

ASANTE GOLD CLOSSES FIRST TRANCHE OF PRIVATE PLACEMENT

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FOR IMMEDIATE RELEASE

October 21, 2016

Vancouver, British Columbia – October 21, 2016 – Asante Gold Corporation (CSE:ASE/FRANKFURT:1A9/OTC:ASGOF) ("Asante" or the "Company") announces that it has closed the initial tranche of the \$1 million exploration and working capital private placement ("Private Placement") announced on September 20, 2016. The placement was temporarily suspended for the dissemination of material news with respect to the joint venture of our Kubi Gold Project, which was published on October 17, 2016 (<http://www.asantegold.com/news/asante-enters-ccad19-5m-joint-venture-and-private-placement-kubi-gold-project-ghana>).

A total of 2,125,311 units were subscribed by 14 places with gross proceeds of \$382,556. Finders fees of \$17,670 and 98,167 agents warrants were payable to third parties with respect to the placement.

The Company plans to continue with the second tranche of the Private Placement and to accept subscriptions for up to an additional 3,430,244 units at \$0.18 per unit (each a "Unit") for additional gross proceeds of up to \$617,444.

Each Unit will consist of one common share of the Company (a "Common Share") and one half of a transferrable Common Share purchase warrant (a "Warrant"). Each whole Warrant will entitle the holder to purchase one additional Common Share at an exercise price of \$0.25 for twenty four (24) months from the second closing date of the Private Placement. In the event that the Private Placement is oversubscribed, the Company may increase the placement by up to 25%.

Proceeds from the private placement will be used for general working capital, including drilling and other work programs on the Company's Keyhole, Betenase, Fahiakoba and Kubi projects in Ghana. Finder's fees may be payable on a portion of the offering. All securities purchased under this offering will be subject to a four month and one day hold period.

Certain directors and officers of the Company may participate in the private placement. Any such participation would be considered to be a "related party transaction" as defined under Multilateral Instrument 61-101 ("MI 61-101"). The transaction would be exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 as neither the fair market value of any units issued to or the consideration paid by such persons would not exceed 25% of the Company's market capitalization.

Douglas R. MacQuarrie, President & CEO states, "We plan on commencing an initial drill program on the MEM showing on our Keyhole option at the earliest opportunity. This showing

has extensive artisanal workings, and to our knowledge has never been drilled. Historical underground sampling results of quartz reefs have reportedly graded to 8 metres of 25g/t Au (please see our news release: <http://www.asantegold.com/news/asante-acquires-strategically-located-keyhole-gold-project-ghana>). Geophysical surveys to outline additional targets in the vicinity of the showing will also commence, to be tested by an expected Phase 2 drill program.”

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

About Asante Gold Corporation

Asante Gold Corporation is developing the Kubi Gold Joint Venture as a potential near term underground mine; and exploring the Fahiakoba, Keyhole and Betenase options, and other concessions, all adjoining or along strike of major gold mines and near the centre of Ghana’s Golden Triangle.

For further information please contact:

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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 options. 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.

Neither IIROC nor any stock exchange or other securities regulatory authority accepts responsibility for the adequacy or accuracy of this release.