

## **ASANTE ENTERS C\$19.5M JOINT VENTURE & PRIVATE PLACEMENT, KUBI GOLD PROJECT, GHANA**

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**FOR IMMEDIATE RELEASE**

**October 17, 2016**

**Vancouver, British Columbia – October 17, 2016 – Asante Gold Corporation (CSE:ASE/FRANKFURT:1A9/OTC:ASGOF)** ("Asante" or the "Company") announces that it has 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 Leases 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"). 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. The agreement is subject to final due diligence and closing is expected by December 31, 2016.

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 disinterested shareholder approval and closing of the Kubi acquisition from Goknet Mining Company Limited ("Goknet") such approvals expected at the Asante AGM to be held in Vancouver on December 28, 2016, and if required, 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>

<http://www.asantegold.com/assets/img/goldentruckeyhole.jpg>).

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); 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, with a market capitalization of US\$580 million, 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.

As a result of this agreement, the Company has suspended the previously announced \$0.18 Unit private placement offering. Subscriptions that were received and accepted up to October 3, 2016 will be completed, totaling 2,125,311 Units for gross proceeds of \$382,556. No Insiders or Directors of Asante, or principals or associates of BXC are participating in the placement. Finders fees of \$15,000 and 41,667 warrants are payable.

Douglas R. MacQuarrie, President & CEO states, "We are extremely pleased to welcome BXC as our JV partner and major shareholder to move Kubi forward to production. Their successful operating history in Ghana and strong balance sheet will complement our strengths in gold exploration, discovery and development. Their commitment to secure future debt funding for the joint venture gives Asante a non-dilutive path forward to fully develop the potential of Kubi."

Yi Cheng, Group Chairman of BXC and President of BFXC, states, "Our financial and operating strength complements Asante's proven exploration and development expertise. We are committed to assisting Ghana to provide electricity at competitive rates – which will enhance our growing investments in the gold mining sector."

On behalf of the Board,  
*"Douglas R. MacQuarrie"*  
President and CEO

#### **About Asante Gold Corporation**

Asante Gold Corporation is a Vancouver based gold company, developing Kubi as a potential near term underground mine; and exploring the Betenase, Fahiakoba, Keyhole and Ashanti II concessions all adjoining or on strike with major gold mines near the centre of Ghana's Golden Triangle.

Scientific and technical information contained in this news release has been reviewed and approved by Douglas R. MacQuarrie, P.Geo. (B.C.) Geology & Geophysics, the President and CEO of the Company, who is a "qualified person" under NI 43-101. Investors are cautioned that final closing of the Kubi, Ashanti II concessions, Betenase and Keyhole options are dependent on additional governmental renewals, approvals and consents, which though generally expected, may or may not be ultimately obtained.

This news release contains statements of forward-looking information (or "FLI") including those in respect of future exploration, joint venture development, permitting and mining at Kubi and the other properties in which the Company has an interest, financings, requisite shareholder approvals and timing for closing of the option agreements. FLI involves risks and uncertainties which could cause actual results to vary from the FLI. The risk factors that could cause actual results to differ materially include: the risk of failure to obtain sufficient financing; the inherent risks involved in the exploration and development of mineral properties; the uncertainties involved in interpreting drill results and other exploration data; the potential for delays in exploration or development activities; the geology, grade and continuity of mineralization; the possibility that future exploration, development or mining results will not be consistent with the Company's expectations; accidents, equipment breakdowns, labor disputes or other unanticipated difficulties with or interruptions in production and operations; the availability and costs of suitable toll milling facilities; fluctuating prices of metals and other commodities; currency fluctuations; the possibility of project cost overruns or unanticipated costs and expenses; uncertainties relating to the availability and costs of financing needed in the future; the inherent uncertainty of production and cost estimates and the potential for unexpected costs and expenses; regulatory restrictions, including environmental regulatory restrictions and liability and the lack of any assurance that the Company will receive all of the necessary governmental title and approvals to proceed with the development of its projects. The material factors and assumptions on which the FLI is based include the extensive Kubi drilling database and current mineral resource estimate, the previously successful permitting, mining, trucking and milling operations at Kubi, the local availability of skilled labor, plant and machinery, and the positive results from previous metallurgical tests on the Kubi Main deposit mineralization. The Company undertakes no obligation to update FLI except as required by applicable law. Such information represents management's best judgment based on information currently available. Readers are advised not to place undue reliance on FLI.

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Additional information is available on our web site at: [www.asantegold.com](http://www.asantegold.com)

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