	0.10	3.09	1.48	0.15	5.33	1.45	0.25
Dynamite Hill	-	-	-	3.41	1.48	0.16	3.41	1.48	0.16
Adubiaso	1.38	1.89	0.08	1.35	1.72	0.07	2.73	1.80	0.16
Esaase D	0.83	1.11	0.03	1.16	1.42	0.05	2.00	1.29	0.08
Esaase B	0.75	1.01	0.02	1.90	0.78	0.05	2.65	0.84	0.07
Asuadai	-	-	-	1.88	1.22	0.07	1.88	1.22	0.07
Adubiaso Extension	0.16	1.96	0.01	0.26	1.71	0.01	0.42	1.61	0.02
Nkran Extension	-	-	-	0.19	2.70	0.02	0.19	2.70	0.02
Total	**37.34**	**1.43**	**1.72**	**101.67**	**1.49**	**4.87**	**139.01**	**1.47**	**6.59**

AGM Inferred Resources 31 December 2016 (Akwasiso 25 April 2017): 0.5 g/t Au cut-off within a $1,500/oz Au Shell				
Deposit	**Inferred**			
	Mt	**Au g/t**	**Au oz**	**Au Moz**
Esaase Main	0.09	1.08	2,812	0.003
Nkran Main	0.31	1.86	18,319	0.018
Abore	1.28	1.61	66,084	0.066
Dynamite Hill	0.21	1.58	10,726	0.011
Akwasiso	0.18	0.81	4,611	0.005
Adubiaso	0.01	1.92	364	0.000
Esaase D	1.01	1.26	40,916	0.041
Esaase B	2.12	0.86	58,278	0.058
Asuadai	0.63	1.75	35,115	0.035
Adubiaso Ext	0.14	3.10	13,741	0.014
Nkran Ext	0.01	1.02	254	0.000
Total	**5.96**	**1.31**	**250,966**	**0.251**

Notes:

(1) Due to rounding differences some M&I totals may not add exactly with the Measured and Indicated figures.
(2) CJM estimated Esaase in October 2012, Abore, Adubiaso, and Asuadai in April 2014, Adubiaso Extension and Nkran Extension in 2016.
(3) CSA Global re-estimated Nkran and Dynamite Hill in January 2017 and Akwasiso in April 2017 and audited Esaase. The resource cut-off grade used for all deposits is 0.5 g/t Au within a Whittle Pit Shell at $1,500/oz Au. Columns may not add up due to rounding.
(4) All references to tonnes are in metric tonnes.
(5) The Mineral Resources are stated as in situ tonnes. The tonnages and contents are stated as 100%, which means no attributable portions are stated in the table.
(6) Individual Densities were used per mineral zone.
(7) Conversion from grams to ounces – 31.1035

Qualified Person

Qualified Persons from CJM and CSA compiled the components of the MREs, in compliance with the definitions and guidelines for the reporting of Exploration Information, Mineral Resources and Mineral Reserves in Canada, “the CIM Standards on Mineral Resources and Reserves – Definitions and Guidelines” (2014). These MRE also adhere to the Rules and Policies of the National Instrument 43-101 Standards of Disclosure for Mineral Projects, Form 43-101F1 and Companion Policy 43-101CP.

On a global basis, both CJM and CSA are satisfied that the MRE globally reflects the ore bodies based on the available data.

Suitably experienced and qualified geologists, surveyors and other Mineral Resource practitioners employed by Asanko Gold were responsible for the capture of the drill hole information and geological information.

For the purposes of this disclosure CJM has estimated the MRE for the AGM projects Esaase, Abore, Asuadai, Adubiaso, Adubiaso Extension and Nkran Extension, and CSA estimated the MRE for Nkran and Dynamite Hill, and has overseen the Akwasiso MRE (April 2017). All other estimates are as at 31 December 2016. All gold grade estimation was completed using Ordinary Kriging. This estimation approach was considered appropriate based on a review of various factors, including the quantity and spacing of available data, the interpreted controls on mineralization, and the style and geometry of mineralization.

Asanko Gold Mine Mineral Reserve Statement

Open Pit Mineral Reserves

The MRev for the Nkran, Dynamite Hill and Akwasiso deposits have been estimated using the updated MRE that was prepared by CSA. The MRev for Esaase, Abore, Adubiaso, Asuadai, Adubiaso Extension and Nkran Extension deposits were estimated using the resource model that was prepared by CJM (CSA validated the CJM Esaase MRE). The Mineral Reserves are the portion of the Measured and Indicated Mineral Resources that have been identified as being economically extractable and which incorporate mining loses and the addition of waste dilution.

The MRev for each of the deposits were developed through the open pit optimization analysis utilizing industry standard and accepted 3D Lerchs-Grossmann algorithm to determine the economic pit limits based on technical, financial and cost inputs. These inputs include unit mining costs, processing costs, general and administrative costs, and unit revenue estimates. Pit optimization technical parameters include pit footprint constraint, estimates of mining dilution, mining loss, process recovery, and pit overall slope angles. Pit overall slope angles are derived from geotechnical criteria adjusted for the expected haulage ramp layout.

In accordance with the guidelines of National Instrument 43-101 Standards of Disclosure for Mineral Projects and the CIM's Definition Standards for Mineral Resources and Mineral Reserves, only those ore blocks classified in the Measured and Indicated categories are allowed to drive the pit optimization for a feasibility level study. Inferred resource blocks, regardless of grade and recovery, bear no economic value and are treated as waste.

The pit optimization analysis process identified the pit shell for each of the deposits that should be used as the basis for the open pit detailed design. The additional Measured and Indicated Mineral Resources that are outside the limits of these optimized pit shells were not considered for an underground mining operation. The cut-off grade for the open pit mines was calculated to be 0.5 g/t and 0.7 g/t for oxide and fresh material at the Obotan deposits respectively. The economic cut-off grade of 0.6 g/t Au was determined at the Esaase deposit.

The identified pit-shells resultant from the open pit optimization analysis were used in conjunction with the pit slope recommendations and technical parameters to execute a detailed mine design and associated mine schedule.

Table 1-8: Mineral Reserve Statement (Source: 12/17 DFS)

Deposit	Classification	Tonnage (Mt)	Grade (g/t Au)	Content (Moz Au)
Nkran	Proven	4.40	1.85	0.26
	Probable	18.37	1.93	1.14
	Total	22.77	1.91	1.40
Nkran Ext	Proven	0.11	2.47	0.01
	Probable	0.08	1.91	0.00
	Total	0.19	2.24	0.01
Abore	Proven	1.59	1.44	0.07
	Probable	1.60	1.53	0.08
	Total	3.18	1.48	0.15
Adubiaso	Proven	1.04	2.00	0.07
	Probable	1.04	1.82	0.07
	Total	2.09	2.08	0.14
Adubiaso Ext	Proven	0.12	1.66	0.01
	Probable	0.09	1.34	0.00
	Total	0.21	1.53	0.01
Dynamite Hill	Proven	-	-	-
	Probable	2.84	1.49	0.14
	Total	2.84	1.49	0.14
Akwasiso	Proven	-	-	-
	Probable	4.95	1.51	0.24
	Total	4.95	1.51	0.24
Asuadai	Proven	-	-	-
	Probable	1.30	1.09	0.05
	Total	1.30	1.09	0.05
Total Obotan Reserve	Proven	7.26	1.79	0.42
	Probable	30.47	1.76	1.72
	Total	37.74	1.76	2.14
Esaase (Main Pit)	Proven	21.51	1.44	1.00
	Probable	41.05	1.47	1.94
	Total Main Pit	62.57	1.46	2.94
Esaase (B Zone)	Proven	0.10	0.83	-
	Probable	0.00	0.92	-

Deposit	Classification	Tonnage (Mt)	Grade (g/t Au)	Content (Moz Au)
	Total B Zone	0.10	0.83	-
Esaase (D Zone)	Proven	0.20	1.05	0.01
	Probable	0.40	1.70	0.02
	Total D Zone	0.60	1.56	0.03
Total AGM Reserve	Proven	29.08	1.52	1.42
	Probable	71.92	1.59	3.68
	Total	101.00	1.57	5.11

Notes:

(1) The effective date of the Mineral Reserves table above is December 31, 2016 and does not reflect the 2017 depletion of approximately 0.2Moz Au.
(2) Mineral Reserves are defined within a mine design guided by Lerchs-Grossman ("LG") pit shells.
(3) The LG shell generation was performed on Measured and Indicated materials only.
(4) Rounding as required by reporting guidelines may result in apparent summation differences between tonnes, grade and contained metal.
(5) Tonnage and grade measurements are in metric units.
(6) Reserves for each pit are based on detailed pit designed informed by $1,300/oz pit shells.
(7) Minimum economic cut-off grade for Esaase deposits is 0.6g/t Au and Nkran fresh 0.7g/t Au. All other pits use an economic cut-off grade of 0.5g/t Au and 0.7g/t Au for oxide and fresh material respectively.
(8) No inferred, deposit, or mineralized waste contributes value to the pit optimization.
(9) No inferred, deposit, or mineralized waste is included in the Mineral Reserve.
(10) Proven and Probable Mineral Reserves are modified to include ore-loss and dilution.
(11) Reserve excludes Obotan surface stockpiles (as at 1 st April 2011) of 1.95 Mt @ 1.22g/t Au.
(12) Mineral Reserve excludes ~10Mt at 0.55g/t Au of very low-grade material in the measured and indicated categories contained within the Esaase main pit design.

The MRev for the AGM ore sources are not, at this stage, materially affected by any known environmental, permitting, legal, title, taxation, socio-economic, marketing, political or other relevant issue. Furthermore, the estimate of Mineral Reserves is not materially affected by any known mining, metallurgical, infrastructure, or other relevant factor.

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 modeling gold deposits for AngloGold Ashanti in West Africa.

***Mining* Operations**

Mining Strategy

The DFS evaluated the expansion of the AGM in two phases, namely P5M and P10M, as well as the base case Phase 1 scenario. The mine plans are dated as of April 1, 2017 and readers are cautioned that the schedules of production provided in the following discussion reflect the different operating scenarios evaluated, and are not intended to be indicative of actual operating scenarios.

P5M entails the upgrade of the existing CIL processing facility, located at Obotan, from a design of 3Mtpa (operating currently at throughput of 3.6Mtpa) to a processing capacity of 5Mtpa. Ore tonnages are expected be supplied from the Obotan deposits until the Esaase overland conveyor is completed. The processing facility is expected to be fed with 3Mtpa from Obotan and 2Mtpa from Esaase prior to January 2019.

P10M comprises an increase in processing capacity to 10Mtpa by integrating an additional 5Mtpa CIL processing facility into the upgraded 5Mtpa facility at the Obotan site. Under this development plan, it is expected that Esaase will supply 7Mtpa and Obotan 3Mtpa to the expanded 10Mtpa processing facility.

The expanded 10Mtpa processing facility is anticipated to produce approximately 450,000 oz Au per year.

Mining Method

The mining method selected for the AGM will be a conventional open pit, truck and shovel, drill and blast operation. Vegetation, topsoil and overburden will be stripped and stockpiled for future reclamation use. The ore and waste rock will be mined with 6m high benches, drilled, blasted and loaded into rigid frame haul trucks (94t) with hydraulic excavators (17m^3). The primary mining fleet of trucks and excavators will be supported by standard open-cut drilling and auxiliary equipment. Pit support equipment will consist of dozers, graders, fuel bowsers, water bowsers, hydraulic hammer, tractor-loader-backhoe and wheel loaders.

Several waste rock piles have been designed and located in close proximity to the open pits in order to reduce waste hauling costs. Waste rock backfilling of the open pit will be performed where possible with attention given to timing and potential sterilization.

Mining operations at the AGM will be 50 weeks per year, operating around the clock on two 12-hour shifts. During this period, the CIL plant will be either fed from the run of mine ore stockpile and/or going through scheduled maintenance.

Esaase is planned for a peak total material movement of 52Mtpa. The estimated increase in mining fleet requirements for Esaase is 96 pieces of mine equipment fleet, including 36 94t haul trucks, four hydraulic excavators with 17m^3 buckets, 12 diesel-powered track production drills as well as various support and service equipment (graders, dozers, bowsers, front-end loaders etc.).

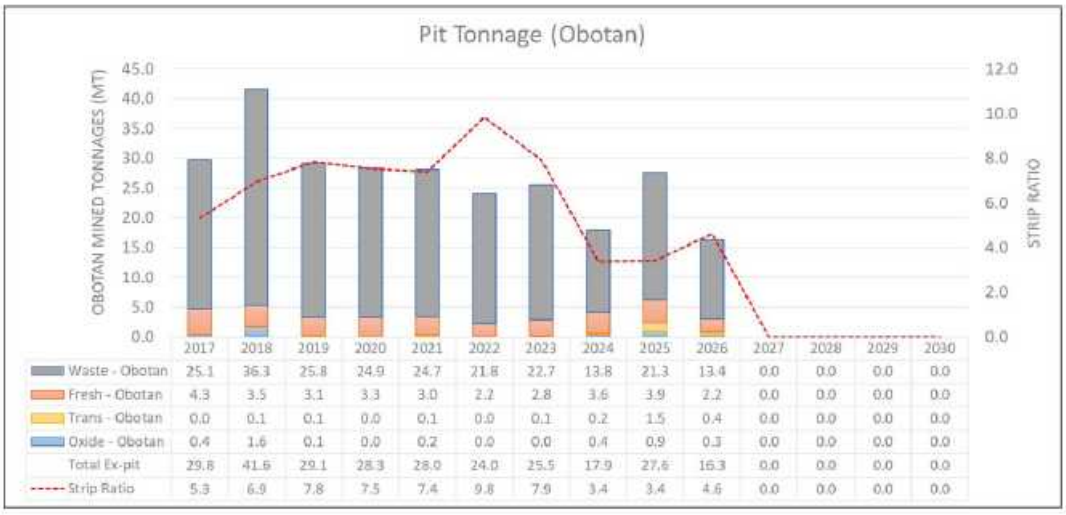
The increase in the AGM workforce has been estimated to be 43 employees assigned to the processing plant. The estimated mining contractor workforce for 52Mtpa peak mining rate has been estimated to be 479 mining contractor employees.

Production Schedule

Mine Production Schedules

The Obotan mine production schedule as per mine planning dated 1 st April 2017 is reflected below:

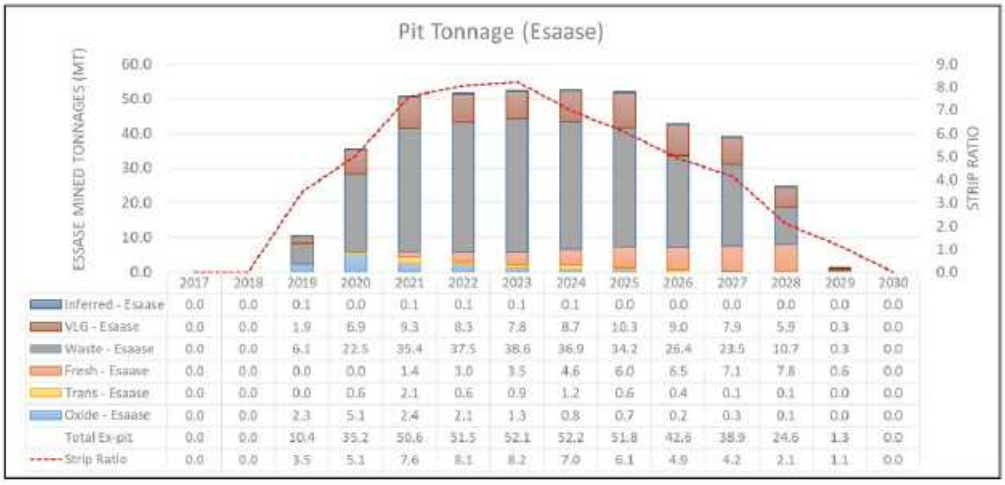
Figure 1-9: Obotan mine schedule as of April 1, 2017 (Source: 12/17 DFS)



	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Waste - Obotan	25.1	36.3	25.8	24.9	24.7	21.8	22.7	13.8	21.3	13.4	0.0	0.0	0.0	0.0
Fresh - Obotan	4.3	3.5	3.1	3.3	3.0	2.2	2.8	3.6	3.9	2.2	0.0	0.0	0.0	0.0
Trans - Obotan	0.0	0.1	0.1	0.0	0.1	0.0	0.1	0.2	1.5	0.4	0.0	0.0	0.0	0.0
Oxide - Obotan	0.4	1.6	0.1	0.0	0.2	0.0	0.0	0.4	0.9	0.3	0.0	0.0	0.0	0.0
Total Ex-pit	29.8	41.6	29.1	28.3	28.0	24.0	25.5	17.9	27.6	16.3	0.0	0.0	0.0	0.0
Strip Ratio	5.3	6.9	7.8	7.5	7.4	9.8	7.9	3.4	3.4	4.6	0.0	0.0	0.0	0.0

The Esaase mine production schedule is shown below.

Figure 1-10: Esaase Production Schedule (Source: 12/17 DFS)



	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Inferred - Esaase	0.0	0.0	0.1	0.0	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0
VLG - Esaase	0.0	0.0	1.9	6.9	9.3	8.3	7.8	8.7	10.3	9.0	7.9	5.9	0.3	0.0
Waste - Esaase	0.0	0.0	6.1	22.5	35.4	37.5	38.6	36.9	34.2	26.4	23.5	10.7	0.3	0.0
Fresh - Esaase	0.0	0.0	0.0	0.0	1.4	3.0	3.5	4.6	6.0	6.5	7.1	7.8	0.6	0.0
Trans - Esaase	0.0	0.0	0.0	0.6	2.1	0.6	0.9	1.2	0.6	0.4	0.1	0.1	0.0	0.0
Oxide - Esaase	0.0	0.0	2.3	5.1	2.4	2.1	1.3	0.8	0.7	0.2	0.3	0.1	0.0	0.0
Total Ex-pit	0.0	0.0	10.4	35.2	50.6	51.5	52.1	52.2	51.8	42.6	38.9	24.6	1.3	0.0
Strip Ratio	0.0	0.0	3.5	5.1	7.6	8.1	8.2	7.0	6.1	4.9	4.2	2.1	1.1	0.0

Plant Feed Schedules

The plant feed schedule is developed from the expected commissioning dates for the two plants and the aligned mine production schedules. Cognizance of stockpiling and re-handling is taken into account. Figure 1-11 and Figure 1-12 below shows the P5M CIL and P10M CIL processing plant feed tonnage schedule respectively.

Figure 1-11: CIL P5M - Plant Feed Schedule (Source: 12/17 DFS)

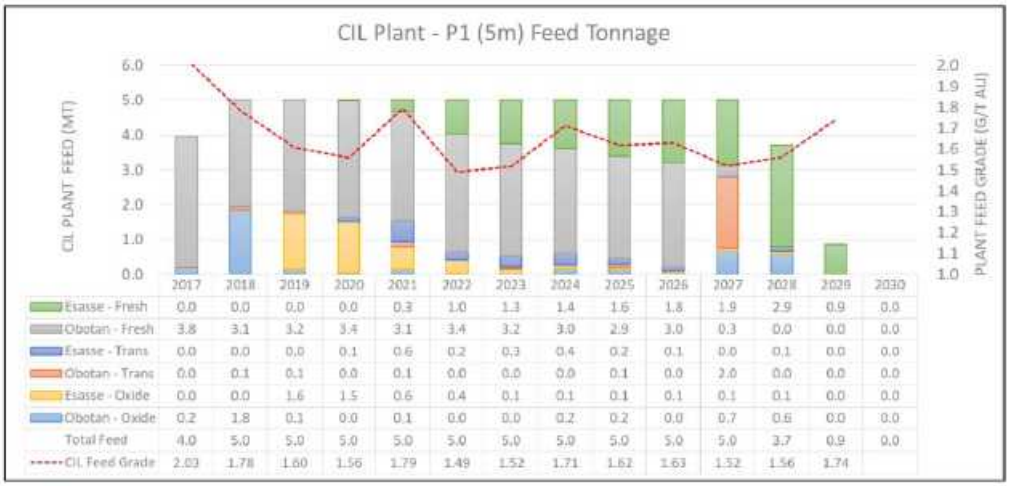


Figure 1-12: CIL P10M - Plant Feed Schedule (Source: 12/17 DFS)

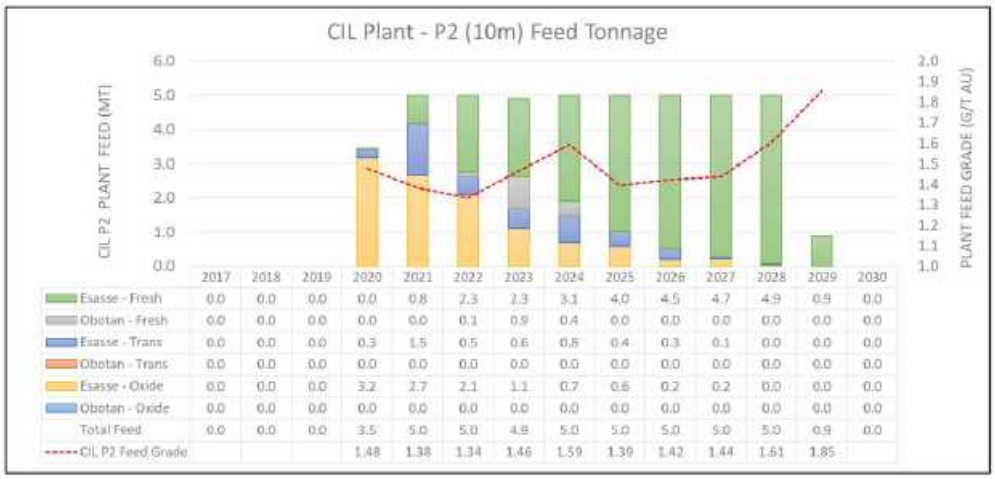
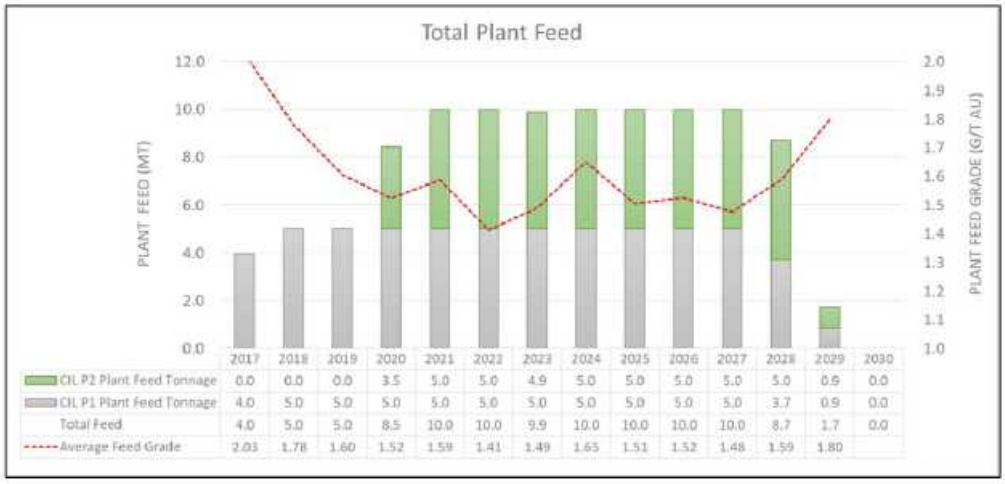


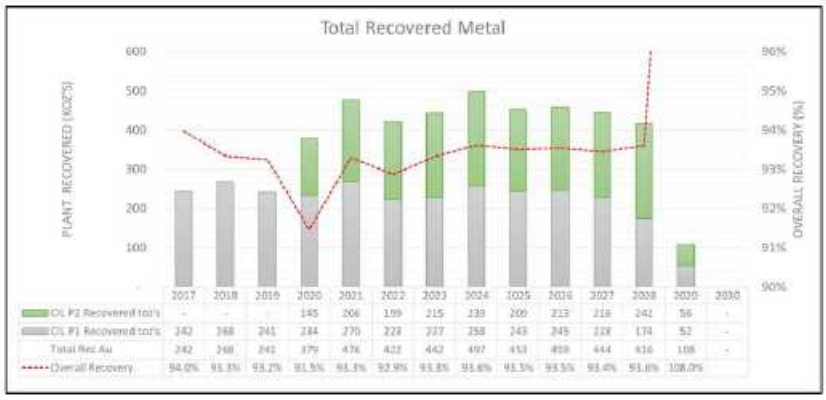
Figure 1-13 below shows the combined P10M CIL processing plant feed schedule.

Figure 1-13: Combined Plant Feed Schedule (Source: 12/17 DFS)



Total Recoverable Gold

Figure 1-14: Recoverable Gold (Source: 12/17 DFS)



Note:

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

Processing and Recovery Operations

Recovery Methods

The AGM expansion projects are phased in two phases. The first phase of the project, P5M, includes the upgrading of the existing Phase 1 CIL plant throughput from 3.6Mtpa to 5Mtpa (Plant 1). The increased throughput will be achieved by supplementing the 3.6Mtpa of Nkran Sulphides material with oxide material, initially from a number of satellite pits and later from Esaase. A number of equipment upgrades are required to the existing circuit in order to process 5Mtpa.

The second phase of the project, P10M, includes the addition of a new 5Mtpa CIL processing facility (Plant 2), similar to the upgraded Phase 1 CIL plant design, to take the total processing throughput of the AGM to 10Mtpa. The additional feed will all come from the Esaase mine which is expected to ramp up to 7Mtpa.

AGM Phase 1 CIL Plan

The AGM Phase 1 processing plant was commissioned during Q4 2015 and operated at a throughput of 3.6Mtpa for the majority of 2017, achieving in excess of 94%. The AGM Phase 1 processing plant design is based on a typical single-stage crushing, SAG and ball milling circuit followed by a CIL plant. 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) and ball milling unit in closed circuit with classification cyclones. A gravity recovery circuit is utilized to treat a portion of the cyclone underflow stream to recover coarse free gold from the recirculating load.

The milled product (cyclone overflow) gravitates to a pre-leach thickener, via a trash removal screen. Thickener underflow is pumped directly to a pre-oxidation stage followed by a seven stage CIL circuit. Leached gold absorbs onto activated carbon, which flows counter-currently to the gold-bearing slurry. Loaded carbon is directed to the 5t elution circuit while tailings gravitate to the cyanide destruction circuit.

Provision was made in the design for the detoxification of cyanide in the CIL tailings by means of the SO_2/Air process, during which the WAD cyanide concentration is reduced in a single tank by means ofSMBS and air. The detoxified tailings product gravitates to the CIL tailings disposal tank via a sampling system from where it is pumped to the tailings storage facility.

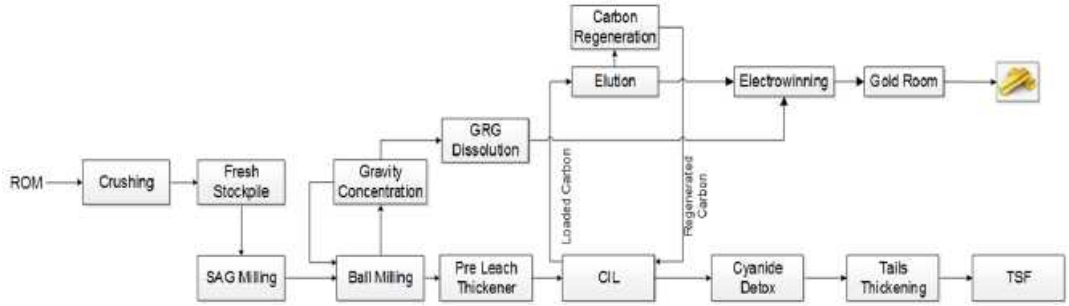
Absorbed gold is eluted from the activated carbon by means of a heated solution of sodium cyanide and caustic soda via the split AARL procedure. Barren carbon from the batch elution process is directed to the carbon regeneration circuit, while the pregnant leach solution is routed to the electro winning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

The Phase 1 CIL plant further incorporates water treatment, reagent preparation, oxygen generation and supply, compressed air and water services.

This process flow sheet is well known in industry and is relatively low risk as it has historically been proven a successful processing route for Obotan region ores during Resolute's operations of 1998 to 2002.

Refer to Figure 1-15 for a simplified process flow diagram of the Phase 1 circuit.

Figure 1-15: Asanko Phase 1 Process Flow Sheet – 3Mtpa CIL Plant (Source: 12/17 DFS)



Project 10M CIL Plant

A number of equipment upgrades are required to the existing circuit in order to process 5Mtpa, as indicated in Figure 1-16 below.

Project 10M CIL Plant

The process flow sheet for the P10M CIL circuit will be based on the final P5M circuit, where feasible.

The P10M circuit will consist of a ROM handling and a closed circuit two-stage crushing circuit located at the Esaase mine pit, followed by stockpiling and loading of the stockpiled material onto the 27-kilometre overland conveying circuit to transport the crushed material to the Phase 1 processing site at Obotan where the milling, gravity recovery, and CIL circuit would be located. Provision is made for intermediate stockpiling of the Esaase crushed material and interlinking conveyors between the Project 5M and P10M CIL circuits to allow the processing of Esaase material in either of the CIL circuits.

The crushed Esaase material will feed onto a live, intermediate stockpile from where it can either be fed to the P5M (upgraded Phase 1) milling circuit, or to the P10M milling circuit once constructed.

The P10M ball milling circuit will operate in closed-circuit with a classification cyclone cluster. A gravity recovery circuit will be provided to treat the full cyclone underflow stream to maximize the recovery of coarse free gold from the recirculating load.

The milled product (cyclone overflow) will gravitate to the P10M 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 circuit, as per the existing plant.

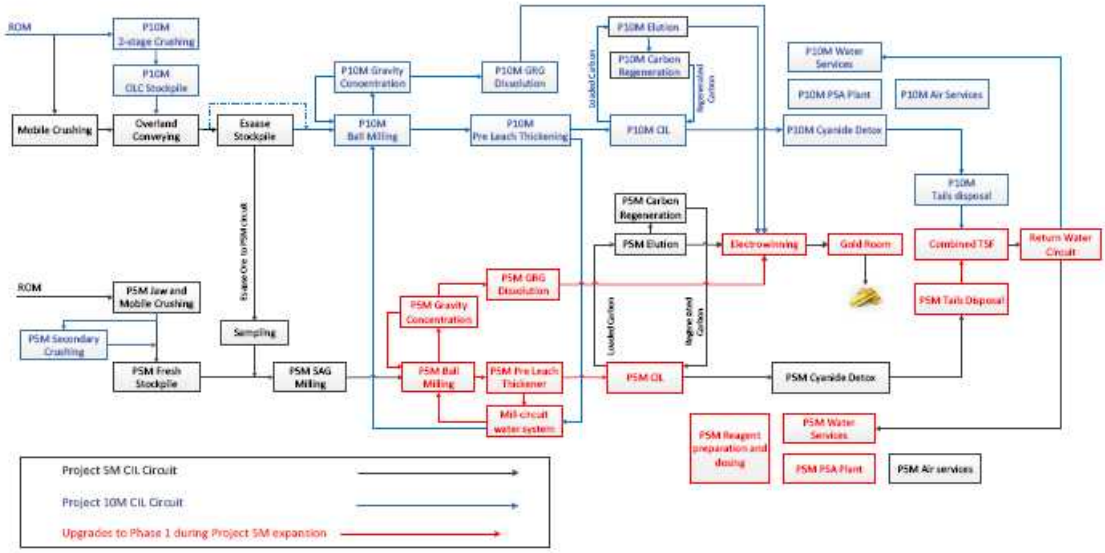
Leached gold will adsorb onto activated carbon, which flows counter-currently to the gold-bearing slurry. Loaded carbon will be directed to the elution circuit while tailings will gravitate to a dedicated P10M cyanide destruction circuit. As per the existing circuit, provision will be made in the design to cater for the destruction of cyanide in the P10M CIL tailings using the SO_2/Air process. WAD concentration will be reduced in a single tank by means of SMBS and air, after which the detoxified tailings will gravitate to a dedicated P10M CIL tails disposal system via a sampling system, from where it will be pumped to the expanded, common TSF.

As per the Phase 1 circuit, the absorbed 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 a dedicated P10M carbon regeneration circuit, while the pregnant leach solution will be routed to an upgraded electro winning circuit. A dedicated 5t elution facility will be provided for P10M.

The P5M electro winning circuit and gold room will further be expanded as part of P10M to cater for the additional gold loading due to the inclusion of the second 5Mtpa CIL circuit. After washing the gold sludge from the electro winning cathodes, the sludge will be decanted and treated in either one of two drying ovens 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 P10M CIL plant will make use of the existing water treatment, reagent preparation, and reagent storage facilities where possible. Dedicated oxygen generation and supply, compressed air and water services will be provided for the P10M CIL plant.

Figure 1-16: Asanko Phase 2 Process Flow Sheet – 3.6Mtpa CIL Plant and 5Mtpa Flotation Plant (Source: 12/17 DFS)



Gold Recovery

Based on various metallurgical test work, as well as operational experience from previously mined deposits and the current Phase 1 Obotan plant, the overall expected gold recoveries for each of the AGM CIL circuits (as contemplated in the 12/17 DFS) is shown in Table 1-9 below

Table 1-9: Predicted AGM DFS P5M and P10M CIL Plant Recoveries (Source: 12/17 DFS)

		P5M CIL Plant	P10M CIL Plant
Mill Feed Tonnage	kt	58,525	44,219
Mill Feed Tonnage Split Obotan Oxide	% %	 *6.6%*	 *0.0%*

		P5M CIL Plant	P10M CIL Plant
Obotan Transitional	%	*4.3%*	*0.0%*
Obotan Fresh	%	*55.3%*	*3.2%*
Esaase Oxide	%	*8.0%*	*24.4%*
Esaase Transitional	%	*3.6%*	*10.2%*
Esaase Fresh	%	*22.3%*	*62.2%*
Mill Feed Grade	g/t Au	1.65	1.46
Gravity Recovery	%	52.5%	52.2%
CIL Feed Grade	g/t Au	0.78	0.70
CIL Residue Grade	g/t Au	0.10	0.09
Undiscounted Recovery	%	94.2%	94.1%
Recovery Discount	%	0.5%	0.8%
Discounted Recovery	%	93.7%	93.3%

Tailings Storage Facility

The TSF will consist of a multi-zoned downstream perimeter embankment, comprising a total footprint area of 378ha (basin area 278ha for the final TSF). The TSF is designed to store a total of 95Mt over the LoM. Expansion of the TSF is feasible without significant change to the design parameters, and up to 120Mt capacity has been considered in the design process.

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 utilizes a beach angle that has been calculated using published methods and the overall design is regarded as conservative, with no unique, or unusual design parameters, or methodologies utilized in the design. The use of downstream raise construction methods promotes embankment stability, which has been demonstrated by the high factors of safety obtained for the stability assessment. The stability factors of safety comply with the latest Ghanaian mining regulations for up to 120Mt TSF capacity. It should be noted that these regulations factors of safety are higher than accepted worldwide standards.

Infrastructure, Permitting and Compliance Activities

Environmental and Social

The Company's ESIA for Nkran was approved in 2015 by the EPA, resulting in the issuing of an environmental permit. An ESIA for Esaase pit and the overland conveyor between Esaase and Obotan was submitted to the EPA in November 2016 and the environmental permit was granted in January 2017.

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.

Asanko Gold held a number of public forums as part of the environmental permitting for P5M and P10M, in 2016. This included a visit by senior dignitaries from the Esaase community and the EPA to the Sasol operation at Secunda in South Africa to see one of the world's longest single flight overland conveyors.

The Company engages regularly with a number of 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
- Environmental Protection Agency
- Forestry Commission
- Minerals Commission
- Inspectorate Division of Minerals Commission
- Water Resources Commission

Health and Safety Report

The Company has maintained an industry-leading safety record of 0.17 LTIFR, despite one lost time injury occurring during Q1 2017.

Approvals and Community and Government Consultation

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:

- The Ministry of Lands and Natural Resources
- The Minerals Commission
- The Inspectorate Division of the Minerals Commission
- The Ministry of Environment, Science, Technology and Innovation
- The Environmental Protection Agency
- The Water Resources Commission
- The Forestry Commission
- The Ashanti Regional Coordinating Council
- The Amansie West District Assembly
- The Ministry of Food and Agriculture – Amansie West District
- The Ghana Health Service – Amansie West District
- The Land Valuation Board – Ashanti Region

The relevant consents, regulatory permits and approvals have since been obtained from all the governmental and regulatory bodies.

The EPA has technically consented to the project with the permit processing fees already paid by Asanko and the final DFS Environmental Impact Statement duly submitted.

To this end, the Agency's administrative processes, and finalization of permit conditions, are being progressed towards imminent issuance of the Environmental Permit for the Esaase pit and overland conveyor.

Capital and Operating Costs

Capital Costs

The initial capital cost of the mine, process plant and associated infrastructure for Phase 1 amounted to $292 million, approximately $3 million under the initial budget of $295 million.

The capital expenditure estimations for P5M and P10M below were derived from various studies on mining, processing, mine infrastructure, TSF designs, dam construction, electrical supply, owner's costs and indirect costs.

The general estimation approach was to measure/quantify each cost element from the engineering drawings, process feed diagrams, mechanical equipment list, infrastructure equipment list, and motor lists. Quotations from three, or more vendors were obtained for the major equipment whereas minor equipment, in general, was single sourced. The estimate for the plant has been based on an assumption of a continuous engineering, procurement and construction effort with no interruption of the implementation program after funding approval has been obtained. The estimate is based on a project execution strategy whereby major units of construction work will be allocated to a number of contractors. The cost estimates assume that all material and equipment acquisition and installation sub-contracts will be competitively tendered and no allowance for delays is included. A separate contingency allowance of 3% on the overall project was allowed to address the unforeseen risks applicable to this project.

Base Case

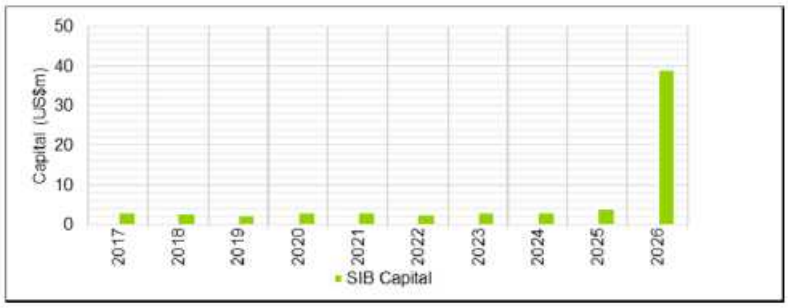
The capital costs, broken down in major capital cost items, provided for in the DCF model (Base Case) are summarized in Table 1-10. The total Base Case capex over the LoM is estimated to be $66 million. The largest contributors to the Base Case capex over the LoM is for the TSF (approx. 55%) and closure costs (approx. 39%).

Table 1-10: Base Case - Total Capital Costs (Source: 12/17 DFS)

Aspect	Amount ($M)*
Total Installation Capital	**-**
Total SIB	**66**
On-Going Rehabilitation	4
Closure Cost	26
Tailings Dam	36

* Rounding applied.

Figure 1-17: Base Case - Capital Scheduling (Source: 12/17 DFS)



Base Case + P5M

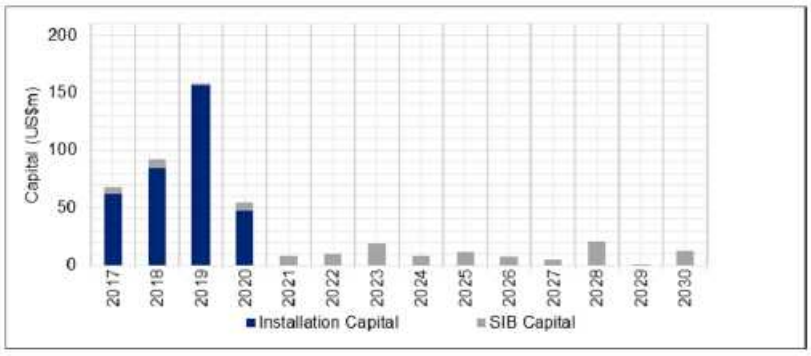
The capital costs, broken down in major capital cost items, provided for in the DCF model (Base Case + P5M) are summarized in Table 1-11. The total Base Case + P5M capex over the LoM is estimated to be $322m. The largest contributions to the Base Case + P5M capex over the LoM are the overland conveyor (approx. 28%) and tailings dam (approx. 21%).

Table 1-11: Base Case + P5M - Total Capital Costs (Source: 12/17 DFS)

Aspect	Amount ($m)*
Total Installation Capital	**147**
Process Plant	6
Overland Conveyor	90
Process Plant Infrastructure	13
RAP Project	-
Mining	1
Owners Cost	14
Project Indirect	13
Design Development	6
Contingency	4
Total SIB	**175**
On Going Rehabilitation at Obotan	8
Closure Cost (Obotan)	19
Tailings Dam	67
On Going Rehabilitation at Esaase	23
Closure Cost (Esaase)	12
Non-Mining Infrastructure	10
RAP Project	36

* Rounding applied.

Figure 1-18: Base Case + P5M + P10M - Capital Scheduling (Source: 12/17 DFS)



Base Case + P5M + P10M

The capital costs provided for in the DCF model (Base Case + P5M + P10M) are summarized in Table 1-12. The total Base Case + P5M + P10M capex over the LoM is estimated to be $474 million. The largest contributors to the Base Case + P5M + P10M capex over the LoM is for the process plant and infrastructure (approx. 33%) and the overland conveyor (approx. 16%). It must be noted that the difference of $12 million on the overland conveyor between P5M and P5M+P10M has been investigated, and found to be a total capex reporting difference. Capital costs covering the discharge of the conveyor at the P5M+P10M processing facility has been included in the Process Plant Infrastructure costing element while it has not been classified as such in the P5M scenario.

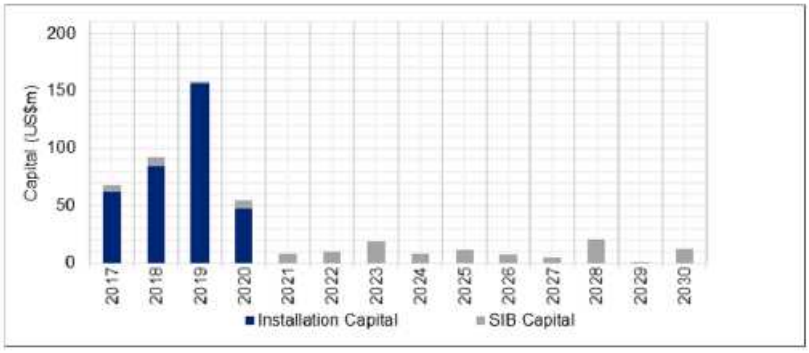
Table 1-12: Base Case + P5M + P10M-Total Capital Costs (Source: 12/17 DFS)

Aspect	Amount ($m)
Total Installation Capital	**349**
Process Plant	100
Overland Conveyor	78
Process Plant Infrastructure	55
RAP Project	24
Mining	8
Owners Cost	32
Project Indirect	29
Design Development	14
Contingency	9
Total SIB	**125**
On Going Rehabilitation at Obotan	8
Closure Cost (Obotan)	19

Aspect	Amount ($m)
Tailings Dam	56
On Going Rehabilitation at Esaase	14
Closure Cost (Esaase)	12
Non-Mining Infrastructure	5
RAP Project	11

* Rounding applied.

Figure 1-19: Base Case + P5M + P10M - Capital Scheduling (Source: 12/17 DFS)



Operating Costs

Operating cost (“Opex”) estimates were developed from each of the Project component studies and include mine design criteria, process flow sheet, plant consumable studies, 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, and tailings storage, and water treatment, general and administrative and refining costs.

Base Case

The operating costs accounted for in the financial model for Phase 1 over the scheduled LoM are summarized in Table 1-13 and Figure 1-20 and Figure 1-21. The total Base Case operating cost per ounce over the LoM is estimated to be $797/oz. The largest contributors to the Base Case operating expense over the LoM is the mining operation accounting for 56%.

Table 1-13: Base Case - Total Operating Costs (Source: 12/17 DFS)

Aspect	Amount ($m)	Amount ($/oz)
Mining (Obotan)	832	443
Mining (Esaase)	-	-
Processing	424	226
Other (Refining and G&A)	241	128
Total OPEX	**1,497**	**797**

Figure 1-20: Base Case - Operating Cost Scheduling (Source: 12/17 DFS)

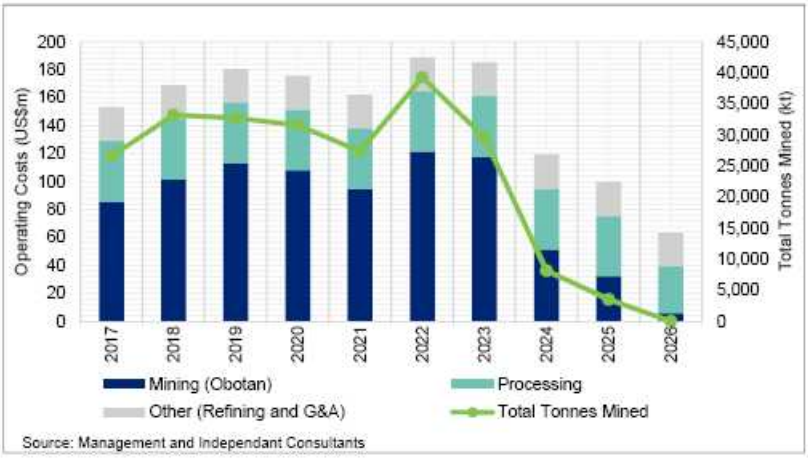
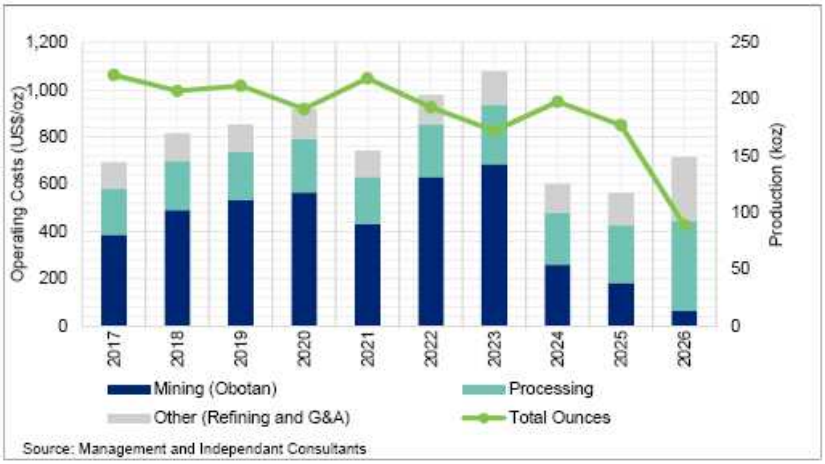


Figure 1-21: Base Case - Operating Cost $/oz (Source: 12/17 DFS)



Base Case + P5M

The operating costs accounted for in the financial model for Base Case + P5M over the scheduled LoM are summarized in Table 1-14, Figure 1-22 and Figure 1-23. The total Base Case + P5M operating cost per ounce over the LoM is estimated to be $837/oz. The largest contributors to the Base Case + P5M operating expense over the LoM is the Esaase mining at 36%, however this is closely followed by processing at 29% and Obotan mining at 22%. It must be noted that because of the increase in the LoM for the Base Case + P5M versus the Base Case + P5M + P10M, an increase of $37/oz in the total operating cost per ounce is observed.

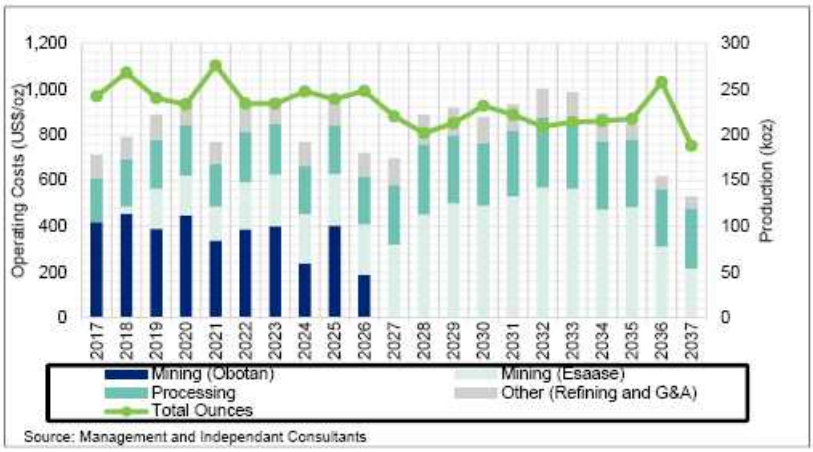
Table 1-14: Base Case + P5M - Total Operating Costs (Source: 12/17 DFS)

Aspect	Amount ($m)	Amount ($/oz)
Mining (Obotan)	903	186
Mining (Esaase)	1,460	301
Processing	1,192	246
Other (Refining and G&A)	505	104
Total OPEX	**4,060**	**837**

Figure 1-22: Base Case + P5M - Operating Cost Scheduling (Source: 12/17 DFS)



Figure 1-23: Base Case + P5M - Operating Cost $/oz (Source: 12/17 DFS)



Base Case + P5M

The operating costs accounted for in the financial model for Base Case + P5M + P10M over the scheduled LoM are summarized in Table 1-15, Figure 1-24 and Figure 1-25. The total Base Case + P5M + P10M operating cost per ounce over the LoM is estimated to be $761/oz. The largest contributors to the Base Case + P5M + P10M operating expenditure over the LoM is the Esaase mining at 37%, however this is closely followed by processing at 30% and Obotan mining at 24%.

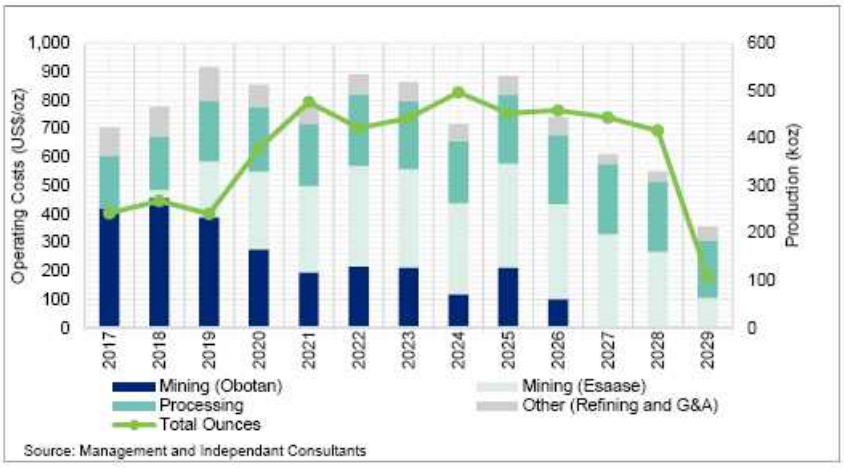
Table 1-15: Base Case + P5M + P10M - Total Operating Costs (Source: 12/17 DFS)

Aspect	Amount ($m)	Amount ($/oz)
Mining (Obotan)	903	186
Mining (Esaase)	1,351	279
Processing	1,109	229
Other (Refining and G&A)	323	67
Total OPEX	**3,686**	**761**

Figure 1-24: Base Case + P5M + P10M - Operating Cost Scheduling (Source: 12/17 DFS)



Figure 1-25: Base Case + P5M + P10M - Operating Cost $/oz (Source: 12/17 DFS)



Economic Analysis

The 12/17 DFS constructs a DCF model for the purposes of the economic analysis of the Project. The DCF model was constructed in Excel and was based on techno-economic input assumptions that were derived from various studies on mining, processing, mine infrastructure, TSF designs, dam construction, electrical supply, owner's costs and indirect costs. The DCF model assesses the post-tax real cash flows for the Project.

The results of the economic evaluation would be an indicator of the NPV of the Project given the quality and quantity of information provided by the contributing specialists and the quality of the estimates made on some inputs of the respective models.

Principal Assumptions

The principle economic assumptions employed in the economic analysis of the Project are presented in Table 1-16. The DCF model assumes that both revenue and costs, as well as royalty and taxes, are incurred in US dollar, therefore, no exchange rate assumptions are necessary. For the purposes of the economic analysis, a discount rate of 5% and a Gold Price of $1,250/oz were used. However, in the sensitivity analysis, the results are reported over a range of discount rates and commodity prices.

Table 1-16: Principle Economic Assumptions / Inputs (Source: 12/17 DFS)

Techno-Economic Assumptions/ Inputs	UOM	Base Case	P5M	P5M + P10M
Total Tonnes Mined	t	231,996.78	679,246.98	679,246.98
Ore Processed	t	35,143.00	102,744.59	102,744.59
Waste Mined	t	196,853.78	576,502.39	576,502.39
Stripping Ratio*	calc	5.60	5.61	5.61
Plant Grade* (CIL – Plant 1)	g/t	1.77	1.57	1.65

Techno-Economic Assumptions/ Inputs	UOM	Base Case	P5M	P5M + P10M
Plant Grade* (CIL - Plant 2)	g/t	-	-	1.46
Recovery* (CIL - Plant 1)	%	94	94	94
Recovery* (CIL - Plant 2)	%	-	-	93
Total Gold Recovered	Moz	1.88	4.85	4.84
Opening TAX Shield	$m	417.20	417.20	417.20
Corporate Tax Rate	%	35.00%	35.00%	35.00%
Obotan Royalty Rate	%	5.00%	5.00%	5.00%
Esaase Royalty Rate	%	5.50%	5.50%	5.50%
Gold Price	$/oz	1,250.00	1,250.00	1,250.00
Discount Rate	%	5.00%	5.00%	5.00%
Capital – Base	$m	-	-	-
Capital – Project	$m	-	146.79	349.42
Sustaining Capital	$m	65.80	174.58	125.28
Cash Operating Costs	$/oz	796.95	837.20	760.81
Total Tonnes Mined	t	231,996.78	679,246.98	679,246.98

Cash Flow Approach

The detailed annual cash flows for each of the Base Case, Base Case + P5M and Base Case + P5M + P10M are disclosed in detail in Part 22.1.2 of the 12/17 DFS, which is available at www.sedar.com.

NPV, IRR and Capital Payback Period

NPV and IRR

In consideration of the above assumptions, the following net present values (NPVs) and internal rates of return (IRR) were reached:

- **Base Case:**
  - NPV: $481.82m
  - IRR: N/A as net cash flow of Base Case starts positively

- **Base Case + P5M + P10M:**

    - NPV: $811.39m
    - IRR: N/A as net cash flow of Base Case + Project starts positively

- **Base Case + P5M:**

    - NPV: $657.72m
    - IRR: N/A as net cash flow of Base Case + Project starts positively

- **Project (P5M + P10M Incremental):**

    - NPV: $329.57m
    - IRR: 20.37%

- **Project (P5M Incremental):**

    - NPV: $175.89m
    - IRR: 13.22%

Payback

In consideration of the above assumptions, the payback period for the:

- **Project (Base Case + P5M + P10M) is 4 years**
- **Project (Base Case + P5M) is 5 years**

Project Development

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 the Phase 1 development was successfully commissioned in Q1 2016 and commercial production was declared in Q2 2016, ahead of schedule and within budget.

Overview of Project 5M – First stage

P5M was approved by the Asanko Gold Board in November 2016 and a FEED programme commenced through to Q2 2017. The first stage of P5M, which will be funded from cash on hand, comprises brownfield modifications to upgrade the CIL processing plant to 5Mtpa, including volumetric upgrades as well as upgrades to the recovery circuit. Included in this phase was final designs on earthworks relating to the overland conveyor, detailed design of all structural and mechanical components of the overland conveyor and all detailed engineering and process design to allow the existing Phase 1 CIL plant to increase its design throughput capacity from 3Mtpa to 5Mtpa. The modifications to the existing plant include:

- An additional tailings pump chain and pipeline to the TSF
- One additional Knelson gravity gold concentrator
- An additional intensive leach reactor
- Installation of a larger diameter cyclone overflow pipeline to the preleach thickener
- Installation of a larger diameter thickener underflow pipeline to the CIL

- Increased capacity of the oxygen plant to deliver an additional 5 tpd oxygen
- An additional electro winning cell in the gold room
- Installation of larger aperture inter tank screens

The Company completed the volumetric upgrades under budget and ahead of schedule. The upgrades to the recovery circuit are expected to be completed and commissioned in Q1 2018. To date, the Company has spent $16.6 million on the first stage of P5M.

Overview of Project 5M – Second stage

- ***Development of the Esaase Deposit***

  The Esaase deposit will be developed using open pit contractor mining. Mining activities will initially mine oxide ore to open up the deposit. The mining schedule will allow both oxide and fresh ore to be delivered to the 5Mtpa CIL processing facility. The ore will be transported via a 27km overland conveyor, constructed as part of the P5M project, to the expanded process facility. The Environmental Permit and Mine Operating Permit were received in January 2017 from the Ghanaian EPA and the Ghanaian Minerals Commission, respectively.

  As part of P5M, a work stream will be executed to construct the terrace for the overland conveyor and installation of all related mechanical, electrical and instrument control systems. This will take 18 months to complete, which will allow ore from Esaase to fed at 2Mtpa to feed the expanded plant at Obotan.

- ***Capital Cost***

  Based on FEED, the final capital cost estimates are $78.0 million for the conveyor, $32.0 million for the development of the Esaase deposit and associated infrastructure and $18.0 million for engineering and project costs and contingencies, with a total project capital cost of approximately $128.0 million. This estimate may vary due to future foreign exchange differences. In addition, management expects to install a permanent secondary crusher ($4.0 million) and upgraded mill motors ($1.0 Million) in 2018, which are not contemplated in the 12/17 DFS. To date, the Company has spent $7.8 million on the initial overland conveyor earthworks.

- ***Infrastructure***

  The infrastructure requirements at Esaase include:

  - The refurbishment of the Esaase camp
  - The resettlement of the Tetrem village
  - The installation of a 33-kV power line to supply power to the conveyor and the Esaase site
  - The establishment of the mine service area (“MSA”)
  - The installation of a crushing system and stockpile to feed the overland conveyor
  - Water management systems including seepage and holding dams

- ***Funding***

The construction of the overland conveyor has been deferred until 2018, with commissioning of the conveyor and the Esaase pit expected in H2 2019. However, the Board will consider the optimal timing of the development of Esaase and the conveyor, based on the Company's balance sheet, cash position and market conditions.

Overview of Project 10M

P10M comprises the construction of an additional 5Mtpa CIL processing facility to double throughput from 5Mtpa to 10Mtpa with a life of mine in excess of 12 years. Ore is expected to be sourced from Nkran and the surrounding satellite deposits at a rate of 3Mtpa and Esaase at a rate of 7Mtpa. Gold production at steady state is expected to be ~450,000 ounces per year.

- ***Design***

  P10M (if and when approved) will include the following:

  - Construction of an additional 5Mtpa CIL plant at Obotan to double processing capacity to 10Mtpa
  - An increase in the mining rate at Esaase from 2Mtpa to 7Mtpa
  - A permanent primary and secondary crusher installation
  - An expansion of the existing TSF

- ***Capital Cost***

  The incremental capital cost estimate is approximately $200.0 million for the additional CIL plant and associated infrastructure.

- ***Funding***

  A construction decision to proceed will be at the Board's discretion and dependent on the Company's balance sheet and financing opportunities as well as favourable market conditions. No decision to proceed with Project 10M has been made to date by the Board.

Additional Properties

The Company acquired the Miradani project in September 2017. The Miradani project is located within 10km of the AGM, covering an area of approximately 15km^2. It is on an existing mining lease (valid until May 2025) which may enable potential mineral resources to be accelerated to production.

The northern boundary of the concession is located approximately 5.5km south of the AGM's processing plant on the NE-SW Asankrangwa structural corridor. The underexplored Asankrangwa Gold Belt is about 7km wide and over 50km long. The area is highly prospective with multiple geochemical anomalies aligning with the structures interpreted from the airborne VTEM and magnetic surveys completed by Asanko in 2015.

Three significant initial target areas along the main structural trend, Miradani, Central, and Tontokrom, have been identified. The Company has commenced with some drilling activity during 2017, and a phased drilling campaign is expected to commence once the Company has acquired the requisite surface access rights. Historical trench and soil geochemistry data, along with recent mechanized artisanal mine workings, indicate that each target area consists of multiple parallel mineralized zones, individually ranging between 3m and 37m in width. Individual 1.5m trench samples assayed up to 47.3 g/t.

In addition, the Company also owns the Asumura property, located in the southwestern part of Ghana, on the north-western edge of the Sefwi-Bibiani Greenstone Belt.

The Company has not made any MRE for either of these properties and do not currently consider these properties to be material to the Company.

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, 2017, 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, estimates of future AISC 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.

In addition, estimates of capital costs and operating costs derived from the 12/17 DFS should be viewed in the context of being estimates based on the mine plan set forth in the 12/17 DFS. The Company anticipates that it will make modifications to the mine plan set forth in the 12/17 DFS in order to optimize its mine plan for the AGM as mining progresses and the Company's understanding of the ore body increases. These optimization efforts may include additional capital expenditures and variances in planned mining operations, with the that result in capital and/ or operating costs may be greater than projected in the 12/17 DFS. In addition, the estimates of capital and operating costs derived from the 12/17 may be materially impacted by events beyond the Company's control, such as foreign exchange rate fluctuations and increases in plant, equipment and labour costs. Accordingly, the Company's actual capital and operating costs may vary materially from the estimates derived from the 12/17 DFS.

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 recovery, 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. FCPA and the Canadian 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 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 Ghanaian 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 Paris climate accord was signed by 195 countries in December 2015 and marked 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 execution of the P5M and/or P10M development plans 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 execution of the P5M and P10M development plans 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 execution of P5M and P10M, 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 P5M and P10M could delay or prevent the construction and startup of the mine as planned. There can be no assurances that the current construction and start-up plan for P5M or P10M 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.

Renegotiation of DSFA

On February 22, 2018, the Company agreed to the RK Term Sheet, whereby the Company would be able to defer the repayment of principal associated with the long-term debt by up to three years (repayment commencing on July 2021). An initial one-year deferral is subject primarily to fees and the finalization of definitive documentation, while a further two-year deferral is subject to additional customary conditions precedent which would have to be complied with by June 30, 2019. However, the Company may not be able to execute the definitive documentation as expected and may not be able to comply with the additional customary conditions precedent associated with the additional two-year deferral.

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 second stage of P5M has been deferred until 2018 and the Board will consider the optimal timing of the development of Esaase and the conveyor, based on the Company's balance sheet, cash position and market conditions. Similarly, a construction decision to proceed with P10M will be at the Board's discretion and dependent on the Company's balance sheet and financing opportunities as well as favourable market conditions.

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 DSFA 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 remain 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 American, 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 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.

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, 2017, there were 203,449,957 Common Shares issued and outstanding. As at March 13, 2018, there were 203,449,957 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 American 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 American for the months indicated (US Dollars).

Month	TSX Price Range		Total Volume
	High (C$)	Low (C$)	
January 2017	5.07	4.09	23,379,574
February 2017	5.02	3.48	30,292,247
March 2017	3.79	3.01	40,707,508
April 2017	3.75	3.0	21,852,128
May 2017	3.38	2.19	23,933,017
June 2017	2.52	1.75	59,339,134
July 2017	2.09	1.52	19,709,017
August 2017	1.59	0.99	22,721,394
September 2017	1.57	1.17	13,238,354
October 2017	1.30	1.15	5,225,357
November 2017	1.45	0.78	30,929,142
December 2017	0.92	0.55	24,945,786
January 2018	1.28	0.81	19,974,100
February 2018	1.30	0.93	8,458,000
March 1 to 12, 2018	1.21	0.96	2,503,500

Month	NYSE MKT Price Range		Total Volume
	High ($)	Low ($)	
January 2017	3.90	3.04	16,634,764
February 2017	3.86	2.62	24,386,715
March 2017	2.84	2.23	52,752,213
April 2017	2.83	2.20	34,864,606
May 2017	2.47	1.28	59,236,683
June 2017	1.87	1.30	109,737,062
July 2017	1.66	1.21	36,092,890
August 2017	1.27	0.78	39,083,091
September 2017	1.28	0.94	17,809,137
October 2017	1.05	0.93	10,769,764
November 2017	1.14	0.61	25,291,230
December 2017	0.74	0.43	39,774,121
January 2018	1.05	0.65	33,710,800
February 2018	1.04	0.95	15,684,000
March 1 to 12, 2018	0.94	0.74	8,074,110

PRIOR SALES

From January 1, 2017 to December 31, 2017 the Company issued the following securities:

Date Common Shares	Average Price per Security/Average Exercise Price per Security (C$ unless otherwise indicated)	Number of Securities
Issued pursuant to exercise of options		
January 10, 2017	C$2.00	161,250
January 11, 2017	C$2.12	150,000
January 16, 2017	C$2.20	346,250
January 17, 2017	C$1.98	100,000
January 18, 2017	C$4.18	72,500
January 19, 2017	C$2.11	79,500
January 23, 2017	C$3.64	340,000
January 24, 2017	C$4.59	150,000
February 15, 2017	C$2.08	50,000
April 11, 2017	C$1.98	1,250
April 12, 2017	C$2.08	150,000
April 24, 2017	C$1.98	20,000

The following table sets out details of all securities convertible or exercisable into Common Shares that were issued or granted by the Company from January 1, 2017 to December 31, 2017.

Date	Type of Security Issued	Number of Common Shares issuable upon exercise or conversion	Exercise or conversion price per Common Share (C$ unless otherwise indicated)
February 27, 2017	Stock Options	2,884,000	C$3.98
April 24, 2017	Stock Options	85,000	C$3.31
May 10, 2017	Stock Options	30,000	C$3.00
August 10, 2017	Stock Options	325,000	C$1.11
November 2, 2017	Stock Options	50,000	C$1.32

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	Retired businessman, formerly 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 ("Mirabela");	October 15, 2012
MARCEL DE GROOT[3][4] Director British Columbia, Canada	Independent consultant involved in managing public companies, Director of the Company; Director of Equinox Gold Corp.; past Chairman and Director of Luna Gold Corp.; Past Director of Northern Dynasty Minerals Ltd., Sandstorm Metals & Energy Ltd., Underworld Resources Inc., Esperanza Resources, Premier Royalty, Lowell Copper and Anthem United.	October 1, 2009
WILLIAM SMART [4][5] 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] Director British Columbia, Canada	Lawyer, Director of the Company; Director of Auryn Resources Inc., Coro Resources Corp and Quartz Mountain Resource Ltd.; past Directors of Northern Dynasty Minerals Ltd., Curis Resources Ltd., Benton Resources Corp., Lignol Energy Corp. ("Lignol"), and Pine Valley Mining Corporation ("Pine Valley").	February 24, 2004
MICHAEL PRICE[3][5] Director London, UK	Mining finance consultant and advisor, Director of the Company; Director of Eldorado Gold. Corporation; past Director of Buffalo Coal Corporation and Q Resources plc ("Q Resources").	February 6, 2013
PETER BREESE[5][6] 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 Chief Executive Officer, President and Director of Mantra Resources Limited; past Director of Rockridge Capital Corp. and Coalspur Mines 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]
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.; Director of Stratton Resources Inc; past Chairman and Director of Cayden Resources Inc.; past Director of Full Metal Minerals Inc.	March 3, 2010
FAUSTO DI TRAPANI[6] 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, Nominating and Governance Committee.
(5) Member of the Safety, Health, Environment & Communities Committee.
(6) Member of the Disclosure 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 4,128,522 common shares representing approximately 2.0% 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 from October 2009 until January 11, 2014. On February 25, 2014, Mirabela announced that it had entered into a legally binding plan support agreement ("PSA") which established a framework for a proposed recapitalization of Mirabela, subject to certain terms and conditions. Mirabela also announced the appointment of Messrs. Madden, Rocke and Winterbottom of KordaMentha as joint and several voluntary administrators. Under the PSA the recapitalization was effected through a recapitalization and restructuring plan, implemented through a deed of company arrangement in Australia and an extrajudicial reorganization proceeding 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.

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.

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 DSFA, a redacted copy of each was SEDAR filed, on February 5, 2015;
- 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) Charles J. Muller, B.Sc. Geology (Hons), PR.Sci.Nat., MGSSA, a Director of CJM Consulting Pty Ltd., Johannesburg, South Africa;
   (b) Malcolm Titley, BSc (Geology and Chemistry), MAIG, MAusIMM, CSA Global Principal Geologist;

(c) Phil Bentley, PR.Sci.Nat, FGSSA, MSc, MSc (Minex), Geology and former Resources Executive for Asanko;
(d) Thomas Obiri-Yeboah, B.Sc Eng (Mining), Pr Eng;
(e) Glenn Bezuidenhout, National Diploma (Extractive Metallurgy), FSIAMM;
(f) David Morgan, M.Sc. Eng (Civil), CP Eng;
(g) Doug Heher, B.Sc Eng (Mechanical), Pr Eng.;
(h) Godknows Njowa, M.Sc Eng (Mining), PrEng.
(i) Frederik Fourie, Asanko Senior Mining 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, 2017 and 2016.

Interests of Experts

To the Company's knowledge, Messrs. Muller, Titley, Bentley, Obiri-Yeboah, Bezuidenhout, Morgan, Heher, Njowa 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 12/17 DFS. Other than Mr. Fourie, who is currently employed by Asanko, none of the aforementioned persons are 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, 2017 and 2016. 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 2017 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, 2017.

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, 2017, 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, 2017, 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, 2017 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

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 https://www.asanko.com/Governance/Governance-Documents/default.aspx.

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 American 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 American 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 American 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 Equinox 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 provide 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, 2017	Fees Paid to Auditor for Year Ended December 31, 2016
Audit Fees(1)	C$768,049	C$675,147
Tax Fees(2)	Nil	Nil
All Other Fees(3)	Nil	Nil
Total	C$768,049	C$675,147

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, 2017 and 2016

TABLE OF CONTENTS

Management's Responsibility for Financial Reporting	2
Reports of the Independent Auditor	3 - 6
Consolidated Statements of Operations and Comprehensive Income (Loss)	7
Consolidated Statements of Financial Position	8
Consolidated Statements of Changes in Equity	9
Consolidated Statements of Cash Flow	10
Notes to the Consolidated Financial Statements	11 - 46

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). Based on management's assessment, the Company's internal control over financial reporting is effective as at December 31, 2017.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2017 has also been audited by KPMG LLP.

"Peter Breese"

Peter Breese
Director, President and Chief Executive Officer

"Fausto Di Trapani"

Fausto Di Trapani
Chief Financial Officer

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Asanko Gold Inc. (the "Entity"), which comprise the consolidated statements of financial position as at December 31, 2017 and December 31, 2016, the consolidated statements of operations and comprehensive income (loss), changes in equity and cash flows for the years then ended, and the related notes, comprising a summary of significant accounting policies and other explanatory information (collectively referred to as the "consolidated financial statements").

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2017 and December 31, 2016, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Report on Internal Control Over Financial Reporting

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Entity's internal control over financial reporting as of December 31, 2017, based on the criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated March 13, 2018 expressed an unqualified (unmodified) opinion on the effectiveness of the Entity's internal control over financial reporting.

Basis for Opinion

A - Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

B - Auditors' Responsibility

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) ("PCAOB"). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement, whether due to error or fraud. Those standards also require that we comply with ethical requirements, including independence. We are required to be independent with respect to the Entity in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB. We are a public accounting firm registered with the PCAOB.

An audit includes performing procedures to assess the risks of material misstatements of the consolidated financial statements, whether due to error or fraud, and performing procedures to respond to those risks. Such procedures included obtaining and examining, on a test basis, audit evidence regarding the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of accounting policies and principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

//**s**// **KPMG LLP**

Chartered Professional Accountants
We have served as the Company's auditor since 2011.

Vancouver, Canada
March 13, 2018

KPMG LLP
Chartered Professional Accountants
PO Box 10426 777 Dunsmuir Street
Vancouver BC V7Y 1K3
Canada

Telephone (604) 691-3000
Fax (604) 691-3031
Internet www.kpmg.ca

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

Opinion on Internal Control Over Financial Reporting

We have audited Asanko Gold Inc.'s (the "Company") internal control over financial reporting as of December 31, 2017, based on the criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2017, based on the criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Report on the Consolidated Financial Statements

We also have audited, in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated financial statements of the Company, which comprise the consolidated statements of financial position as at December 31, 2017 and December 31, 2016, the consolidated statements of operations and comprehensive income (loss), changes in equity and cash flows for the years then ended, and the related notes, comprising a summary of significant accounting policies and other explanatory information (collectively referred to as the "consolidated financial statements"), and our report dated March 13, 2018 expressed an unmodified (unqualified) opinion on those consolidated financial statements.

Basis for Opinion

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 Responsibility for Financial Reporting". Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB and in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada.

We conducted our audit in accordance with the standards of the PCAOB. 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 of internal control over financial reporting 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.

Definition and Limitations of Internal Control Over Financial Reporting

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.

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.

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.

//**s**// **KPMG LLP**

Chartered Professional Accountants

Vancouver, Canada
March 13, 2018

ASANKO GOLD INC.

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016
(In thousands of United States Dollars, except share and per share amounts)

	Note	**2017** $	2016 $
Revenue	6	256,203	185,167
Royalties	6	(12,810)	(9,258)
Net revenue		243,393	175,909
Cost of sales:			
Production costs	7	(116,628)	(88,688)
Depreciation and depletion	17	(64,153)	(52,958)
Total cost of sales		(180,781)	(141,646)
Write-off of deferred stripping asset	8	-	(7,123)
Income from mine operations		62,612	27,140
Exploration and evaluation expenditures		(2,050)	(1,425)
General and administrative expenses	9	(12,590)	(12,538)
Income from operations		47,972	13,177
Finance income		609	634
Finance expense	10	(17,476)	(13,849)
Foreign exchange loss		(383)	(1,777)
Gain on derivatives		-	37
Income (loss) before income taxes		30,722	(1,778)
Current income tax expense	11	(1,301)	(1,531)
Deferred income tax expense	11	(22,774)	(9,907)
Net income (loss) and comprehensive income (loss) for the year		6,647	(13,216)
Net income (loss) attributable to:			
Common shareholders of the Company		6,077	(13,216)
Non-controlling interest	12	570	-
Net income (loss) for the year		6,647	(13,216)
Earnings (loss) per share attributable to common shareholders:			
Basic		0.03	(0.07)
Diluted		0.03	(0.07)
Weighted average number of shares outstanding:			
Basic	13	203,333,111	198,973,570
Diluted	13	204,394,452	198,973,570

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

ASANKO GOLD INC.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2017 AND 2016
(In thousands of United States Dollars)

	Note	December 31, 2017 $	December 31, 2016 $
Assets			
Current assets			
Cash and cash equivalents		49,330	59,675
Receivables		2,125	1,468
Inventories	14	33,887	32,374
Prepaid expenses and deposits		3,468	3,320
VAT receivable	15	5,070	22,881
		93,880	119,718
Non-current assets			
Inventories	14	2,245	-
Reclamation deposit	16	1,837	1,750
Exploration and evaluation assets	17	13,085	12,757
Mineral properties, plant and equipment	17	597,738	528,487
		614,905	542,994
Total assets		708,785	662,712
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		47,916	46,934
Current portion of long-term debt	18	36,451	469
		84,367	47,403
Non-current liabilities			
Long-term debt	18	121,877	154,503
Asset retirement provisions	19	30,790	25,374
Deferred income tax liability	11	41,781	19,007
		194,448	198,884
Total liabilities		278,815	246,287
Equity			
Common shareholders' equity			
Share capital	20	561,441	556,256
Equity reserves	21	48,326	46,613
Accumulated deficit		(180,367)	(186,444)
Total common shareholders' equity		429,400	416,425
Non-controlling interest	12	570	-
Total equity		429,970	416,425
Total liabilities and equity		708,785	662,712
Commitments and contractual obligations	22		
Contingencies	23		
Subsequent events	29		

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

Approved on behalf of the Board of Directors:

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

ASANKO GOLD INC.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016
(In thousands of United States Dollars, except for number of common shares)

	Note	Number of shares	Share capital $	Equity reserves $	Accumulated deficit $	Non-controlling interest $	Total equity $
Balance as at December 31, 2015		196,995,607	540,133	47,504	(173,228)	-	414,409
Issuance of common shares for:							
Asset acquisition	17 (d)	2,000,000	8,395	-	-	-	8,395
Exercise of share-based options	21 (a)	2,833,600	7,728	(2,493)	-	-	5,235
Share-based payments	21 (a)	-	-	1,602	-	-	1,602
Net loss and comprehensive loss for the year		-	-	-	(13,216)	-	(13,216)
Balance as at December 31, 2016		201,829,207	556,256	46,613	(186,444)	-	416,425
Balance as at December 31, 2016		201,829,207	556,256	46,613	(186,444)	-	416,425
Issuance of common shares for:							
Exercise of share-based options	21 (a)	1,620,750	5,185	(1,613)	-	-	3,572
Share-based payments	21 (a)	-	-	3,326	-	-	3,326
Net income and comprehensive income for the year		-	-	-	6,077	570	6,647
Balance as at December 31, 2017		**203,449,957**	**561,441**	**48,326**	**(180,367)**	**570**	**429,970**

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

	Note	**2017** $	2016 $
Cash provided by:			
Operating activities:			
Net income (loss) for the year		6,647	(13,216)
Adjustments for:			
Depreciation and depletion	17	64,208	52,977
Write-off of deferred stripping asset		-	7,123
Finance expense	10	17,476	13,849
Gain on derivatives, net		-	(37)
Deferred income tax expense	11(a)	22,774	9,907
Interest and other income		(609)	(634)
Share-based payments	21(a)	2,720	983
Unrealized foreign exchange loss		194	2,670
Operating cash flow before working capital changes		113,410	73,622
Change in non-cash working capital	24	9,828	(18,660)
Cash provided by operating activities		123,238	54,962
Investing activities:			
Expenditures on mineral properties, plant and equipment	17	(123,815)	(132,355)
VAT refund relating to development activities	15	-	25,979
Interest received		464	435
		(123,351)	(105,941)
Financing activities:			
Shares issued for cash, net of share issuance costs	21(a)	3,572	5,235
Interest and associated withholding tax paid	18(a)	(13,623)	(5,859)
Loan modification fees	18(a)	-	(3,275)
		(10,051)	(3,899)
Impact of foreign exchange on cash and cash equivalents		(181)	(247)
Decrease in cash and cash equivalents during the year		(10,345)	(55,125)
Cash and cash equivalents, beginning of year		59,675	114,800
Cash and cash equivalents, end of year		49,330	59,675
Supplemental cash flow information	24		

The accompanying notes form an integral part of these consolidated 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, with its head office, principal address and registered and records office located at 1066 West Hastings Street, Suite 680, Vancouver, British Columbia, V6E 3X2, Canada. The Company's principal project, the Asanko Gold Mine ("AGM"), 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 Phase 1 of the AGM was in commercial production. A definitive feasibility study was released on June 5, 2017 (amended and restated on December 20, 2017) in respect of the next phase of development of the AGM, Project 5M and Project 10M (formerly described as Phases 2A and 2B, respectively).

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

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 13, 2018.

(b) Basis of presentation and consolidation

The financial statements have been prepared on the historical cost basis.

All amounts are expressed in thousands of United States dollars, unless otherwise noted, and the United States dollar is the functional currency of the Company and each of its subsidiaries. References to C$ are to Canadian dollars.

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.

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%

2. Basis of presentation (continued)

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.

Certain amounts in the prior year have been reclassified to conform to the presentation in the current year.

3. Significant accounting policies

(a) Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition 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).

(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.

3. Significant accounting policies (continued)

(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.

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.

3. Significant accounting policies (continued)

(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 to 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.

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.

3. Significant accounting policies (continued)

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 its technical feasibility and commercial viability 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.

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.

3. Significant accounting policies (continued)

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 12 years
Computer equipment and software	3 years

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.

3. Significant accounting policies (continued)

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).

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).

3. Significant accounting policies (continued)

(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; and
- it is probable that the economic benefits associated with the transaction will flow to the Company and collectability of proceeds is reasonably assured.

3. Significant accounting policies (continued)

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).

(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).

3. Significant accounting policies (continued)

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.

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

(a) Accounting standards adopted during the year

There were no new standards effective January 1, 2017 that had any impact on these consolidated annual financial statements or are expected to have a material effect in the future.

(b) Accounting standards and amendments issued but not yet adopted.

The following standards and interpretations have been issued but are not yet effective as of December 31, 2017.

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. IFRS 15 has an effective date of January 1, 2018. The Company's assessment is that the adoption of IFRS 15 will not have a significant impact on the recognition or measurement of the Company's revenue from its customer. However, the adoption of IFRS 15 is expected to result in a number of additional disclosures being included in the Company's consolidated financial statements. The Company is currently in the process of determining which additional disclosures will be applicable to the Company.

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 ("IAS 39"). 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.

In March 2017, the IASB provided an update, clarifying how IFRS 9 is to be applied to modifications of financial liabilities. During the second quarter of 2016, the Company had amended its a Definitive Senior Facilities Agreement ("DSFA") with a special purpose vehicle of RK Mine Finance Trust I ("Red Kite") (see note 18). The amendment resulted in a deferral of the repayment of principal for a two-year period, with principal repayments having been agreed to commence on July 1, 2018. Under IAS 39, the amendment was considered to represent a modification of the previous DSFA. A deferral fee of $3.3 million was paid and was deferred to the loan balance and was amortized along with previously deferred debt financing costs over the remaining life of the DSFA based on a revised effective interest rate of 10.9%.

Under the provisions of IFRS 9, the modification of the DFSA in Q2 2016 required the Company to recalculate the amortized cost of the modified contractual cash flows with the resulting gain or loss recognized in the consolidated statement of operations and comprehensive income (loss) as of Q2 2016. The gain or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the effective interest rate of the original financial liability.

The Company determined that the adoption of IFRS 9 will have the following effect on the Statement of Financial Position and Statement of Operations and Comprehensive Income (Loss) as at January 1, 2017 and December 31, 2017.

4. Changes in accounting standards (continued)

As at January 1, 2017

	As reported at December 31, 2016	Effect of adoption of IFRS 9	As at January 1, 2017
Statement of Financial Position			
Non-current portion of long-term debt	$ 154,503	$ (2,971)	$ 151,532
Accumulated deficit	(186,444)	2,768	(183,676)
Non-controlling interest	-	203	203

As at and for the year ended December 31, 2017

	As reported at December 31, 2017	Effect of adoption of IFRS 9	As at December 31, 2017
Statement of Financial Position			
Non-current portion of long-term debt	$ 121,877	$ (2,637)	$ 119,240
Deficit	(180,367)	2,467	(177,900)
Non-controlling interest	570	170	740
Statement of Operations and Comprehensive Income (Loss)			
Finance expense	$ 17,476	$ 334	$ 17,810
Non-controlling interest	570	(33)	537

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,

5. Significant accounting judgements and estimates (continued) the capitalization of stripping costs, the forecasting and timing of cash flows related to the asset retirement provision and impairment assessment, if any. 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

Estimates of net realizable value are based on the most reliable evidence available, at the time that the estimates are made, of the amount that the inventories are expected to realize. In order to determine the net realizable value of gold dore, 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, if applicable. 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.

Materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. However, to the extent net realizable of materials and spares must be estimated, replacement costs of the materials and spare parts are generally used as the best estimate of net realizable value.

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.

5. Significant accounting judgements and estimates (continued)

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.

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.

5. Significant accounting judgements and estimates (continued)

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 206,079 ounces to Red Kite during the year ended December 31, 2017, in accordance with an Offtake Agreement (note 18(c)). Comparatively, the Company sold 147,950 ounces during the nine months ended December 31, 2016. Sales proceeds earned during 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 17(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 was $0.7 million relating to by-product silver sales for the year ended December 31, 2017 ($0.6 million during the nine months ended December 31, 2016).

All of the Company's concessions are subject to a 5% gross revenue royalty payable to the Government of Ghana.

7. Production costs by nature

	Year ended December 31,	
	2017	**2016**
	$	$
Raw materials and consumables	50,925	36,182
Salary and employee benefits	21,932	17,375
Contractors (net of deferred stripping costs (note 17(c))	37,742	43,515
Change in inventories	2,345	(11,417)
Insurance, government fees, permits and other	3,684	3,033
Total Production costs	**116,628**	**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.

8. Write-off of deferred stripping asset

In early 2017, 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 Nkran pit for deferred stripping purposes. It was determined that one of the (then) six components identified within the Nkran pit for deferred stripping purposes, had fewer ore tonnes remaining as at December 31, 2016 as compared to the previous estimate. The updated reserve tonnes in this one component indicated that the capitalized value of the associated deferred stripping asset recorded as part of mineral properties, plant and equipment was not fully recoverable. Accordingly, the Company recorded a $7.1 million write-down as at December 31, 2016 related to this component of the deferred stripping asset. This write-down formed part of the Ghana operating segment (note 25).

No such write-off occurred during the year ended December 31, 2017.

9. General and administrative expenses

The following is a summary of general and administrative expenses incurred during the years ended December 31, 2017 and 2016.

	Year ended December 31,	
	2017	**2016**
	$	$
Wages, benefits and consulting	7,797	7,228
Office, rent and administration	546	445
Professional and legal	1,557	1,500
Share-based payments	1,418	536
Travel, marketing, investor relations and regulatory	1,204	1,225
Corporate reorganization	13	1,585
Other	55	19
Total	**12,590**	**12,538**

10. Finance expense

The following is a summary of finance expenses incurred during the years ended December 31, 2017 and 2016.

	Year ended December 31,	
	2017	**2016**
	$	$
Interest charges on Red Kite loan (Note 18(a))	16,826	13,451
Accretion charges for asset retirement provisions (Note 19)	650	398
Total	**17,476**	**13,849**

11. Income tax

a) Tax expense

	Year ended December 31, 2017 $	2016 $
Current tax expense	1,301	1,531
Deferred tax expense	22,774	9,907
Total	**24,075**	**11,438**

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, 2017 $	2016 $
Average statutory tax rate	26.00%	26.00%
Income (loss) before income taxes	30,722	(1,778)
Expected income tax expense (recovery)	7,988	(462)
Increase in income tax expense (recovery) resulting from:		
Permanent differences	(184)	(22)
True-up prior year balances	3,688	(1,372)
Effect of differences in tax rate in foreign jurisdictions	3,214	180
Change in unrecognized tax assets	9,012	11,117
Withholding tax	1,301	1,531
Foreign exchange and other	(944)	466
Income tax expense	**24,075**	**11,438**

b) Deferred tax liabilities and assets

The significant components of the Company's deferred tax liabilities and assets are as follows:

	December 31, 2017 $	December 31, 2016 $
Mineral properties, plant and equipment	(48,475)	(23,820)
Asset retirement provisions	6,694	4,813
Unrealized foreign exchange	-	(1,266)
Non-capital losses carried forward	-	1,266
	(41,781)	(19,007)
Deferred tax assets	6,694	6,079
Deferred tax liabilities	(48,475)	(25,086)
Net deferred tax balance	**(41,781)**	**(19,007)**

11. Income tax (continued)

The Company has tax losses in Ghana of $65.0 million (2016 - $29.8 million), which expire between 2021 and 2022, and tax losses of $39.6 million (2016 - $25.9 million) in Canada which expire between 2028 and 2037. Deductible temporary differences and unused tax losses for which no deferred tax assets have been recognized are attributable to the following:

	Year ended December 31, 2017 $	2016 $
Mineral properties, plant and equipment	11,440	23,068
Share issuance costs	302	619
Investment in associate	275	248
Asset retirement provision	4,083	-
Unrealized foreign exchange	(788)	-
Foreign exchange loss carried forward	509	709
Non-capital losses carried forward	33,464	15,630
Total	**49,285**	**40,274**

The aggregate amount of taxable temporary differences associated with investments in subsidiaries for which deferred taxes have not been recognized, as at December 31, 2017 is $59.8 million (2016 - $58.8 million).

12. Non-controlling interest

The AGM is wholly-owned by Asanko Ghana. The Government of Ghana holds a 10% free-carried interest in Asanko Ghana; this is considered to be a non-controlling interest in Asanko Ghana. At December 31, 2017, Asanko Ghana has an income surplus in the pool from which dividends can be paid. In accordance with the Company's accounting policy for non-controlling interests, the Company has allocated $0.6 million of Asanko Ghana's net earnings to the non-controlling interest for the year ended December 31, 2017 (December 31, 2016 – $nil).

13. Earnings (loss) per share attributable to common shareholders

For the years ended December 31, 2017 and 2016, the calculation of basic and diluted earnings per share is based on the following data:

	Year ended December 31, 2017	2016
Earnings ($)		
Net income (loss) attributable to common shareholders	6,077	(13,216)
Number of shares		
Weighted average number of ordinary shares - basic	203,333,111	198,973,570
Effect of dilutive share options and warrants	1,061,341	-
Weighted average number of ordinary shares - diluted	**204,394,452**	**198,973,570**

Excluded from the calculation of diluted weighted average shares outstanding for the year ended December 31, 2017 were 3,613,000 share-based options and 4,000,000 warrants, respectively, that were determined to be anti-dilutive.

For the year ended December 31, 2016, the effect of all potentially dilutive securities was anti-dilutive given the Company realized a net loss for the year.

14. Inventories

	2017 $	2016 $
Gold dore on hand	4,070	5,968
Gold-in-process	1,131	4,461
Ore stockpiles	17,244	14,361
Materials and spare parts	13,687	7,584
Total inventories	**36,132**	**32,374**
Less non-current inventories:		
Ore stockpiles	(2,245)	-
Total current inventories	**33,887**	**32,374**

At December 31, 2017, the Company had approximately 433,000 tonnes of low-grade stockpiled ore that the Company plans to mill subsequent to 2018. As such, the carrying value of this stock was presented as part of non-current assets.

No inventory has been recognized at net realizable value as at December 31, 2017 or 2016.

15. VAT receivable

On April 1, 2016, the Company announced that the AGM was in commercial production and in addition, also in April 2016, the Company received a letter from the Ghana Revenue Agency (the "GRA") stating that the Company was entitled to a VAT refund in the amount of $20.5 million with respect to the period July 2013 to December 2015. The Company considered 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. Since 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 GRA 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.

During the year ended December 31, 2017, $2.6 million of VAT receivable was reclassified to depletable mineral property interests as it was determined by the GRA not to be refundable. As the balance related to pre-production expenditures, the balance of $2.6 million is eligible to be capitalized to the Company's deferred tax pools in Ghana and will be tax deductible over a period of five years (note 17(e)).

As of December 31, 2017, VAT receivable of $5.1 million has been recognized (December 31, 2016 - $22.9 million).

16. 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, 2017 (December 31, 2016 - $1.8 million).

The Reclamation Deposit is held 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.

17. Mineral properties, plant and equipment and exploration and evaluation assets

	Mineral interests						
	Depletable	Non-depletable	Exploration and evaluation assets	Plant, buildings and equipment	Assets under construction	Corporate assets	**Total**
	$	$		$	$	$	$
Cost							
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**
Additions	73,486	6,244	328	7,032	39,274	23	**126,387**
Change in rehabilitation provisions	4,970	(204)	-	-	-	-	**4,766**
Reclassification of VAT recoverable	2,629	-	-	-	-	-	**2,629**
Transfers	17,127	(16,592)	-	18,677	(19,212)	-	**-**
As at December 31, 2017	**244,357**	**78,537**	**13,085**	**366,671**	**27,403**	**746**	**730,799**
Accumulated depreciation and depletion							
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**)
Depreciation and depletion	(42,354)	-	-	(21,808)	-	(41)	**(64,203**)
As at December 31, 2017	**(65,759**)	**-**	**-**	**(53,601**)	**-**	**(616**)	**(119,976**)
Net book value							
At December 31, 2016	122,740	89,089	12,757	309,169	7,341	148	541,244
As at December 31, 2017	**178,598**	**78,537**	**13,085**	**313,070**	**27,403**	**130**	**610,823**

Depreciation and depletion for the year ended December 31, 2017 includes $55 (2016- $19) of depreciation included in general and administrative expenses. During the year ended December 31, 2016, the Company capitalized $3.6 million in borrowing costs incurred during the first quarter of 2016 (prior to commencement of commercial production) at an effective rate of 11.12% .

17. Mineral properties, plant and equipment and exploration and evaluation assets (continued)

(a) Mineral interests and plant, buildings and equipment

Depletable mineral interests consist of the pits currently being mined by the Company, while non-depletable mineral interests relate to mineral concessions not yet in operation. Costs associated with the construction of non-operating pits of the AGM are classified as assets under construction until such time steady state production commences, at which time the assets will be classified as depletable mineral interests and depleted on a units-of-production basis.

At December 31, 2017, assets under construction included costs associated with the recovery circuit upgrades to the processing plant and early earthworks associated with the Esaase overland conveyor.

(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, 2017, the Company deferred a total of $64.6 million (2016 - $36.0 million) of stripping costs to depletable mineral interests. Depletion of $12.3 million (2016 - $11.4 million) was charged on this asset during the same period and was recorded in depreciation and depletion in cost of sales.

(d) 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.

(e) During the year ended December 31, 2017, $2.6 million of VAT receivable was reclassified to depletable mineral property interests as it was determined by the GRA to relate to pre-production expenditures. The balance of $2.6 million is eligible to be capitalized to the Company's deferred tax pools in Ghana and will be tax deductible over a period of five years (note 15).

18. Long-term debt

(a) Long-term debt

	December 31, 2017 $	December 31, 2016 $
Gross proceeds	150,000	150,000
Accrued interest	13,894	13,894
Loan obligation	163,894	163,894
Deferred financing costs	(16,475)	(16,475)
Interest and withholding taxes paid	(33,197)	(19,825)
Loan accretion	44,105	27,378
Total debt	**158,328**	**154,972**
Current portion of debt	36,451	469
Non-current portion of debt	121,877	154,503

In 2013, the Company entered into a DSFA with Red Kite, which was fully drawn for a total of $150.0 million plus $13.9 million in unpaid interest that was accrued up to May 2016 (when the loan was modified; see below). The debt is carried at amortized cost and was recorded net of unamortized financing fees of $16.5 million. Interest on the DSFA is calculated on a quarterly basis at a rate of LIBOR +6%, subject to a 1% minimum LIBOR rate which creates an interest rate floor. Interest is paid in advance at the beginning of each quarter. 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 provided 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 continues to pay in advance quarterly interest on the loan facility during the principal deferral period. There were no other changes to the existing debt facility terms. The amendments were considered to be a modification of the previous DSFA. A deferral fee of 2% of the loan principal, being $3.3 million, was paid in the second quarter of 2016 commensurate with signing the amendment. The deferral fee was 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 10.9% (also see note 4(b)).

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, 2017, $16.8 million (2016 - $17.0 million) of loan accretion and accrued interest was recorded at a weighted average effective interest rate of approximately 10.9% (2016 - 10.6%) . Included in the loan accretion for the year ended December 31, 2016 was a total of $3.6 million that was capitalized to assets under construction.

Additionally, during the year ended December 31, 2017, the Company paid $13.6 million, which included interest to Red Kite and withholding taxes to the GRA (2016 - $5.9 million).

18. Long-term debt (continued)

The first two principal repayments on the DSFA of $18.1 million each were due in July 2018 and October 2018, respectively. Accordingly, this principal repayment has been classified as a current liability as at December 31, 2017. However, on February 22, 2018, the Company agreed to a new term sheet with Red Kite (the "RK Term Sheet"), whereby the Company would be able to defer the repayment of principal associated with the long-term debt by up to three years (repayment commencing on July 2021), subject to certain fees, terms and conditions (note 29 (b)).

(b) Embedded derivative

An embedded derivative liability was originally recognized upon initial recognition for the DSFA 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 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 by incorporating contractual spread. Based on this change, the Company 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 was derecognized in fiscal 2016.

(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 dependent 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, 2017, 362,739 ounces have been delivered to Red Kite under the offtake agreement (December 31, 2016 - 156,660 ounces).

19. 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 $45.5 million as at December 31, 2017 (2016 - $35.0 million) and the present value of the obligation was estimated at $30.8 million (2016 - $25.4 million).

The discount rates used by the Company in 2017 (2.49%) and 2016 (2.62%) were based on prevailing risk-free pre-tax rates in the United States (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 were discounted. The inflation rates used in the asset retirement obligation calculation for 2017 (1.70%) and 2016 (1.77%) were based on US inflation data, given the majority of reclamation costs will be incurred in US dollars.

19. Asset retirement obligation (continued)

The following table shows the movement in the asset retirement obligation for the years ended December 31, 2017 and 2016:

	December 31, 2017 $	December 31, 2016 $
Balance, beginning of year	25,374	18,741
Accretion expense	650	398
Change in obligation	4,766	6,235
Balance, end of year	**30,790**	**25,374**

20. 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, 2015	196,995,607	540,133
Issued pursuant to asset acquisition (note 17 (d))	2,000,000	8,395
Issued pursuant to exercise of share based options (note 21 (a))	2,833,600	7,728
Balance, December 31, 2016	201,829,207	556,256
Issued pursuant to exercise of share based options (note 21 (a))	1,620,750	5,185
Balance, December 31, 2017	**203,449,957**	**561,441**

21. 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 9% 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. On May 22, 2017, the Company amended its share-based option plan. All options granted prior to this date vest 25% on the date of the grant and 12.5% every three months thereafter for a total vesting period of 18 months. Any options granted subsequent to May 22, 2017 vest 33% every twelve months following the grant date for a total vesting period of three years.

During the year ended December 31, 2017, the Company recognized share-based payments expense of $3.3 million, of which $0.6 million was capitalized to mineral properties during the period (December 31, 2016 - $1.6 million share-based payment expense of which $0.6 million was capitalized to mineral properties).

21. 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, 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
Granted	3,374,000	3.64
Exercised	(1,620,750)	2.75
Cancelled/Expired	(3,766,375)	3.53
Balance, December 31, 2017	12,578,625	2.52

The fair value of the share-based options granted is determined using the Black Scholes pricing model. For all grants during the year ended December 31, 2017, the weighted average expected life, dividend yield and forfeiture rate were 3.44 years, nil and 0.88%, respectively. For all grants during fiscal 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 granted	Weighted average exercise price C$	Weighted average risk-free interest rate	Weighted average volatility	Weighted average Black-Scholes value assigned $
Year ended December 31, 2016	2,915,000	2.18	0.55%	49.52%	0.50
Year ended December 31, 2017	3,374,000	3.64	1.55%	64.95%	1.42

The following table summarizes the share-based options outstanding and exercisable at December 31, 2017:

	Total options outstanding			**Total options exercisable**		
Range of exercise price	Number	Weighted contractual life (years)	Weighted average exercise price C$	Number	Weighted contractual life (years)	Weighted average exercise price C$
C$1.00-$2.00	2,560,000	3.20	1.85	2,185,000	2.95	1.97
C$2.01-$3.00	7,196,625	1.53	2.17	7,181,625	1.53	2.17
C$3.01-$4.00	2,652,000	4.16	3.97	1,694,375	4.16	3.97
C$4.01-$5.00	170,000	3.57	4.38	152,500	3.53	4.33
	12,578,625	**2.45**	**2.52**	**11,213,500**	**2.23**	**2.43**

21. 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 18(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, 2017.

22. Commitments and contractual obligations

As at December 31, 2017, the Company had contractual obligations totaling $186.3 million, relating to principal and interest on long- term debt (December 31, 2016 - $198.0 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, 2017 the long-term debt had a face value of $163.9 million (December 31, 2016 - $163.9 million). On February 22, 2018, the Company agreed to the RK Term Sheet, whereby the Company would be able to defer the repayment of principal associated with the long-term debt by up to three years (repayment commencing on July 2021), subject to certain fees, terms and conditions (note 29 (b)).

The Company is also a party to certain construction and engineering contracts relating to Project 5M.

The following table shows the Company's contractual obligations as they fall due as at December 31, 2017 and 2016:

(in thousands of US dollars)	**Within 1 year**	**1 - 5 years**	**Over 5 years**	**Total 2017**	Total 2016
Long-term debt and related interest and withholding tax payments	48,752	137,518	-	**186,270**	198,028
Accounts payable and accrued liabilities	47,916	-	-	**47,916**	46,934
Decommissioning liability (undiscounted)	-	1,365	44,161	**45,526**	34,977
Mine operating/construction and other service contracts, open purchase orders	17,217	214	-	**17,431**	27,969
Total	**113,885**	**139,097**	**44,161**	**297,143**	307,908

23. Contingencies

Except as set forth below, there were 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, 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 again 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 merit. Godbri has taken no further steps in the suit since June 2013. The Company has not reserved any amount of expense or liability in connection with the claim.

24. Supplemental cash flow information

	Year ended December 31, 2017 $	2016 $
Change in asset retirement provisions included in mineral properties, plant and equipment	4,766	6,235
Change in accounts payable related to mineral properties, plant and equipment	2,655	(29,903)
Reclassification to (from) mineral properties, plant and equipment from (to) VAT receivable	2,629	(25,013)
Fair value of shares included in mineral properties, plant and equipment	-	8,395
Borrowing costs included in mineral properties, plant and equipment	877	3,568
Share-based compensation included in mineral properties, plant and equipment	607	620

Changes in non-cash working capital consist of the following:

	Year ended December 31, 2017 $	2016 $
Trade and other receivables	(711)	(1,313)
VAT receivable	15,530	(27,566)
Prepaid Expense	(158)	(389)
Inventories	(3,759)	(31,195)
Trade and other payables	(1,074)	41,803
Total	9,828	(18,660)

25. 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 were derived from the mining and sale of precious metals to Red Kite under an offtake agreement (note 18(c)).

25. Segmented information (continued)

Geographic allocation of total assets and liabilities

December 31, 2017	Canada	Ghana	Total
	$	$	$
Current assets	27,673	66,207	**93,880**
Mineral properties, plant and equipment	56	610,767	**610,823**
Other non-current assets	-	4,082	**4,082**
Total assets	**27,729**	**681,056**	**708,785**
Current liabilities	1,704	82,663	**84,367**
Non-current liabilities	-	194,448	**194,448**
Total liabilities	**1,704**	**277,111**	**278,815**

December 31, 2016	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**

25. Segmented information (continued)

Geographic allocation of the Statement of Operations and Comprehensive Income (loss)

December 31, 2017	Canada	Ghana	Total
	$	$	$
Revenue	-	256,203	256,203
Royalties	-	(12,810)	(12,810)
Net revenue	-	243,393	243,393
Cost of sales			
Production costs	-	(116,628)	(116,628)
Depreciation and depletion	-	(64,153)	(64,153)
Total cost of sales	-	(180,781)	(180,781)
Income from mine operations	-	62,612	62,612
Exploration and evaluation expenditures	-	(2,050)	(2,050)
General and administrative expenses	(4,320)	(8,270)	(12,590)
Income (loss) from operations	(4,320)	52,292	47,972
Finance income	197	412	609
Finance expense	(14)	(17,462)	(17,476)
Foreign exchange loss	(252)	(131)	(383)
Income (loss) before income taxes	(4,389)	35,111	30,722
Current income tax expense	(1,301)	-	(1,301)
Deferred income tax expense	-	(22,774)	(22,774)
Net income (loss) and comprehensive income (loss) for the year	(5,690)	12,337	6,647

25. Segmented information (continued)

December 31, 2016	**Canada**	**Ghana**	**Total**
(in thousands of US dollars)	$	$	$
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)

26. 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 common shareholders' equity, being a total of $429.4 million as at December 31, 2017 (2016 - $416.4 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 associated with ongoing operations and development plans. In order to maintain or adjust its capital structure, the Company filed a short-form base shelf prospectus on January 15, 2018, which allows the Company to offer up to $300 million of common shares, warrants, subscription receipts, debt securities and units, or any combination thereof, from time to time over a 25-month period. The specific terms of any offering of securities will be subject to approval by the Company's Board of Directors and the terms of such offering will be set forth in a shelf prospectus supplement. 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. On February 22, 2018, the Company agreed to RK Term Sheet, whereby the Company would be able to defer the repayment of principal associated with the long-term debt by up to three years (commencing on July 2021), subject to certain fees, terms and conditions (notes 18 and 29(b)).

27. Financial instruments

As at December 31, 2017, 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 were carried at amortized cost.

All of the Company's financial instruments were considered to be Level 1 within the fair value hierarchy:

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 2017 or 2016.

The carrying value of the Company's debt is $158.3 million (2016 - $155.0 million) (note 18) and the fair value is approximately $135.6 million (2016 - $169.0 million). The fair value of all of the Company's other financial instruments approximates their carrying value.

27. 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 risk of loss associated with cash investments is considered to be low as the Company's cash and cash equivalents were held in highly-rated Canadian, Ghanaian and South African banking institutions. As at December 31, 2017, the Company had interest receivable of $40 (December 31, 2016 - $nil) and a loan receivable from a third party in the amount of $0.9 million. In addition, the Company is subject to credit risk in relation to 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 18(c)). Payments are routine in nature, scheduled and received within a contractually-agreed time frame. Total receivables from precious metal sales as at December 31, 2017 is $1.2 million (December 31, 2016 - $0.6 million). The risk associated with receivables from Red Kite as at December 31, 2017 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 credit risk related to the VAT receivable balance as at December 31, 2017.

(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 26). 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, 2017, the Company had a cash and cash equivalents balance of $49.3 million (December 31, 2016 – $59.7 million) and is generating positive cash flows from operations, allowing it to settle current accounts payable and accrued liabilities of $47.9 million (December 31, 2016 - $46.9 million) as they become due. The first two principal repayments on the DSFA of $18.1 million each were due in July 2018 and October 2018, respectively. However, on February 22, 2018, the Company agreed to the RK Term Sheet whereby the Company would be able to defer the repayment of principal associated with the long-term debt by up to three years (commencing on July 2021), subject to certain fees, terms and conditions (notes 18 and 29(b)).

(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 18), 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 have resulted in a $1.1 million increase (decrease) to after-tax net income (loss) for year ended December 31, 2017.

27. Financial instruments (continued)

(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$"), Ghanaian cedi ("GHS") and South African rand ("ZAR") could have an effect on the Company's results of operations, financial position and cash flows. 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.

As at December 31, 2017 and 2016, the Company's notable exposure to foreign currency risk arose from the following balances:

December 31, 2017	**Foreign currency amount**		**USD Equivalent**
	C$	**GHS**	$
Cash and cash equivalents	324	18,874	**4,416**
VAT receivable	-	23,003	**5,070**
Accounts payable and accrued liabilities	(895)	(45,439)	**(10,722)**
Net exposure to foreign currency	**(571)**	**(3,562)**	**(1,236)**

December 31, 2016	**Foreign currency amount**		**USD Equivalent**
	C$	**GHS**	$
Cash and cash equivalents	4,744	7,212	**5,251**
VAT receivable	-	96,097	**22,881**
Accounts payable and accrued liabilities	(77)	(28,754)	**(6,904)**
Net exposure to foreign currency	**4,667**	**74,555**	**21,228**

A 10% change in the prevailing exchange rates as at December 31, 2017 and 2016, with all other variables held constant, would have had a $53 (2016 - $2.1 million) impact on the Company's earnings.

(iii) Price risk

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's future cash flows will 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, 2017, with all other variables held constant, would have resulted in a $0.7 million increase (decrease) to after-tax net income (loss) (December 31, 2016 - $nil).

28. Related party transactions

All transactions with related parties have occurred in the normal course of operations and were measured at the exchange amount agreed to by the parties. All amounts were unsecured, non-interest bearing and have no specific terms of settlement.

Transactions with key management personnel were as follows:

	Year ended December 31,	
	2017	2016
	$	$
Salaries and benefits	1,797	3,694
Share-based payments	736	313
Total compensation	2,533	4,007

Key management personnel consist of directors and officers of the Company. No other related party transactions have taken place during 2017 or 2016.

29. Subsequent events

a) Subsequent to year-end, the Company granted 2,590,000 stock options (exercisable at a price of C$1.07) and 2,326,850 restricted share units ("RSUs"). RSUs are awards for service which upon vesting and settlement entitle the recipient to receive a cash payment equal to the fair market value of a common share at the vesting date. Vesting conditions for RSUs are set by the Board and, in this event, the RSUs are to vest in three equal tranches over a service period of three years.

b) On February 22, 2018, the Company agreed to the RK Term Sheet, whereby the Company would be able to defer the repayment of principal associated with the long-term debt by up to three years (repayment commencing on July 2021) (note 18). An initial one-year deferral is subject primarily to fees and the finalization of definitive documentation, while a further two-year deferral is subject to additional customary conditions precedent which would have to be complied with by June 30, 2019.



MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year ended December 31, 2017

TABLE OF CONTENTS

1.	Overview of the business	2
2.	Highlights and key business developments	3-5
3.	Operating performance	6-8
4.	Development and exploration update	8-10
5.	Financial results	11-15
6.	Selected quarterly financial data	16-17
7.	Outlook	17-18
8.	Liquidity and capital resources	18-21
9.	Non-GAAP measures	22-24
10.	Summary of outstanding share data	24
11.	Related party transactions	24
12.	Critical accounting policies and estimates	25-28
13.	Risks and uncertainties	28-30
14.	Internal control	31
15.	Cautionary statements	32-33

This Management's Discussion and Analysis ("MD&A") of Asanko Gold Inc. ("Asanko" or the "Company") has been prepared by management as of March 13, 2018 and should be read in conjunction with the Company's consolidated financial statements for the years ended December 31, 2017 and 2016 and the related notes thereto.

Additional information on the Company, including its most recent Annual Information Form ("AIF") is available under the Company's profile at www.sedar.com and the 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 ("US 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 sections **"13. Risks and uncertainties"** and **"15.1 Cautionary statement on forward looking information"** at the end of this MD&A

1. Overview of the business

Asanko is a Canadian-based gold producer with an operating mine, the Asanko Gold Mine ("AGM" or "the Project"), and highly prospective gold concessions, in various stages of exploration, on both the Asankrangwa and Sefwi belts in the Republic of Ghana ("Ghana"), West Africa. Asanko's vision is to build a mid-tier gold mining company through organic production growth, exploration and disciplined deployment of its financial resources. The Company's shares are listed on the Toronto Stock Exchange ("TSX") and the NYSE American ("NYSE") under the symbol "AKG".

The AGM is a multi-deposit complex, with two main deposits, Nkran and Esaase, and nine satellite deposits. The mine is being developed in phases. The first phase comprised the construction of a 3 million tonne per annum ("Mtpa") carbon-in-leach ("CIL") processing facility and bringing the first pit, Nkran, into production ("Phase 1"). Phase 1 was funded by cash on hand and a $150 million debt facility (see section **"8.0 Liquidity and capital resources"** below) and 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.

The Company plans to expand the AGM through two organic growth projects, namely Project 5 Million ("P5M") and Project 10 Million ("P10M"), which is expected to ultimately double the mine's processing capacity and increase production to ~450,000 ounces per year. A positive Definitive Feasibility Study on the planned expansion projects was published in a technical report prepared in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101") on June 5, 2017 (and amended and restated December 20, 2017) (the "12/17 DFS") and has been filed on SEDAR, www.sedar.com, and is available on the Company's website: www.asanko.com (see section **"4.2 Expansion projects"** below). The 12/17 DFS was based on the optimal NPV on a capital unconstrained basis for the AGM, which assumed the sequential development of each project. The Company intends to fund these expansion projects predominantly from internally generated operating cash flows, supported by a debt facility (see section "**8.0 Liquidity and capital resources**" below) and there is complete flexibility on the timing of these expansion projects, which will be at the Board's discretion.

The first stage of P5M, the brownfield modifications and upgrades to the CIL processing plant to increase throughput to 5Mtpa, is largely complete. The volumetric upgrades achieved name plate capacity in December 2017 with the processing plant operating at a 5Mtpa annualized milling rate. Installation and commissioning of the P5M recovery circuit upgrades are expected to be completed in Q1 2018.

The second stage of P5M is the construction of an overland conveyor and development of the Esaase deposit. The decision to proceed with the second stage of expansion has been deferred until 2018. The timing of P10M will be at the Board's discretion and dependent on the Company's balance sheet, financing opportunities as well as favourable market conditions.

2. Highlights and key business developments

2017 Business developments

- During Q4 2017, the Company achieved gold production of 51,550 ounces as the Company focused on operational delivery and completed the volumetric upgrades to the process plant to 5Mtpa which contributed to higher process plant throughput rates.
- Q4 2017 gold sales of 49,561 ounces at an average realized gold price of $1,264 per ounce generating gold revenue of $62.8 million.
- For the year 2017, gold production was 205,047 ounces, in line with 2017 amended production guidance of 205,000- 225,000 ounces.
- 2017 gold sales totaled 206,079 ounces at an average realized gold price of $1,243 per ounce generating $256.2 million.
- Ore for the AGM was sourced from four deposits, allowing for increased mining flexibility, as well as from surface stockpiles during Q4 2017.
- Implementation of the optimized mine plan associated with P5M in Q4 2017, including the larger Cut 2 pushback at Nkran as the Company increased the mining bench widths from 35m to an average 45m to provide higher ore yields during the next capital growth phase of the AGM, which is expected to commence in 2019.
- Ore mining rates for Q4 2017 averaged 267,333 tonnes per month ("tpm") at an average mining grade of 1.5 g/t and a strip ratio of 13.3:1. Ore tonnes and average grade mined were lower compared to the previous quarter due to the larger Cut 2 pushback at Nkran which combined with the establishment of the Dynamite Hill pit, resulted in the overall strip ratio increasing significantly for the quarter.
- For the year 2017, mining rates averaged 337,333tpm at an average mining grade of 1.7g/t and a strip ratio of 7.4:1.
- At Nkran, mining operations extracted ore from multiple zones of mineralization with an average mining grade of 1.7g/t during the quarter. The grade control versus resource model reconciliation continues with the positive trend and was within 2% for the second half of 2017, validating the Nkran Mineral Resource and Reserve Estimates.
- At the Akwasiso satellite deposit, mining operations delivered approximately 42,300tpm of ore at a grade of 1.1g/t.
- At Dynamite Hill, the second satellite pit to be brought into production, mining operations commenced during the quarter as planned. Ramp-up to full mining rates of approximately 70,000tpm are expected in Q1 2018.
- During the quarter, Nkran Extension, a third although very small satellite deposit, was brought into production to supplement feed to the upgraded processing plant. Nkran Extension delivered 62,000 tonnes of ore grading at 1.2g/t during the quarter.
- The Company completed the volumetric upgrades to the processing plant under budget and ahead of schedule. These upgrades achieved name plate capacity with the plant operating at the annualized rate of 5Mtpa for the month of December.
- During Q4 2017, the plant processed a record 1.1 million tonnes ("Mt"), in spite of a lower proportion of oxide tonnes being fed to the mill than designed, with a feed grade of 1.5 g/t.
- Gold recovery continued to exceed design levels at 94%, despite the elevated mill throughput rates highlighting the capability of the circuit to run at higher throughput levels.
- There were no lost time injuries recorded in the quarter and the rolling lost time injury frequency rate per million man hours worked ("LTIFR") is an industry-leading 0.17.
- On February 22, 2018, the Company agreed to a new term sheet with its long-term debt provider RK Mine Finance Trust I ("Red Kite"), whereby the Company would be able to defer the repayment of principal associated with the long-term debt by up to three years (repayment commencing on July 1, 2021) (the "RK Term Sheet"). An initial one-year deferral is subject primarily to fees and the finalization of definitive documentation, while a further two-year deferral is subject to additional customary conditions precedent which would have to be complied with by June 30, 2019. Management expects to complete the definitive documentation and announce the terms of the restructured debt facility in Q2 2018.

Key consolidated financial information

For the year ended December 31, 2017

- Cash provided by operating activities in 2017 was $123.2 million, a 124% increase from 2016. Operating cash flow before working capital changes was $113.4 million in 2017, 54% higher than 2016 ($73.6 million). During 2016, cash flows from operations were lower due to the fact the AGM did not achieve commercial production until April 1, 2016, and steady state production until mid-Q2 2016.
- The Company earned net revenues (after royalties) of $243.4 million, incurred total cost of sales (including depreciation and depletion) of $180.8 million and earned income from mine operations of $62.6 million in 2017.
- The Company reported net income attributable to common shareholders of $6.1 million in 2017, an increase in net income attributable to common shareholders of $19.3 million compared to 2016. During 2016, the net loss was partly due to the fact that the AGM achieved commercial production on April 1, 2016, and steady state production during mid-Q2 2016, while 2016 results were also affected by the impairment of a component of the deferred stripping asset.
- The Company incurred operating cash costs per ounce [1] , total cash costs per ounce [1] and all-in sustaining costs ("AISC") [1] of $556, $618 and $1,007, respectively, in 2017.
- Mining and processing costs averaged $3.25 per tonne mined (2016 - $3.83/t) and $13.00 per tonne milled (2016 - $13.24/t), respectively, in 2017. Mining costs per tonne were lower than 2016 as a result of higher materials mined (ore and waste) which had the impact of decreasing fixed mining costs on a per unit basis. In addition, a higher proportion of softer oxide material was moved during the year associated with the development of Cut 2 at Nkran, contributing to the lower mining cost profile. Of the mining costs incurred in 2017, a total of $64.6 million was deferred as stripping costs. Processing unit costs were lower in 2017 as a result of higher milling rates compared to 2016.
- As at December 31, 2017, the Company had cash of $49.3 million on hand, along with unrefined gold dore at a cost of $4.1 million (and a market value of $5.7 million as at December 31, 2017) and $1.2 million in receivables from gold sales.

For the three months ended December 31, 2017

- Cash provided by operating activities in Q4 2017 was $34.4 million, a 15% decrease from Q3 2017. Operating cash flow before working capital changes was $26.2 million in Q4 2017, 17% lower than Q3 2017 of $31.7 million. The decrease in operating cash flows was primarily due to an increase in the Company's production costs, as well as marginally lower sales volumes.
- The Company earned net revenues (after royalties) of $59.6 million in Q4 2017. Total cost of sales (including depreciation and depletion) amounted to $44.5 million, while income from mine operations was $15.1 million for Q4 2017.
- The Company reported a net loss attributable to common shareholders of $7.1 million in Q4 2017, compared to net income attributable to common shareholders of $4.7 million in Q3 2017. The net loss during Q4 2017 was primarily attributable to higher deferred income tax expense ($10.1 million increase), higher cost of sales ($1.9 million increase) and exploration expenditures ($1.4 million increase), which were partially offset by an unrealized foreign exchange gain of $1.1 million in Q4 2017. Net income before taxes for Q4 2017 was $7.1 million.
- The Company incurred operating cash costs per ounce [1] , total cash costs per ounce [1] and AISC [1] of $586, $649 and $1,171, respectively, in Q4 2017. The high AISC [1] in Q4 2017 reflected the Company's investment in mine development associated with the advancement of Cut 2 at Nkran.
- Mining and processing costs averaged $2.82 per tonne mined (Q3 2017 - $3.35/t) and $12.91 per tonne milled (Q3 2017 - $12.94/t), respectively, during Q4 2017. Mining costs per tonne were lower than Q3 2017 as a result of a higher oxide material mix and the progression of Cut 2 at Nkran resulting in more tonnes mined, which had the impact of decreasing fixed mining costs on a per unit basis. Of the mining costs incurred during Q4 2017, a total of $22.4 million was deferred as stripping costs. Processing unit costs were comparable to Q3 2017 as the volumetric upgrades to the plant were only fully commissioned to name plate capacity in December 2017.

[1] See "**9. Non-GAAP measures**"

Selected consolidated data

	Three months ended December 31,		Year ended December 31,	
Key performance Data	**2017**	**2016**	**2017**	**2016**
Tonnes of ore milled (000s)	1,087	901	3,745	2,455
Gold produced (ounces)	51,550	57,178	205,047	147,501
Gold sold (ounces)	49,561	58,483	206,079	147,950
Average realized price per gold ounce sold ($)	1,264	1,199	1,243	1,247
Average London PM fix ($)	1,276	1,221	1,257	1,273
Operating cash costs ($ per gold ounce) [1]	586	524	556	593
Total cash costs ($ per gold ounce) [1]	649	584	618	656
All-in sustaining costs ($ per gold ounce) [1]	1,171	893	1,007	984

	Three months ended December 31,		Year ended December 31,	
Financial Data	**2017**	**2016**	**2017**	**2016**
(in thousands of US dollars except per share amounts)				
Revenue	62,767	70,304	256,203	185,167
Income from mine operations	15,131	6,299	62,612	27,140
Net income (loss) attributable to common shareholders	(7,111)	(8,477)	6,077	(13,216)
Adjusted net income (loss) attributable to common shareholders[1]	(7,111)	(4,149)	6,077	(8,623)
Income (loss) per share attributable to common shareholders - basic and diluted	($0.03)	($0.04)	$0.03	($0.07)
Operating cash flows before working capital changes	26,243	29,205	113,410	73,622
Assets				
Mining interests	610,823	541,244	610,823	541,244
Total assets	708,785	662,712	708,785	662,712
Liabilities				
Long-term liabilities	194,448	198,884	194,448	198,884
Total liabilities	278,815	246,287	278,815	246,287
Equity				
Common shareholders' equity	429,400	416,425	429,400	416,425
Non-controlling interest	570	-	570	-
Weighted average shares outstanding (basic)	203,449,957	201,829,207	203,333,111	198,973,570
Weighted average shares outstanding (diluted)	203,449,957	201,829,207	204,394,452	198,973,570

The Company commenced commercial production on April 1, 2016 and as a result, some measures presented in the table were not applicable for the full period in 2016 given that the Company was not yet considered to be operating for financial reporting purposes. 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 this MD&A 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. Operating performance

The following table provides a summary of operating performance at the AGM for the three months and year ended December 31, 2017 and 2016. The Company commenced commercial production on April 1, 2016 and as a result, some measures presented in the table below were not applicable for the full period in 2016.

	Three months ended December 31,		Year ended December 31,	
	2017	2016	2017	2016
Key performance Data				
Tonnes of ore mined (000s)	802	1,300	4,048	3,865
Tonnes of ore milled (000s)	1,087	901	3,745	2,455
Mining cost ($/t mined)	2.82	3.88	3.25	3.83
Processing cost ($/t treated)	12.91	12.80	13.00	13.24
Average mill head grade (g/t)	1.5	2.1	1.8	2.0
Average recovery rate (%)	94%	94%	94%	94%
Gold produced (ounces)	51,550	57,178	205,047	147,501
Gold sold (ounces)	49,561	58,483	206,079	147,950
Silver produced (ounces)	11,172	13,849	49,010	34,272
Silver sold (ounces)	15,491	12,998	44,104	36,673
Average realized price per gold ounce sold ($)	1,264	1,199	1,243	1,247
Average London PM fix ($)	1,276	1,221	1,257	1,273
Operating cash costs (per gold ounce) [1]	586	524	556	593
Total cash costs (per gold ounce) [1]	649	584	618	656
All-in sustaining costs (per gold ounce) [1]	1,171	893	1,007	984

Health and Safety

There were no lost time injuries reported during the quarter and the 12-month rolling LTIFR is 0.17.

Mining

During the quarter, the AGM sourced ore from multiple pits, Nkran, Akwasiso, Dynamite Hill and Nkran Extension as well as from surface stockpiles. This significantly improved the mining flexibility of the AGM. Additionally, the Company implemented the optimized mine plan associated with P5M in Q4 2017 and commenced the larger Cut 2 pushback at Nkran, increasing mining bench widths from 35m to an average 45m to provide higher ore yields during next capital growth phase of the AGM expected to commence in 2019. This program is progressing ahead of schedule with steady-state levels of higher-grade ore from Nkran expected in Q2 2018.

Ore mining rates for the AGM during the quarter averaged 267,333tpm at an average mining grade of 1.5 g/t and a strip ratio of 13.3:1. As previously noted, the lower grades and higher strip ratio were a result of the advancement of Cut 2 at Nkran, as well as the establishment of the Dynamite Hill pit.

At the Nkran pit, mining operations adopted the new CSA Mineral Reserve Estimate ("MRE") and grade control estimation process during Q1 2017, which were fully implemented by the end of April 2017. The new MRE and associated grade control processes have been operational since May 2017. A reconciliation process commenced in Q2 2017 to measure the entire value chain from gold in the ground through to mill feed and eventual gold production against the MRE.

Consistent with the preceding quarters in 2017, the reconciliation of the grade control model to the resource model continued its positive trend and for the second half of 2017, the reconciliation maintained a positive 2% variation between the grade control model and the resource model. This positive grade and ounce variance is significant as it scientifically validates the gold endowment at Nkran and the life of mine plans based on that endowment. The deployment of blast monitoring technology to minimize ore losses and dilution also continued to yield positive results.

In Q4 2017, mining operations continued to progress the larger Cut 2 pushback at Nkran, focusing on waste removal in line with the new life of mine plan. In addition, a geotechnical review identified the requirement to further flatten the oxide slopes from 34 to 26 degrees, requiring an additional 4.0Mt of additional waste to be mined in Q4 2017 and Q1 2018. Approximately 2.0Mt of this additional waste was mined during Q4 2017.

At the satellite deposit, Akwasiso, mining operations delivered approximately 42,300tpm of oxide ore at an average mined grade of 1.1g/t.

At Dynamite Hill, the second satellite pit to be brought into production, ore mining operations commenced in Q4 2017 as per the mine plan, yielding 20,000tpm at 1.0g/t. Ramp-up to full mining rates of approximately 70,000tpm expected in Q1 2018.

During the quarter, mining at Nkran Extension commenced to deliver at surface oxide ore to supplement feed to the upgraded processing plant. Nkran Extension delivered approximately 62,000 tonnes of oxide ore to the plant at 1.2 g/t during Q4 2017. The lower grade was mainly due to the extraction of the upper part of the orebody to supplement oxides during Q4 2017 which assisted in increasing the plant performance to the 5Mtpa throughput production levels.

In 2018, Asanko's mine plan will continue to incorporate all sources of ore available from its multiple pits to blend to the mill to enable the optimization of the various pit extraction rates, the stockpile balances and operating costs. In H1 2018, lower grade is expected during the establishment of ore delivery from Cut 2 at Nkran and feeding ore from the existing stockpiles at average grades. In H2 2018, grades are expected to reflect the average reserve grades from the respective pits as they are mined, including the blended grade average from the various stockpiles.

AGM Key Mining Statistics	**Units**	**Q1 2017**	**Q2 2017**	**Q3 2017**	**Q4 2017**
Total Tonnes Mined	000 t	6,637	7,506	8,519	**11,494**
Waste Tonnes Mined	000 t	5,620	6,457	7,339	**10,692**
Ore Tonnes Mined	000 t	1,017	1,049	1,181	**802**
Strip Ratio	W:O	5.5:1	6.2:1	6.2:1	**13.3:1**
Average Gold Grade Mined	g/t	1.8	1.5	1.8	**1.5**

Processing

The Company produced 51,550 ounces of gold at an average of 17,183 ounces per month in the fourth quarter. The processing plant achieved record milling rates of 1.1Mt in Q4 2017 including an annualized milling rate of 5Mtpa for the month of December 2017. Although milling rates were elevated, metallurgical recovery continued to exceed design levels at 94%, with higher than design gravity recovery performance. This performance highlights the capability of the recovery circuit to run at higher throughput levels whilst still maintaining recovery performance.

The mill designs for P5M were based on a blend of 9,000tpd of fresh and 6,000tpd of oxides ores. However, a number of additional interventions, including the installation of Mill Slicer technology, fragmentation management and Bond Work Index (BWi) mapping along with modifications to the comminution circuit, have enabled the processing facility to achieve the 5Mtpa processing capability while milling on average 88% fresh ores. The addition of a cone crusher, alongside the two mobile crushers, to reduce the size fraction of the fresh ore delivered to the SAG mill has contributed to higher throughput rates. This is an interim measure until the installation of a permanent secondary crusher, which is expected to be in Q2 2018 and commissioned in Q3 2018.

Total cash costs per ounce[1] for Q4 2017 was $649, a 11% increase from Q4 2016. The increase in total cash costs per ounce was predominantly due to higher production costs associated with lower grade ore processed during the period and the impact of lower gold sales volumes which had the effect of increasing fixed production costs on a per unit basis.

Relative to Q3 2017, total cash costs per ounce [1] increased by 18% from $549 to $649. Likewise, the increase was predominantly the result of higher production costs due to the processing of lower grade ore, as well as the impact of lower sales volumes which had the impact of increasing fixed production costs on a per unit basis.

For the year ended December 31, 2017, total cash costs per ounce [1] for 2017 was $618, a decrease of 6% compared to 2016. The decrease in total cash cost per ounce year-on-year was due to higher sales volumes which has the impact of reducing fixed production costs on a per unit basis. This factor was partly offset by the impact of higher variable production costs per ounce, in light of the lower grade ore processed during 2017.

AISC[1] for Q4 2017 amounted to $1,171 per ounce, an increase of 31% compared to Q4 2016. The higher AISC [1] in Q4 2017 reflected the Company's investment in mine development, resulting in higher sustaining capitalized stripping costs associated with the advancement of Cut 2 at Nkran. In addition, lower sales volumes relative to Q4 2016 had the impact of increasing fixed production and sustaining costs on a per unit basis.

Relative to Q3 2017, AISC[1] increased by 19% as a result of the impact of higher sustaining capitalized stripping cost associated with the progression of Cut 2 at Nkran.

AISC[1] for the year ended December 31, 2017 was $1,007 per ounce, an increase of 2% compared to 2016. The increase was predominantly due to the Company's investment in mine development, reflected in higher sustaining capitalized stripping costs associated with the recently optimized mine plan for the Nkran Cut 2 pushback which is progressing ahead of schedule. This was partly offset by the impact of higher sales volumes which has the impact of reducing sustaining costs on a per unit basis.

Although the Company met its 2017 amended production guidance of 205,000-225,000 gold ounces, AISC [1] of $1,007 per ounce exceeded management's forecast of $920-$960 per ounce. This was primarily due to the acceleration of Cut 2 at Nkran as well as the impact of the additional geotechnical layback within the oxide zones of the Nkran pit. The Company expects the high strip portion of the Cut 2 pushback at Nkran to be completed in 2018, enabling the Nkran pit to deliver lower cost ounces during the expansion capital phase from 2019 onwards.

AGM Key Production Statistics	**Units**	**Q1 2017**	**Q2 2017**	Q3 2017	**Q4 2017**
Ore Treated	000 t	908	887	862	**1,087**
Gold Feed Grade	g/t	2.1	1.7	1.9	**1.5**
Gold Recovery	%	95	94	94	**94**
Gold Produced	oz	58,187	46,017	49,293	**51,550**

4. Development and exploration update

4.1 Phase 1

Development expenditures

The development of the first phase of the AGM was completed in 2016, both ahead of schedule and approximately $3.0 million under budget.

4.2 Expansion projects

Asanko plans to expand the AGM through the development and execution of two expansion projects, P5M and P10M, to ultimately

increase production up to an average of approximately 450,000 ounces per year. The 12/17 DFS associated with these expansion projects has confirmed the viability of these projects and is available on the Company's website and on SEDAR.

Overview of Project 5 Million – First stage

- ***Plant Upgrade to 5Mtpa***

  The first stage of P5M, which is being funded from cash on hand, comprises brownfield modifications and upgrades to the CIL processing plant to increase throughput to 5Mtpa. This was approved in November 2016 and the Company completed and commissioned the volumetric upgrades to the plant under budget and ahead of schedule during Q3 2017. The volumetric upgrades achieved name plate capacity in December 2017 with the processing plant operating at a 5Mtpa annualized milling rate. Installation and commissioning of the P5M recovery circuit upgrades are expected to be completed in Q1 2018. To date, the Company has spent $16.6 million on the first stage of P5M.

Overview of Project 5 Million – Second stage

- ***Development of the Esaase Deposit***

  The second stage of P5M includes the development of the large-scale Esaase deposit and the construction of a 27km overland conveyor to transport the ore to the 5Mtpa central processing facility. The Esaase deposit will be developed using open pit contractor mining. Mining activities will initially focus on mining oxide ore to open up the deposit, before moving into more competent fresh rock. The Environmental Permit and Mine Operating Permit were received in January 2017 from the Ghanaian EPA and the Ghanaian Minerals Commission, respectively.

  The estimated capital cost of the second stage of P5M per the 12/17 DFS has been estimated at $128 million and may vary due to future foreign exchange differences. In addition, management expects to install a permanent secondary crusher ($4.0 million) and upgraded mill motors ($1.0 Million) in 2018 (see section "**7. Outlook**"), which are not contemplated in the 12/17 DFS. To date, the Company has spent $7.8 million on the initial overland conveyor earthworks. The decision to proceed with the second stage of P5M has been deferred until such time as the Red Kite senior debt restructuring in accordance with the RK Term Sheet is complete.

Overview of Project 10 Million

P10M comprises the construction of an additional 5Mtpa CIL processing facility to double throughput from 5Mtpa to 10Mtpa with a life of mine in excess of 12 years. Ore is expected to be sourced from Nkran and the surrounding satellite deposits at a rate of 3Mtpa and from Esaase at a rate of 7Mtpa. Gold production at steady state is expected to be ~450,000 ounces per year. The capital cost estimate is $200.0 million for the additional CIL plant and associated infrastructure. There is complete flexibility on the timing of this expansion and a construction decision to proceed will be at the Board's discretion and dependent on the Company's balance sheet and financing opportunities as well as favourable market conditions.

4.3 Exploration and evaluation

The exploration program during Q4 2017 continued to focus on the strategic objective of delineating additional resources to augment the life of mine planning. An infill drilling program was completed on the advanced-stage Midras South target. A first pass drilling program on the early stage Miradani target is underway as part of a phase 1 generative drilling program, testing historic trench and geochemical anomalies, and extensive artisanal workings. Three-dimensional inversion models of the structural architecture of the AGM camp were completed using the airborne Versatile Time Domain Electromagnetic ("VTEM") data. A first pass targeting exercise was completed which identified and ranked 20 early stage targets, of which 10 were mapped and advanced during 2017.

Akwasiso

During July and August 2017, a phase 3 infill drilling program was completed on the advanced-stage Akwasiso satellite deposit located approximately three kilometres north east of the processing facility. This drilling program was a follow-up to the confirmatory and infill phase 2 drilling program that was completed in Q1 2017. The purpose of the program was to infill drill test the previously inaccessible area which was covered with tailings from historic artisanal mining activities. The drilling program confirmed the Akwasiso reserve model.

In addition, the drilling was aimed at further investigating any potential mineralization on the eastern contact between the granite and the sandstone mineralization trends. A total of 4,051m were drilled and the drilling program confirmed the continuity of mineralization at depth and also discovered a new near surface zone of mineralization along the eastern edge of the deposit. In line with the previous phases of drilling, this drilling program intersected significant near surface mineralization widths and some exceptional grades.

Midras South

Located five kilometres south of the Nkran pit, the Midras South target comprises three *en echelon* zones of mineralization that have been delineated by previous exploration work, which was conducted by AngloGold Ashanti, and a preliminary geological and confirmatory phase 1 and 2 drilling program conducted by Asanko during 2016. During Q3 2017, a 13,000m phase 3 drilling campaign commenced with the objective of collecting enough data for a shallow Measured and Indicated Mineral Resource Estimate. The MRE for Midras South is in process of being compiled and is expected to be completed in Q2 2018.

Miradani Project

In September 2017, the Company completed the acquisition of the Miradani Project, which is located within ten kilometres of the AGM. Covering an area of approximately 15km^2, the Miradani Project is on an existing mining lease (valid until May 2025) through which further exploration may enable estimation of mineral reserves and resources to be accelerated to production.

The northern boundary of the concession is located approximately 5.5 kilometres south of the AGM's processing plant on the NE-SW Asankrangwa structural corridor. The area is highly prospective with multiple geochemical anomalies aligning with the structures interpreted from the airborne VTEM and magnetic surveys completed by Asanko in 2015. Asanko holds the largest land package on this belt and it hosts all of the Company's 5.1 million ounces of reserves.

Three significant initial target areas along the main structural trend, Miradani, Central, and Tontokrom, have been identified. Historical trench and soil geochemistry data, along with recent mechanized artisanal mine workings, indicate that each target area consists of multiple parallel mineralized zones, individually ranging between 3m and 37m in width. Two targets were chosen to be initially tested during a phase 1 drilling campaign. Part of the phase 1 drilling commenced in November 2017 and, subject to securing the requisite surface access rights, will continue into H1 2018.

5. Financial results

The following table is a summary of the consolidated Statement of Operations of the Company for the three months and year ended December 31, 2017 and 2016.

	Three months ended December 31,		Year ended December 31,	
	2017	**2016**	**2017**	**2016**
(in thousands of US dollars, except per share amounts)	$	$	$	$
Revenue	62,767	70,304	256,203	185,167
Royalties	(3,138)	(3,515)	(12,810)	(9,258)
Net revenue	59,629	66,789	243,393	175,909
Cost of sales				
Production costs	(29,312)	(30,935)	(116,628)	(88,688)
Depreciation and depletion	(15,186)	(22,432)	(64,153)	(52,958)
Total cost of sales	(44,498)	(53,367)	(180,781)	(141,646)
Write-off of deferred stripping assets	-	(7,123)	-	(7,123)
Income from mine operations	15,131	6,299	62,612	27,140
Exploration and evaluation expenditures	(1,587)	(383)	(2,050)	(1,425)
General and administrative expenses	(3,143)	(5,683)	(12,590)	(12,538)
Income from operations	10,401	233	47,972	13,177
Finance income	50	218	609	634
Finance expense	(4,505)	(5,623)	(17,476)	(13,849)
Foreign exchange gain (loss)	1,107	(1,501)	(383)	(1,777)
Gain (loss) on derivatives	-	302	-	37
Income (loss) before income taxes	7,053	(6,371)	30,722	(1,778)
Current income tax expense	(1,301)	(1,531)	(1,301)	(1,531)
Deferred income tax expense	(13,727)	(575)	(22,774)	(9,907)
Net income (loss) and comprehensive income (loss) for the period	**(7,975)**	**(8,477)**	**6,647**	**(13,216)**
Net income (loss) attributable to:				
Common shareholders	(7,111)	(8,477)	6,077	(13,216)
Non-controlling interest	(864)	-	570	-
	(7,975)	(8,477)	6,647	(13,216)
Earnings (loss) per share attributable to common shareholders:				
Basic	(0.03)	(0.04)	0.03	(0.07)
Diluted	(0.03)	(0.04)	0.03	(0.07)

Three months ended December 31, 2017 and 2016

Revenue and royalties

During Q4 2017, the Company sold 49,561 ounces of gold at an average realized gold price of $1,264/oz for total revenue of $62.8 million (including $0.1 million of by-product revenue). During Q4 2016, the Company sold 58,483 ounces of gold at an average realized gold price of $1,199/oz for total revenue of $70.3 million (including $0.2 million of by-product revenue). Lower revenues quarter-on-quarter were therefore a function of fewer ounces sold in Q4 2017 as compared to Q4 2016, partially offset by the impact of higher realized gold prices.

The Company currently sells all of the gold it produces to Red Kite under an offtake agreement (see section " **8. Liquidity and capital resources"** below). The Ghanaian government charges a 5% royalty on revenues earned through sales of minerals, which was treated as a reduction of revenue in accordance with the Company's current revenue recognition accounting policy. During the three months ended December 31, 2017, the Company recognized a reduction to revenue of $3.1 million relating to the royalty (three months ended December 31, 2016 - $3.5 million).

Production costs

During the three-month period ended December 31, 2017, the Company incurred production costs of $29.3 million relating to the sale of 49,561 ounces of gold. In Q4 2016, the Company incurred production costs of $30.9 million relating to the sale of 58,483 ounces of gold. Though total production costs were comparable in Q4 2017 to Q4 2016, operating cash cost per ounce1 were higher in Q4 2017 as a result of lower grade material that was fed to the plant while the Company focused on advancing the larger Cut 2 pushback at Nkran and developing the Akwasiso and Dynamite Hill pits.

In accordance with the Company's accounting policy for stripping costs, to the extent that excess waste is mined during the period in an identified component of the mine, 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 $22.4 million of stripping costs were deferred to mineral properties during Q4 2017 with the progression of Cut 2 at Nkran and were not included in production costs (three months ended December 31, 2016 - $10.8 million). For a discussion of production costs incurred during the period see section **"3. Operating performance"** above.

Depletion and depreciation

Depreciation and depletion expense for Q4 2017 amounted to $15.2 million, including $2.1 million of depletion associated with previously capitalized deferred stripping cost, as a result of the 802,000 tonnes mined during that period. This compares to depreciation and depletion of $22.4 million during the three months ended December 31, 2016, which included $7.8 million of depletion associated with previously capitalized deferred stripping costs and was based on 1.3Mt of ore mined during the comparative period.

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 factor. Depreciation related to plant, equipment and other fixed asset is determined based on a units of production basis (over estimated proven and probable reserves) or straight-line over their useful economic lives. Depreciation and depletion expense in Q4 2017 was lower than in Q4 2016 due to lower mining rates in Q4 2017, partly offset by the impact of a higher asset cost base in Q4 2017.

General and administrative expenses

A summary of general and administrative expenses for the three months ended December 31, 2017 and 2016. Certain of the comparative period figures were reclassified to conform to the current period presentation:

	Three months ended December 31, 2017	2016
	$	$
Wages, benefits and consulting	1,991	3,638
Office, rent and administration	173	229
Professional and legal	533	615
Share-based payments	151	52
Travel, marketing, investor relations and regulatory	267	403
Corporate reorganization	13	748
Other	15	-
Total	**3,143**	**5,685**

General and administrative expenses of $3.1 million were incurred in Q4 2017 as compared to $5.7 million in the same period in 2016. The decrease in general and administrative expenses from Q4 2016 to Q4 2017 was primarily a result of lower wages, benefits and consulting ($1.6 million decrease) due to a reduction in incentive compensation for 2017, while Q4 2016 also reflected non-recurring severance costs associated with a management change. In Q4 2016, the Company also incurred non-recurring corporate reorganization costs ($0.7 million) in relation to the Company's Ghanaian subsidiaries which were reorganized to move all operating assets (post-acquisition of PMI Gold) into the same legal entity, while travel, investor relations and regulatory costs were also $0.1 million higher in Q4 2016 relative to Q4 2017. These factors were partially offset by higher share-based payments expense ($0.1 million increase) in Q4 2017.

Finance expense

Total finance expense of $4.5 million incurred during Q4 2017 consists of $4.3 million of interest recognized in relation to the Company's $150 million long-term loan (see section **"8. Liquidity and capital resources"** below) and $0.2 million in accretion charges relating to the asset retirement obligation recognized in respect of the AGM. In Q4 2016, total finance expense was $5.6 million consisting of $4.0 million of interest on the Company's long-term loan, $1.5 million due to derecognition of an embedded derivative liability and $0.1 million in accretion charges on the Company's asset retirement obligation. The decrease in finance expense from Q4 2016 to Q4 2017 was due to the derecognition of an embedded derivative liability which occurred in Q4 2016, partially offset by a higher interest expense on the Company's long-term loan during Q4 2017.

Income tax expense

The Company recorded an income tax expense of $15.0 million for the three months ended December 31, 2017 (three months ended December 31, 2016 - $2.1 million). A deferred tax expense of $13.7 million arose due to temporary differences between tax and accounting depreciation on mineral properties, plant and equipment. For tax purposes in Ghana, assets are depreciated over a period of 5 years; whereas, for accounting purposes, the same assets are depreciated on a units-of-production basis over the life of mine. The impact of these timing differences was amplified by the Company's higher investment in deferred stripping and mine development costs in Q4 2017, relative to Q4 2016.

During Q4 2017, the Company also recognized a $1.3 million withholding tax expense in Ghana associated with management fees charged by Asanko to the Company's Ghanaian operating subsidiary. No current income taxes were recorded or paid by the Company during the period as the Company has sufficient tax loss carry-forwards to offset taxable income.

Years ended December 31, 2017 and 2016

Revenue and royalties

For the year ended December 31, 2017, the Company sold 206,079 ounces of gold at an average realized gold price of $1,243/oz for total revenue of $256.2 million (including $0.7 million of by-product revenue). For the year ended December 31, 2016, the Company sold 147,950 ounces of gold at an average realized gold price of $1,247/oz for total revenue of $185.2 million (including $0.6 million of by-product revenue). The AGM commenced commercial production on April 1, 2016; accordingly, revenues for the year ended December 31, 2016 only include revenues from April 1, 2016 onwards and, as a result, revenues and royalties during the year ended December 31, 2017 were considerably higher than during the comparative period, despite the marginally lower realized gold prices.

Production costs

During the year ended December 31, 2017, the Company incurred production costs of $116.6 million relating to the sale of 206,079 ounces of gold. Over the same period in the prior year, the Company incurred production costs of $88.7 million relating to the sale of 147,950 ounces of gold. The higher production costs during the year ended December 31, 2017 were attributable to the higher sales volumes reported in 2017, as the comparative period did not reflect ounces sold prior to the AGM achieving commercial production on April 1, 2016. The impact of higher sales volumes was partly offset by a 6% reduction in operating cash costs per ounce[1] during the year ended December 31, 2017, relative to the comparative period. The lower unit production costs during the 2017 fiscal year is mainly due to the higher sales volumes which has the impact of reducing fixed production cost on a per unit basis.

In accordance with the Company's accounting policy for stripping costs, to the extent that excess waste is mined during a period in an identified component of the mine, 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 $64.6 million of stripping costs were deferred to mineral properties during the year ended December 31, 2017 and are not included in production costs (year ended December 31, 2016 - $36.0 million).

Depletion and depreciation

Depreciation and depletion expense of $64.2 million (including $12.3 million of depletion of amounts capitalized in respect of deferred stripping) was recorded during the year ended December 31, 2017 as a result of mining 4.0Mt of ore. Comparatively the Company recorded depreciation and depletion of $53.0 million during the year ended December 31, 2016, including $11.4 million of depletion of previously capitalized deferred stripping costs, based on 3.9Mt of ore mined during 2016. Depreciation and depletion expense were lower for the year ended December 31, 2016 due to the fact the AGM did not achieve commercial production until April 1, 2016 and did not achieve steady state production until mid-Q2 2016.

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 factor. Depreciation related to plant, equipment and other fixed asset is determined based on a units of production basis (over estimated proven and probable reserves) or straight-line over their useful economic lives.

General and administrative expenses

A summary of general and administrative expenses for the years ended December 31, 2017 and 2016. Certain of the comparative period figures were reclassified to conform to the current period presentation:

	Year ended December 31,	
	2017	**2016**
	$	$
Wages, benefits and consulting	7,797	7,228
Office, rent and administration	546	445
Professional and legal	1,557	1,500
Share-based payments	1,418	536
Travel, marketing, investor relations and regulatory	1,204	1,225
Corporate reorganization	13	1,585
Other	55	19
Total	**12,590**	**12,538**

General and administrative expenses of $12.6 million were incurred during the year ended December 31, 2017 compared to $12.5 million in the same period in 2016. Although comparable in total, the Company incurred higher salaries, wages and benefits ($0.6 million increase), share-based payments expense ($0.9 million increase) and administrative costs ($0.1 million increase), reflecting the increased efforts to support steady-state operations at the AGM (which only occurred in mid-Q2 2016). These were offset by the effect of non-recurring corporate reorganization costs ($1.6 million decrease) incurred in 2016 in relation to the Company's Ghanaian subsidiaries which were reorganized to move all operating assets (post-acquisition of PMI Gold) into the same legal entity.

Finance expense

Total finance expense of $17.5 million incurred during the year ended December 31, 2017 consists of $16.8 million of interest recognized in relation to the Company's $150 million long-term loan (see section **"8. Liquidity and capital resources"** below) and $0.7 million in accretion charges relating to the asset retirement obligation recognized in respect of the AGM. During the year ended December 31, 2016, total finance expense was $13.8 million consisting of $13.4 million of interest on the Company's long-term loan and $0.4 million in accretion charges on the Company's asset retirement obligation.

Finance expense for the year ended December 31, 2017 is higher than for the same period in 2016 as all interest expenses relating to the long-term loan prior to the AGM achieving commercial production on April 1, 2016, were capitalized to deferred development costs in accordance with the Company's accounting policy on borrowing costs. Additionally, finance expense was higher during the year ended December 31, 2017 due to an increase in LIBOR rates compared to the same period in the prior year, resulting in a higher interest expense (LIBOR plus 6%) on the Company's long-term loan.

Income tax expense

The Company recorded an income tax expense of $24.1 million for the year ended December 31, 2017 (year ended December 31, 2016 - $11.4 million). A deferred tax expense of $22.8 million arose due to temporary differences between tax and accounting depreciation on mineral properties, plant and equipment. For tax purposes in Ghana, assets are depreciated over a period of 5 years; whereas, for accounting purposes, the same assets are depreciated on a units-of-production basis over the life of mine. The tax deductions on mineral properties, plant and equipment increase tax losses for which no deferred tax asset is recognized due to the 5-year expiry period on tax losses in Ghana. The deferred tax expense of $9.9 million for the year ended December 31, 2016 was also due to temporary differences between tax and accounting depreciation on mineral properties, plant and equipment.

For the year ended December 31, 2017, the Company also recognized a $1.3 million withholding tax expense payable in Ghana on management fees charged by Asanko to the Company's Ghanaian operating subsidiary. No current income taxes were recorded or paid by the Company during the period as the Company has sufficient tax loss carry forwards to offset taxable income. The income tax expense of $1.5 million for the year ended December 31, 2016 was also due to withholding taxes payable to the Ghanaian government on management fees charged by the parent company.

6. Selected quarterly financial data

The following table provides summary unaudited financial data for the last eight quarters:

	2017				2016			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
	$	$	$	$	$	$	$	$
Revenue, net of royalties	59,629	60,528	57,182	66,054	66,789	67,964	41,156	-
Total cost of sales	(44,498)	(42,628)	(42,726)	(50,929)	(53,367)	(47,456)	(40,823)	-
Write-off of deferred stripping asset	-	-	-	-	(7,123)	-	-	-
Income from mine operations	15,131	17,900	14,456	15,125	6,299	20,508	333	-
Exploration and evaluation expenditures	(1,587)	(197)	(80)	(186)	(383)	(188)	(226)	(628)
General and administrative expenses	(3,143)	(3,259)	(3,388)	(2,800)	(5,683)	(1,785)	(1,677)	(3,393)
Income (loss) from operations	10,401	14,444	10,988	12,139	233	18,535	(1,570)	(4,021)
Other income (expenses)	(3,348)	(5,172)	(4,300)	(4,430)	(6,604)	(3,113)	(5,337)	99
Income tax recovery (expense)	(15,028)	(3,671)	(5,479)	103	(2,106)	(3,766)	(5,620)	54
Net income (loss) for the period	(7,975)	5,601	1,209	7,812	(8,477)	11,656	(12,527)	(3,868)
Basic and diluted income (loss) per share	($0.03)	$0.02	$0.00	$0.04	($0.04)	$0.06	($0.06)	($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 section **"5. 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. From Q3 2016 onwards, the Company saw the operation achieve expected levels of production, resulting in higher revenues and income from operations. During Q2 2017, production reduced relative to the preceding quarters as mining operations worked through a low-grade section of the Nkran pit and encountered ore dilution as a result of blast movements. Production recovered during Q3 2017, despite being impacted by three mill motor outages, as the Company introduced a number of mining initiatives to minimize ore losses. In Q4 2017, while mining at Nkran was focused on the pushback of Cut 2, plant feed was supplemented by ore from Akwasiso, Dynamite Hill and Nkran Extension and draw-down of ore stockpile inventory. Due to the successful commissioning of volumetric upgrades as part of the first stage of P5M, the plant delivered a record quarterly milling rate.

In Q4 2017, the Company incurred exploration and evaluation expenses of $1.6 million primarily related to drilling programs at Miradani and Midras South.

General and administrative expense primarily consists of wages and benefits, office rental costs, professional fees, legal fees, corporate reorganization costs, business development and share-based payments. These costs were higher in 2017 as a result of general cost increases to support steady-state operations at the AGM (which only occurred in mid-Q2 2016) while the Company has also refined its accrual process resulting in a more even distribution of certain general and administrative expenses during the 2017 fiscal year.

Included in other income and expense from Q2 2016 is interest expense on the Company's debt balance (see section " **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 previously recognized derivative financial instruments (see section **"13. Risks and Uncertainties"**) which were marked-to-market at each reporting period end (no such instruments were recognized from Q4 2016 onwards). 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 2016. 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 deferred tax expense in 2017 is due to the Company forecasting that mineral properties, plant and equipment will be depreciated at a faster rate for tax purposes relative to accounting depreciation resulting in an increase of the associated deferred tax liability. The tax deductions on mineral properties, plant and equipment increase tax losses for which no deferred tax asset is recognized due to the 5-year expiry period on tax losses in Ghana. The Company also recognized a $1.3 million withholding tax expense in Q4 2017 payable to the Ghanaian government on management fees charged by Asanko to its operating Ghanaian subsidiary.

A $7.1 million write-down of a deferred stripping asset in Q4 2016 contributed to a net loss of $8.5 million in the fourth quarter of 2016. The net loss of $8.0 million in Q4 2017 was predominantly attributable to the beforementioned deferred income tax expense, as well as higher production costs and exploration drilling expenses.

7. Outlook

2018 Guidance

Asanko's 2018 mine plan will incorporate all sources of ore available from its multiple pits to blend to the mill to enable optimization of the various pit extraction rates, the stockpile balances and operating costs. As a consequence, the mill feed grades are expected to reflect the average reserve grades from the respective pits as they are mined, including the blended grade average from the various stockpiles.

In 2018, the AGM is targeting 200,000 – 220,000 ounces of gold at AISC [1] of $1,050 – $1,150/oz. During the year, ore will be sourced from Nkran, Akwasiso, Dynamite Hill, Nkran Extension and surface stockpiles.

Mining operations at Nkran will be focused on an accelerated schedule of waste stripping of the larger Cut 2 pushback in preparation for the next capital growth phase of the AGM which is forecasted to commence in 2019. AISC[1] is expected to be higher in H1 2018 due to the larger Cut 2 pushback at Nkran; consequently, lower ore yields will result in lower blended ore grades being delivered to the process facility. Approximately $370/oz of AISC[1] for H1 2018 will be stripping costs. The Company's production guidance for H1 2018 is 90,000 – 100,000 ounces at AISC[1] of $1,200 – 1,300/oz.

Steady state levels of higher grade ore production from Nkran will resume in H2 2018 and the waste stripping portion of the Cut 2 pushback will reduce, with stripping costs decreasing to approximately $280/oz of AISC[1] for H2 2018. The overall feed grade improvement and increase in gold production will also contribute to a lowering of AISC[1] in H2 2018. The Company's production guidance for H2 2018 is 110,000 – 120,000 ounces at AISC[1] of $950 – 1,050/oz.

Growth capital expenditure for 2018 is expected to be approximately $8.5 million, $3.0 million for the recovery upgrades to the plant, which will be done in Q1 2018, $1.5 million for the upgraded mill motors, to be installed in Q2 2018, and $4.0 million for a secondary crusher, which is expected to be fully commissioned in Q3 2018.

Sustaining capital expenditure for 2018 is expected to be approximately $4.0 million.

The following table outlines the Company's forecasted 2018 production and cost guidance:

2018 Guidance	H1 2018	H2 2018	FY 2018	FY 2017 Actual
Gold Production (oz)	90,000 – 100,000	110,000 – 120,000	200,000 – 220,000	205,047
AISC[1] ($/oz)	1,200 – 1,300	950 – 1,050	1,050 – 1,150	1,007

5-Year Outlook (2019 – 2023)

The newly optimized mine planning exercise associated with P5M successfully reduces the overall strip ratio and improves AISC [1] over a 19-year life of mine. Over the five-year period from 2019 to 2023, during a period of high capital expenditure and debt principal repayment, average annual production is expected to be 253,000 ounces at AISC[1] of $860/oz, an increase in gold production and an improvement in AISC [1] of $147/oz compared to the previous P5M forecast of 243,000 ounces at AISC[1] of $1,007/oz.

This has been achieved using current mine operating data and optimizing the multi-pit schedule to generate the best cash generation profile to deliver competitive AISC[1] over the life of mine and specifically during the capital spend on the overland conveyor, opening up the Esaase deposit and the debt repayment period.

5-Year Outlook	**2019**	**2020**	**2021**	**2022**	**2023**
Gold Production (oz)	255,000	280,000	220,000	265,000	245,000
AISC[1] ($/oz)	950	810	905	775	880

Notes:
Based on construction of the overland conveyor in 2019.

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:

	December 31, 2017 **$**	**December 31, 2016** $
Cash and cash equivalents	49,330	59,675
Other current assets	44,550	60,043
Non-current assets	614,905	542,994
Total assets	**708,785**	**662,712**
Current liabilities (excluding current portion of long-term debt)	47,916	46,934
Non-current liabilities (excluding long-term debt)	72,571	44,381
Debt	158,328	154,972
Total liabilities	**278,815**	**246,287**
Working capital [2]	45,964	72,784
Common shareholders' equity	429,400	416,425
Non-controlling interest	570	-
Total equity	**429,970**	**416,425**
Total common shares outstanding	203,449,957	201,829,207
Total options outstanding	12,578,625	14,591,750
Total warrants outstanding	4,000,000	4,000,000
Key financial ratios		
Current ratio	1.96	2.55
Total liabilities to common shareholders' equity	0.65	0.59
Debt-to-total capitalization	0.18	0.19

[2] Current assets less current liabilities (excluding current portion of long-term debt).

The Company was in a strong net asset position at both December 31, 2017 and December 31, 2016 and had a cash balance of $49.3 million as at December 31, 2017. On February 22, 2018, the Company agreed to the RK Term Sheet whereby the Company would be able to defer the repayment of principle associated with the long-term debt by up to three years (repayment commencing on July 2021). An initial one-year deferral is subject primarily to fees and the finalization of definitive documentation, while a further two-year deferral is subject to additional customary conditions precedent which would have to be complied with by June 30, 2019. Definitive documentation is expected to be signed in Q2 2018.

Through a combination of the Company's cash balance and cash flows from operations, the Company believes it is in a position to meet all working capital requirements, debt principal repayments, 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. The Company has a VAT receivable balance of $5.1 million as of December 31, 2017. In any given period, the Company expects to have one quarter of VAT receivable outstanding.

In order to maintain or adjust its capital structure, the Company filed a short-form base shelf prospectus on January 15, 2018, which allows the Company to offer up to $300.0 million of common shares, warrants, subscription receipts, debt securities and units, or any combination thereof, from time to time over a 25-month period. The specific terms of any offering of securities will be subject to approval by the Company's Board of Directors and the terms of such offering will be set forth in a shelf prospectus supplement.

Debt

In 2013, the Company entered into a Definitive Senior Facilities Agreement ("DSFA") with Red Kite, which is now fully drawn for a total of $150.0 million. Interest on the DSFA is calculated in advance on a quarterly basis at a rate of LIBOR +6%, subject to a floor LIBOR rate of 1%. The Company can elect to repay the DSFA, or a portion thereof, early without penalty. During Q2 2016, the DSFA was amended in order to defer the repayment of the principal for two years (being the principal deferral period). The amendment provided that the first principal repayment will be payable on July 1, 2018 after which the facility is scheduled to be repaid in nine equal quarterly installments, with the last repayment on July 1, 2020. The Company continues to pay quarterly interest on the loan facility during the principal deferral period with the first interest payment having occurred on July 1, 2016. There were no other changes to the original debt facility terms. A deferral fee of 2% of the loan principal (for a total of $3.3 million) was paid commensurate with signing the amendment.

In H2 2017, the Company engaged Red Kite regarding the restructuring of the debt facility and specifically the deferral of the repayment of principle associated with the long-term debt beyond July 1, 2019 to enable the Company to execute the second stage of its P5M growth plan. On February 22, 2018, the Company agreed to the RK Term Sheet, whereby the Company would be able to defer the repayment of principle associated with the long-term debt by up to three years, subject to certain fees, terms and conditions. Definitive documentation is expected to be signed in Q2 2018.

Equity

The Company is financially stable with a total liabilities-to-common shareholders' equity ratio of 0.65 as of December 31, 2017.

The Government of Ghana ("the Government") has a 10% free carried interest in the AGM in accordance with Ghanaian Law. This was granted 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 the subsidiary's capital investment. At December 31, 2017, Asanko Gold Ghana Limited had an income surplus in the pool from which dividends can be paid. In accordance with the Company's accounting policy for non-controlling interests, the Company allocated $0.6 million of Asanko Gold Ghana Limited's net earnings to the non-controlling interest for the year ended December 31, 2017 (year ended December 31, 2016 - $nil). All results in this MD&A show 100% of results as being attributable to the Company with non-controlling interest accounted for as a separate component of equity.

Commitments

The following table summarizes the Company's contractual obligations as at December 31, 2017 and December 31, 2016:

	Within 1 year	**1 - 3 years**	**4 -5 years**	**Over 5 years**	**Total December 31, 2017**	Total December 31, 2016
Long-term debt and related interest and withholding tax payments	48,752	137,518	-	-	**186,270**	198,028
Accounts payable and accrued liabilities	47,916	-	-	-	**47,916**	46,934
Asset retirement provision (undiscounted)	-	1,225	140	44,161	**45,526**	34,977
Mine operating/construction and other service contracts, open purchase orders	17,217	214	-	-	**17,431**	27,969
Total	**113,885**	**138,957**	**140**	**44,161**	**297,143**	307,908

As previously noted, in February 2018, the Company agreed to the RK Term Sheet, whereby the Company would be able to defer the repayment of principle associated with the long-term debt by up to three years, subject to certain fees, terms and conditions.

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, 2017 and 2016:

	Three months ended December 31,		**Year ended December 31,**	
	2017	**2016**	**2017**	**2016**
Cash provided by (used in):				
Operating activities	34,407	23,353	123,238	54,962
Investing activities	(41,979)	(17,941)	(123,351)	(105,941)
Financing activities	(3,549)	(2,929)	(10,051)	(3,899)
Impact of foreign exchange on cash and cash equivalents	(394)	(364)	(181)	(247)
Increase (decrease) in cash and cash equivalents for the period	(11,515)	2,119	(10,345)	(55,125)
Cash and cash equivalents, beginning of period	60,845	57,556	59,675	114,800
Cash and cash equivalents, end of period	**49,330**	**59,675**	**49,330**	**59,675**

Three months ended December 31, 2017 and 2016

Cash provided by operating activities

During the three months ended December 31, 2017, the Company realized cash flows from operations of $34.4 million, being cash inflows before working capital changes of $26.2 million and inflows from non-cash working capital of $8.2 million (three months ended December 31, 2016 – $23.4 million consisting of cash inflows before working capital changes of $29.2 million and outflows from non-cash working capital of $5.9 million). The cash flows before working capital changes for Q4 2017 consist primarily of cash earnings from mine operations of $30.5 million less cash G&A of $3.0 million. The cash inflows of $8.2 million from non-cash working capital was primarily the result of a $5.1 million decrease in the VAT receivable balance, $3.0 million decrease in inventories and $0.6 million increase in trade payables and accruals, partially offset by a $0.5 million increase in prepaid expenses.

Cash used in investing activities

During the three months ended December 31, 2017, the Company spent $42.0 million on investing activities including $42.1 million on additions to mineral properties, plant and equipment, partially offset by interest received on cash balances of $0.1 million. The total expenditure on mineral properties, plant and equipment during the period included $22.4 million related to capitalization of deferred stripping costs, $5.5 million related to P5M (including volumetric and recovery circuit upgrades to the processing plant), $0.6 million related to a raise of the tailings storage facility, $5.8 million on the development of Akwasiso and Dynamite Hill, and $7.8 million related to other additions to mineral properties, plant and equipment including additions relating to the crusher circuit upgrade.

During the same period in the prior year, the Company spent $17.9 million on investing activities entirely on additions to mineral properties, plant and equipment.

Capital expenditures in Q4 2017 were higher in quantum than Q4 2016, as the Company continued the implementation of the first stage of its P5M development plan, including volumetric and recovery circuit upgrades to the plant, development of the Akwasiso and Dynamite Hill pits, and the push back of Nkran Cut 2.

Cash used in financing activities

During the three months ended December 31, 2017, the Company paid $3.5 million in interest and applicable withholding taxes relating to the DSFA (see "*Debt"* above).

During the three months ended December 31, 2016, the Company paid $2.9 million in interest and applicable withholding taxes relating to the DSFA. Interest paid in Q4 2017 was higher due to an increase in the 3-month LIBOR rate during 2017.

Year ended December 31, 2017 and 2016

Cash provided by operating activities

During the year ended December 31, 2017, the Company recorded cash flows from operations of $123.2 million, being cash inflows before working capital changes of $113.4 million and inflows associated with changes in non-cash working capital of $9.8 million (year ended December 31, 2016 –$55.0 million consisting of cash inflows before working capital changes of $73.6 million and outflows from non-cash working capital of $18.6 million). The cash flows before working capital changes consist primarily of cash earnings from mine operations of $128.1 million less cash G&A of $11.2 million. Cash inflows of $9.8 million from changes in non-cash working capital was primarily the result of a $15.5 million decrease in the VAT receivable balance partially offset by a $3.8 million increase in inventories, $1.1 million decrease in trade payables and accruals, $0.7 million increase in receivables, and $0.1 million increase in prepaid expenses.

During 2016, cash flows from operations were lower due to the fact the AGM did not achieve commercial production until April 1, 2016, and steady state production until mid-Q2 2016.

Cash used in investing activities

During the year ended December 31, 2017, the Company spent $123.4 million on investing activities including $123.8 million on additions to mineral properties, plant and equipment, partially offset by interest received on cash balances of $0.5 million. The total expenditure on mineral properties, plant and equipment during the year included $64.6 million related to capitalization of deferred stripping costs, $28.6 million related to P5M, $5.2 million related to the tailings storage facility raise, $3.0 million related to capitalized exploration and evaluation costs, $11.9 million on the development of Akwasiso and Dynamite Hill and $10.5 million related to other additions to mineral properties, plant and equipment including additions relating to the crusher circuit upgrade.

During the same period in the prior year, the Company spent $105.9 million on investing activities including $132.3 million on additions to mineral properties, plant and equipment partially offset by the collection of $26.0 million in VAT related to development activities and interest received on cash balances of $0.4 million.

Capital expenditures were higher period to date in fiscal 2016 compared to fiscal 2017 as the Company was finalizing the development of and payment for the AGM in early 2016.

Cash used in financing activities

During the year ended December 31, 2017, the Company paid $13.6 million in interest and applicable withholding taxes relating to the DSFA (see "*Debt"* above). These cash outflows were partly offset as the Company received $3.6 million from the exercise of stock options.

During the year ended December 31, 2016, the Company paid $5.9 million in interest and applicable withholding taxes relating to the DSFA and $3.3 million in fees to defer the principal repayments on the DSFA to July 2018. This was partly offset by the receipt of $5.2 million from the exercise of stock options.

9. Non-GAAP measures

The Company has included certain non-GAAP performance measures throughout this MD&A. 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 MD&A. 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 operating and 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 for the three months and years ended December 31, 2017 and 2016. Note that the AGM did not commence commercial production until April 1, 2016 and, therefore, operating and total cash costs per ounce may not be comparable for the years ended December 31, 2017 and 2016.

	Three months ended December 31,		Year ended December 31,	
	2017	**2016**	**2017**	**2016**
(in thousands of US dollars except per ounce amounts)	$	$	$	$
Total production costs from consolidated statement of operations	29,312	30,935	116,628	88,688
Share-based payment expense included in production costs	(152)	(81)	(1,311)	(336)
By-product revenue	(118)	(209)	(748)	(623)
Total operating cash costs	29,042	30,645	114,569	87,729
Royalties and production taxes	3,138	3,515	12,810	9,258
Total cash costs	32,180	34,160	127,379	96,987
Gold ounces sold	49,561	58,483	206,079	147,950
Operating cash costs per gold ounce ($/ounce)	586	524	556	593
Total cash costs per gold ounce ($/ounce)	649	584	618	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 to the consolidated financial statements for the three months and years ended December 31, 2017 and 2016. Note that the AGM did not commence commercial production until April 1, 2016 and, therefore, all-in sustaining costs per gold ounce may not be comparable for the years ended December 31, 2017 and 2016.

	Three months ended December 31,		Year ended December 31,	
	2017	**2016**	**2017**	**2016**
(in thousands of US dollars except per ounce amounts)	$	$	$	$
Total cash costs (as reconciled above to the Statement of Operations)	32,180	34,160	127,379	96,987
Cash corporate general and administrative expenses	2,976	5,631	11,117	8,844
Sustaining capital expenditures	2,000	1,596	8,447	3,727
Sustaining capitalized stripping costs[3]	20,724	10,785	59,915	35,952
Reclamation cost accretion	166	41	650	124
All-in sustaining cost	58,046	52,213	207,508	145,634
Gold ounces sold	49,561	58,483	206,079	147,950
All-in sustaining cost per gold ounce ($/ounce)	1,171	893	1,007	984

[3] Excludes stripping costs on operating pits which have yet to achieve steady-state production.

All-in sustaining costs adjust "Total cash costs", for corporate general and administrative expenses, reclamation cost accretion, sustaining capitalized stripping costs (excludes operating pits which have not achieved steady-state operations) 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 payments and depreciation. 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 at steady-state operations 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 for the three months and years ended December 31, 2017 and 2016.

	Three months ended December 31,		Year ended December 31,	
	2017	**2016**	**2017**	**2016**
	$	$	$	$
Capital expenditures in the consolidated statement of cash flows	42,097	17,953	123,815	132,355
Less: non-sustaining capital expenditures and capitalized stripping costs	(40,097)	(16,357)	(115,368)	(128,628)
Total sustaining capital expenditures	2,000	1,596	8,447	3,727

The majority of the non-sustaining capital expenditures during the three months and year ended December 31, 2017 related to the raising of the tailings storage facility, mine development and stripping costs for Akwasiso and Dynamite Hill pits, as well as the advancement of P5M.

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 for the three months and years ended December 31, 2017 and 2016. All adjustments are shown net of estimated tax.

	Three months ended December 31,		**Year ended December 31,**	
	2017	**2016**	**2017**	**2016**
(in thousands of US dollars except share per share amounts)	$	$	$	$
Net income (loss) for the period attributable to common shareholders	(7,111)	(8,477)	6,077	(13,216)
Unrealized loss (gain) on derivative instruments	-	(302)	-	(37)
Write-off of deferred stripping asset	-	4,630	-	4,630
Adjusted net income (loss) for the period attributable to common shareholders	**(7,111)**	**(4,149)**	**6,077**	**(8,623)**
Basic weighted average number of common share outstanding	203,449,957	201,829,207	203,333,111	198,973,570
Diluted weighted average number of common share outstanding	203,449,957	201,829,207	204,394,452	198,973,570
Adjusted net income (loss) per share attributable to common shareholders - basic and diluted	**($0.03)**	**($0.02)**	**$0.03**	**($0.04)**

10. Summary of outstanding share data

As of the date of this MD&A, there were 203,449,957 common shares of the Company issued and outstanding and 15,168,625 share purchase options and 4,000,000 warrants outstanding (with exercise prices ranging between C$1.07 and C$4.77 per share). The fully diluted outstanding share count at the date of this MD&A is 222,618,582.

11. Related party transactions

As at December 31, 2017, 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 years ended December 31, 2017, 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,	
	2017	2016
	$	$
Salaries and benefits	1,797	3,694
Share-based payments	736	313
Total compensation	2,533	4,007

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 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.

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.

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.

12.2 Changes in Accounting Policies including Initial Adoption

(a) Accounting standards adopted during the year

There have been no significant changes to significant accounting policies during the year ended December 31, 2017. A full list of the Company's accounting policies is presented in the Company's annual consolidated financial statements for the year ended December 31, 2017

(b) Accounting standards and amendments issued but not yet adopted

The following standards and interpretations have been issued but are not yet effective as of December 31, 2017.

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. IFRS 15 has an effective date of January 1, 2018. The Company's assessment is that the adoption of IFRS 15 will not have a significant impact on the recognition or measurement of the Company's revenue from its customer. However, the adoption of IFRS 15 is expected to result in a number of additional disclosures being included in the Company's consolidated financial statements. The Company is currently in the process of determining which additional disclosures will be applicable to the Company.

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 ("IAS 39"). 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.

In March 2017, the IASB provided an update, clarifying how IFRS 9 is to be applied to modifications of financial liabilities. During the second quarter of 2016, the Company had amended its a Definitive Senior Facilities Agreement ("DSFA") with a special purpose vehicle of RK Mine Finance Trust I ("Red Kite"). The amendment resulted in a deferral of the repayment of principal for a two-year period, with principal repayments having been agreed to commence on July 1, 2018. Under IAS 39, the amendment was considered to represent a modification of the previous DSFA. A deferral fee of $3.3 million was paid and was deferred to the loan balance and was amortized along with previously deferred debt financing costs over the remaining life of the DSFA based on a revised effective interest rate of 10.9% .

Under the provisions of IFRS 9, the modification of the DSFA in Q2 2016 required the Company to recalculate the amortized cost of the modified contractual cash flows with the resulting gain or loss recognized in the consolidated statement of operations and comprehensive income (loss) as of Q2 2016. The gain or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the effective interest rate of the original financial liability.

The Company determined that the adoption of IFRS 9 will have the following effect on the Statement of Financial Position and Statement of Operations and Comprehensive Income (Loss) as at January 1, 2017 and December 31, 2017

As at January 1, 2017

	As reported at December 31, 2016	Effect of adoption of IFRS 9	As at January 1, 2017
Statement of Financial Position			
Non-current portion of long-term debt	$ 154,503	$ (2,971)	$ 151,532
Accumulated deficit	(186,444)	2,768	(183,676)
Non-controlling interest	-	203	203

As at and for the year ended December 31, 2017

	As reported at December 31, 2017	Effect of adoption of IFRS 9	As at December 31, 2017
Statement of Financial Position			
Non-current portion of long-term debt	$ 121,877	$ (2,637)	$ 119,240
Deficit	(180,367)	2,467	(177,900)
Non-controlling interest	570	170	740
Statement of Operations and Comprehensive Income (Loss)			
Finance expense	$ 17,476	$ 334	$ 17,810
Non-controlling interest	570	(33)	537

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.

13. Risks and uncertainties

13.1 Financial instruments & risk

As at December 31, 2017, 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:

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 2017 or 2016.

The carrying value of the Company's debt is $158.3 million (2016 - $155.0 million) and the fair value is approximately $135.6 million (2016 - $169.0 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 risk of loss associated with cash investments is considered to be low as the Company's cash and cash equivalents are held in highly-rated Canadian, Ghanaian and South African banking institutions. As at December 31, 2017, the Company had interest receivable of $40,000 and a loan receivable from a third party in the amount of $0.9 million (December 31, 2016 - $nil). In addition, the Company is subject to credit risk in relation to 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 in nature, scheduled and received within a contractually-agreed time frame. Total receivables from precious metal sales as at December 31, 2017 is $1.2 million (December 31, 2016 - $0.6 million). The risk associated with receivables from Red Kite as at December 31, 2017 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 credit risk related to the VAT receivable balance as at December 31, 2017.

(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, 2017, the Company had a cash and cash equivalents balance of $49.3 million (December 31, 2016 – $59.7 million) and is generating positive cash flows from operations, allowing it to settle current accounts payable and accrued liabilities of $47.9 million (December 31, 2016 - $46.9 million) as they become due. The first two principal repayments on the DSFA of $18.1 million were due in July 2018 and October 2018, respectively. However, on February 22, 2018, the Company agreed to the RK Term Sheet whereby the Company would be able to defer the repayment of principle associated with the long-term debt by up to three years (commencing on July 2021), subject to certain fees, terms and conditions.

(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 have resulted in a $1.1 million increase (decrease) to after-tax net income (loss) for year ended December 31, 2017.

(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$"), Ghanaian cedi ("GHS") and South African rand ("ZAR") could have an effect on the Company's results of operations, financial position and cash flows. 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.

As at December 31, 2017 and 2016, the Company's notable exposure to foreign currency risk arose from the following balances:

December 31, 2017	**Foreign currency amount**		**USD Equivalent**
	C$	**GHS**	$
Cash and cash equivalents	324	18,874	**4,416**
VAT receivable	-	23,003	**5,070**
Accounts payable and accrued liabilities	(895)	(45,439)	**(10,722)**
Net exposure to foreign currency	**(571)**	**(3,562)**	**(1,236)**

December 31, 2016	**Foreign currency amount**		**USD Equivalent**
	C$	**GHS**	$
Cash and cash equivalents	4,744	7,212	**5,251**
VAT receivable	-	96,097	**22,881**
Accounts payable and accrued liabilities	(77)	(28,754)	**(6,904)**
Net exposure to foreign currency	**4,667**	**74,555**	**21,228**

A 10% change in the prevailing exchange rates as at December 31, 2017 and 2016, with all other variables held constant, would have had a $53,000 (2016 - $2.1 million) impact on the Company's earnings.

(iii) Price risk

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's future cash flows will 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, 2017 and December 31, 2016, with all other variables held constant, would have resulted in a $0.7 million increase (decrease) to after-tax net income (loss) (2016 - $nil).

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, 2017, 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, 2017, 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 operating 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, 2017, such disclosure controls and procedures were effective.

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 (2013). Based on this assessment, management and the President and Chief Executive Officer and Chief Financial Officer have concluded that, as of December 31, 2017, 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 three months ended December 31, 2017 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

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 Company 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 most recent AIF and 40-F filings, available under the Company's profile on SEDAR at www.sedar.com and EDGAR 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 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 5 Million and Project 10 Million) of the AGM will be built and currently the Company has not yet decided to implement the plans outlined in the 12/17 DFS, 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 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.

Exhibit 99.8



KPMG LLP
Chartered Professional Accountants
PO Box 10426 777 Dunsmuir Street
Vancouver BC V7Y 1K3
Canada

Telephone (604)691-3000
Fax (604)691-3031
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 13, 2018 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 for the year ended December 31, 2017.

We also consent to the incorporation by reference of such reports in the Registration Statement on Form F-10, as amended, of the Company filed with the United States Securities and Exchange Commission (No. 333-222363).

//**s**// **KPMG LLP**

Chartered Professional Accountants

March 16, 2018
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

CONSENT OF CHARLES JOHANNES MULLER

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 year ended December 31, 2017 to be filed by the Company with the United States Securities and Exchange Commission (the "**SEC**") and any amendments thereto (the "**Annual Report**"). The Annual Report incorporates by reference, among other things, the Company's Annual Information Form for the year ended December 31, 2017 (the "**AIF**"), and the Company's Management Discussion and Analysis for the year ended December 31, 2017 (the " **MD&A**").

I hereby consent to the use of my name in connection with reference to my involvement in the preparation of the following technical report (the "**Technical Report**"):

- "Asanko Gold Definitive Feasibility Study, National Instrument 43-101 Technical Report" dated effective June 5, 2017 as amended and restated December 20, 2017,

and to references to the Technical Report, or portions thereof, in the Annual Report, the AIF, the MD&A and the Company's registration statement on Form F-10, as amended (SEC File No. 333-222363) (the "**Registration Statement**") and to the inclusion and incorporation by reference of the information derived from the Technical Report in the Annual Report, the AIF, the MD&A and the Registration Statement.

Dated the 16th day of March, 2018.

Sincerely,

/s/ Charles Johannes Muller

_____
Charles Johannes Muller, B.Sc (Geology),
B.Sc Hons (Geology), Pr. Sci. Nat

Exhibit 99.10

CONSENT OF GLENN BEZUIDENHOUT

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 year ended December 31, 2017 to be filed by the Company with the United States Securities and Exchange Commission (the "**SEC**") and any amendments thereto (the "**Annual Report**"). The Annual Report incorporates by reference, among other things, the Company's Annual Information Form for the year ended December 31, 2017 (the "**AIF**"), and the Company's Management Discussion and Analysis for the year ended December 31, 2017 (the " **MD&A**").

I hereby consent to the use of my name in connection with reference to my involvement in the preparation of the following technical report (the "**Technical Report**"):

- "*Asanko Gold Definitive Feasibility Study, National Instrument 43-101 Technical Report* " dated effective June 5, 2017 as amended and restated December 20, 2017,

and to references to the Technical Report, or portions thereof, in the Annual Report, the AIF, the MD&A and the Company's registration statement on Form F-10, as amended (SEC File No. 333-222363) (the "**Registration Statement**") and to the inclusion and incorporation by reference of the information derived from the Technical Report in the Annual Report, the AIF, the MD&A and the Registration Statement.

Dated the 16th day of March, 2018.

Sincerely,

/s/ Glenn Bezuidenhout

_____
Glenn Bezuidenhout,
National Diploma (Extractive Metallurgy),
FSIAMM

Exhibit 99.11

CONSENT OF OBIRI-YEBOAH

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 year ended December 31, 2017 to be filed by the Company with the United States Securities and Exchange Commission (the "**SEC**") and any amendments thereto (the "**Annual Report**"). The Annual Report incorporates by reference, among other things, the Company's Annual Information Form for the year ended December 31, 2017 (the "**AIF**"), and the Company's Management Discussion and Analysis for the year ended December 31, 2017 (the " **MD&A**").

I hereby consent to the use of my name in connection with reference to my involvement in the preparation of the following technical report (the "**Technical Report**"):

- "*Asanko Gold Definitive Feasibility Study, National Instrument 43-101 Technical Report* " dated effective June 5, 2017 as amended and restated December 20, 2017,

and to references to the Technical Report, or portions thereof, in the Annual Report, the AIF, the MD&A and the Company's registration statement on Form F-10, as amended (SEC File No. 333-222363) (the "**Registration Statement**") and to the inclusion and incorporation by reference of the information derived from the Technical Report in the Annual Report, the AIF, the MD&A and the Registration Statement.

Dated the 16th day of March, 2018.

Sincerely,

/s/ Thomas Kwabena Obiri-Yeboah

_____
Thomas Kwabena Obiri-Yeboah,
B.Sc Eng (Mining), PrEng

Exhibit 99.12

CONSENT OF DOUG HEHER

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 year ended December 31, 2017 to be filed by the Company with the United States Securities and Exchange Commission (the "**SEC**") and any amendments thereto (the "**Annual Report**"). The Annual Report incorporates by reference, among other things, the Company's Annual Information Form for the year ended December 31, 2017 (the "**AIF**"), and the Company's Management Discussion and Analysis for the year ended December 31, 2017 (the " **MD&A**").

I hereby consent to the use of my name in connection with reference to my involvement in the preparation of the following technical report (the "**Technical Report**"):

- "*Asanko Gold Definitive Feasibility Study, National Instrument 43-101 Technical Report* " dated effective June 5, 2017 as amended and restated December 20, 2017,

and to references to the Technical Report, or portions thereof, in the Annual Report, the AIF, the MD&A and the Company's registration statement on Form F-10, as amended (SEC File No. 333-222363) (the "**Registration Statement**") and to the inclusion and incorporation by reference of the information derived from the Technical Report in the Annual Report, the AIF, the MD&A and the Registration Statement.

Dated the 16th day of March, 2018.

Sincerely,

/s/ Doug Heher

_____
Doug Heher, B.Sc Eng (Mechanical), PrEng

Exhibit 99.13

CONSENT OF GODKNOWS NJOWA

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 year ended December 31, 2017 to be filed by the Company with the United States Securities and Exchange Commission (the "**SEC**") and any amendments thereto (the "**Annual Report**"). The Annual Report incorporates by reference, among other things, the Company's Annual Information Form for the year ended December 31, 2017 (the "**AIF**"), and the Company's Management Discussion and Analysis for the year ended December 31, 2017 (the " **MD&A**").

I hereby consent to the use of my name in connection with reference to my involvement in the preparation of the following technical report (the "**Technical Report**"):

- "*Asanko Gold Definitive Feasibility Study, National Instrument 43-101 Technical Report* " dated effective June 5, 2017 as amended and restated December 20, 2017,

and to references to the Technical Report, or portions thereof, in the Annual Report, the AIF, the MD&A and the Company's registration statement on Form F-10, as amended (SEC File No. 333-222363) (the "**Registration Statement**") and to the inclusion and incorporation by reference of the information derived from the Technical Report in the Annual Report, the AIF, the MD&A and the Registration Statement.

Dated the 16th day of March, 2018.

Sincerely,

/s/ Dr. Godknows Njowa

_____

Dr Godknows Njowa, M.Sc Eng (Mining), PrEng

Exhibit 99.14

CONSENT OF DAVID J.T. MORGAN

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 year ended December 31, 2017 to be filed by the Company with the United States Securities and Exchange Commission (the "**SEC**") and any amendments thereto (the "**Annual Report**"). The Annual Report incorporates by reference, among other things, the Company's Annual Information Form for the year ended December 31, 2017 (the "**AIF**"), and the Company's Management Discussion and Analysis for the year ended December 31, 2017 (the " **MD&A**").

I hereby consent to the use of my name in connection with reference to my involvement in the preparation of the following technical report (the "**Technical Report**"):

- "Asanko Gold Definitive Feasibility Study, National Instrument 43-101 Technical Report" dated effective June 5, 2017 as amended and restated December 20, 2017,

and to references to the Technical Report, or portions thereof, in the Annual Report, the AIF, the MD&A and the Company's registration statement on Form F-10, as amended (SEC File No. 333-222363) (the "**Registration Statement**") and to the inclusion and incorporation by reference of the information derived from the Technical Report in the Annual Report, the AIF, the MD&A and the Registration Statement.

Dated the 16th day of March, 2018.

Sincerely,

/s/ David J T Morgan

_____
David J T Morgan, M.Sc Eng (Civil), CPEng

Exhibit 99.15

CONSENT OF MALCOLM TITLEY

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 year ended December 31, 2017 to be filed by the Company with the United States Securities and Exchange Commission (the "**SEC**") and any amendments thereto (the "**Annual Report**"). The Annual Report incorporates by reference, among other things, the Company's Annual Information Form for the year ended December 31, 2017 (the "**AIF**"), and the Company's Management Discussion and Analysis for the year ended December 31, 2017 (the " **MD&A**").

I hereby consent to the use of my name in connection with reference to my involvement in the preparation of the following technical report (the "**Technical Report**"):

- "Asanko Gold Definitive Feasibility Study, National Instrument 43-101 Technical Report" dated effective June 5, 2017 as amended and restated December 20, 2017,

and to references to the Technical Report, or portions thereof, in the Annual Report, the AIF, the MD&A and the Company's registration statement on Form F-10, as amended (SEC File No. 333-222363) (the "**Registration Statement**") and to the inclusion and incorporation by reference of the information derived from the Technical Report in the Annual Report, the AIF, the MD&A and the Registration Statement.

Dated the 16th day of March, 2018.

Sincerely,

/s/ Malcom Titley

_____

Malcolm Titley,
BSc (Geology and Chemistry),
MAIG; MAusIMM

Exhibit 99.16

CONSENT OF PHIL BENTLEY

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 year ended December 31, 2017 to be filed by the Company with the United States Securities and Exchange Commission (the "**SEC**") and any amendments thereto (the "**Annual Report**"). The Annual Report incorporates by reference, among other things, the Company's Annual Information Form for the year ended December 31, 2017 (the "**AIF**"), and the Company's Management Discussion and Analysis for the year ended December 31, 2017 (the " **MD&A**").

I hereby consent to the use of my name in connection with reference to my involvement in the preparation of the following technical report (the "**Technical Report**"):

- "*Asanko Gold Definitive Feasibility Study, National Instrument 43-101 Technical Report* " dated effective June 5, 2017 as amended and restated December 20, 2017,

and to references to the Technical Report, or portions thereof, in the Annual Report, the AIF, the MD&A and the Company's registration statement on Form F-10, as amended (SEC File No. 333-222363) (the "**Registration Statement**") and to the inclusion and incorporation by reference of the information derived from the Technical Report in the Annual Report, the AIF, the MD&A and the Registration Statement.

Dated the 16th day of March, 2018.

Sincerely,

/s/ Phil Bentley

_____
Phil Bentley, MSc (Geology),
MSc (Mineral Exploration)
Pr. Sci. Nat. SACNASP

Exhibit 99.17

CONSENT OF FREDERIK FOURIE

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 year ended December 31, 2017 to be filed by the Company with the United States Securities and Exchange Commission (the "**SEC**") and any amendments thereto (the "**Annual Report**"). The Annual Report incorporates by reference, among other things, the Company's Annual Information Form for the year ended December 31, 2017 (the "**AIF**"), and the Company's Management Discussion and Analysis for the year ended December 31, 2017 (the " **MD&A**").

I hereby consent to the use of my name in connection with reference to my involvement in the AIF and the MD&A that are incorporated by reference into the Annual Report and the Company's registration statement on Form F-10, as amended (SEC File No. 333-222363). Dated the 16th day of March, 2018.

Sincerely,

/s/ Frederik Fourie

_____

Frederik Fourie,
Asanko Senior Mining Engineer, (Pr.Eng)