

**MANAGEMENT DISCUSSION AND ANALYSIS**  
**For the three and six months ended July 31, 2013**

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*This Management Discussion and Analysis ("MD&A") of Asante Gold Corporation, ("Asante" or the "Company" or the "Issuer") provides an analysis of the Company's performance and financial condition for the three and six month period ended July 31, 2013. It is prepared as at September 17, 2013 and was approved by the Board of Directors on that date.*

*This MD&A should be read in conjunction with the Company's audited annual consolidated financial statements for the year ended January 31, 2013, and the July 31, 2013 interim consolidated financial statements; including the related note disclosures. The Company's audited annual financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar figures included therein and in the following discussion and analysis are quoted in the functional currency of Canadian dollars unless otherwise specified. Additional information relevant to the Company's activities can be found on SEDAR at [www.sedar.com](http://www.sedar.com) or the Company's website at [www.asantegold.com](http://www.asantegold.com).*

*This MD&A may contain forward-looking statements that are based on the Company's expectations, estimates and projections regarding its business and the economic environment in which it operates. These statements speak only as of the date on which they are made, are not guarantees of future performance, and involve risks and uncertainties that are difficult to control or predict. Examples of some of the specific risks associated with the operations of the Company are set out below. Actual outcomes and results may differ materially from those expressed in these forward-looking statements and readers should not place undue reliance on such statements.*

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The following information should be read in conjunction with the Company's unaudited interim financial statements for three and six months ended July 31, 2013 and related notes thereto. The unaudited interim financial statements were prepared in accordance with International Financial Reporting Standards. All currency amounts are expressed in Canadian dollars unless otherwise stated.

### Principal Business and Corporate History

Asante Gold Corporation is a mineral exploration company involved in the acquisition and assessment of mineral properties in the Republic of Ghana. The Company's objective is to undertake mineral exploration on properties assessed to be of merit and to define mineral resources. Precious metals are targeted with a focus on gold.

The Company entered into a Purchase Agreement with Goknet Mining Company Limited ("Goknet") of Accra on June 15, 2011 to acquire the Fahiakoba Concession, in the Ashanti and Central Regions in the Republic of Ghana. The Company acquired a 100% interest in the Fahiakoba Concession by paying Goknet the sum of US\$51,976 (C\$50,630) and by agreeing to expend US\$1,000,000 over a five year period, which commitment has been met in full. The Company also granted Goknet a 3% net smelter return royalty on production from the Fahiakoba Concession.

The Company has applied to have the concession title transferred to ASG Mining Ltd., the Company's 100% owned Ghana subsidiary. A condition requiring a cash payment to Goknet in the event of the sale of the Company's interest in the Fahiakoba Concession prior to June 15, 2013 has expired.

In November 2012 the Company announced its intention to acquire a 1% NSR Royalty in PMI Gold Corporation's Obotan Project from Goknet. The royalty is to be acquired for the deemed consideration of \$22.5 million through the issuance of 45 million shares in the Company at a deemed consideration of \$0.50 per share. Closing of the Royalty purchase by the Company is subject to receipt of all requisite regulatory, required third party, and shareholder approvals. Shares of the Company to be issued as consideration for the purchase of the Royalty will be subject to a four month plus one day hold period, unless they are traded pursuant to an exemption to the resale restrictions. Goknet has voluntarily agreed that 10% of the shares of the Company will not be subject to any resale restrictions beyond the four month and a day hold period. The remaining 90% of the shares will be released from resale restrictions as to 15% every three months after the four month and a day period has expired. Goknet has informed the Company that it has taken PMI Gold Corporation to binding arbitration to determine the full extent of its royalty interests, resolution is expected by year end 2013.

### Capital stock and financing

Between May 4, 2011 and January 31, 2012, the Company raised gross proceeds of \$23,250 through the issuance of 2,325,000 Common Shares at a price of \$0.01 per Common Share, \$391,750 through the issuance of 7,835,000 Units at a price of \$0.05 per Unit, and \$1,450,250 through the issuance of 5,801,000 Common Shares at a price of \$0.25 per Common Share.

On February 28, 2012, the Company completed an initial public offering of 4,000,000 Units at \$0.50 per unit for cumulative gross proceeds of \$2,000,000. The Agent received at closing a cash commission of 7.5% of the gross proceeds as well as 300,000 Agent Warrants, which is equal to 7.5% of the number of Offered Securities sold in the Offering. The fair value of the warrants was calculated at \$78,878 using the Black-Scholes method as disclosed in Note 7 to the audited financial statements. In addition, the Company issued to the Agent 150,000 Corporate Finance Shares. On November 22, 2012, 400,000 warrants were exercised at \$0.25 per common share and on January 7, 2013, a further 1,000,000

escrow warrants were exercised at \$0.25 per common share. On February 27, 2013 150,000 escrow warrants were exercised at \$0.25 per common share; on March 6, 2013 120,000 escrow warrants were exercised at \$0.25 per common share; also on March 6, 2013 400,000 warrants were exercised at \$0.25 per common share; on March 21, 2013 200,000 warrants were exercised at \$0.25 per common share; and on April 24, 2013 50,000 warrants were exercised at \$0.25 per common share. On May 1, 2013 50,000 warrants were exercised at \$0.25 per common share and 5,465,500 warrants expired unexercised on June 10, 2013.

### Overall performance

The Company has no operational revenue, and exploration activity is subject to the availability of funds raised through financings. Global financial and commodity markets have been volatile, and the Company is thus impacted by these generic industry factors which are beyond its control. The Company anticipates obtaining additional financing in the future primarily through further equity financing.

The Company has completed its initial exploration program on the Fahiakoba Concession, consisting of 4,987.5 metres of diamond drilling, ground VLF-EM geophysics and 1,200 auger drill holes. Initial results are considered encouraging and indicate that the targeted structures locally contain significant gold values. Additional reporting, ground geophysics and pit and outcrop sampling and mapping is in progress to determine further drill targets.

### Selected Quarterly Information

The following table summarizes quarterly results for all quarters to date. The information contained in this table should be read in conjunction with the Company's financial statements.

Summary of quarterly results

Period ending:	Revenue \$	Gain/(Loss) before other items \$	Currency translation adjustment \$	Comprehensive Loss \$	Net loss per share
July 31, 2013	Nil	(176,755)	59,233	(117,522)	\$ 0.01
April 30, 2013	Nil	(243,066)	(1,521)	(244,587)	\$ 0.01
January 31, 2013	Nil	(321,823)	(6,901)	(328,724)	\$ 0.02
October 31, 2012	Nil	(227,355)	(2,908)	(230,263)	\$ 0.01
July 31, 2012	Nil	(197,528)	9,783	(187,745)	\$ 0.01
April 30, 2012	Nil	(446,724)	-	(446,724)	\$ 0.02
January 31, 2012	Nil	(334,319)	-	(334,319)	\$ 0.02
October 31, 2011	Nil	(700,679)	-	(700,679)	\$ 0.09
July 31, 2011	Nil	(206,158)	-	(206,158)	\$ 0.01

The October 2011 quarter reflected a charge of \$464,400 for stock based compensation. Other quarterly variations arise mainly from costs associated with start-up and the IPO.

## Results of Operations

The Company's comprehensive loss for the three month period ended July 31, 2013 was \$117,522 (2012: \$187,745) or \$0.01 per Common Share. The table below presents the key expenditure items for the three and six month periods ended July 31, 2013. Please see the Financial Statement for Note references.

	For the Three and Six months ended July 31,			
	Six months		Three months	
	2013	2012	2013	2012
	\$	\$	\$	\$
<b>Expenses</b>				
Amortization	397		193	-
Directors' fees (Note 9)	22,000	15,300	13,000	6,000
Foreign exchange (gain)/loss	11	6,871	69	(657)
Stock based compensation (Note 7)	-	48,000	-	-
Management and consulting fees (Note 9)	112,000	129,107	55,000	57,000
Professional services	87,561	146,593	41,448	49,906
Shareholder communications (Note 9)	105,709	118,667	37,627	44,188
Trade shows and promotions	-	23,566	-	1,043
Transfer agent and regulatory fees	10,876	54,399	4,460	4,671
Travel	26,002	40,086	10,288	11,197
General office	55,700	61,663	14,670	24,180
Interest received	(435)	-	-	-
<b>Net loss for the period</b>	<b>419,821</b>	<b>644,252</b>	<b>176,755</b>	<b>197,528</b>
<b>Other comprehensive loss</b>				
Currency translation adjustment	(57,712)	(9,783)	(59,233)	(9,783)
<b>Total comprehensive loss for the period</b>	<b>\$ 362,109</b>	<b>\$ 634,469</b>	<b>\$ 117,522</b>	<b>\$ 187,745</b>

Among these administrative expenses for the quarter were fees for professional services of \$41,448, which includes \$22,500 in consulting fees charged by the Company's Chief Financial Officer at a rate of \$7,500 per month. Other key personnel costs comprised of management fees of \$45,000 charged by the Company's Chief Executive Officer at a rate of \$15,000 per month, and corporate communication fees of \$22,500 charged by a director at a rate of \$7,500 per month. Stock based compensation for the period was \$Nil.

The Company capitalizes all mineral property acquisition and exploration costs until the properties to which the costs are related are placed into production, sold or abandoned. The decision to abandon a property is largely determined by exploration results and the amount and timing of the Company's write-offs of capitalized mineral property costs will vary in a fiscal period from one year to the next and typically cannot be predicted in advance.

During the period ended July 31, 2013, mineral property acquisition and exploration costs totalling \$127,459 inclusive of Currency Translation Adjustments were capitalized to mineral properties. Expenditures are detailed in the exploration expenditure table on page 6 below.

## Dividends

There are no restrictions that could prevent the Issuer from paying dividends on its Common Shares. The Issuer has not paid any dividends on its Common Shares and it is not contemplated that the Issuer will pay any dividends in the immediate or foreseeable future. All available cash will be used to finance operations and explore mineral properties, until a revenue stream is generated. The Company envisages that some of the revenue derived from royalties could in the future be paid out as a dividend.

## Liquidity and Capital Resources

At July 31, 2013, the Company had negative working capital of \$421,265, inclusive of a loan of \$200,000 which was advanced by Goknet on May 3, 2013 for working capital purposes. This loan was increased by \$54,924 in August 2013, subsequent to the end of the quarter. The loan carries interest of 5% per annum and is unsecured. It is repayable within 60 days upon demand.

In terms of the acquisition of its interest in the Fahiakoba Concession, the Company has met the expenditure commitments in full.

The investment in exploration activities for the three months ended July 31, 2013 was \$82,484 net of changes to the Currency Translation Adjustment.

At present, the Company's operations do not generate cash flow and its financial success is dependent on management's ability to discover economically viable mineral deposits and to realise a revenue stream from its proposed royalty acquisition. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control.

In order to finance the Company's exploration programs and to cover general and administrative expenses, the Company raises money through equity issues. In addition, the Company is in the process of acquiring a royalty. It is anticipated that the royalty will generate a revenue stream commencing late 2014, and would provide funds for exploration and general corporate expenses.

Many factors influence the Company's ability to raise funds, including the health of the resource market, the climate for mineral exploration investment, the Company's track record, and the experience and calibre of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activities. Management believes it will be able to raise equity capital as required in the long term, but recognizes there will be risks involved that may be beyond their control.

Cash provided by financing activities for the year ended January 31, 2013 was \$2,163,860 and consisted of cash from an Initial Public Offering of Units at \$0.50 per unit, net of share issuance costs and cash from Warrant exercise. Cash provided by financing activities in the six months ended July 31, 2013 was \$242,500, consisting of the exercise of warrants at \$0.25 per warrant.

## Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

### Additional Disclosure for Venture Companies without Significant Revenue

Exploration expenditures to date to July 31, 2013:

	Property: Fahiakoba
<b>Balance at May 4, 2011</b>	\$ -
Property acquisition	50,630
Assaying, testing and analysis	18,249
Geology and geophysics	102,289
Drilling	45,669
General and administrative	65,785
<b>Balance at January 31, 2012</b>	\$ 282,622
Property acquisition	-
Assaying, testing and analysis	47,576
Geology and geophysics	206,794
Drilling	1,084,771
Field expenses	249,499
General and administrative	190,735
Currency translation	7,713
<b>Balance at January 31, 2013</b>	\$ 2,069,709
Assaying, testing and analysis	1,800
Geology and geophysics	42,596
Drilling	12,377
Field expenses	30,001
General and administrative	38,728
Currency translation	20,546
<b>Balance at April 30, 2013</b>	\$ 2,215,757
Assaying, testing and analysis	-
Geology and geophysics	29,564
Drilling	\$ -
Field expenses	16,778
General and administrative	36,142
Currency translation	44,093
<b>Balance at July 31, 2013</b>	\$ 2,342,334

### Outstanding Securities Data

As at September 16, 2013 there are 22,481,000 Common Shares issued and outstanding. There are 2,300,000 Warrants outstanding, comprised of 300,000 exercisable at \$0.50 per Common Share (exercisable up to February 28, 2014); and 2,000,000 exercisable at \$0.70 per Common Share (exercisable up to February 28, 2014). There are also a total of 1,350,000 incentive options granted to directors, officers and consultants of the Company, all exercisable at \$0.75 per Common Share, up to October 24, 2016 and 200,000 options granted to consultants of the Company, exercisable at \$0.75 per Common Share up to April 3, 2017.

### Risks and Uncertainties

The Company is exposed to a variety of risk factors, of which the most significant are outlined in the section 'Financial Risk Management' below.

### Transactions with Related Parties

Related Party transactions include transactions with key management personnel and their related parties who hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities.

	July 31,	
	2013	2012
<b>Management and consulting fees:</b>		
Management fees charged by a company controlled by a director of the company	\$ 90,000	\$ 90,000
Management fees charged by a company controlled by a director of the company	45,000	45,000
Consulting fees charged by an officer of the Company	45,000	\$ 45,000
 <b>Directors' fees:</b>		
M. Holcombe	6,000	3,000
F. Riedl-Riedenstein	6,000	6,000
H. K. Arhin (ASG Mining Limited - Ghana)	6,000	3,000
Robert J. Bourque (Asante GH Limited - Barbados)	2,000	1,650
Roger S. Holford (Asante GH Limited - Barbados)	2,000	1,650
	\$ 202,000	\$ 195,300

Amounts due to related parties as at July 31, 2013, were \$110,004 (2012:\$10,785).

## Significant Accounting Policies

Significant accounting policies are detailed in the notes to the consolidated financial statements for the year ended January 31, 2013, which are available on [www.sedar.com](http://www.sedar.com) and on the Company's website.

## Financial Risk Management

The Issuer is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes. The type of risk exposure and the way in which such exposure is managed is provided as follows:

### *Credit Risk*

Credit risk is the risk of potential loss to the Issuer if a counterparty to a financial instrument fails to meet its contractual obligations. The Issuer's credit risk is primarily attributable to its liquid financial assets, including cash, amounts receivable and balances receivable from related parties. The Issuer limits the exposure to credit risk by only investing its cash and cash equivalents with high-credit quality financial institutions in business and saving accounts, guaranteed investment certificates, and in government treasury bills which are available on demand by the Issuer.

### *Liquidity Risk*

Liquidity risk is the risk that the Issuer will not be able to meet its financial obligations when they become due. The Issuer ensures, as far as reasonably possible, it will have sufficient capital in order to meet short to medium term business requirements, after taking into account cash flows from operations and the Issuer's holdings of cash and cash equivalents. The Issuer's cash and cash equivalents are currently invested in business accounts which are available on demand.

### *Foreign Exchange Risk*

The Issuer is exposed to financial risk arising from fluctuations in foreign exchange rates and the degree of volatility of these rates.

### *Interest rate risk*

The Issuer is subject to interest rate risk with respect to its investments in cash. The Issuer's policy is to invest cash at fixed rates of interest and cash reserves are to be maintained in cash and cash equivalents in order to maintain liquidity, while achieving a satisfactory return for shareholders. Fluctuations in interest rates when the cash and cash equivalents mature impact interest income earned. The Issuer is not exposed to significant interest rate risk.

### *Commodity Price Risk*

While the value of the Issuer's only mineral resource property, Fahiakoba Concession, is related to the price of gold, the Issuer currently does not have any operating mines and hence does not have any hedging or other commodity based risks in respect of its operational activities.

Gold prices have historically fluctuated widely and are affected by numerous factors outside of the Issuer's control, including, but not limited to, industrial and retail demand, central bank lending, forward sales by producers and speculators, levels of worldwide production, short-term changes in supply and demand because of speculative hedging activities, and certain other factors related specifically to gold.



### *Capital Management*

The Issuer's policy is to maintain a strong capital base and deal flow so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Issuer consists of cash and equity, comprising of issued common shares, share based payment reserve, accumulated other comprehensive income (loss) and deficit.

There were no changes in the Issuer's approach to capital management during the year. The Issuer is not subject to any externally imposed capital requirements.

### *Fair Value*

The fair value of the Issuer's financial assets and liabilities approximates the carrying amount. Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 - Inputs that are not based on observable market data.

### **Events Subsequent to the period ended July 31 2013**

In May 2013, the Company received a loan of \$200,000 from Goknet Mining Company Limited to be used for working capital purposes. In August 2013 this loan was increased by a further \$54,924.

As disclosed in its press release available on [www.sedar.com](http://www.sedar.com), the Company announced on November 12, 2012 that it has reached agreement with Goknet Mining Company Limited, of Accra, Ghana, ("Goknet") to purchase a 1% NSR royalty held by Goknet on PMI Gold Corporation's Obotan Gold Project in Ghana (the "Royalty"). Finalisation of the transaction is pending the outcome of arbitration with PMI Gold Corporation which is expected to be resolved in late December, 2013.

All executive management and director fees are being accrued until a further working capital financing is completed.