

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 year ended January 31, 2014. It is prepared as at May 28, 2014 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, 2014; 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 or the Company's website at 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 audited annual financial statements for the year ended January 31, 2014 and related notes thereto. The audited 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 and gold royalties.

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.

In November 2012 the Company announced its intention to acquire a 1% NSR Royalty in PMI Gold Corporation's Obotan Project from Goknet. This transaction has been delayed pending the results of arbitration between Goknet and PMI Gold Corporation to determine the full extent of Goknet's royalty interest. Arbitration scheduled for December 2013 was held over to September 2014. Due to the effluxion of time, final terms of the transaction will likely require renegotiation.

The Company has announced, on May 15, 2014, a private placement to raise up to \$500,000 to address working capital needs pending the outcome of the arbitration discussed above.

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 escrowed warrants were exercised at \$0.25 per common share. On February 27, 2013 150,000 escrowed warrants were exercised at \$0.25 per common share; on March 6, 2013 120,000 escrowed 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. On February 28, 2013 294,600

warrants expired unexercised, on March 14, 2013 16,000 warrants expired unexercised, and a further 5,465,000 warrants expired unexercised on June 10, 2013.

Pursuant to TSX-V requirements, shares and warrants held by insiders prior to the IPO became subject to escrow. A total of 5,285,000 shares and 2,700,000 warrants were initially placed into escrow, of which 3,699,500 shares and 970,000 warrants have been exercised and released to date and 1,430,000 warrants expired unexercised on June 10, 2013. As at January 31, 2014 2,828,250 fully paid shares were held in escrow, and a further release of 942,750 shares from escrow took place on February 28, 2014, leaving 1,885,500 shares for release in two equal instalments on August 29, 2014 and February 28, 2015.

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 the current and 8 preceding quarters. 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 Gain/(Loss) \$	Net loss per share
January 31, 2014	Nil	(194,940)	167,845	(27,095) \$	0.01
October 31, 2013	Nil	(175,457)	31,989	(143,468) \$	0.01
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

The January and April quarters of 2012 reflected costs associated with start-up and the IPO, and the April 2012 quarter reflects stock based compensation of \$48,000.

Results of Operations

The Company's comprehensive loss for the three months ended January 31, 2014 was \$27,095 (2013: \$328,724) or \$0.01 per Common Share, and for the full year the comprehensive loss was \$532,672 (2013: \$1,193,456) or \$0.04 per Common Share. The table below presents the key expenditure items for the quarter and the year.

	Twelve months ended January		Three months ended January	
	2014	2013	2014	2013
	\$	\$	\$	\$
Interest and other income	(435)	-	-	-
Expenses				
Amortization	755	676	174	214
Directors' fees	41,138	51,298	10,138	33,298
Foreign exchange (gain)/loss	1,115	6,900	(3,291)	93
Stock based compensation	-	48,000	-	-
Management and consulting fees	246,030	247,619	81,200	57,000
Professional services	178,184	294,712	54,936	92,431
Shareholder communications	146,290	160,975	2,497	42,821
Advertising, trade shows and promotions	39,588	108,673	39,588	35,916
Transfer agent and regulatory fees	15,182	59,132	2,911	3,378
Travel	39,722	94,067	4,969	33,240
General office	82,649	121,378	1,818	23,432
Net loss for the year	790,218	1,193,430	194,940	321,823
Other comprehensive loss				
Currency translation adjustment	(257,546)	26	(167,845)	6,901
Total comprehensive loss for the year	\$ 532,672	\$ 1,193,456	\$ 27,095	\$ 328,724

Among these administrative expenses for the quarter were fees for professional services of \$54,936, 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 reflected in shareholder communication. 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 year ended January 31, 2014, mineral property acquisition and exploration costs totalling \$654,841 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 January 31, 2014, the Company had a working capital deficiency of \$972,232, inclusive of a loan of \$211,770 which was advanced by Goknet in two amounts on April 24, 2013 and April 29, 2013 for working capital purposes. The loan carries interest of 5% per annum and is unsecured. It is repayable within 60 days upon demand. Subsequent to the January 31, 2014 the Company announced a private placement to raise up to \$500,000 to address its short term funding needs until the royalty arbitration is finalised. Full details of the financing may be found in the press release dated May 15, 2014. In addition key management and directors have reduced and deferred cash compensation until the liquidity position improves.

Expenditure obligations in terms of the acquisition of its interest in the Fahiakoba Concession have been met in full by the Company.

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 intends to acquire a royalty as outlined in the "Principle Business and Corporate History" section. It is anticipated that the royalty will generate a revenue stream commencing late 2015, 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, 2014 was \$242,500 arising from the exercise of warrants, and \$421,802 from a short term loan and advances. In the corresponding period ended January 31, 2013, \$2,163,860 was raised consisting of cash from an Initial Public Offering of Units at \$0.50 per unit, net of share issuance costs, and cash from Warrant exercises.

Off-Balance Sheet Arrangements

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

Additional Disclosure for Venture Companies without Significant Revenue

Exploration expenditures from January 31, 2012 to January 31, 2014:

	Property: Fahiakoba
Balance at January 31, 2012	\$ 282,622
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 adjustment	7,712
Balance at January 31, 2013	<u>2,069,709</u>
Assaying, testing and analysis	3,695
Geology and geophysics	114,906
Field expenses	108,456
General and administrative	148,039
Currency translation adjustment	279,745
Balance at January 31, 2014	<u>\$ 2,724,550</u>

Outstanding Securities Data

As at May 28, 2014 there are 22,481,000 Common Shares issued and outstanding. There are 2,000,000 Warrants outstanding, exercisable at \$0.70 per Common Share up to February 28, 2015. There are also a total of 2,200,000 incentive options granted to directors, officers and consultants of the Company, of which 250,000 are exercisable at \$0.15 and 1,100,000 are exercisable at \$0.75 per Common Share up to October 24, 2016; 200,000 are exercisable up to April 11, 2019 at \$0.15; 450,000 are exercisable at \$0.15 up to May 15, 2019, and 200,000 exercisable at \$0.15 per Common Share up to April 3, 2017.

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.

Key Management Compensation	January 31,	
	2014	2013
Directors and officers fees:		
Douglas MacQuarrie	\$ 180,000	\$ 180,000
Jagtar Sandhu	90,000	90,000
Philip Gibbs	90,000	90,000
Directors fees:		
M. Holcombe	12,000	16,000
F. Riedl-Riedenstein	12,000	20,000
H. K. Arhin (ASG Mining Limited - Ghana)	13,412	11,982
Robert J. Bourque (Asante GH Limited - Barbados)	1,863	1,658
Roger S. Holford (Asante GH Limited - Barbados)	1,863	1,658
	<u>\$ 401,138</u>	<u>\$ 411,298</u>

Executive management and directors have deferred cash compensation until the working capital position is improved, and accordingly amounts due to related parties (key management and directors) have increased significantly.

Significant Accounting Policies

Significant accounting policies are detailed in the notes to the consolidated financial statements for the year ended January 31, 2014, which are available on www.sedar.com and on the Company's website.

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.

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 liquidity risk at this time is high due to the working capital deficiency and the current investment climate related to the weak gold price and junior mining companies.

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 intended 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. Given the poor equity markets over the last year, the Company decided to rely more on debt financing rather than equity in order to minimize share dilution. 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 their 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 January 31, 2014

- On March 31, 2014 exploration activities on the Fahiakoba Concession ceased due to a lack of available of funding. The Field Office will be maintained to store drill core and Company assets until such time as funding is in place to recommence exploration. The Accra Office will close on June 30th, 2014 upon expiration of the Lease and negotiated grace period per Lease terms. Accra assets will be temporarily stored at the Field office.
- On April 11, 2014 the Company granted 200,000 stock options to a Director at an exercise price of \$0.15 and exercisable for a period of 5 years from date of grant.
- On May 15, 2014 the Company announced that it will use its best efforts to raise up to \$500,000 for working capital by the private placement of up to 6.66 million units of the Company, at the price of \$0.075 per unit, each unit comprised of one common share and one-half of a callable share purchase warrant. Each full warrant will be exercisable into one common share of the Company at a price of \$0.15 for a period of two (2) years, with a provision that should the shares trade on the TSX Venture Exchange at \$0.25 or higher for 20 consecutive trading days the warrant holder would have 30 days to exercise the warrant or they would expire. In the event of an oversubscription, existing shareholders will be given priority and will be filled on a pro-rata basis. The record day for the purposes of defining existing shareholders is May 14, 2014.
- Also on May 15, 2014 the Company announced that 450,000 outstanding incentive stock options held by non-management consultants and advisors to the Company would be reduced in exercise price to \$0.15 per option share from the current price of \$0.75 per option share.
- On May 15, 2014 the Company granted 450,000 incentive options to Directors and Officers of the Company exercisable at a price of \$0.15 for five (5) years.