

## FORM 7

### **MONTHLY PROGRESS REPORT**

Name of Listed Issuer: Asante Gold Corporation (the "Issuer" or "Asante").

Trading Symbol: ASE

Number of Outstanding Listed Securities: 43,245,477

Date: May 4, 2017

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

#### **General Instructions**

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

#### **Report on Business**

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

*The Issuer is a mineral exploration company. Its principal activities consist of evaluating, acquiring, exploring and developing mining properties in the Republic of Ghana. The Issuer's principal project is the Kubi Gold Project, Ghana, West Africa. On August 9<sup>th</sup>, 2016, the Issuer announced it had reached agreement with Goknet Mining Company Limited of Accra Limited ("Goknet") to close the*

*acquisition of the Kubi Mining Lease on terms substantially contained in the Kubi Definitive Option Agreement dated 28th February 2015.*

*The Issuer will acquire the Kubi Mining Lease by issuing seven million treasury shares and reserving for future delivery to Goknet a total of 8,000 ounces of gold, and thereafter reserving for Goknet a 2% Net Smelter Returns royalty payable after cumulative net cash flow from the Kubi Mining Lease exceed US\$25million (the "Kubi NSR"). Royal Gold, Inc. of Denver holds a 3% Net Proceeds of Production royalty, and the Ghana Government a statutory 10% free carry equity and 5% NSR royalty interest. The Issuer plans to further explore and develop Kubi as a custom milling and direct shipping underground operation.*

*In addition the Issuer announced the acquisition of Goknet's interests in eight prospecting licenses ("Goknet Prospecting Licenses"): two totalling 38 sq km adjoining to the west of the Kubi Mining Lease; and six contiguous licenses located on the Asankrangwa Gold Belt 15 km to the south west and along strike of the Asanko Gold Mine. Each of these licenses has had considerable exploration work completed and many have drill ready exploration targets outlined. These licenses are in the process of being transferred to Goknet from third parties, subject to the consent of the Minister of Lands and Natural Resources, however until transferred in good standing to the Issuer, the Issuer will not raise or spend any funds or complete any substantive work on the subject prospecting licenses.*

*To purchase the Goknet Prospecting Licenses, the Issuer will issue up to a maximum of three million treasury shares. Shares will be issued pro-rata on a license by license basis if as and when valid title is registered in the name of the Issuer. Goknet will retain a 2% Net Smelter Returns royalty on each license so acquired by the Issuer.*

*A Special Committee of the Board has approved the above acquisitions subject to receipt of final governmental approvals.*

*On October 17, 2016 the Issuer announced that it entered into an agreement with BXC Company Ghana Limited ("BXC") to form the Kubi Gold JV, a 50:50 joint venture to develop the Kubi Mining Lease in Ghana towards production.*

*BXC, a wholly owned subsidiary of Beijing Fuxing Xiao-Cheng Electronic Technology Stock Co. Ltd. ("BFXC"), has agreed to provide C\$19.5 million in funding to earn 50% of the Kubi Gold JV and a 30% equity interest in Asante. BXC will participate in a private placement (the "Private Placement") by purchasing 16,468,400 or such other number of common shares necessary to give BXC a 30% equity interest in the then issued capital of the Company, at a price of C\$0.20 per share, subject to the approval of the Canadian Securities Exchange ("CSE") – such approval which has been obtained. Asante will apply 10% of the proceeds of the Private Placement to its unallocated working capital, and the balance to complete its initial funding of the Kubi Gold JV. On February 27<sup>th</sup>, 2017 BXC completed the subscription for 3,888,889 units of the \$0.18 private placement announced on September 22, 2016 for a total cost of*

\$700,000. This subscription is considered a down payment on the intended acquisition of a 30% equity interest in the Company. The agreement is subject to final closing, including consent of the Minister of Lands and Natural Resources to the formation of the joint venture.

BXC has also committed to provide additional funding to the Kubi Gold JV on reasonable commercial terms, for the construction of additional facilities such as a production shaft, full processing facilities or expansion.

BXC has the right to maintain a 30% equity interest in new equity financings announced by Asante, and up to two seats on the Board of Directors of the Company. The agreement is subject to all requisite governmental and regulatory approvals, including the consent of the Minister of Lands and Natural Resources of Ghana, and any shareholder, regulatory and stock exchange approvals required by BFXC (please see our previous news release on the Kubi acquisition, and Ghana property location map at:

<http://www.asantegold.com/news/asante-gold-acquires-kubi-mining-leases-and-eight-prospecting-licenses-in-ghana>

Asante has agreed to pay from its share of the JV revenue the two underlying Kubi royalties: the Goknet 1% Net Smelter Returns royalty (recently re-negotiated to 1% NSR from previous 2%NSR subject to closing of the BXC JV); and the Royal Gold, Inc. 3% Net Proceeds of Production royalty. New mining leases in Ghana also carry on behalf of the Ghana government a 5%NSR and a 10% interest in any dividends paid out by the operating company.

BXC is a wholly owned subsidiary of Beijing Fuxing Xiao-Cheng Electronic Technology Stock Co. Ltd. ("BFXC"), which is listed in China on the Shenzhen Stock Exchange and primarily involved in national power grid infrastructure in Asia, South America and Africa. BXC has been active in Ghana for a decade and has completed, or current contracts for over US\$200 million including: the design, build and operation of the 20MW Mankoadze solar plant; two US\$20 million projects pre-financed by BXC involving the upgrade and extension of power grid networks; and a US\$170 million 10 year contract with the Electricity Corporation of Ghana (ECG) installing 450,000 smart meters to reduce distribution system losses. BXC is also developing two gold mining leases and two exploration projects in Ghana.

The Issuer has also reached agreement with Sikasante Mining Company Limited of Accra, Ghana ("Sika") to earn up to a 100% interest in its Keyhole Gold Project in Ghana, which is made up of the Ayiem and Sraha licenses. In order to earn up to a 50% interest in the Keyhole Gold Project, the Issuer has agreed to issue Sika 250,000 common shares in the capital stock of the Issuer on final issuance of the Ayiem license to Sika (done) and receipt by Sika of all necessary permits required to commence a drilling program (done), and to complete \$500,000 in work over the next 4 years. The Issuer may earn an additional 50% interest by reserving for Sika a 2% net smelter returns royalty (the "Sika NSR Royalty") and

on the assignment of the Sika licenses to the Issuer (subject to the consent of the Minister of Lands and Natural Resources) a final payment of 1 million common shares in the capital stock of the Issuer. The acquisition has been approved by a Special Committee of the Board of Directors of the Issuer.

2. Provide a general overview and discussion of the activities of management.

*Management continues to focus on additional working capital financings and the closing of the Kubi Gold JV and KeyHole option agreements. An initial 1,151 metre diamond drilling program has been completed on the Keyhole Option. Negotiations are also continuing to contract a suitable toll milling facility for the Kubi Gold JV.*

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

*During the month of April 2017 the Issuer completed a drilling program at the MEM showing area of the Keyhole Option, to test six high priority geophysical IP and resistivity targets. The program was designed as the first modern drill test of bedrock for gold mineralization in a structurally favourable area where extensive alluvial mining has been ongoing over the last 30 years.*

*The program consisted of 1,151m of diamond drilling in twelve holes, surface sampling and ground geophysics and has confirmed that the MEM showing is part of a northeast trending gold mineralized shear that is in excess of 250m in length, 120m in depth, and is open to extension in all directions.*

*Five of the twelve holes were spotted in the MEM area where historical and recent grab samples of sulfidic and vuggy quartz reef dump material from artisanal shafts average 15.5g/t gold.*

*Drillhole MEM17-001B was spotted to test directly under the old MEM shaft area and intersected 13.12g/t gold over 3.0m at a down hole depth of 139m. The intersection was vertically ~120m below the showing in a graphitic shear zone hosted in meta-greywacke/argillite, with quartz, sulfide mineralization and with minor visible gold noted. Core orientation data suggest that the shear zone is sub-parallel to the regional foliation at azimuth 030 to 046 degrees with a moderate to steep dip to the northwest. A photo of the mineralization is at: [http://www.asantegold.com/assets/docs/pdf/nr/MEM17-001b\\_140.3m.pdf](http://www.asantegold.com/assets/docs/pdf/nr/MEM17-001b_140.3m.pdf).*

*Drillhole MEM17-002 was drilled 85m to the southwest of the MEM showing, and intersected two shear zones grading 3.43g/t over 3.0m and 3.46g/t over 1.5m at down hole depths of 64.5m and 75.0m.*

*Drillhole MEM17-010B tested the structure 60m to the northeast of the MEM showing intersecting a narrow shear zone that graded 2.0g/t gold over 0.3m. Two of the five drillholes had to be abandoned - one in heavily fractured ground/shear zone and the other in brecciated quartz/greywacke and mud filled underground workings.*

*In addition, twenty five surface grab/channel samples over ~1.0m widths were taken in recently exposed saprolite in an area ~120m to the northeast of the MEM showing, with the best section grading 1.89g/t over 3m.*

*The balance of the drillholes were collared to test anomalous IP and interpreted structural targets from a recent ground geophysical orientation program. Regional scale, fracture controlled pyrite mineralization was intersected, accounting for most of the noted IP responses. Areas with interpreted high resistivities appear related to thicker sections of greywacke interbedded with the argillaceous phyllite host.*

*A map showing the MEM area drill collars and significant gold intersections is available at: <http://www.asantegold.com/assets/docs/pdf/nr/MEMdrillPlan.pdf> . Recent pictures from the drill program are available at: <http://www.asantegold.com/projects/keyhole-option> .*

*The Keyhole Option covers a 6km long section of the Ankobra River which is strategically located at the intersection of three major regional gold mineralized trends. Based on the success of this initial program, an expanded program to further test and extend the zone and outline other potential mineralized zones will commence on completion of additional working capital financings.*

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

*No products or services were discontinued during the month of April 2017. No drilling, exploration or production programs were amended or abandoned during the month of April 2017.*

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

*The acquisitions announced in 1 above with respect to the acquisition of the Kubi Mining Lease and the Goknet Prospecting Licenses are with Goknet Mining Company Limited – which has one director in common with the Issuer. Douglas MacQuarrie, the President, CEO and Director of the Issuer is a director of Goknet and holds or controls approximately 23.13% of the outstanding shares of Goknet.*

*The terms of the Kubi acquisition were negotiated and approved by a Special Committee of the Issuer, and were approved by the disinterested shareholders of the Issuer at the Annual General meeting of the shareholders on December 28<sup>th</sup>, 2016. The Joint Venture announced with BXC on the Kubi Mining Lease is arm's length to the Company.*

*The acquisitions announced in 1 above with respect to the acquisition of the Keyhole Gold Project in Ghana are with Sikasante Mining Company Limited ("Sika") which has one director in common with the Issuer. The terms of the acquisition were negotiated and approved by a Special Committee of the Issuer.*

*Douglas MacQuarrie, the President, CEO and Director of the Issuer is a director of Sika and holds or controls approximately 41.7% of the outstanding shares of Sika. The Special Committee has determined that Mr. MacQuarrie does not "control" Sika within the meaning of Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions ("MI 61-101") and, accordingly, the Option does not constitute a "related party transaction" of the Company under MI 61-101 and further that, if the Option were to constitute a "related party transaction" of the Company under MI 61-101, the exemptions from the valuation and shareholder approval requirements contained in sections 5.5(a) and 5.7(1)(a) of MI 61-101 would apply on the basis that the Special Committee has determined, in good faith, that at the time the transaction was agreed to, neither the fair market value of the subject matter of, nor the fair market value of the consideration for, the transaction exceeds 25% of the Company's market capitalization.*

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

*The final closing date for the above noted agreement between the Issuer and BXC was extended from December 31, 2016 to February 28, 2017. Due to events beyond the control of BXC and the Issuer, those events primarily being requisite governmental approvals out of China and Ghana, the extension date has now passed. The Issuer and BXC, however, are continuing to act in good faith on the basis that the necessary approvals will be obtained and that the substantive terms of the agreement will be completed in due course. Given the lengthy delay, there can be no guarantee offered or implied that closing of the agreement with BXC will ultimately occur.*

*Final closing of the Kubi Lease acquisition is subject to receipt of the consent of the Minister of Lands and Natural Resources of Ghana.*

*The Issuer has also received notice from NSS Resources Inc. that a significant part of their Seneca property claims, Harrison Lake area, British Columbia have expired. None of the expired claims had any current NI43-101 mineral resources. This may negatively impact the potential future value of the Issuers' 2% NSR which it holds on the remaining Seneca claims.*

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

*See 1, 5 above.*

8. Describe the acquisition of new customers or loss of customers.  
*None in the Month of April, 2017.*
  9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.  
*The Issuer has become aware of a TSXV listed company with the name Ashanti Gold Corp. TSXV:AGZ, which has offices in Vancouver and a mining exploration project in Ghana, West Africa. The Issuer takes exception to the granting of this name to AGZ by the Registrar of Companies and its listing by the TSX Venture Exchange, given its obvious similarity to the name and business of the Issuer and possible infringement on the Issuers brand.*
  10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.  
*The Issuer did not hire, terminate or lay off any employees during the month of April, 2017.*
  11. Report on any labour disputes and resolutions of those disputes if applicable.  
*None in the Month of April, 2017.*
  12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.  
*There were no legal proceedings during the month of April, 2017.*
  13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.  
*There was no indebtedness incurred or repaid by the Issuer in the Month of April, 2017 – other than as noted in 15 below.*
  14. Provide details of any securities issued and options or warrants granted.  
*On March 7, 2017 the Issuer announced 200,000 incentive options to a consultant – Eric Ewen, at a price of \$0.20 for a term of 5 years.*
- (1) State aggregate proceeds and intended allocation of proceeds.

15. Provide details of any loans to or by Related Persons.

*ASG Mining Company Limited loan repayment totalling US\$1,064.88 to Goknet Mining Company Limited in April 2017.*

*Goknet Mining Company Limited loan of US\$1,000 to ASG Mining Company Limited, the Ghana subsidiary of the Issuer during the month of April 2017.*

16. Provide details of any changes in directors, officers or committee members.

*Eric Ewen, Consultant, added as an Advisor to the Board.*

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

*Resource exploration and development is a speculative business and involves a high degree of risk, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in size to return a profit from production. The marketability of natural resources that may be acquired or discovered by the Issuer will be affected by numerous factors beyond the control of the Issuer. These factors include market fluctuations, the proximity and capacity of natural resource markets, governmental regulations. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Issuer not receiving an adequate return on invested capital. The great majority of exploration projects do not result in the discovery of commercially mineable deposits of ore. Even if commercial quantities of mineral deposits are discovered by the Issuer, there is no guarantee that a profitable market will exist for the sale of the metals produced. The development of the Issuer's properties will depend upon the Issuer's ability to obtain financing through the joint venturing of projects, private placement financing, public financing or other means. There can be no assurance that the Issuer will be successful in obtaining the required financing.*

## Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated: May 4, 2017

Douglas R. MacQuarrie  
Name of Director or Senior  
Officer

"Douglas R. MacQuarrie"  
Signature  
President/CEO  
Official Capacity

<b><i>Issuer Details</i></b> Name of Issuer	For Month End	Date of Report YY/MM/DD
<b>ASANTE GOLD CORPORATION</b>	<b>April 2017</b>	<b>2017/05/04</b>
Issuer Address		
<b>Suite 206 – 595 Howe Street</b>		
City/Province/Postal Code	Issuer Fax No.	Issuer Telephone No.
<b>Vancouver, BC V6C 2T5</b>	<b>(604)558-1136</b>	<b>(604) 558-1134</b>
Contact Name	Contact Position	Contact Telephone No.
<b>Douglas MacQuarrie</b>	<b>President</b>	<b>(604) 558-1134</b>
Contact Email Address <b>douglas@asantegold.com</b>	Web Site Address <b>www.asantegold.com</b>	