

**BUILDING
CAPABILITY**

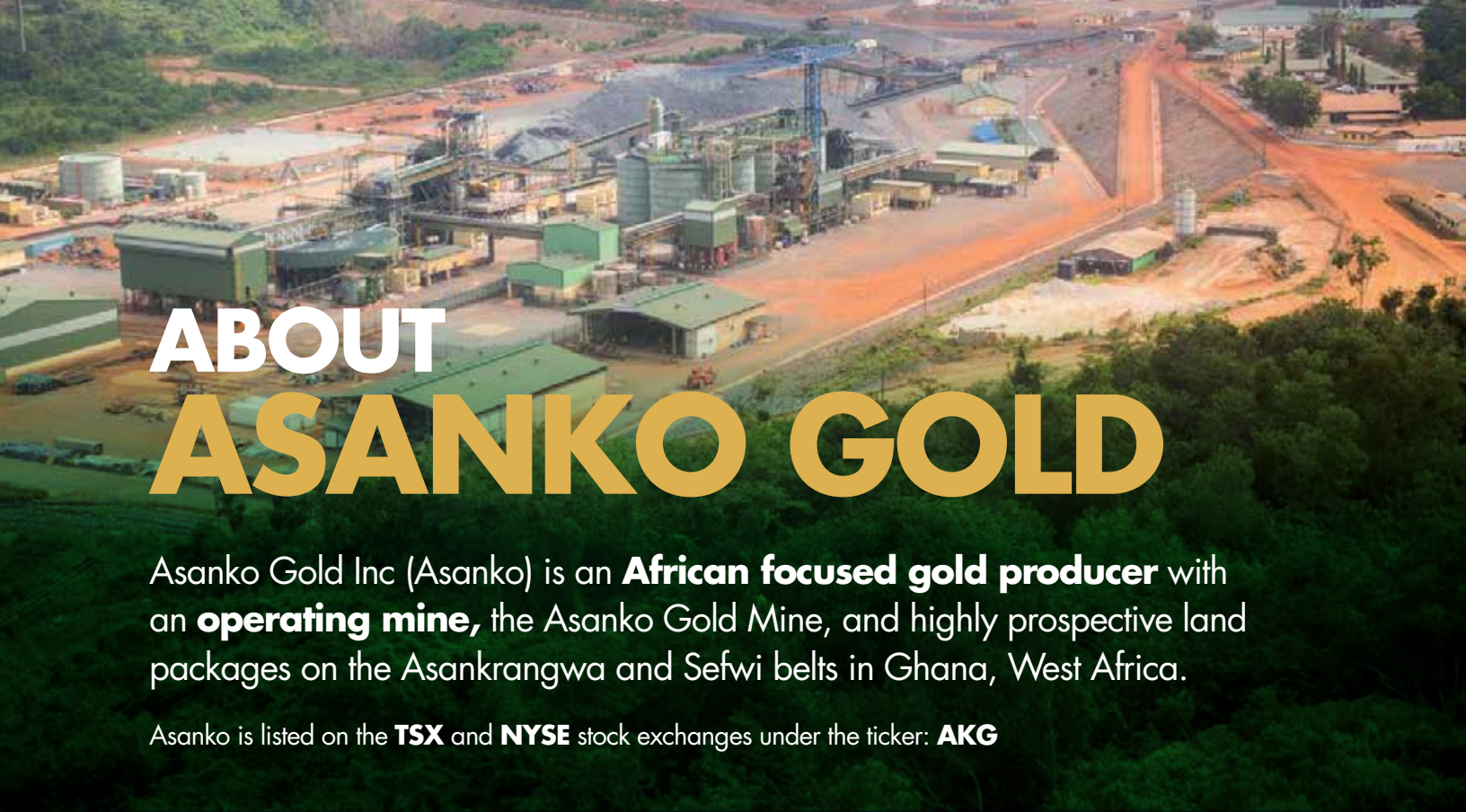


2016 **CORPORATE SOCIAL
RESPONSIBILITY REPORT**

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**2016 MARKED THE FIRST
YEAR OF GOLD PRODUCTION
AT OUR FLAGSHIP ASSET,
THE ASANKO GOLD MINE IN
GHANA, AFRICA**



ABOUT ASANKO GOLD

Asanko Gold Inc (Asanko) is an **African focused gold producer** with an **operating mine**, the Asanko Gold Mine, and highly prospective land packages on the Asankrangwa and Sefwi belts in Ghana, West Africa.

Asanko is listed on the **TSX** and **NYSE** stock exchanges under the ticker: **AKG**

Our vision is to become a mid-tier gold mining company that maximizes value for all its stakeholders.

OUR MISSION

- To provide a safe and healthy working environment for all employees, contractors and visitors to the mine
- To pro-actively engage with our stakeholders to create and deliver shared goals
- To make responsible, competitive and efficient use of all our assets and natural resources
- To develop and implement the organizational capability required to achieve and sustain our business and growth objectives
- To pursue accretive merger and acquisition opportunities

THE ASANKO GOLD MINE



INCREASING GOLD PRODUCTION TO
450,000
OZ/YR BY 2020

ORGANIC GROWTH PROJECTS



PROJECT 5 MILLION

- Fully-funded low cost capital project delivering incremental ounces
- Upgrading the plant to increase throughput from 3.6Mtpa to 5Mtpa
- Ahead of schedule, targeting commissioning in Q4 2017



ESAASE MINE

- Next major mine, with overland conveyor to processing plant
- Fully-funded and permitted
- Commissioning expected in H2 2018



PROJECT 10 MILLION

- Construction of additional 5Mtpa Carbon in Leach plant
- Doubles processing capacity to 10Mtpa
- Boosts production to ~ 450,000oz/yr by 2020

2016 HIGHLIGHTS



HEALTH AND SAFETY

- Zero fatalities
- Strong safety performance record with only one Lost Time Injury (LTI)
- 3.73 million man hours achieved without a LTI
- Fihankra Safety and Health Management System implemented across all business units



OPERATIONS

- First gold poured on January 26, 2016
- Commercial production declared April 1, 2016
- Processing plant operating at 20% above design, at an annualized rate of 3.6Mtpa
- Gold recovery of 94%, 1.5% above feasibility study level
- 147,500 ounces of gold produced over three quarters, following declaration of commercial production



FINANCIAL

- Within 3 quarters of declaration of commercial production, All-in sustaining costs were \$893 per ounce and Total Cash Costs \$584 per ounce for Q4 2016
- Gross gold revenue of \$185 million from sale of 147,950 ounces
- Cash provided by operating activities of \$74.5 million since commercial production



CSR

- Winner of the Ghana Mining Industry Awards 2016 Corporate Social Investment Project of the Year
- Strengthened partnerships with CODE's "Reading Ghana" and GIZ
- Resettlement village fully established with community infrastructure added and several commercial enterprise schemes started



ECONOMIC CONTRIBUTION

- \$59.3 million total economic contribution to Ghana
- \$0.6 million Community Investments
- \$15.8 million payments to Government of Ghana
- 98% Ghanaian workforce
- \$24 million in gross wages and benefits paid locally
- 211 Ghanaian businesses supported
- \$18.5 million paid to Ghanaian businesses

For more information on our operating and financial performance, please refer to our 2016 Annual Report.

2016 SCORECARD



SAFETY

2016 TARGET	2016 ACHIEVEMENT
<p>Zero fatalities. Lost Time Injury Frequency Rates (LTIFR) of <2. Continue to embed our health and safety culture with the rollout of our Fihankra Safety and Health Management System.</p>	<p>Achieved. Achieved 0.20 LTIFR Successfully rolled out Fihankra Safety and Health Management System across all business units.</p>



ENVIRONMENT

2016 TARGET	2016 ACHIEVEMENT
<p>Ensure the mine is fully aligned to the Environmental Protection Agency (EPA) Akoben baseline audit. Ensure the permitting requirements for Esaase and the conveyor are met.</p>	<p>Completed the EPA Akoben baseline audit and all corrective actions closed out. Completed. The Environmental Impact Statement (EIS) for the development of the Esaase mine and the conveyor has been approved. The Environmental Invoice was received in Q4 2016, followed by the Environmental Permit and the Mine Operating Permit in February 2017.</p>



CORPORATE REPORTING

2016 TARGET	2016 ACHIEVEMENT
<p>Finalize our programs of CSR monitoring and reporting on all Environment, Health and Safety (EHS) indicators. Integrate CSR performance monitoring with monthly and quarterly operational reports. Review and update Risk Register to address operational impacts.</p>	<p>Completed. Monthly EHS and Key Performance Indicators (KPIs) reporting successfully introduced. Completed. Completed. Operational Risk Register up to date.</p>

2017 TARGETS

2017 TARGET
<p>Achieve an LTIFR of <1.8. Continue with the implementation of the Fihankra Safety and Health Management System across all in-country operational and project sites. Implement internal Inter-Departmental Quarterly SHE Audits and Inspections at the Asanko Gold Mine. Successfully complete external audits by both the EPA on the 2017 Annual Akoben Audit and the Mincom Mines Inspectorate Division 2017 Annual Audit.</p>

2017 TARGET
<p>Complete permitting for the Adubiaso Extension and Nkran Extension pits. Complete the EIS for Akwasiso and obtain the necessary permits to commence mining operations. Complete the EIS for Project 10 Million and obtain the necessary permits required to increase the capacity of the processing facility to 10Mtpa.</p>

2017 TARGET
<p>Enhance CSR reporting by publishing a 2016 CSR Report which has been prepared in line with the "Core" standard of the Global Reporting Initiative (GRI) G4. Identify and close any outstanding gaps in the monthly CSR reporting.</p>

2016 SCORECARD



COMMUNITY

2016 TARGET	2016 ACHIEVEMENT
SUPPORT	
Provide opportunities for employment and the supply of goods and services.	211 Ghanaian businesses supported in 2016. 27% of total workforce employed from our local communities. Achieved. Mine's intake of national service personnel more than doubled from 17 in 2015 to 36 during the year.
Develop a five-year CSR Plan in consultation with local stakeholders.	Still work in progress.
COMMUNITY ASSISTANCE PROGRAMS	
Provision of education system support for schools in the catchment communities.	Rehabilitation of the Nkran/ Koninase Primary and Junior High Schools and staff facilities.
Upgrade of roads in the mine's catchment area.	\$200,000 was spent on the rehabilitation of 23km of community roads.
SUSTAINABLE DEVELOPMENT PROJECTS	
Commence the implementation of "Reading Ghana", a literacy partnership program with CODE.	Achieved. The "Reading Ghana" program was successfully launched in the local communities in Q3 2016.
Continue support of the Obotan Co-operative Credit Union (OCCU).	Achieved. Membership trebled to 979.
Continue the GIZ training centre partnership to develop vocational skills to support livelihoods.	Commenced the necessary infrastructure upgrades at the two skills development centres. Partnered with the National Vocational Training Institute to become the new qualifying standard for the centres.
Implement a Graduate Attachment Scheme.	Achieved. 27 graduates participated in 2016.

We delivered a strong performance in 2016 and achieved all of our 2016 targets, with the exception of the five-year CSR Action Plan, which is still being finalized.

2017 TARGETS

2017 TARGET
SUPPORT
Align all stakeholders with the Project 5 Million, Esaase mine and conveyor development, and Project 10 Million growth projects. Secure an additional partner and identify another long-term Sustainable Development Project to support.
Complete the five-year CSR Plan in consultation with our communities and agree on measurable deliverables for 2017.
COMMUNITY ASSISTANCE PROGRAMS
Rehabilitation works on these schools will continue in 2017. Approximately 30km of community roads will be rehabilitated during 2017.
SUSTAINABLE DEVELOPMENT PROJECTS
Identify and work with local suppliers to support the "Ghana Local Content Initiative" for the empowerment and growth of selected local suppliers of goods and services to the mine.
Continue infrastructure upgrades at the skills development centres, including construction of new workshop facilities. Training of 120 youths from local communities in employable vocational skills.
Develop a Graduate Development program.

Despite our many achievements during the year, we have further work to do in relation to malaria control, control of dust, noise emissions, improvement of water storage areas, and addressing community concerns in good time and in accordance with Asanko's policy. These will be addressed in 2017.

THE YEAR IN REVIEW

BY PRESIDENT AND CEO



It gives me great pleasure to present Asanko's third CSR Report and our first as a gold producing company. This year, as part of our ongoing commitment to being a responsible miner, we have aligned our CSR program to the Global Reporting Initiative (GRI) framework and introduced monthly reporting of our key safety, health and environment statistics reporting across all our business units. This is a substantial achievement in just 12 months since we first poured gold.



The Asanko Gold Executive Management Team on the occasion of the first gold pour at the Asanko Gold Mine in January 2016.



2016 has been an exceptional year for Asanko. We continued our strong safety record as one of the safest mines in the industry, with only one lost time injury and a rolling lost time injury frequency rate of 0.20 per million man-hours worked during 2016. Our site-specific Fihankra Safety and Health Management System has now been rolled out across the whole operation, including our contractors, and is a key part of our approach to all of our work.

We declared commercial production and ramped up to steady-state levels a quarter ahead of schedule. In H2 2016, we exceeded our production guidance with a record quarter in Q4 of 57,178 ounces of gold and all-in sustaining costs of \$893 per ounce, which places us amongst the lowest of our peers in the intermediate/small cap sector. We also secured the permits for our next major mine, Esaase, which will ultimately increase production to approximately 450,000 ounces per year by 2020.

Our ability to execute one of the best ramp up and commissioning programs in the industry in recent years has only been possible due to the skills, experience and dedication of our workforce, to whom I give my profound thanks. I would also like to pay tribute to our host country Ghana, our local communities and the regulatory authorities for their support and positive engagement. This has underpinned our achievements in 2016, particularly with regard to the swift permitting of Esaase, which confirms Ghana is open for business and committed to being a mining investment destination of choice on the African continent.

We pride ourselves on being a responsible miner. Having a strong social licence to operate is fundamental to the long-term success and sustainability of our business. We can only maintain this licence by taking into account the views and concerns of our direct and indirect stakeholders. We formalized our approach this year through a company and community-wide Materiality Assessment and through extensive toolbox talks and community engagement.

We also recognize, however, that a social licence is a dynamic measure, influenced by our stakeholders' perceptions and experiences at any one point in time. Whilst implementing an effective CSR program is one way of maintaining our social licence, minimizing the operational impacts of the mine on our local communities is another critical aspect of this all-important metric.

As a new mining operation, we need to minimize impacts on the local communities and their livelihoods, as well as on the environment. This requires constant engagement and perhaps, most importantly, listening to our stakeholders to fully understand their perspectives and implement initiatives in line with their expectations and cultural traditions.

We do not always get it right, so we have an open and transparent complaint mechanism in place to ensure that any grievances raised by our workers, contractors, suppliers or the community are managed in a professional and timely manner. We document all concerns and seek to learn from them in order to achieve continuous improvement and to become a better company. If deficiencies are found, and we are still learning, we take corrective actions. Listening, in my mind, is an important first step in addressing concerns, minimizing resentment and building trust and understanding with our stakeholders.

As a long-term partner, business and employer in the Ashanti region, the Asanko Gold Mine expects to be producing gold for at least the next ten years. We recognize this presents a real opportunity to create a positive, self-sustaining legacy that will survive beyond the life of the mine. In dialogue with our local stakeholders, and through strategic partnerships, we have developed the “Asanko Opportunity Cycle”. This is the focal point of our CSR program and provides a coherent framework for leveraging our presence to meaningfully, and beneficially, impact our local communities and our stakeholders.

ASANKO OPPORTUNITY CYCLE



At the heart of the Opportunity Cycle is building capability and expertise, which is the theme of this year’s report. We believe that empowering current and future generations living in and around the mine will improve the quality of life in our local communities, provide employment and support economic development, thereby sharing the wealth creation generated by the mine.

A key project within the Opportunity Cycle is the Obotan Co-operative Credit Union (OCCU), which is already winning awards. This is a wonderful program that is truly making a difference to people’s quality of life and demonstrates how the Asanko Gold Mine is contributing to the broader economic development in the catchment area surrounding the mine. Co-supported by our strategic partner GIZ, the OCCU was launched in late 2015 in response to stakeholder engagement which highlighted the difficulty of getting access to capital and other financial services in the area to assist small businesses and individuals. To date nearly 1,000 local members have joined.



Back at the mine site, our workforce is 98% Ghanaian, led by a Ghanaian management team, with 42% of workers employed from the local communities. This year, we have improved our gender ratio, with female workers now comprising 10% of the workforce, an increase of 4% over last year. To assist with the recruitment of women at the mine, we have implemented gender-friendly measures during the year such as the opportunity for new mothers to receive nursing assistance at the mine site so they can return to work.

In line with the Africa Mining Vision, as well as our localization policy, we work with local suppliers to support Asanko’s “Ghana Local Content Initiative” and where possible, we prioritize the procurement of goods and services from local Ghanaian businesses and suppliers. This year, we supported 211 local businesses worth \$18.5 million in goods and services. This number is less than in 2015, reflecting the end of the construction phase of the mine.

The 2016 Materiality Assessment, together with ongoing consultation, has highlighted the importance of access to the mine’s supply chain as well as ensuring ethical business practices run throughout our business and associated supply chains. In 2017, we will be reviewing our supply chain to ensure the key elements of our Code of Business Conduct and Ethics are adhered to. We will also continue to work with local suppliers with the view to increasing the list of approved local suppliers of goods and services to the mine.

It has been an exciting and rewarding year for us at Asanko. Witnessing the first gold pour back in January 2016 was a highlight of my career and marked the beginning of a new chapter for Asanko as a gold producer. We recognize both the responsibility and the challenges this presents and I am confident that with the continued support and engagement of our local and in-country stakeholders, we will continue to be a valued partner and responsible miner sharing the benefits from the wealth generated by the Asanko Gold Mine.

Peter Breese
President and CEO



OUR CSR APPROACH

CSR LEADERSHIP TEAM

The Asanko CSR leadership team comprises the President and CEO, the Managing Director: Ghana, the Corporate Affairs Executive and the Organizational Capability Executive, supported at the mine site by the General Manager of the Asanko Gold Mine and the Heads of Safety, Environment, Community Affairs, Finance and Procurement, with ultimate responsibility resting with the Board of Directors.

CSR-related targets form part of Asanko's annual KPIs, which apply to the entire workforce, with specific targets set for individuals. Individual remuneration is affected if we fail to meet our CSR performance targets.

At the operational level, monthly EHS meetings are held on site and routine and regular EHS inspections are conducted, with continuous monitoring, reporting and corrective action implementation carried out. In addition, all new employees receive an induction which includes our CSR Charter, CSR performance targets and general environmental and community awareness.

CSR CHARTER

We are committed to providing a safe and healthy place of work for our employees and contractors, demonstrating sound environmental stewardship and fostering meaningful dialogue with the communities in which we operate.

Our CSR Charter provides the guiding principles for our leadership teams and our CSR programs:

- Respecting the human rights of anybody who works for us, supplies goods or services to us, or is affected in any way by our business activities.
- Complying with our corporate governance principles, national and international laws, industry codes and being a responsible corporate citizen.
- Mitigating our impact on the environment.
- Maintaining a high level of health and safety performance.
- Actively identifying opportunities to make a positive and meaningful economic contribution to the communities in which we operate beyond the life of our mines.
- Engaging with our stakeholders and taking into consideration their perspectives, concerns, customs and cultural heritage before we act.
- Working closely with landowners prior to commencing activities on the ground, and negotiating fair compensation measures.

- Developing the skills and careers of our employees.
- Adhering to our values and demonstrating them in our behaviour - we do not tolerate any unethical behaviour by any stakeholder involved in our business.

To guide our management principles, policies and approach, we have also drawn on the following international standards:

- International Council of Mining and Metals (ICMM) principles and disclosure requirements.
- Extractive Industries Transparency Initiative (EITI).
- Equator Principles III.
- International Finance Corporation Performance Standards on Environmental and Social Sustainability 2012.
- Voluntary Principles on Security and Human Rights.
- World Bank Environment, Health and Safety Guidelines.
- World Health Organization Guidelines for Drinking-water Quality.
- International Cyanide Management Code (ICMC).
- International Labour Organization (ILO) Core Standards.

CASE STUDY

EMPOWERING WOMEN

Mabel Okyere, KPS Resources Limited (KPS) – A Local Contractor. Mabel has been working in the mining industry for the past five years and employed by KPS for three years.

What she loves about the most about her job: Mabel feels empowered any time she's operating equipment, simply because of the stereotype attached to the operation of heavy equipment by women. She enjoys both operating the equipment and understanding the mechanics involved.

What she would like to change the most about her job, if she could: Mabel said that there's absolutely nothing she would want to change about her job. However, she would love to be trained on how to operate other equipment, like the digger which she finds fascinating.



STAKEHOLDER ENGAGEMENT

Asanko has a comprehensive stakeholder engagement program in place, which is predominantly focused on in-country Ghanaian based stakeholders where our flagship operation, the Asanko Gold Mine, is located. We tailor our engagement methods to suit the stakeholder audience and aim to be culturally sensitive at all times. The table below outlines Asanko's key engagement methods, frequency of engagement, interests and expectations raised by each group, and engagement responsibilities at Asanko.

STAKEHOLDER GROUP	METHOD OF ENGAGEMENT	FREQUENCY OF ENGAGEMENT	WHO ENGAGES	INTERESTS AND EXPECTATIONS
Employees	Regular meetings between managers and teams Regular briefings on operational, safety, health, environmental and social issues and performance Monthly newsletter Engagement surveys Grievance mechanism	Daily to Annually	Senior Management General Manager, Asanko Gold Mine Organizational Capability Department Site-based Management depending on topic	A safe working environment Sustainable employment Competitive compensation Career and skills development Contribute to the success of the business
Investors and Shareholders	Press releases Quarterly conference calls Conferences Annual and CSR Reports Annual General Meetings Face-to-face meetings	Quarterly to Annually	Senior Management Investor Relations	Return on investment Value-accretive growth Consistent delivery of plans Continuous disclosure Accuracy in reporting Compliance and corporate governance
Ghanaian Government (all levels)	Face-to-face meetings with company management as part of our government relations program Multi-stakeholder roundtables Site visits Compliance and progress reporting CSR Report	Weekly to Annually	Senior Management General Manager, Asanko Gold Mine Site-based Management depending on topic	Responsible operations and corporate citizenship Compliance and corporate governance Successful operations to ensure long-term employment and revenues for Ghana Visible improvements to society

STAKEHOLDER GROUP	METHOD OF ENGAGEMENT	FREQUENCY OF ENGAGEMENT	WHO ENGAGES	INTERESTS AND EXPECTATIONS
Local Communities	Face to Face meetings Public engagements via company-community forums, associations, and committees Open-door policy at site office Community Information Centres Monthly newsletter Asanko website Participation in ceremonial gatherings Grievance mechanism	Daily to Annually	Senior Management General Manager, Asanko Gold Mine Community Affairs and Environment Departments	Sustainable employment Increase in trade Maximum and equitable community development Alternative livelihood projects that will last beyond the life of the mine Minimized environmental impact Land usage, access and compensation
Traditional Structures and Heritage	Face-to-face meetings Public engagements via company-community forums, associations and committees Grievance mechanism	Daily to Annually	Senior Management General Manager, Asanko Gold Mine Community Affairs Department	Maximum benefits for communities Recognition and consultation Respect for cultural values and practices
Suppliers and Contractors	Regular one-on-one meetings Contract management An open culture that encourages dialogue	Daily to Annually	Senior Management General Manager, Asanko Gold Mine Site-based Management depending on topic	A safe and healthy working environment Long-term success of the mine Fair treatment
Industry Bodies	Attendance at quarterly Chamber of Mines meetings Annual Mines Safety Competition Regular inspection visits to project sites Bi-annual proficiency examinations conducted by Inspectorate Division of Minerals Commission based on the various legislative instruments of Ghana	Weekly to Annually	Senior Management General Manager, Asanko Gold Mine Site-based Management depending on topic	Participation Compliance with legislation
Public Sector Partners	Active partnerships and collaboration Progress reporting on initiatives CSR Report	Daily to Monthly	Senior Management General Manager, Asanko Gold Mine Community Affairs Department	Effective partnerships Sustainable development
Non-Governmental Organisations	Active partnerships and collaboration Continuous dialogue and engagement Progress reporting on initiatives CSR Report	Daily to Monthly	Senior Management General Manager, Asanko Gold Mine Community Affairs Department	Cooperation and satisfaction of relevant interests
Media	News releases Asanko website Briefings with management Annual and CSR Reports	Daily to Annually	Senior Management Corporate Communications	Engagement and transparency

ABOUT THIS REPORT

REPORT SCOPE, BOUNDARIES AND LIMITATIONS

Although this is our third CSR Report, importantly it is our first report prepared in line with the 'Core' standard of the GRI G4 reporting framework and covers the period January 1, 2016 to December 31, 2016. The report accompanies our 2016 Annual Report, which includes our operating and financial results for the year, and is available at www.asanko.com and on SEDAR at www.sedar.com.

With this report, we seek to communicate our commitment to CSR, to long-term sustainable development, to respecting human rights, to our host communities, to the environment and to the principles of regular and open communication on progress. The report is aimed at all of our stakeholders; our employees and service providers, our local communities, regulatory bodies, business partners, government and non-government groups and shareholders in Asanko.

The report is limited to our existing operations and exploration activities in Ghana, as well as our work and interaction with the local communities, and regional and national organizations as appropriate. Transport of goods and services to and from the Asanko Gold Mine is not addressed in this report.

General information on Asanko is provided in the report. More specific information can be found in our 2016 Annual Report and Annual Information Form, as well as on our website at www.asanko.com.

HOW THE 2016 REPORT HAS ADDRESSED GRI 'CORE'

This is the first CSR report prepared in accordance with the GRI framework 'Core' level. In 2016, we took several key decisions to enable us to follow this approach. We introduced monthly health and safety, social and environmental monitoring and reporting, including quantitative reporting data. We conducted a Materiality Assessment workshop in January 2016 accompanied by a group-wide and community questionnaire to identify the Material Aspects to our business. We have also addressed the feedback we received on our 2015 report.

The report includes a GRI-G4 Index which covers General Standard Disclosures in accordance with 'Core', Specific Standard Disclosures and, where applicable, Sector-specific Standard Disclosures for the Mining and Metals Sector. In keeping with the 'Core' standard we have reported on at least one indicator related to each Material Aspect identified.

As a young and growing organization, we are not seeking assurance at this stage. This is something we will review during the course of 2017.

REPORT PREPARATION AND VERIFICATION

This report has been prepared by Asanko's Corporate Affairs and Investor Relations Departments and the Mine Management Committee in collaboration with external Environment, Social and Governance specialists. It has been reviewed by the Executive Management Team and approved by the President and CEO. The information has been provided by the Organizational Capability, Health and Safety, Community Affairs, Finance and Environmental departments as well as Asanko's internal reporting and information systems. This report has not been audited by an external firm as this is our first year as an operator.



FEEDBACK ON THE REPORT

We welcome feedback and comments from stakeholders on this report and the issues covered. Please address any comments, suggestions or observations to Frans de Bruyn, Executive, Organizational Capability by email: frans.debruyne@asanko.com.

Feedback on the 2015 CSR report, in particular in relation to areas where reporting shortcomings were observed, has been used to both improve our reporting standard and to drive continuous improvement this year. As an organization, and as reflected in the Materiality Assessment as a "Material Aspect", transparency of both our economic contribution reporting and our performance reporting is a core part of our business philosophy.



CASE STUDY

KPS RESOURCES LTD – PROVIDING EARTH MOVING SERVICES TO THE ASANKO GOLD MINE

Local contractor, KPS Resources Ltd (KPS) has been providing earth moving services to the Asanko Gold Mine since 2013. During this time, the business has grown substantially and now provides employment to 43 full-time employees and 28 part-time employees (up from a total of 7 in 2013), including two female grader operators. In 2016, KPS provided earth moving services to the Asanko Gold Mine worth \$1 million.





OUR LOCAL COMMUNITIES

Asanko's concessions are located in the Amansie West District of Ghana's Ashanti region, 250 km northwest of the capital Accra and 80 km southwest of the regional capital Kumasi. All the communities in the footprint of the Asanko Gold Mine are under the administration of the Amansie West District Assembly. The Traditional Councils in the Amansie West District have control over the stool lands within the concession area of the Asanko Gold Mine and pay allegiance directly to the King of Ashanti.

LOCAL POPULATION | **c.13,103**

35
VILLAGES

20
SCHOOLS


2 POLICE STATIONS SERVING THE POPULATION

 **4** HEALTH CENTRES

KEY INDUSTRIES COCOA, PALM OIL, LIVESTOCK AND SMALL-SCALE FARMING, ARTISANAL MINING

65% OF THE LOCAL COMMUNITY EARN GH¢150 (\$38) PER MONTH OR LESS

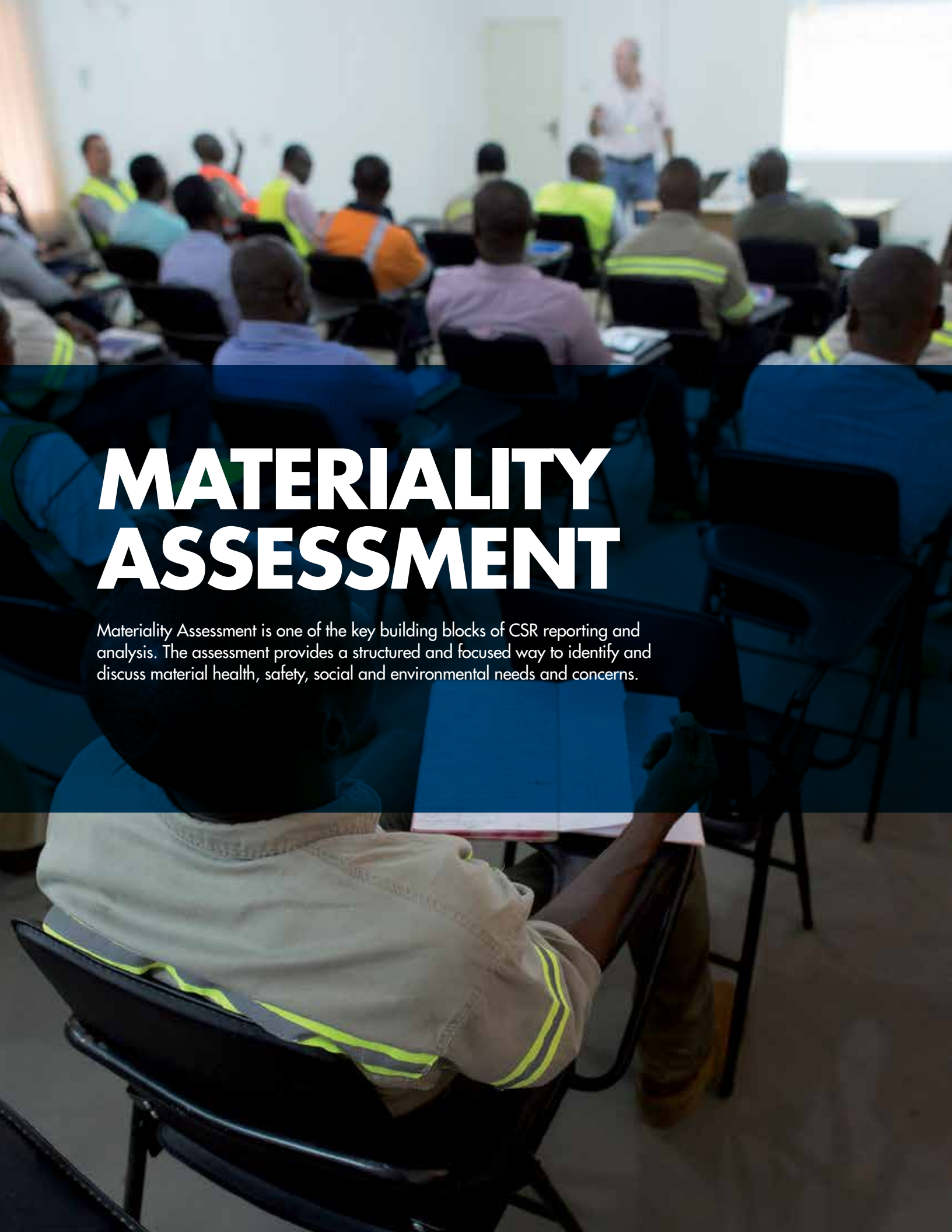


(COMPARED WITH THE AVERAGE NATIONAL SALARY OF GH¢2,472 (\$873) PER MONTH)

GHANA

- Estimated population of 28 million (2016)
- Oldest democratic independent state in sub-Saharan Africa
- New President voted in December 2016
- Gold mining a key industry
 - Ranked 10th in the world and 2nd in Africa for gold production
 - Generated revenue of \$4.5 billion from gold exports in 2016
 - Accounts for around 48% of the country's export revenue
- Other major industries include cocoa farming, offshore oil and gas, bauxite, manganese, industrial diamonds





MATERIALITY ASSESSMENT

Materiality Assessment is one of the key building blocks of CSR reporting and analysis. The assessment provides a structured and focused way to identify and discuss material health, safety, social and environmental needs and concerns.

Our last assessment was conducted and reported in 2014, when Asanko was still an exploration and development company. The results were used to develop our outline SHE reporting and management system and to prepare the company for the pre-construction and construction phases. We elected not to conduct an assessment in 2015 as our principal focus was to complete the construction program and bring Asanko safely into production. First gold production was achieved in January 2016, and we subsequently undertook a new and full materiality assessment in order to assess the Material Aspects of concern to our company and our communities.

Material Aspects are those which reflect the organization's significant economic, environmental and social impacts and/or influence the assessments and decisions of stakeholders.

An initial workshop was held with the management team in January 2016 to discuss the approach and identify potential Material Aspects based on the assessment of SHE risks to the mining, exploration and associated activities. Questionnaires were then issued to representatives of Asanko (30 employees) and our local communities (189 community members) to rank Material Aspects in terms of importance to the business and to the individual. Aspects were ranked from 1 being the least important to 5 being the most important. Results of the Assessment are presented by issue below and in the Materiality Matrix.

ASSESSMENT OF MATERIAL ASPECTS: COMPANY RESPONSE

Of the 30 Asanko respondents, outstandingly the most important issue identified was a safe working environment. For the "Importance to business", key issues also related to obtaining permits and approvals for the next stage of operations, followed by a sustainable power supply and management of cyanide and other reagents.

Threats to personnel, such as intrusions by artisanal miners (see more on page 67 and security arrangements also received high scores. In addition, the ethics and transparency of business operations scored highly across the participants. Concerns in relation to Human Resources were less pronounced in the scores – this may be an indicator of a high level of job security and confidence in Asanko for future job creation, procurement and supply chain opportunities. There was a high correlation between company concerns and individual concerns.

MATERIAL ASPECTS (IDENTIFIED AS HIGH OR MEDIUM CONCERN)



Health & Safety

Ensuring Employee and Contractor Safety
Malaria and Other Disease Control
Emergency Planning and Response



Our People

Fair Remuneration
Job Security and Career Development
Security Arrangements



Communities

Community Relations
Management of Land Take and Compensation
Local Procurement and Supply Chain



Governance

Transparency of Economic Contribution
Ethical Business Practice
Anti-Bribery and Corruption



Environment

Water Resources Management
Air Quality Management
Permitting and Compliance
Sustainable Power Supply and Energy Use
Hazardous Materials Management (including cyanide and other Reagents)
Mine Closure
Biodiversity Management

ASSESSMENT OF MATERIAL ASPECTS: COMMUNITY REVIEWS

The community questionnaire was issued to 189 members of our local communities. Completion of the questionnaires was done manually with the support of our Community Affairs Department and the response rate was extremely high.

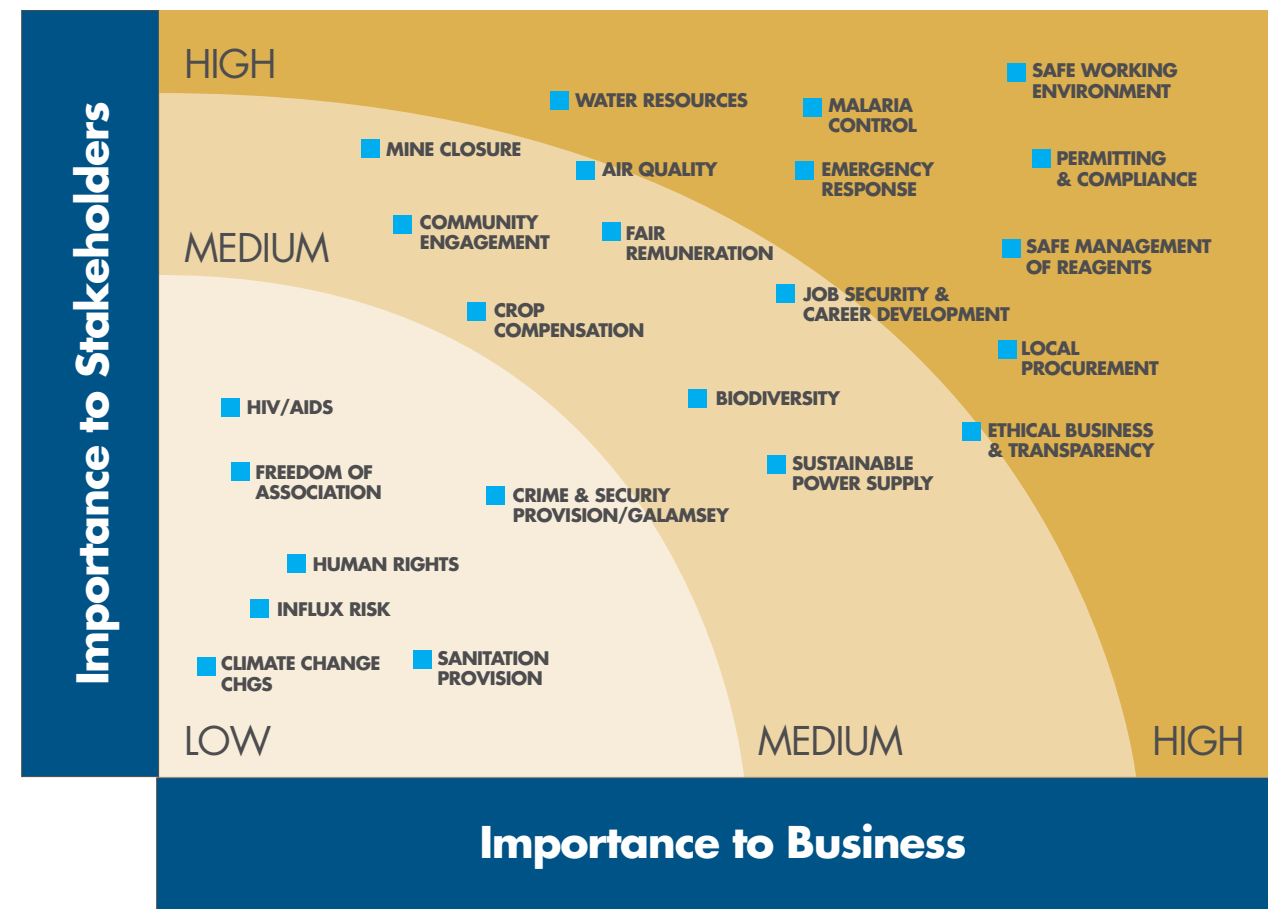
The results reflected some markedly different, but not surprising, concerns from those expressed by Asanko employees. Concerns were more strongly weighted towards personal wellbeing, welfare and the quality of living environment. Job security, personal safety and remuneration also featured highly.

Malaria is the key health and safety concern. As the SHE monthly reporting revealed, malaria has persisted across the site in 2016 despite the introduction of vector controls. We recognize that further work is needed in this area.

Employment opportunities, labour and working conditions are all high concerns to the community, both in relation to employment as well as the opportunities to improve employment prospects through vocational training and career development.

The principal community environmental concerns related to dust, noise and vibration emissions associated with blasting, materials transport and the operation of heavy vehicles.

2016 MATERIALITY MATRIX



The Materiality Assessment has been used to identify the Material Aspects of most importance to Asanko employees and the local communities. For each Material Aspect we have provided performance data in accordance with the 'Core' requirement.

CORE CSR THEMES

The Materiality Assessment has laid the ground for the development of our core CSR themes. These are the themes that matter most to our impacted local communities, our community beneficiaries and our employees. Taking into account the results of the process, we have been able to identify the following five core CSR themes for Asanko:

ASANKO: PILLARS OF SUSTAINABILITY





HEALTH AND SAFETY PROVIDING A SAFE PLACE TO WORK

Our goal is to maintain a high standard of health and safety by continuing to build a strong safety culture and operating environment. This will be achieved through the ongoing implementation of our production-orientated Fihankra Safety and Health Management System.

OCCUPATIONAL HEALTH AND SAFETY CHARTER

Asanko aims to be a Zero Harm workplace and we believe Zero Harm is achievable by adopting a positive workplace health and safety culture where the attitudes and decisions of both senior management and the entire workforce speak to the same goals and targets. The leadership team leads by example and there is Board oversight. All contractors and subcontractors are integrated with our Fihankra Safety and Health Management System to ensure a uniform approach to achieving Zero Harm.

The provision of a safe and healthy working environment was identified as the most important Material Aspect in the workforce consultation. Safety was identified as equally important to Asanko's employees as it was to the local communities.

The Asanko Occupational Health and Safety Charter documents our commitment to the health, safety and wellbeing of our people and communities. Our safety practices are aligned with the core international safety standard OHSAS:18001, in addition to other safety management practices, such as HAZOP (hazard and operability analysis) risk-based techniques. In adopting the following principles, Asanko intends to set and implement standards of excellence for Occupational Health and Safety (OH&S):

- Our employees are at the heart of our safety culture
- Safety is our first consideration at work
- We communicate to all employees and contract workers the importance of working in a safe environment

- We comply with host country laws and regulations and augment these as required with international guidelines and best practice management
- We require all contractors to conduct their activities in a manner consistent with this Charter
- We identify the hazards associated with our activities and ensure that they are effectively managed
- We ensure that our employees have the necessary skills, competence, training and equipment to undertake their work safely and with no risk to health
- We are continually developing and implementing systems and procedures for managing the OH&S aspects of our business
- We routinely set and review targets for OH&S performance within a framework of continuous improvement





FIHANKRA SAFETY AND HEALTH MANAGEMENT SYSTEM

To prepare for Asanko's move from a construction site to an operating mine and to reflect the country-specific cultural context, the Fihankra Safety and Health Management System was developed in the second half of 2015 and implemented across the business in 2016. In October, we participated in the Minerals Commission's Annual Mine Audit for 2016; the mine was provisionally rated excellent in terms of OH&S practices, with a few areas for improvement identified. This was a good result for a young mine. Action plans have been put in place to ensure the identified areas for improvement are closed out.

Fihankra is taken from the Adrinka symbol meaning "safety and security" which denotes a compound with only one point that serves as both the entrance and exit, demonstrating a place of safety and security – the Asanko Gold Mine is the house, with employees and contractors the Asanko family, all responsible for one another's safety.

In addition to the symbol, the mantra "You See It! You Own It" has been adopted to remind everyone that they are not only responsible for their own safety, but also for alerting co-workers to unsafe practices and behaviours.

The Fihankra Safety and Health Management System has been strengthened in 2016 through the introduction of the Individual Risk Assessment. All individuals working at Asanko are charged with responsibility for their own safety and for the safety of others, and are encouraged to follow five basic safety steps:

TAKE 5



CASE STUDY

GHANA'S FIRST SLOPE STABILITY RADAR – THE ASANKO GOLD MINE LEADING THE WAY IN GHANA

The Slope Stability Radar (SSR) is a high-precision tool for slope monitoring, measuring deformation up to + 0.2mm. This precision enhances early warning notification for all slope movements in open pit mining.

The SSR is efficient at detecting small slips; rock falls often missed by other monitoring methods due to its wide area scan range. It remotely scans rock slopes to continuously measure and detect any movements of slope at a distance of 3.5 km away from its original position.

The SSR installed at the pit crest transmits all data to a primary monitor stationed at the geotechnical office via the internet system. The geotechnical engineers analyze the data, estimate and forecast different failure modes and time of failure. This information is disseminated to all mining personnel for safe evacuation and mining operation on a 24-hour cycle. Significantly, the SSR monitoring of pit slopes penetrates through all atmospheric conditions such as dust, rainfall, fog, etc.

The Asanko Gold Mine acquired the SSR in December 2015, making us the only mining company in Ghana, as well as West Africa, currently using this effective and technologically advanced monitoring tool.

Since its acquisition, the SSR has been very effective and beneficial to the mining operations through:

Improved safety: The SSR has optimized safety and productivity by improving geotechnical risk with real-time quantitative data so that the geotechnical team are able to give

advance warning on rock mass failure for the evacuation of personnel and equipment from hazard areas.

Optimized production: The SSR data helps geotechnical, mine planning and production engineers make informed decisions and safely optimize mine productivity.

Reduced production delays: Pit wall and bench stability issues associated with blasting are able to be closely monitored which allows production equipment and personnel into new blast zones sooner.

Better wet weather production management: By allowing production to continue based on real-time analysis and an informed reaction to geotechnical risk on slope mass movement through wet conditions.

Improved Mine design: The SSR data can improve understanding of rock mass performance and of development of slope instabilities.

Effective identification of hazard locations: Monitoring and prediction of both small and large scale failures before they occur.



To strengthen the safety management system, we increased our focus on Near Misses and hazard identification during the year, introducing an analysis of near misses and hazard reporting in order to identify and implement corrective actions (CAPA system). Remedial actions are monitored through CAPA for correction and addressed during the monthly safety meetings. Sources of hazards and responses are included in our safety training and safety inductions.

We have found that our intensified campaign on Safety Field interaction, regular safety operational trainings, annual Fihankra safety audits of business units across the mine and ongoing visible leadership participation in the "hazard hunt", has significantly enhanced the display of the right behaviours towards injury and accident prevention. These measures serve as leading indicators in helping prevent incidents and accidents from occurring.

Over the course of 2016, the absolute number of near misses decreased and, with the rollout of Safety Field Interactions

(794 conducted in 2016), the trend is expected to continue. A total of 977 hazards were reported in 2016.

Routine safety inspections are conducted across the site with any non-conformances reported through the safety management system. Weekly inspections are conducted at the PW Workshop Area, Zen Fuel Depot, Process Plant, Tailings Storage Facility (TSF) and other external areas as required. Random alcohol and drug testing also takes place, with instant disciplinary action taken for any positive testing. Regular safety audits extend to all our contractors including PW Mining, the mining contractor for the Nkran pit.

Regular safety training sessions were conducted throughout the year with the introduction of new courses in St John's First Aid and increased emphasis on emergency planning and emergency response, with a total of 532 employees trained, 50 in St John's First Aid and 482 in emergency response training.

SAFETY PERFORMANCE

We are pleased to report an exceptional safety record for the year. There were no fatalities and only one LTI, which occurred on March 8, 2016. The LTI involved a helper working on the PVV Mining housing project at the senior camp. The victim received emergency medical treatment and a full root cause analysis was conducted. The rolling 12-month LTIFR was 0.20 per million man-hours worked, one of the lowest in the industry.

HEALTH

Maintaining a healthy workforce is essential to our operations. Similar to safety, we take a preventative approach based on understanding and responding to health risks and health issues.

All employees and contractors have a pre-employment and demobilization medical examination, combined with medical monitoring during employment. Our medical team continually educates employees on the prevention of disease transmission. We have a medical center on site with a highly-experienced medical doctor, nurses, an occupational health nurse and a health care assistant. We also have an ambulance with a paramedic, two trainee paramedics and driver based at the mine. 5,731 workers received primary healthcare at our on-site clinic during 2016.

We are aware of the risks of both communicable and non-communicable disease transmission. Malaria, in particular, is a key risk due to the high prevalence in the wider region. Our malaria awareness program includes a series of preventive measures to control insect-borne disease through the reduction of breeding grounds and the provision of personal protective equipment such as:

- Providing insecticide treated nets for all rooms on site
- Larviciding and avoiding build-up of stagnant water on site
- Maintaining a clean environment and effective waste management across the site
- Providing protective clothing for night workers
- Conducting regular awareness campaigns

Weekly/monthly reports on malaria cases are reported to the district health directorate as required by Ghanaian law. During 2015, due to the influx of contractors working on the construction

EMERGENCY RESPONSE

Emergency response activities, through the course of the year, included both drills and training. Themes included all activities identified as potentially-hazardous such as:

- Cyanide mixing
- Pit emergency
- Emergency Response Team (ERT) First Responder training

In addition to the symbol, the mantra "You See It! You Own It" has been adopted to remind everyone that they are not only responsible for their own safety, but also for alerting co-workers to unsafe practices and behaviours.

site, we had a high number of malaria cases (1,244 in total) which significantly raised our awareness of the risks and intensified our preventative program in 2016. Over the course of 2016, 641 cases of malaria were recorded which represents a significant reduction but this is still too high. In addition to enhancing current efforts at reducing malaria incidence on the mine, we are also investigating the option of further complementing existing interventions with an Indoor Residual Spraying program.

HIV/AIDs transmission is another risk associated with a mobile workforce. We have a preventative awareness program in place, provide health care support and advice, and continually educate employees on the prevention of communicable diseases, including STDs. We do not discriminate against workers in relation to their HIV status.

In 2016, although Ebola was no longer a threat in the sub-region, we continued our screening of all contractors and visitors for elevated body temperatures at the mine clinic. No cases of Ebola were identified on site, nevertheless we remain aware of the Ebola risk.

2016 also saw the launch of the Asanko Wellness Program with the theme "a healthy workforce, a productive workforce". This formed part of the mine's ongoing initiative to keep workers healthy. There is a daily health walk around the camp at 4.45am and 5am, as well as gym, swimming and tennis facilities.

In 2016, we began working with Project CURE to further improve the medical facilities in the local communities around the mine. A health needs assessment was conducted in eight healthcare facilities in the host communities by Asanko Gold and Project CURE in association with Amansie West District Health Directorate. During 2017, the facilities will be receiving donated medical equipment which will improve the provision of healthcare.

- Fire Warden appointment and training
- Self-Contained Breathing Apparatus (SCBA)
- Fire hydrant usage

All emergency and non-emergency call-outs are logged and used to constantly improve our emergency response. The Emergency Response Plan is in operation and all new employees receive emergency response training as part of their induction program.

SECURITY

With gold production starting in 2016, we reviewed our security arrangements accordingly. 24-hour security surveillance at the processing plant was introduced, including the Gold Room for which additional measures apply. In addition, the control of personnel access to the site was tightened through the introduction and testing of the biometric gate access turnstile and biometric ID cards. Night patrol exercises using G4S guards were used to deter

ingress and generally to increase the sense of security across the site. We have also been fortunate enough to have zero industrial actions and strikes during the year and seek to maintain this record. For information related to illegal mining incursions, please refer to page 67.

2016 HEALTH AND SAFETY PERFORMANCE

GRI ELEMENT	MATERIAL ASPECT	INDICATOR	UNIT	YEAR*	
				2015	2016
G4-DMA** G4-LA6	Ensuring Employee and Contractor Safety: Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities***	Fihankra Safety and Health Management System	-	Program started	Program rolled out to all business units
		Emergency Preparedness and Response Plan (ERP)	-	ERP in place	ERP in place
		Near Misses/Hazards Reported	No.	-	977
		Health service provision	No.	1 ambulance 1 paramedic 2 training paramedics	1 ambulance 1 paramedic 2 training paramedics
		Administration of basic health care (OPD clinic attendances)	No.	5,782	5,695
		Safety inductions held per person	No.	5,713	3,546
		No. Fatalities	No.	1	0
		LTIs ¹	No.	0	1
		LTI free man days (days worked)	Day	1,267	298
		LTIFR (per million hours worked)	No. per million hours worked	0	0.20
		First Aiders Certified	No.	51 (trained by St John Ambulance) additional 61 trained internally	50 (with 61 trained internally but not certified)
G4-DMA G4-LA7	Disease Control: Workers with high incidence of diseases related to their work	Incidence of malaria	No.	1,244	641

*In 2015, the mine was still under construction, 2016 was the first full year of gold production. 2016 is the first year of GRI G4 'Core' reporting.

**DMA= Disclosure on Management Approach.

*** not reported by region or gender.



OUR PEOPLE ATTRACTING AND RETAINING A SKILLED WORKFORCE

Our goal is to recruit, retain and motivate a highly skilled workforce through training and career development opportunities and competitive remuneration.



Asanko aims to be an employer of choice within the mining industry, particularly the Ghanaian mining industry where our flagship operation, the Asanko Gold Mine, is located. The successful achievement of our goals and ambitions is dependent on the experience, dedication and commitment of our employees and contractors. This was clearly evidenced in 2016 when we commissioned and ramped-up a quarter ahead of schedule.

Whilst we are fortunate that Ghana has a large skilled talent pool, we also recognize we need to offer attractive terms of employment, including career development and competitive remuneration to ensure we attract and retain highly skilled and experienced workers. We benchmark our remuneration rates against our peers in the industry regularly and we offer a competitive salary and performance-based incentive payments, with annual bonus and quarterly production bonus if targets are met, along with a competitive work roster. We also support diversity and equal opportunity among our workers, and have implemented measures in 2016 to address gender representation at the mine.

We believe that employees and contractors must have a clear line of sight of our business objectives and the departmental targets in order to make a meaningful contribution to the business. In 2016, Asanko implemented an Employee Engagement process whereby workers are engaged on a weekly basis to share information and identify potential issues. We conducted an extensive employee engagement survey which showed that the vast majority of our employees feel that they are engaged with the business, that their concerns are being noted and that they make a valued contribution to the business. This will continue going forward as we continuously seek ways to improve our business.

We invest heavily in training to ensure our workforce respects and applies our policies and remain up to date with the latest industry developments. Our training programs are multi-faceted, focused on technical training, leadership and business literacy, procedures and standards, as well as career development. In 2017, we will also initiate training on business improvement methodologies.

In 2016, 10,271 people, both Asanko employees and contractors, were trained across 60 different training programs.

2016 TRAINING STATISTICS

TYPE OF TRAINING	TOTAL NO. OF PEOPLE TRAINED	TYPE OF TRAINING	TOTAL NO. OF PEOPLE TRAINED
Monthly Safety Training	2,887	Sampling Procedures	18
Monthly Environmental Training	2,335	Risk Register Review	17
Induction Training	2,106	Mill Operation Training	17
MOS Training (Work Design)	424	Performance Management Training	15
LV Drivers Induction Training	414	Mincom Certification Training	15
Pit Induction Training	348	Fire Warden Training	14
HR Roadshow	179	Antrak Track and Trace Training	14
Plant Induction Training	166	Environmental Mapping Reading Training	13
Security Search Procedure & Access Control	125	Pumps and Valves Training	12
CPR & AED Training	100	Overhead Crane Training	10
Hazard Risk Management Training	153	Radiation Training	10
Working at Height Training	99	Waste Management Training	9
Emergency Responds Drill Training	86	Structural Geology Training	8
Basic First at Work	82	Elution Training	7
Fihankra SMS Training	78	Chemical Handling Awareness	7
Cyanide Management and Awareness Training	59	Ground Probe Geotechnical Rader Training	7
Lead Nitrate Training	42	MS Excel Training For Mining	6
Delta ERP Training	40	Delta Consignment Stocks Training	6
High Performance Organization (HPO) Training	38	Power IB software Training	6
Crusher Training	38	In Line Leach Reactor Training	5
777D Front Break and Seatbelt Training	30	Geotechnical Software Training	5
ICAM Investigation Training	26	Emergency Call Center Procedure	5
Budget Training	26	Conveyor Beltscale & Densitometer	4
Vehicle Tracking Training	22	Polypipe Training	4
Community Development & Engagement Training	22	Gravity Training	3
Individual Developmental Plan Training	21	Permit To Work Training	2
Leadership and Business Literacy Training	21	Massflow and Densitometer Training	2
CIL training	21	Grinding Master Class Training	2
Planning and Classification of Environmental Point	20	Thickness Operations Training	2
Job Safety Analysis	18	Total	10,271

Asanko is a proud equal opportunity employer and celebrates the positive impact diversity brings to our workplace.

Our female colleagues play an integral role in at Asanko across all levels of the business and now comprise 10% of our total workforce, an increase of 4% compared to 2015. As part of our desire to become an employer of choice, we introduced a number of new initiatives on the mine during the year to ensure we attract and retain our female colleagues:

- Maternity leave has been increased from 12 weeks to 14 weeks, with an extension at the doctor's discretion (exceeding Ghanaian requirements)
- Women will be accommodated on site when required
- Nursing mothers will be permitted to stay on site with their babies and nannies
- Women will be encouraged to apply for jobs
- Special provision has been included in the Collective Agreements on Sexual Harassment to protect women

CASE STUDY

PRISCILLA ENTSIE, PW MINING

Priscilla has been working for PW Mining, the main mining contractor at the Asanko Gold Mine, for the past two years and has a total of five years' experience in the mining industry.

What she loves about the most about her job:

Priscilla enjoys the techniques and skills required to manoeuvre these large trucks. She developed an interest in truck operating during her previous employment at the Bogoso/Prestea Mine when she saw another female driver.

What she would like to change the most about her job, if she could:

Priscilla mentioned she does find her shift roster a bit stressful, as she works ten straight days when on day shift and ten straight nights when on night shift.

Priscilla is delighted to be featured this report as she hopes it will urge her fellow women to believe that they can operate heavy equipment too.



2016 EMPLOYMENT PERFORMANCE

GRI ELEMENT	MATERIAL ASPECT	INDICATOR(S)	UNIT	YEAR*	
				2015	2016
G4-DMA** G4-LA1 G4-EC6	Employment*	Total workforce	No.	2,946	1,677
		Total Ghana workforce	No.	2,925	1,655
		% employees	%	12	22
		% contractors	%	88	78
		% male	%	94	90
		% women	%	6	10
		% workforce Ghanaian	%	97	98
		% workforce from local communities	%	38	42
		Total no. employees	No.	356	369
		% workforce Ghanaian	%	97	98
		% workforce from local communities	%	38	27
		Total no. contractors	No.	2,590	1,286
		% workforce Ghanaian	%	97	98
		% workforce from local communities	%	38	46
G4-DMA G4-EC7 G4-EC9	Development and impact of infrastructure investments and services supported including local procurement	No. local businesses supplying good and services	No.	223	211
		Value of goods and services supplied	US\$m	157	18.5
		Development of local procurement policy	Policy	Draft Plan developed	Local Procurement Plan finalized

*In 2015, the mine was still under construction, 2016 was the first full year of gold production. 2016 is the first year of GRI G4 'Core' reporting.

**DMA= Disclosure on Management Approach.





LOCAL PROCUREMENT DEVELOPING A SUSTAINABLE SUPPLY CHAIN

As a responsible mining business, we have a duty to balance our economic performance with our ability to source goods and suppliers ethically, with clear and accessible procurement requirements. Asanko is also committed to supporting the Africa Mining Vision and promoting the prioritization of local suppliers of goods and services, where prices and quality of products are internationally competitive.

Asanko is a major employer in Ghana and interacts with large numbers of contractors and specialized small and medium enterprises. In 2016, we worked with 211 Ghanaian based businesses for the procurement of goods and services, worth \$18.5 million, including contracts with a number of businesses from our local communities for catering, transport, equipment and earthmoving services. All of this is helping us to build local capacity and achieve our “benefits beyond the mine” goal.

To standardize our approach, and ensure complete transparency in our procurement operations, we finalized our Local Procurement Plan for the Asanko Gold Mine in 2016. The Plan was prepared in line with Regulation 2 (2) of the Minerals and Mining (General) Regulations, 2012, LI 2173, and was submitted to the Minerals Commission for consideration and approval.

Our Tender Procedures for Contracts is a key mechanism for ensuring that all suppliers to the Asanko Gold Mine are able to comply with our own standards of labour management, quality control, health and safety, codes of conduct and environmental stewardship. Suppliers are required to demonstrate their organizational capacity, measures for the control of risk and accreditations as required. For high risk services, we may conduct a site visit in accordance with our tender procedures. The tender process itself is tightly controlled with a number of key steps to ensure a fair and equitable opportunity for all tenderers.

For the period under review, we are happy to report that Asanko has lived up to its commitment to support local businesses by “leveraging commodities and services that can be procured, as

much as possible, from local sources, within the framework of quality, price and general proficiency of the sources of supply”.

Ghanaian companies and suppliers have been successfully identified for nearly all of our requirements at the mine, ranging from grinding and steel balls used in the processing facility, to earthmoving services, and more locally catering and bussing services.

In 2017, we will work with our local suppliers to develop a plan to further support, empower and increase the number of local suppliers of goods and services to the mine as part of our “Ghana Local Content Initiative” through the following activities:

- Planning a Suppliers Forum in Q1 2017 where Asanko can share its strategic goals with suppliers and work at building effective supplier relationships with local businesses
- Capacity building for local suppliers to enable them to meet Asanko’s needs more effectively and position them to compete more effectively for businesses from other companies
- Investigating the African Partner Pool platform which connects companies with local Ghanaian businesses by promoting local products and services as well as the standards to which they can be delivered
- Providing an upfront payment, in certain instances, to enhance the financial capability of local suppliers as they start contracts with Asanko
- Providing logistics support, where necessary, to ensure that deliveries are made on time to the mine
- Developing a supplier road map for the development of the Esaase mine and the associated conveyor – for example, the 27 km conveyor corridor will be manned by security personnel drawn from the local communities and the associated bush clearing is expected to be done by companies belonging to the chiefs in the communities that will be impacted by the construction of the conveyor.

CASE STUDY

NAFHAS – CATERING SERVICES

NAFHAS started providing catering services to the senior camp at the Asanko Gold Mine in 2014, when construction on the first phase of operations commenced. Since then, the contract has been expanded to include all catering for the Asanko Gold Mine, as well as Asanko’s guest house in Accra. Through its association with the Asanko Gold Mine, NAFHAS has grown from 78 employees in 2014 to 202 employees in 2016. In 2016, the catering contract for the Asanko Gold Mine was worth \$1.1 million.





COMMUNITIES STRENGTHENING COMMUNITY RELATIONS

Fostering strong, respectful and meaningful relationships with our host communities is fundamental to the long-term success of the Asanko Gold Mine.

COMMUNITY AND OTHER STAKEHOLDER ENGAGEMENT

Community engagement has been at the forefront of our CSR activities since 2007 when we first started exploration at the Esaase concession area. Since then, as our exploration and development activities have advanced to production, we have regularly held over 100 community engagement meetings per year to ensure a continuous dialogue with our local communities. To assist with this process, in October 2016 we launched the “Obotan Atumpan” which is a monthly newsletter designed to inform our workers, our local communities and other interested parties of what is happening at the mine.

Our stakeholder engagement activities are designed to cover the key issues of concern in our local communities, which in 2016 included:

- Impacts of mining operations at the mine
- Employment
- Development of the Esaase mine and associated overland conveyor
- Land access and compensation
- Exploration activities
- Social Responsibility Forum
- 2016 CSR-related infrastructure projects
- Asanko-GIZ Skills Development Partnership
- Asanko-CODE Literacy Improvement Partnership

- Asanko-Project CURE Health Services Support Project
- Conflict and grievance resolution
- Community infrastructure development

In 2015, we inaugurated the Obotan Social Responsibility Forum to provide a governance framework between Asanko and local stakeholder groups for the management of stakeholder expectations and community development. The forum resulted in four key agreements which were reviewed by all stakeholders during the year. The draft agreements are currently undergoing review by legal experts representing both parties, which is expected to be concluded during the first half of 2017. The review also includes the implementation plan for the various agreements:

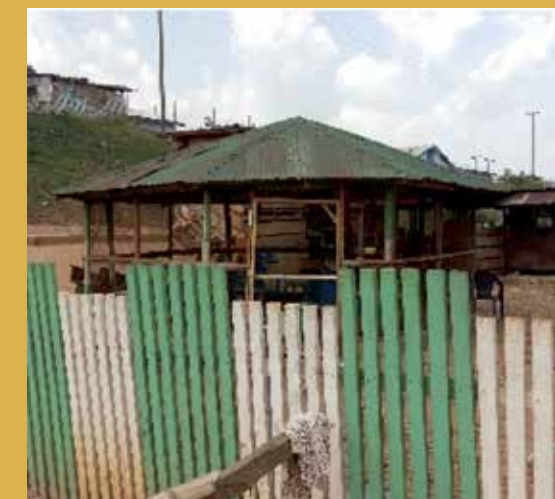
- **Relationship Agreement:** an agreement that seeks to strengthen the relationship between Asanko and our local communities
- **Local Employment Agreement:** an agreement that aims at ensuring that our local communities fully benefit from unskilled, semi-skilled and skilled job opportunities
- **Community Development Fund Agreement:** An agreement that aims at setting up a fund purposely for community development
- **Sustainable Livelihood Agreement:** an agreement that aims at providing lasting income and other skills development for the people in our local communities.

CASE STUDY

CHARITY AWUAH: RESIDENT AND TRADER AT THE MANSO NKARAN PARTIAL RESETTLEMENT SITE

Charity Awuah is a 32 year old trader and a resident of the Manso Nkran Resettlement site. She is married with five children. Charity’s husband is the Managing Partner of Riimy 2K, a local civil contracting company, which is a beneficiary of Asanko’s local content policy that seeks to build the capability of local businesses.

Before the resettlement, Charity used to operate a pub “beer bar”. Charity took advantage of the resettlement to diversify her business at the new settlement by adding an eatery “chop bar” to her existing pub. According to Charity, she could make daily sales of GH¢ 700 at the old site and is looking forward to growing her business into a “world class” pub and eatery in the years to come.



Beer and Chop Bar Operated by Charity

To structure Asanko's community consultation activities, we set up the Community Development Committee (CDC), with a particular focus on the conveyor corridor from Esaase to the Asanko Gold Mine processing facility. The CDC serves as a platform to sensitize local communities on Asanko's company policies and procedures, and gives the local community an opportunity to present their concerns for redress.



Asanko hosted a delegation in Q2 2016 to tour a recently-constructed conveyor in South Africa as part of the stakeholder engagement and education process for the development of the Esaase mine and the associated overland conveyor. The delegation comprised representatives from the EPA, MINCOM, local Chiefs and a Queen Mother from the impacted local communities, as well as members of those communities.



STAKEHOLDER GROUP		MEETING TARGET	ACTUAL MEETING
1.	Community Consultative Committee (CCC)	4	2
2.	Traditional Authorities	12	19
3.	Assembly and Unit Committee Members	4	2
4.	Manso Nkran Project Affected Persons (PAPs) and Resettlement Negotiation Committee (RNC) Members.	5	6
5.	CDC and Entire Community Meetings (Youth Groups, Women Groups, Religious Groups, Chief Farmers etc.)	92	42
6.	Social Responsibility Forum Meeting	5	5
7.	District Assembly Meeting (DISEC, District Functional Staffs etc.)	5	5
8.	Religious Leaders	4	5
9.	Blast Complainants	4	2
10.	Koninase/Nkran School Renovation Monitoring Committee	0	4
11.	Informal Engagements	30	68
Total Engagement		165	160

In accordance with the Stakeholder Engagement Schedule, 160 formal meetings were held out of 165 planned. Other informal meetings and engagements were held as part of Asanko's "open door" policy.

INVESTING IN THE COMMUNITY

Asanko is fully committed to investing in community projects and we have continued our work in this area. We have established a set of criteria which help to ensure that the projects are long-lasting, deliver tangible benefits for the community as a whole and encourage prosperity in our local stakeholder communities.

In 2016, our community investments included:

SUPPORT AREA	PROJECTS	AMOUNT \$
ROADS	Rehabilitation of 23 km of community roads	248,426
CULTURAL HERITAGE	Support for Local Festivals and Rituals	18,772
OTHER DONATIONS	Support for other infrastructure	17,372
HEALTH	Health Screening	5,947
EDUCATION	Support for Basic Certificate Examination and Inter-schools Sports competition	1,813
WATER	Repair of Community Borehole Pump and support for the construction of Mechanized Borehole	1,195
AGRICULTURE	Support for National Farmers' Day Celebration	979
Total amount invested in all community projects		557,259



STRATEGIC PARTNERSHIPS

To help us achieve our CSR aspirations and goals, we have adopted a partnership strategy that seeks to identify and collaborate with experienced governmental and non-governmental organizations (NGOs) which have a track record of success in their specialist field, on our Community Assistance Programs and longer term Sustainable Development Projects. We believe that these partnerships further enhance the success and results of the projects, benefiting from the unique strengths each partner brings to the project.

We currently work with three partners; GIZ (working in collaboration with National Vocational Training Institute and the Credit Union Association of Ghana), CODE Canada (in collaboration with Ghana Book Trust), and Project CURE (working in consultation with the Ministry of Health).

PARTNERSHIP WITH GIZ

Over the past three years we have established a very successful partnership with the German government-backed development organization, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, as part of their Employment for Sustainable Development in Africa (E4D) program. GIZ matches Asanko's funding dollar for dollar, which doubles the size of the contribution to each program, thereby maximizing its effectiveness.

The partnership was initially formed to provide vocational training to youths from the local communities at two training centres, the Obotan and Esaase Skills Development Centres. The training program has been very successful and the partnership has since been expanded to cover the Obotan Cooperative Credit Union initiative, as well as another phase of vocational training. These training centres exemplify the successful application of our strategic partnership approach. See the section on training below....

PARTNERSHIP WITH CODE

In 2015, we agreed to partner with CODE, Canada's leading international development agency uniquely focused on advancing literacy and education, to sponsor a six-year literary program in the Ashanti region, where the mine is located. This is an exciting initiative and one of the standard bearers of our long-term Sustainable Development Projects. The Reading CODE Model focuses on building three main elements to develop and sustain literacy:

- Interesting books
- High-quality teaching
- Effective partnerships

Our participation in CODE's Reading Ghana program supports the basic human right of access to quality education (United National Sustainable Development Goal SDG4), while also helping to create a long-term and sustainable impact. Implementation of this program commenced in 2016, with the selection of 10 junior high schools and primary schools for the pilot scheme.

CASE STUDY

MADAM MARTHA BOADUWAA, RESIDENT AND TRADER AT THE MANSO NKRAN PARTIAL RESETTLEMENT SITE

Martha Boaduwa is a 60 year old petty trader and a resident of the Manso Nkran Resettlement site. Martha has no formal education and has five children; two are currently permanent staff at the Asanko Gold Mine, one works for PW Mining, the main mining contractor at the Asanko Gold Mine and one is still at Senior High School.

Martha has been in the petty trading business for the past twenty years. Prior to her relocation to the resettlement site, she sold grains, tubers, provisions and cosmetics and with daily sales of up to GH¢ 400 at her old shop, she considered her business to be booming. According to her, unlike the old site, patronage at the new location started slowly but is gradually picking up. However, Martha is very happy with her current living conditions as a result of the facilities that were provided at the new settlement and is optimistic business will pick up as the settlement grows with the influx of new neighbours.

Martha has been a registered member of the Obotan Cooperative Credit Union since December 2016 and she is looking forward to reaping the benefits of savings and the opportunity to secure loans to expand her business.



Petty Trading by Martha Boaduwa

THE ASANKO OPPORTUNITY CYCLE

The Asanko Opportunity Cycle embodies the core aim of our CSR program - to create positive, self-sustaining legacies in our local communities, beyond the life of the mine, that empower current and future generations.

The long-term Sustainable Development Projects that comprise the Opportunity Cycle are in response to stakeholder engagement and feedback.

The Opportunity Cycles supports the basic human rights of good health and access to good jobs and economic growth (as defined in the UN Sustainable Development Goals SDG3 and SDG8) and provides a coherent framework for leveraging our presence to benefit our local communities, as well as other stakeholders. Our positive legacy beyond the mine is reliant on the successful implementation of the Opportunity Cycle.



VOCATIONAL TRAINING AT OBOTAN AND ESAASE



In partnership with GIZ and the Don Bosco Youth Network, we have implemented a successful development initiative to educate, empower, train and build the capacity of the youth in our local communities, with the establishment of the Esaase and Obotan Skills Development Centres. These centres provide training in skills such as carpentry, electrical installation, plumbing, masonry, catering and metal work production, and all the courses are accredited with the Council for Technical and Vocational Education and Training (COTVET) Level 1. Between 2014 and 2016, 293 men and 97 women from the local community attended the training centres. After graduation, Asanko also provided seed capital to graduates in the form of basic tools and equipment to start their own businesses. 20% of graduates have either been employed by contractors to the Asanko Gold Mine or have set up their own businesses in the local community.

The vocational training scheme has been very successful and in 2016, Asanko and GIZ agreed to upscale the scheme. This will result in the opening of new training facilities, raising the qualification standard and working with the Ghana National Vocational Institute for accreditation over the next two years. In 2017 we aim to train a further 120 local youth.



READING GHANA PROJECT WITH CODE

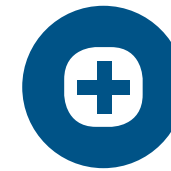


In partnership with CODE (in collaboration with the Ghana Book Trust), we undertook a needs assessment and training of heads of schools under a literacy program in five schools within the local catchment area. The pilot program included the Koninase/Nkran/A primary and junior high school, Akwasis D/A primary and junior high school, Abiram D/A primary and junior high school, and Keniogo D/A primary and junior high school (A&B) and Keniogo R/C primary.

Launched at a grand Durbar in October 2016, dignitaries from the regional district education office, District Assembly, Ghana Book Trust and CODE attended. Approximately 20 boxes comprised of 10,320 assorted reading books were distributed to 10 different schools. The partnership program is intended to improve literacy and education within the Amansie West District with Ghana Book Trust as the implementing partner.

The Community Affairs Department, along with the Ghana Library Board and Ghana Book Trust visited the beneficiary schools as part of the initial monitoring and evaluation exercise and to determine if the books provided had been put to good use.

In 2017, we will continue to monitor the progress of the program in the beneficiary schools through educational events, including a reading festival, an inter-schools quiz competition and the provision of mobile library services through the Ghana Library Board. The program will also be extended to the Esaase Project communities to include eight additional schools.



PROJECT CURE



Project CURE partnered with Asanko in 2016 to deliver medical equipment and supplies to deprived health centres in the Amansie West District, with a particular focus on the mine's catchment area. A health needs assessment was carried out, in conjunction with the Amansie West District Health Directorate, at six health centres and one hospital to ascertain the current state of the facilities and their need for future support. The necessary medical equipment and supplies are expected to be received in 2017.



OBOTAN CO-OPERATIVE CREDIT UNION

The OCCU is now entering its second year. Launched in December 2015, the OCCU is a member-owned, not-for-profit financial cooperative that provides savings facilities, credit and other financial services to its members. The OCCU is an affiliate member of the Credit Union Association of Ghana, the umbrella association of all credit union activities in Ghana.

Credit union members pool their savings and deposits to finance loans to other members and benefit from higher returns on savings, lower interest rates and fewer fees. Once members have reached a certain savings level, they qualify for loans. OCCU members also benefit from free health screening and the provision of mosquito nets.

During the year, membership tripled to 979 local community members and at the end of December 2016, the OCCU had total assets of GH¢ 287,280 (equivalent to \$62,588).

In December, the OCCU won the 2016 Ghana Mining Industry Awards Corporate Social Investment Project of the Year.



UPDATE ON THE NKCRAN VILLAGE PARTIAL RESETTLEMENT

We are now entering our third year since the establishment of the RAP village at Nkran and we continue to monitor progress in line with best practice and our corporate policies. Resettlement to the new housing was completed in 2015, and we have continued to install and improve community infrastructure such as waste and sanitation facilities supported by a training program organised by the Water and Sanitation Committee. In 2016, training was organised to help the villagers better manage their water, and sanitation activities and two waste skip bins were delivered to the village to replace the faulty ones.

Some problems have arisen in relation to protection of exposed slopes during the rains, cracks appearing in some houses and management of the waste depository area. Corrective actions are being undertaken and housing improvements such as the provision of screed for housing protection and revegetation of exposed slopes is being introduced.

During 2016, the soccer field was grassed over, the access roads and embankments within the resettlement site were reshaped to reduce the risk of erosion, and dust suppression activities were undertaken in the drier months at the resettlement site at Nkran, Koninase, Dadease and Kwankyiabo.

In 2017, we will continue to plant grasses and other stabilising vegetation. Asanko will build a biogas waste water treatment plant to manage the water waste discharge within the resettlement site.

Since the establishment of Nkran Resettlement village, a number of beneficiaries of the Asanko-GIZ skills program have set up business enterprises.

MANAGING CROP COMPENSATION

During the year, farm valuation and survey exercises were undertaken at the Airstrip Extension, Nkran Pit Buffer, sediment control ponds, the waste dump and other near-mine exploration areas, as well as the power transmission line at Adubiaso pit.

Requests for compensation associated with infrastructure land take are managed by our Community Affairs and Finance Departments in line with Ghanaian law and a strict compensation code; the majority of claims are in relation to the land take of agricultural/productive land within infrastructure and other development areas. In 2016, \$0.9 million was paid for land and crop compensation claims.

Development of the Esaase mine requires the construction of a 27 km overland conveyor. Land take associated with the mine development was assessed in the 2016 ESIA, prepared by our Ghanaian consultants, and subsequently approved by the Ghana EPA as part of the Esaase permitting process. Construction of the overland conveyor is expected to commence in Q2 2017, and land compensation will commence in Q1 2017. Asanko will compensate 200 affected farmers during the year.



COMMUNITY GRIEVANCES

Our relationships with our local communities are generally very good, however we have experienced a number of grievances during the year. All community grievances are logged and we attempt to resolve each one in a timely manner.

In early 2016, we received complaints from farmers about the dust levels along the Abore haul road, and the effects of dust deposition on crops and the resultant loss of income. Studies were conducted in conjunction with Amansie West District Assembly, and whilst there was no conclusive evidence to associate the presence of dust with low crop yield, we have agreed to carry out consistent dust suppression along the route.

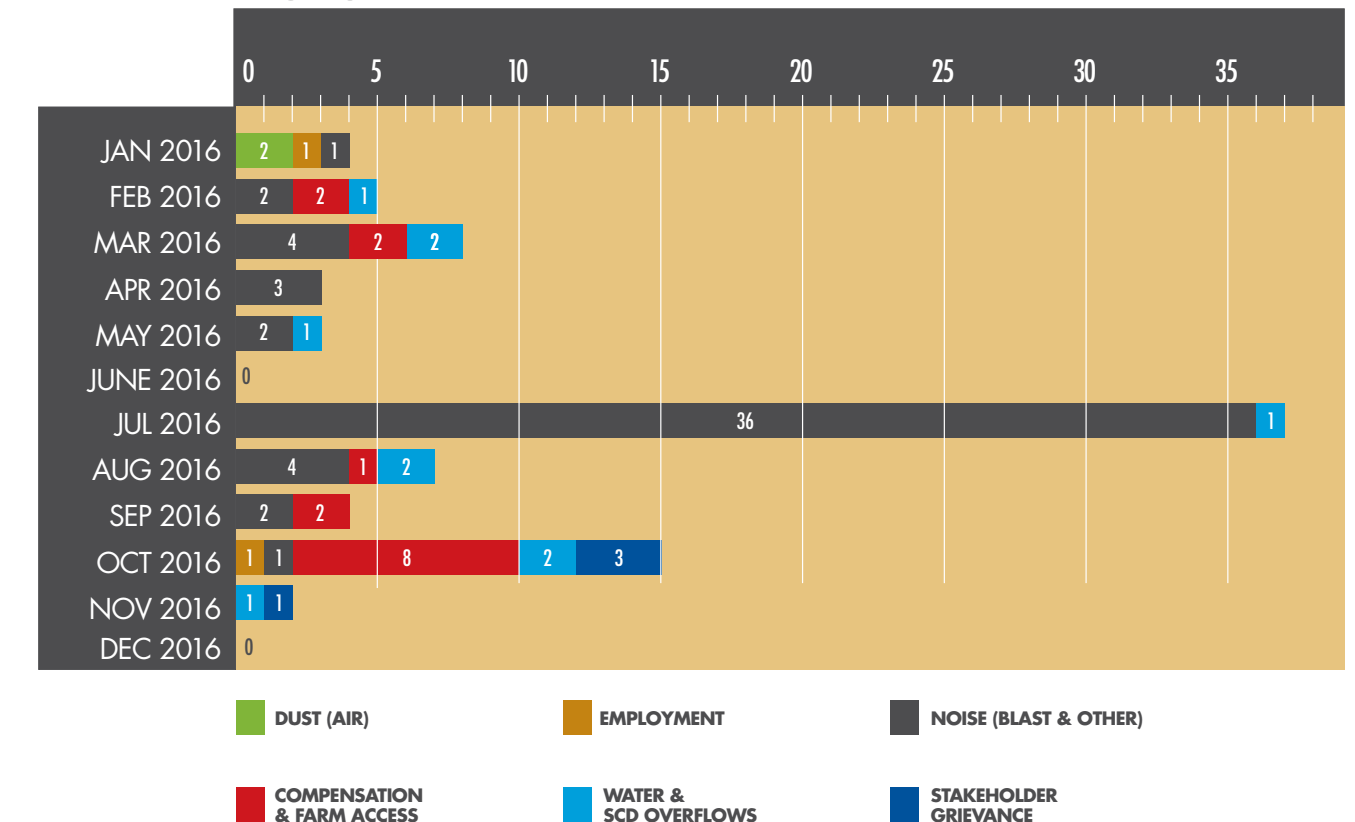
Over the course of 2016, a total of 88 community complaints were received, of which only 17% were fully resolved and the remainder are in progress. We need to improve on this performance in 2017 and will be revising and updating the grievance procedure.

The majority of complaints related to noise generation from blasting and other sources together with dust emissions. Additional grievances were raised in relation to timely crop compensation payouts for the use of farmland and potential impacts to farming as a result of the overland conveyor from Esaase to the processing plant. Concerns related to water management were also raised; overflow of the sediment control dam was considered to be a potential risk for the propagation of malaria vectors. Corrective actions have now been taken to drain the overflow and secure the dam structure.

The high level of unresolved complaints were due to the difficulty in verifying alleged blast-induced cracks in structures within communities around the Nkran Pit. An action plan has recently been agreed with the local community and will be implemented during 2017.

	JAN	FEB	MAR	APR	MAY	JUNE	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	%
BEING ADDRESSED	1	3	6	1	3	0	36	5	3	13	2	0	73	83
RESOLVED	3	2	2	2	0	0	1	2	1	2	0	0	15	17
TOTAL COMPLAINTS	4	5	8	3	3	0	37	7	4	15	2	0	88	100

2016 COMMUNITY GRIEVANCES



2016 SOCIAL PERFORMANCE

YEAR*

GRI ELEMENT	MATERIAL ASPECT	INDICATOR(S)	UNIT	2015	2016
G4-DMA**	Stakeholder Engagement	Total no. stakeholder meetings attended	No.	154	160
G4-EC7	Local Community Development and Investment	Total no. projects	No.	6	10
		Value of projects	US\$	470,000	557,259
G4-DMA G4 SO1	Land Acquisition and Resettlement***	Total acres of land take	Acres	802	317
		Compensation payment for land take	US\$m	5.5	2.7
		Households resettled into Nkran Village	No.	88	0
G4-DMA	Vocational Training	No. graduates from the Obotan and Esaase Vocational Training Centres	No.	112 (total of both)	0
G4-DMA	Complaints and Grievances	No. of complaints received	No.	100	88
		% addressed within target timescale	%	53	17

*In 2015, the mine was still under construction, 2016 was the first full year of gold production. 2016 is the first year of GRI G4 'Core' reporting.

**DMA = Disclosure on Management Approach.

***Area of rehabilitation will be reported on in 2017.





ENVIRONMENT PROTECTING THE ENVIRONMENT

Our goal is to maintain high environmental standards at our operations through the application of best available technologies and the efficient and sustainable use of natural resources.

APPROACH TO ENVIRONMENTAL MANAGEMENT

At Asanko we have developed an approach to environmental management which seeks to minimize our environmental footprint, promote the careful and sustainable use of natural resource, and protect and restore the ecosystems in which we operate.

Throughout 2016, we continued to develop and implement an integrated plan for the management of the mine's environmental impacts. Monitoring and reporting on environmental performance was conducted by our own in-house trained resources, with support by specialist third party consultants as required.

During the year, we conducted our first comprehensive audit of our operations in accordance with the EPA Akoben criteria. This was carried out by an independent Ghanaian environmental management expert, who also helped us to prepare for the EPA audit. Evidence of the success of this approach was received in the close out meeting with the EPA. The approach helped us to understand the EPA requirements and to build a stronger relationship with the regulators.

We continued to develop our Environmental Management System and have applied our monitoring and management performance measures to two new management facilities: the Integrated Waste Management Facility and a new Inert Waste Dump facility. The installation of these facilities has complemented our efforts to reduce the amount of waste generated and to manage both hazardous and non-hazardous waste with the least environmental impact. Waste management facilities include the Hazardous Shed, Compost Shed, Bioremediation Shed and scrap yards for wood and metals.

In line with Asanko's continuous improvement program, we have also increased our routine environmental monitoring activities including weekly inspections of mining and operational areas. Environmental quality monitoring has been extended to include the community. We continue to learn and improve performance through our CAPA.



PERMITTING HIGHLIGHTS

Securing the necessary permits and regulatory approvals is fundamental to the ongoing operation of the Asanko Gold Mine as well as our future expansion and growth projects. Obtaining the necessary permits for our future growth projects: Project 5 Million, the development of our new mine Esaase and the associated overland conveyor and Project 10 Million, was identified during the Materiality Assessment as a key concern to all Asanko participants.

In 2016, we made good progress in relation to permits, approvals and EPA compliance through the following:

- We continued to review the EPA permit conditions and to update the environmental commitments under the Obotan EIS to ensure full alignment with regulatory requirements.
- The EPA conducted a Baseline Akoben Audit at Obotan in February.

- A supplementary EIS for the proposed Dynamite Hill pit was submitted to the EPA for approval.
- We submitted the draft EIS for the development of the Esaase mine and the conveyor route to the EPA and received the Environmental Invoice in November. The EIS was approved by the EPA in early 2017 and we subsequently received the Environmental Permit and the Mine Operating Permit in February 2017.
- Preliminary baseline surveys of air quality (TSP, PM10) and ambient noise (day and night) have been conducted along the proposed conveyor route from Esaase to the Obotan site.
- The Environment Department continue to take the lead on the identification of corrective actions.



AIR QUALITY MANAGEMENT

CONTROLLING DUST

Asanko has put in place a dust management plan to ensure that dust generation is minimized to avoid nuisance to our workers and the local communities. The plan includes the mitigation measures required to ensure that dust generation and emissions are within Ghanaian environmental quality limits.

In 2016, dust control was achieved through:

- Implementation of regular dust suppression along roads and work areas such as waste rock dumps using water sprays and water trucks
- Investigation of the potential use of soil-binding polymers to further reduce dust generated by traffic
- Implementation of varying speed limits within communities, along primary roads and on roads in the operational areas within the mine lease area
- Re-vegetation of soil stockpiles and stabilization of infrastructure areas
- Use of water bowsers for dust control on community roads

Routine monitoring of ambient dust levels commenced within the immediate mine catchment area and along the Esaase conveyor route. Ambient dust levels (PM10 and TSP) were recorded in the two closest communities to the mine; findings showed that dust levels at the Nkran and Koninase communities were largely consistent with baseline conditions. The program is continually revised in response to weather conditions and community concerns.

In September 2016, we added SO_x and NO_x gases to our air quality monitoring program. The scope of the program covered the Esaase conveyor corridor and the Obotan site. Results indicated low levels of both gases, either non-detectable or marginally over the detection limit. These results are as expected for a non-industrial airshed.



NOISE

Elevated ambient noise is one of the key environmental concerns relating to our mining operations. Our noise monitoring program has covered the following communities:

- Koninase Noise Station
- Nkran Noise Station
- Dadease Noise Station
- Kwankyeabo Noise Station
- On-site noise monitoring station (Industrial Monitoring Stations)

Our program of continuous noise measurement has identified a number of non-conformances with national standards. In response, we have introduced a number of additional management measures:

- Installation of noise attenuation mufflers on haul trucks and loaders to ensure that noise emissions for these units were within tolerable limits
- Replacement of the existing hauling fleet with new and more efficient trucks
- Imposition of speed limits on mine haul trucks
- Preventative maintenance on plant and equipment to the standard of the manufacture
- Use of horns, alarms and warning devices which produce low noise levels in conformance with safety specifications

MANAGING HAZARDOUS MATERIALS (CYANIDE AND OTHER REAGENTS)

Asanko uses cyanide at its processing facility to recover gold. The majority of this cyanide will be oxidized into the non-toxic cyanate by subjecting the tailings to a detoxification process. After this, the remaining cyanide level in tailings is aimed at less than 50 ppm. The tailings are then pumped to the tailings dam. The water (supernatant) draining from the tailings as they settle is returned to the processing plant for re-use.

The principal risks associated with cyanide use arise from two sources: transport, storage and handling activities and potential releases of cyanide to the environment from tailings or pipeline breaches.

VIBRATION

Drilling and blasting activities at Nkran were identified as a source of community complaints and we did not achieve full compliance with EPA standards in this area. Over the course of 2016, we addressed the issues relating to both groundborne vibration and air overpressure and were able to significantly reduce the number of non-compliances. For each exceedance recorded, a Drill and Blast investigative team, comprising members from Asanko, AEL (our explosive contractor) and PW Mining (our mining contractor) analysed the possible causes. Using best practice techniques, we applied a series of corrective actions:

- Check the depth of each drilled hole
- Check stemming height as well as the quality of the stemming material
- Check the charge weight per delay
- Check the loading pattern of holes
- Strictly supervise the alignment of holes in laying out the drill pattern
- Conduct a geotechnical evaluation of the pit walls

Additionally, the Community Affairs Department consulted affected communities on blasting nuisance and corrective actions are being taken.

PROTECTING WATER RESOURCES

Asanko's Obotan site has good access to perennial streams and groundwater sources, although seasonal shortages are common. In line with Asanko's policy on pollution prevention, a comprehensive program for water monitoring has been implemented. Monitoring includes ground and surface water flow, together with quality and quantity at carefully chosen locations to provide sufficient information to determine trends and develop predictive models.

Fourteen surface and groundwater monitoring stations have been set up in accordance with the EPA Akoben program classification system, namely Compliance Stations, Control Stations and Surveillance Stations. Hydrogeological evaluations have been used to identify optimum sites for the monitoring stations and to establish groundwater trend data. Tests of statistical significance performed on the groundwater monitoring data showed no impact on baseline conditions.



BIODIVERSITY MANAGEMENT

The loss of biodiversity is one of the principal concerns relating to the mining industry. Inevitably, mining activities involve the removal of some habitat and a short-term loss of biodiversity. At Asanko, we recognize our responsibility to minimize damage to both forest and agricultural lands, as well as other habitats in our concession areas. Our goal is to carry out continuous restoration activities and to revegetate exposed and worked out areas in order to return the land to its previous capability and encourage native flora species and wildlife to return.

The preparation of the Biodiversity Implementation Plan document in 2016 represents a major step forward. Our initial focus has been to identify appropriate vegetation species, which are native to Ghana, for restoration activities and ensure no invasive species are introduced. The re-establishment of native flora will, in turn, encourage wildlife and avifauna to recolonize the site. Our overall goal is to restore the lands to their original forest habitat with the same social, environmental and economic value as pre-mining conditions.

2016 BIODIVERSITY ACTION PLAN

Restoration of Disturbed Areas	<ul style="list-style-type: none"> Meet with mine planning and internal stakeholders to discuss restoration criteria and reclamation plan for 2016. Develop restoration plan for waste rock. Propagate seedlings of different species of native trees. Review seedlings list of biodiversity importance.
Invasive Species Management	<ul style="list-style-type: none"> Implement pilot control of invasive weeds and pest management on reclamation trial pilot. Assess the effectiveness of various controls and update the invasive species management plan.
Topsoil Management	<ul style="list-style-type: none"> Review topsoil management plan (for operations). Monitor daily topsoil stripping to ensure optimum recovery of topsoil for re-use. Supervise stockpiling to ensure compliance with environmental topsoil management objectives. Stabilize topsoil stockpiles against erosion and sediment transport. Re-vegetate topsoil stockpiles. Update topsoil volume maps and database.
Mine-Tasks Area Fauna Protection	<ul style="list-style-type: none"> Continue daily surveillance of TSF to scare birds and other wildlife from drinking from the facility. Prepare a user-friendly manual for monitoring. Evaluate monitoring.
Biodiversity Impact Monitoring	<ul style="list-style-type: none"> Identify impacts of activities on biodiversity within the mine site and off site. Train monitoring agents and reclamation staff on data collection and analysis. Develop biodiversity monitoring plan. Develop monitoring indicators for measuring impacts. Prepare user-friendly manual for monitoring.
Biodiversity Conservation Education	<ul style="list-style-type: none"> Integrate biodiversity conservation education into monthly HSE presentations on site. Develop strategic plan for community biodiversity education and awareness creation. Identify target groups.
Stakeholder Engagement & Management	<ul style="list-style-type: none"> Review and update the identified key stakeholders and interested parties. Develop stakeholder map. Review and identify roles and responsibilities for key stakeholders. Develop stakeholders' involvement plan for implementation of biodiversity program. Execute and evaluate plan.

RECLAMATION ACTIVITIES

Progressive reclamation is required to return the Obotan mine site to an acceptable condition by the end of life of mine.

Our key commitments are:

- Restoration of mining lands to the former land use capability
- Or to realize the economic potential of the land

In view of this, Asanko fulfilled a major obligation in 2015 by signing a reclamation security agreement with the EPA on behalf of government of Ghana in line with the goal of providing adequate growth material for rehabilitation and enhanced topsoil recovery. Specific actions have included:

- Establishment of topsoil stockpiles close to disturbed areas
- Construction of stockpiles by dozers rather than scrapers to minimize structural degradation
- Revegetation of stockpiles with nitrogen-fixing grass species such as mucuuna in order to minimize weed infestation, maintain soil quality, soil structure and microbial activity, and maximize the vegetative cover of the stockpile
- Disturbed areas are stripped progressively (i.e. only as required) to reduce erosion and sediment generation, to reduce the extent of topsoil stockpiles and to utilize stripped topsoil as soon as possible for rehabilitation

We are fully committed to restoring the lands which have been used for mining activities. In 2016, we started a land inventory of all areas of land take, both for the estimation of project land reclamation liabilities and for the design of the reclamation program.

Waste composting also commenced at site to provide organic material for the reclamation process. Organic material, generated through the composting process will boost the nutrient content of materials used for reclamation.

The inventory of areas for reclamation is the first major step towards systematic reclamation of the site and development of a full rehabilitation plan in line with EPA LI1652. Reclamation activities started in practice along benched slopes of the Integrated Waste Management Facility and along the TSF pipeline corridor.

Successful reclamation activities rely on a suitable supply of topsoil with sufficient organic content. In November 2016, we commenced sampling of the soil profile to assess the availability and suitability of soil for reclamation.

Our potential to create new habitat is restricted to the licence areas in which we operate. However, within these confines, we will undertake progressive rehabilitation as active areas are mined out. We have invested in the Obotan Tree Nursery and will begin re-forestation activities as lay-down and other construction areas are no longer used. The nursery, which is the seed bank for vegetation restoration, was restocked with additional seedlings for field pilot trials. We have also identified a section of the Waste Rock Dump for the field reclamation trial during 2017.

MANAGEMENT OF MINE TAILINGS

The TSF was fully operational throughout 2016 and was subject to routine inspection with quarterly audit reports submitted to the EPA. The results of the EPA audit are expected to be presented to Asanko during H1 2017, however, the TSF External Auditors were pleased with the operational controls put in place for the management of the TSF.

GHGS AND CLIMATE CHANGE

Ghana, as signatory to the United Nations Framework Convention on Climate Change (UNFCCC), has been involved in a number of activities aimed at addressing the climate change challenge. The National Climate Change Policy (NCCP) 2013, is Ghana's integrated response to climate change. The Policy has been prepared and designed within the context of national sustainable development priorities, including achieving the objectives of the Ghana Shared Growth and Development Agenda (GSGDA) 2010–2013.

The NCCP recognizes the risks posed to business and society of increased and erratic rainfall, sea level rise, increased emissions of greenhouse gases (GHGs) and loss of natural carbon sinks. In 2011, forests covered approximately 20% of the total land area of Ghana (World Bank). Removal of the forested areas has reduced the potential of the environment to absorb carbon, has increased areas prone to soil erosion and increased flood risks.

Asanko has developed a climate change response which focuses on:

- Understanding and responding to rainfall patterns and rainfall trends
- Understanding our sources and emissions of potential GHGs

ENVIRONMENTAL INSPECTIONS

Environmental inspections are routine at site and have identified a few areas where we need to improve our performance. These include minor spills of hydrocarbons, ponding of stagnant water near Nkran Waste Dump (old TSF) which was breeding mosquitoes and leakage from the TSF feed pipeline. Wherever issues have occurred to date, these have been addressed through the CAPA program.

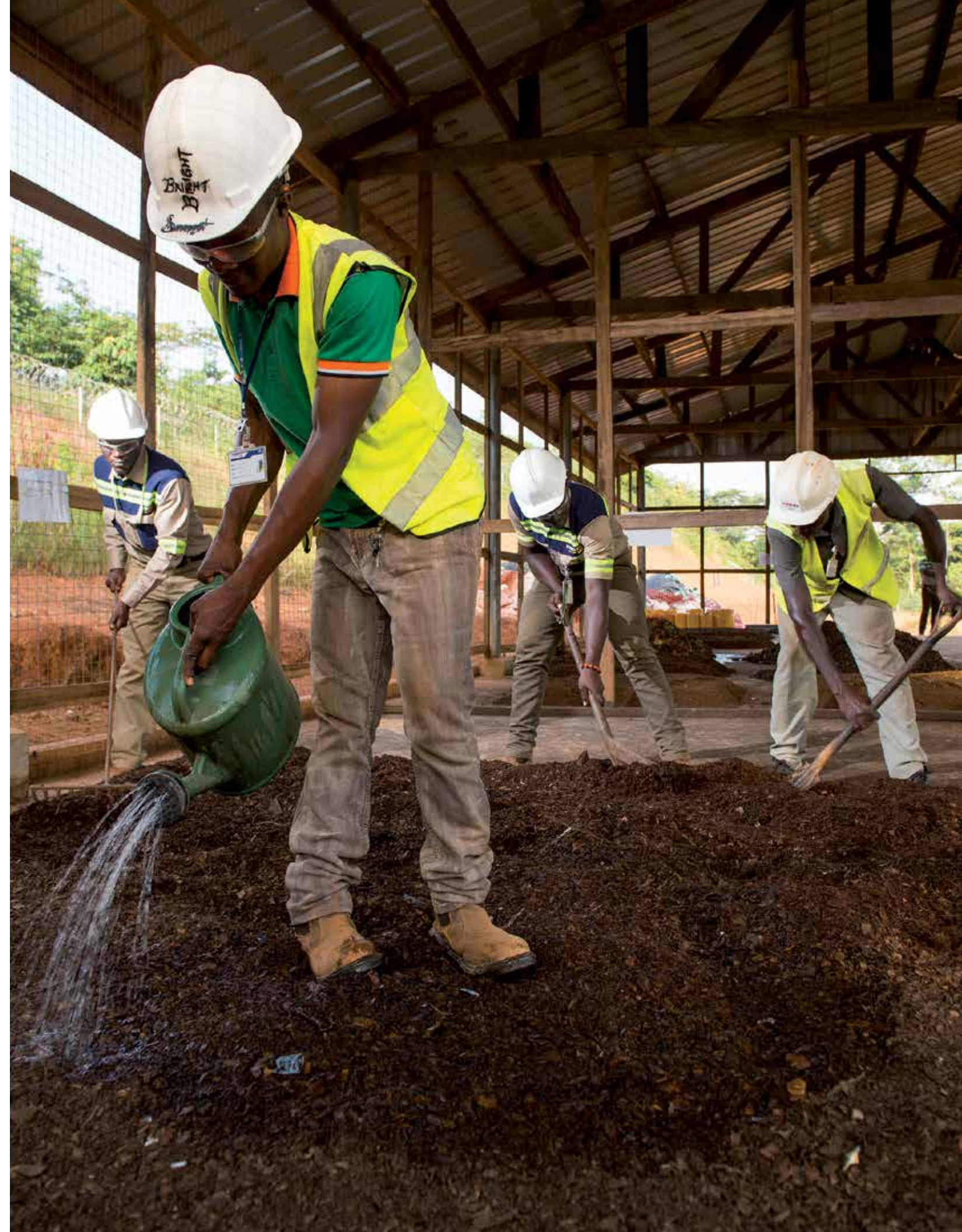
- Protecting and restoring the habitat where we work and operate
- Assessing the risks which this may present for our people, our operations and the environment

We will continue to monitor rainfall and to ensure that our water-bearing and water storage structures are fit for purpose and prevent risks to the project and our local communities. Should we experience drier than average conditions, additional water spraying will be undertaken of stockpiles, access roads and other areas with the potential to cause airborne dust.

Climate change risk forms part of our normal, operating risk assessment procedures; regular reviews of flooding and other associated risks will be undertaken by our respective Heads of Department.

INCIDENT REPORTING

In line with good practice and our corporate policies, we report all environmental incidents and accidents. In January 2016, we reported on a minor spill of tailings material which had an insignificant environmental impact. Every time that an environmental incident occurred, a CAPA was prepared and the action closed out. A second incident related to the release of water from the sediment control dam which was reported as a potential vector for malaria mosquitoes and for the damage of agricultural lands. Remedial action has since been taken and the corrective action logged on CAPA.



2016 ENVIRONMENTAL PERFORMANCE

GRI ELEMENT	MATERIAL ASPECT	INDICATOR	UNIT	YEAR*	
				2015	2016
G4-DMA**	Contractor management	Inclusion of environmental conditions in all agreements between Asanko and contractors	-	Fully compliant	Fully compliant
G4-DMA	Corrective Action Planning (CAPA)	CAPA system in place	No.	-	357 environmental issues identified, 275 closed, 16 in progress with 66 outstanding
G4-DMA G4-EN29	Environmental Fines (Monetary Sanctions) for Non-Compliance with Environmental Regulation	No of monetary sanctions and value (US\$)	US\$	Zero	Zero
G4-EN21	Air Quality: NO _x , Sox and other Significant Air Emissions	CO ₂ Emissions	Tonnes CO ₂ Equivalent	Not measured	Not measured
		Monthly mean dust levels (vs EPA Guidelines PM10 µg/m ³ 70)	µg/m ³	Not measured	Monitoring completed for Nkran Pit and Dynamite Hill – multiple exceedances
		Monthly mean dust levels (vs EPA Guidelines TSP µg/m ³ 150)	µg/m ³	Not measured	Monitoring completed for Nkran Pit and Dynamite Hill – multiple exceedances
		NO _x Emissions	µg/l	Not measured	7 communities covered
		SO ₂ Emissions	µg/l	Not measured	7 communities covered
DMA	Noise & Vibration	Blasting Events with Non-Compliances vs MinCo ground vibration standard of 2.0 mm/s.	No.	Pre-construction	336 (38 exceedances)***
		Ambient Noise Level compliance vs EPA Guideline (Residential)		Not measured	Multiple non-compliances****

GRI ELEMENT	MATERIAL ASPECT	INDICATOR	UNIT	YEAR*	
				2015	2016
G4-EN8 G4-EN9	Water Resources Management: Total water withdrawal by source; water sources affected by withdrawal	Compliance with EPA Effluent Guideline Limits	-	Completed Akoben surface and groundwater monitoring	Compliance with baseline conditions
		Annual water consumption	m ³	n/a	1. Total Surface water Consumed (Dust Suppression) – 496,450m ³ 2. Total Ground Water Consumed (Boreholes) – 238,568m ³
G4-DMA G4-EN12 G4-EN13	Biodiversity: Significant Impacts on Biodiversity: Habitats Protected	Development of Biodiversity Management Plan	-	Draft Prepared	Final prepared
G4-DMA G4-EN3 G4-EN6	Energy Use: Energy Consumption within the Organisation: Reduction of Energy Consumption	Energy consumption (annual)	MWh	3,968	94,595
G4-DMA	Mine Waste Management	Completion of Tailings Storage Facility	-	Under construction	Completed

*In 2015, the mine was still under construction, 2016 was the first full year of gold production. 2016 is the first year of GRI G4 'Core' reporting.

**DMA = Disclosure on Management Approach.

***Note that 38 exceedances reflect the total number of exceedances recorded at different monitoring locations and that multiple exceedances may be attributed to a single blasting event.

****Noise management procedures to be improved in 2017.



ARTISANAL MINING

Ghana has a long history of small-scale artisanal mining, locally known as “galamsey”, dating back a number of centuries. The small-scale mining sector is regulated in Ghana with mining leases issued from the Ghana Minerals Commission. Mining activities are the preserve of Ghanaian citizens and the government is working with the leasees to improve conditions in the sector.

In recent years, there has been a large increase in the use of mechanized equipment in artisanal mining activities which is causing significant environmental damage: a number of rivers in the gold-bearing regions of Ghana have become polluted by these activities and have silted up, leading to a growing crisis of access to potable water. In addition, galamsey activities have negatively impacted school attendance as the youth perceive it as a route to making quick money. There are also links of the activity to other social vices such as drug abuse, prostitution and criminal activities.

In line with the Africa Mining Vision, Asanko remains committed to working with Ghana’s regulatory bodies and other stakeholders in formalizing and regulating small-scale mining to ensure that it is practiced more responsibly with minimal long-term impacts.

ENGAGING WITH GALAMSEY

Concern in relation to galamsey incursions was raised by a large number of stakeholders during the Materiality Assessment consultation exercise and was identified as key issue. We have a strategy of actively engaging and managing galamsey issues.

We communicate with galamsey operators, as well as local stakeholders, on a regular basis and are very clear on the exclusion of illegal activities from the Asanko Gold Mine concession areas, together with any operational areas which may present a health and safety risk.

The Asanko mining and exploration concession areas are regularly patrolled by our security team to prevent further incursions. Despite the presence of 24-hour security, there were still a number of galamsey incursions on the concession areas in 2016. Our security team identified the miners and escorted them off the property in line with our security policy and procedures, and any machinery in use was confiscated. No firearms were used in the process in line with our commitment to respect the Voluntary Principles on Security and Human Rights. All illegal mining activity was reported to the authorities.

Our employment and recruitment policies have specific procedures for giving preference to locals from the mine’s catchment area in all categories of jobs available. This has had some success in discouraging locals from engaging in artisanal mining. To date, all the locals employed by Asanko or one of the mine’s contractors in non-technical jobs were previously engaged in galamsey activities.



GOVERNANCE OPERATING AN ETHICAL BUSINESS

LEADERSHIP

Overall responsibility for the stewardship of Asanko rests with the Board and it is empowered by governing corporate law, Asanko's Articles and the Corporate Governance Manual to manage or supervise the management of Asanko.

ROLE OF THE BOARD

The Board approves the goals of the business, the objectives and policies within which it is managed, and then steps back and evaluates management's performance. Once the Board has approved the goals, strategies and policies, it acts in a unified and cohesive manner in supporting and guiding the CEO, subject to its duty to act in the best interests of Asanko.

The CEO's prime responsibility is to lead Asanko. The CEO formulates Asanko's policies, strategic plans and goals in conjunction with the Board. The CEO keeps the Board fully informed of Asanko's progress towards the achievement of its goals and of all material deviations from the goals or objectives and policies established by the Board in a timely and candid manner.

BOARD OVERSIGHT

The Board facilitates its independent supervision over management by holding regular meetings of the Board to discuss the operations of Asanko. In addition, the Board has established policies and procedures that limit the ability of management to carry out certain specific activities without the prior approval of the Board.

The Board understands the need for it to maintain a significant degree of independence from management. The independent members of the Board meet without management once after every quarterly Board meeting.

The Board comprises three subcommittees; the Audit Committee, the Compensation, Nominating and Governance Committee and the Health, Safety and Environment Committee. The Audit Committee and the Compensation, Nominating and Governance Committee are all composed exclusively of independent directors.

STRUCTURE AND INDEPENDENCE OF THE BOARD

The Board comprises seven persons, of whom six are independent directors (as defined by the Canadian securities governance guidelines). The one non-independent director is the current President and CEO Peter Breese. Each Board member is a professional with a proven track record in their relative field of expertise; mining, finance and legal.

In 2016, Asanko held a total of five formal Board meetings, with a 100% attendance record by all the Directors.

BOARD OF DIRECTORS

Peter Breese²
Director, President and CEO

Gordon J. Fretwell^{1, 3}
Director

Marcel de Groot^{1, 3}
Director

Michael Price^{1, 2}
Director

Bill Smart^{2, 3}
Director

Colin Steyn
Chairman

Shawn Wallace
Director

BOARD COMMITTEES

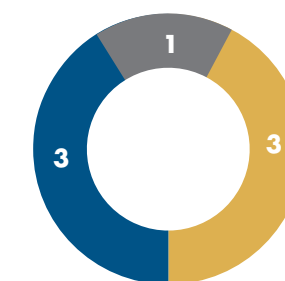
1 Member of the Audit Committee

2 Member of Health, Safety and Environment Committee

3 Member of Compensation, Nominating and Governance Committee

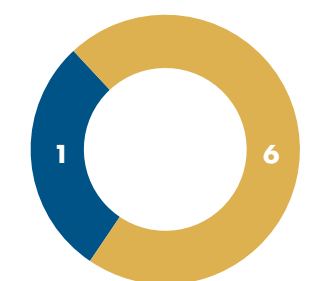
BOARD SKILL SET

Production
Financial
Legal



BOARD INDEPENDENCE

Independent
Non-Independent



GOVERNANCE: OPERATING AN ETHICAL BUSINESS

This section should be read in conjunction with our 2016 Annual Information Form and our Corporate Governance Policies and Procedures Manual, which are available on our website: www.asanko.com.

The Asanko Board is committed to sound corporate governance and ethical business practices. We comply with all applicable laws and regulations in the countries in which we operate. Integrity and Transparency are core values to Asanko and underpin the way we manage our business. For all Asanko employees who completed the consultation exercise, operation of an ethical business was identified as of high concern.

BUSINESS RISKS

It is the responsibility of Asanko's management to ensure the Board and its committees are kept well-informed of changing risks to the business. The principal mechanisms through which the Board reviews risks are the ongoing reports by the CEO, the Audit Committee and the strategic planning process. The Board works with management to implement policies to identify the risks and to establish systems and procedures to ensure that these risks are monitored and mitigated where possible.

Asanko has a company-wide business management software system to manage the business with the appropriate delegated levels of authorization, inventory, cost control and financial accounting. Monthly production and operational reports, prepared based on information from the business management software system, are distributed to and reviewed by the Executive Management Team. This management software system also assists Asanko with managing and identifying potential business risks.

EXECUTIVE COMPENSATION

Asanko aims to be an employer of choice, attracting and retaining highly qualified and experienced industry professionals. Executive remuneration is designed to be aligned to the interests of shareholders, to be competitive and to reward performance, which is measured on an annual basis against a set of personal KPIs and Asanko's strategic objectives. Remuneration consists of a base salary, a short-term cash incentive plan and a long-term share incentive scheme.

Asanko's strategic objectives are the KPIs which are set for the CEO. These are then cascaded down through the organization from the Executive Management team to the Mine Management Team and become a set of individual KPIs for each person. The Compensation, Nominating and Governance Committee reviews the CEO's performance against Asanko's strategic objectives, as well as the long-term share incentive scheme, on an annual basis.

In line with standard governance practice, an annual vote on executive compensation is held during Asanko's Annual General Meeting to give shareholders the opportunity to review the executive compensation scheme and, ultimately, approve or reject it. For further information, including details on Executive and Board remuneration, please refer to Asanko's Annual General Meeting materials, which are available on our website.

ETHICAL CONDUCT

The Asanko Code of Business Conduct and Ethics provides a framework of guiding principles to promote honest and ethical conduct and governs the way Asanko directors, officers and employees conduct business and deal with conflicts of interest, timely disclosure, compliance with the law and accountability. The Code also explicitly states Asanko will not tolerate any form of discrimination or harassment in the workplace. Any violation of this Code will result in disciplinary action. Directors and employees are required to sign their adherence to the Code of Business Conduct and Ethics annually, and all new employees receive training on the Code.

The Code also clearly outlines Asanko's requirements for fair dealing, and its corporate position on:

- conflicts of interest and corporate opportunities and gifts
- confidentiality and corporate assets
- intellectual property
- reporting and the effects of violations.

Supporting this Code are the Responsible Mining, Corporate Social Responsibility, Health Safety and Environment charters, the Whistleblower Policy, the Disclosure, Confidentiality and Insider Trading Policy and the Social Media Policy. All employees receive training on our charters and policies to ensure compliance.

The Disclosure, Confidentiality and Insider Trading policy includes guidelines on the timely disclosure of material information, the confidentiality of undisclosed material information and provides for the imposition of trading blackout periods to ensure all Directors, officers and employees meet their obligations under the Toronto and New York Stock Exchange rules and securities laws.

We expect all our contractors to conduct their activities in a manner consistent with our guiding principles and these charters. Unethical behaviour by any stakeholder involved in our business is not tolerated.

RESPECTING HUMAN RIGHTS

Asanko upholds fundamental human rights and respects cultural and religious diversity, as stated in our charters. Asanko does not interfere or take sides in politics or social issues and has a zero tolerance approach to discrimination of any form.

The Asanko Gold Mine site is fully secured. Security staff are carefully vetted and trained to ensure that their practices and behaviours are aligned with the Voluntary Principles on Human Rights and Security including the prohibition of fire arms, forced labour and child labour.

ANTI-BRIBERY AND CORRUPTION

Asanko complies with Canada's Corruption of Foreign Public Officials Act. In accordance with the Act, no employee shall make any form of payment, direct or indirect, to any public official as an inducement to procuring or keeping business or obtaining or revoking a permit to operate. This is reinforced by our Code of Business Conduct and Ethics.

Asanko also subscribes to the practices of the Extractive Industries Transparency Initiative (EITI) and reports openly on our business with joint venture partners and contractors, as evidenced by the annual CSR Report. Ghana has been a supporting country and compliant with EITI since 2010.

Asanko prohibits officers, directors and employees from participating in political activities in countries of which they are not nationals. No financial contributions to political parties in Ghana or Canada have been made by Asanko.

WHISTLEBLOWING POLICY

Asanko has an anonymous whistleblowing procedure for any employee or worker to report fraudulent behaviour in Ghana, Canada and South Africa via telephone, email or mail, which is operated by an independent third party. All employees and contractors receive training on this policy, which is also available on our website. In addition, employees and contractors can also contact the Chairman of the Audit Committee via confidential e-mail, mail or in person.

GRI G4 INDEX: GENERAL STANDARD DISCLOSURES*

GENERAL STANDARD DISCLOSURES		REPORTING LEVEL/DETAILS	PAGE NO.
STRATEGY AND ANALYSIS			
G4-1	Provide a statement from the most senior decision-maker of the organization about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	Year in Review' by Asanko President and CEO, Peter Breese.	12
ORGANIZATIONAL PROFILE			
G4-3	Report the name of the organization.	Refer to About Asanko Gold.	4
G4-4	Report the primary brands, products, and services.	For a description of Asanko's business operations, refer to our website: www.asanko.com.	-
G4-5	Report the location of the organization's headquarters.	Asanko Gold Inc. 680-1066 West Hastings Street Vancouver, BC Canada V6E 3X.	83
G4-6	Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	This Report is focused on our first mining operation, the Asanko Gold Mine Ghana. The Report covers our Ghanaian business. Refer to About this Report.	20
G4-7	Report the nature of ownership and legal form.	Asanko is a public company listed on the Toronto and New York Stock Exchanges, under the ticker: AKG. Our top institutional shareholders are available on our website: www.asanko.com.	4
G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	For a description of Asanko's business operations, refer to our website: www.asanko.com.	-
G4-9	Report the scale of the organization, including: a. Total number of employees b. Total number of operations c. Net sales (for private sector organizations) or net revenues (for public sector organizations) d. Total capitalization broken down in terms of debt and equity (for private sector organizations) e. Quantity of products or services provided	Refer to our 2016 Employment performance and our 2016 Annual Information Form.	38

*This table presents the General Standard Disclosures for the Core option of GRI-G4.

GENERAL STANDARD DISCLOSURES		REPORTING LEVEL/DETAILS	PAGE NO.
ORGANIZATIONAL PROFILE			
G4-10	Report the composition of the workforce, including: a. Report the total number of employees by employment contract and gender b. Report the total number of permanent employees by employment type and gender c. Report the total workforce by employees and supervised workers and by gender d. Report the total workforce by region and gender e. Report whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors f. Report any significant variations in employment numbers (such as seasonal variations in employment in the tourism or agricultural industries)	Refer to our 2016 Employment performance.	38
G4-12	Describe the organization's supply chain.	Refer to 'Local Procurement – Developing a Sustainable Supply Chain'.	41
G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain, including: a. Changes in the location of, or changes in, operations, including facility openings, closings, and expansions b. Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations) c. Changes in the location of suppliers, the structure of the supply chain, or in relationships with suppliers, including selection and termination	In January 2016, gold production commenced at the Asanko Gold Mine, commercial production was declared on April 1, 2016. Refer to the 2016 Annual Report for more information on Asanko's operating and financial performance for the year ended December 31, 2016, which is available on our website: www.asanko.com	6
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	Our CSR Charters are internal to the organization. Refer to 'Our CSR Approach and Strategy'.	16

GRI G4 INDEX: GENERAL STANDARD DISCLOSURES (CONTINUED)

GENERAL STANDARD DISCLOSURES		REPORTING LEVEL/DETAILS	PAGE NO.
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES			
G4-17	<p>a. List all entities included in the organization's consolidated financial statements or equivalent documents</p> <p>b. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report</p>	Refer to the 2016 Annual Information Form for more information, which is available on our website: www.asanko.com.	-
G4-18	<p>a. Explain the process for defining the report content and the Aspect Boundaries</p> <p>b. Explain how the organization has implemented the Reporting Principles for Defining Report Content</p>	Refer to About this Report.	20
G4-19	List all the Material Aspects identified in the process for defining report content.	Refer to Materiality Assessment. Material Aspects have been defined through the Company and Community workshops and consultation processed.	25-26
G4-20	<p>For each material Aspect, report the Aspect Boundary within the organization, as follows:</p> <p>a. Report whether the Aspect is material within the organization</p> <p>b. If the Aspect is not material for all entities within the organization (as described in G4-17), select one of the following two approaches and report either:</p> <ul style="list-style-type: none"> - The list of entities or groups of entities included in G4-17 for which the Aspect is not material - The list of entities or groups of entities included in G4-17 for which the Aspects is material <p>c. Report any specific limitation regarding the Aspect Boundary within the organization</p>	Refer to Materiality Assessment. All Material Aspects are defined for our Ghanaian mining, expansion and exploration activities; no Aspects are defined for other entities.	25-26
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	Refer to About this Report.	20

GENERAL STANDARD DISCLOSURES		REPORTING LEVEL/DETAILS	PAGE NO.
STAKEHOLDER ENGAGEMENT			
G4-24	Provide a list of stakeholder groups engaged by the organization.	Refer to Stakeholder Engagement and Communities sections.	18-19 43-45
G4-25	Report the basis for identification and selection of stakeholders with whom to engage.	A stakeholder mapping exercise was conducted in 2014. Our stakeholder engagement plan defines consultees, methods and target frequency for engagement.	18-19
G4-26	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	Refer to Stakeholder Engagement and Communities sections.	18-19 43-45
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.	Refer to Materiality Assessment and Community Grievances under the Community section	25-26 51
REPORT PROFILE			
G4-28	Reporting period (such as scale or calendar year) for information provided.	Calendar year 2016.	20
G4-29	Date of most recent previous report (if any).	CSR Report 2015.	20
G4-30	Reporting cycle (such as annual, biennial).	Annual.	20
G4-31	Provide the contact point for questions regarding the report or its contents.	Feedback on the Report.	20
G4-32	<p>a. Report the 'in accordance' option the organization has chosen</p> <p>b. Report the GRI Content Index for the chosen option (see tables below)</p> <p>c. Report the reference to the External Assurance Report, if the report has been externally assured. GRI recommends the use of external assurance but it is not a requirement to be 'in accordance' with the Guidelines</p>	This is our first Report prepared in line with GRI G4 and reflects our first year as a producer of gold, therefore we are not seeking external assurance for the 2016 Report. We will reconsider this in 2017. The GRI G4 Index (this table) is included in the report. For 2016, we have focused on compliance with General Disclosures and limited Specific Standard Disclosures in line with a 'Core' reporting level.	20 72-80
G4-33	<p>a. Report the organization's policy and current practice with regard to seeking external assurance for the report</p> <p>b. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided</p> <p>c. Report the relationship between the organization and the assurance providers</p> <p>d. Report whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report</p>	This is our first Report prepared in line with GRI G4 and reflects our first year as a producer of gold, therefore we are not seeking external assurance for the 2016 Report.	20

GRI G4 INDEX: GENERAL STANDARD DISCLOSURES (CONTINUED)

GENERAL STANDARD DISCLOSURES	REPORTING LEVEL/DETAILS	PAGE NO.	
GOVERNANCE			
G4-34	Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	Refer to Our CSR Approach and Governance sections.	16-17 69-71
G4-35	Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	Refer to Our Governance section.	69
G4-36	Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.	Refer to Our CSR Approach.	16-17
G4-37	Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body.	Refer to Stakeholder Engagement and Communities and Governance sections.	18-19 43-45 71
G4-48	Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all Material Aspects are covered.	The CEO, the Executive: Organizational Capability and the Executive: Corporate Affairs. Refer to Our CSR Approach.	16-17
G4-49	Report the process for communicating critical concerns to the highest governance body.	Refer to our Corporate Governance Policies and Procedures Manual, which is available on our website: www.asanko.com . In addition, the Annual General Meeting offers employees and shareholders the opportunity to engage with the Board and raise matters of concern.	69-71
ETHICS AND INTEGRITY			
G4-56	Describe the organization's values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics.	Refer to the Governance section. Also refer to Asanko Code of Business Conduct and Ethics.	69-71
G4-58	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behaviour, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.	Refer to the Governance section. Also refer to Asanko Code of Business Conduct and Ethics and our Whistleblowing Policy.	69-71

GRI G4 INDEX: G4 SPECIFIC STANDARD DISCLOSURES (DMA AND INDICATORS)*

SPECIFIC STANDARD DISCLOSURES	INDICATORS	PAGE NO.	
CATEGORY: SOCIAL			
SUB-CATEGORY: LABOUR PRACTICES AND DECENT WORK			
MATERIAL ASPECT: OCCUPATIONAL HEALTH AND SAFETYCATEGORY			
G4-DMA	Ensuring Employee and Contractor Safety	Fihankra Safety and Health Management System Emergency Preparedness and Response Plan (ERP) Health service provision Administration of basic health care (OPD clinic attendances)	30 32 32
G4-LA6	Performance Data	No. Fatalities Lost Time Injuries (LTIs) LTI free man hours (Days worked) LTIFR (per million man hours) Near Misses/Hazards Reported Safety inductions held per person Incidence of malaria	33
MATERIAL ASPECT: EMPLOYMENT			
G4-EC7	Employment	Total no. workforce: Composition of workforce (% employees, % contractors % male, % female) Composition of workforce (% Ghanaian and % Local Communities)	38
G4-EC7	Vocational Training	Vocational Training: No. graduates from the Obotan and Esaase Vocational Training Centres	48

* Includes relevant Sector Disclosures for Mining and Metals.

GRI G4 INDEX:
G4 SPECIFIC STANDARD DISCLOSURES
(DMA AND INDICATORS)* (CONTINUED)

SPECIFIC STANDARD DISCLOSURES		INDICATORS	PAGE NO.
CATEGORY: SOCIAL			
SUB-CATEGORY: LABOUR PRACTICES AND DECENT WORK			
MATERIAL ASPECT: LOCAL COMMUNITIES			
G4-DMA	Engagement	Community Consultation Activities No. stakeholder meetings attended	44-45 19
G4-DMA	Land Management	Value of compensation payments (US\$) Total area of land take	52
G4-DMA	Land Acquisition and Resettlement	Resettlement: households resettled in Manso Nkran Village	52
G4-DMA G4-EN24 G4-SO11	Complaints and Grievances	Complaints and Grievances: No. received No. addressed	51
MATERIAL ASPECT: ANTI-CORRUPTION			
G4-DMA	Code of Ethics	Asanko's Code of Business Conduct and Ethics Anti-Corruption and Anti-Bribery Policy Voluntary Principles on Security and Human Rights	70 71 71
MATERIAL ASPECT: SECURITY			
G4-DMA	Code of Ethics	Security Practices	33

* Includes relevant Sector Disclosures for Mining and Metals.

SPECIFIC STANDARD DISCLOSURES		INDICATORS	PAGE NO.
CATEGORY: ECONOMIC			
MATERIAL ASPECT: ECONOMIC CONTRIBUTION			
G4-EC1	Transparency of Economic Contribution Performance Data	Economic Contribution Value of goods and services No. of local businesses supplying goods and services	6-7
MATERIAL ASPECT: PROCUREMENT PRACTICES			
G4-DMA	Local Procurement	Local Procurement Policy	41
MATERIAL ASPECT: INDIRECT ECONOMIC IMPACTS			
G4-EC7 G4-SO1	Local Community Development and Investment	Community Investment (US\$) value of projects No. of community projects	46

* Includes relevant Sector Disclosures for Mining and Metals.

GRI G4 INDEX: G4 SPECIFIC STANDARD DISCLOSURES (DMA AND INDICATORS)* (CONTINUED)

SPECIFIC STANDARD DISCLOSURES		INDICATORS	PAGE NO.
CATEGORY: ENVIRONMENTAL			
MATERIAL ASPECT: EMISSIONS, EFFLUENT AND WASTES			
G4-DMA	Management Controls	Contractor environmental agreements	55
		Corrective Action Planning (CAPA)	55
		Permitting and Compliance	56
		No. of monetary sanctions and value (US\$)	64
G4-EN21	Air Quality Performance Data	CO ₂ Emissions (Tonnes CO ₂ Equivalent)	64
		Monthly mean dust levels (vs EPA Guidelines PM ₁₀ µg/m ³ 70)	
		Monthly mean dust levels (vs EPA Guidelines TSP µg/m ³ 150)	
		NO _x Emissions (µg/l)	
		SO ₂ Emissions (µg/l)	
G4-EN8 G4-EN9 G4-EN10	Water Quality	Compliance with EPA Effluent Guideline Limits	65
		Annual water consumption (m ³)	
G4-EN3 G4-EN6	Energy Use	Energy consumption (annual) (MWh)	65
G4-MM3	Mine Waste Management	Tailings Storage Facility/Tailing Management	65
MATERIAL ASPECT: BIODIVERSITY			
G4-DMA G4-EN11 G4-EN13	Biodiversity Performance Data	Development of Biodiversity Management Plan	60-61
		Investment in Tree Nursery	

* Includes relevant Sector Disclosures for Mining and Metals.

GLOSSARY OF TERMS

CSR	Corporate Social Responsibility
CDC	Community Development Committee
DMA	Disclosure on Management Approach
E4D	Employment for Sustainable Development in Africa (E4D) program
EIA	Environmental Impact Assessment
EIS	Environmental Impact Statement
EPCM	Engineering, Procurement and Construction Management
ERMP	Emergency Response Management Plan
ERT	Emergency Response Team
Galamsey	Artisanal and Small-scale Mining
GHGs	Green House Gases
GRI	Global Reporting Initiative
GSGDA	Ghana Shared Growth and Development Agenda
HAZOP	Hazard and Operability Study
ILO	International Labour Organisation
KPI	Key Performance Indicator
LTI	Lost Time Injury
LTIFR	Lost Time Injury Frequency Rates
NGO	Non-Governmental Organization
OH&S	Occupational Health and Safety
RAP	Relocation Action Plan
RNC	Resettlement Negotiation Committee
SCBA	Self-Contained Breathing Apparatus
SDGs	Sustainable Development Goals of the United Nations
SHE	Safety, Health and Environment
TSF	Tailings Storage Facility
UNFCCC	United Nations Framework Convention on Climate Change

ABBREVIATIONS

CO₂	Carbon Dioxide
US\$	US Dollar
M	Meter
Mtpa	Million tonnes per annum
Moz	Million ounces
NCCP	National Climate Change Policy
SO_x	Oxides of Sulphur
NO_x	Oxides of Nitrogen
TSP	Total Suspended Particulates
PM₁₀	Respirable Fraction (Dust)

ORGANIZATIONS

AMV	Africa Mining Vision www.africaminingvision.org
AWDA	Amansie West District Assembly
DBYN	Don Bosco Youth Network www.donboscoyouth.net
EITI	Extractive Industries Transparency Initiative www.eiti.org
EPs	Equator Principles www.equator-principles.com
EPA	Ghanaian Environmental Protection Agency www.epa.gov.gh/epa/
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit www.giz.de
GRI	Global Reporting Initiative www.globalreporting.org
ICMC	International Cyanide Management Institute Code www.cyanidecode.org
IFC PS	International Finance Corporation Performance Standards on Environmental and Social Sustainability www.ifc.org
MinCom	Ghanaian Minerals Commissions - www.mlnr.gov.gh/index.php/agencies/minerals-commission
OCCU	Obotan Co-Operative Credit Union

DISCLAIMERS

FORWARD-LOOKING AND OTHER CAUTIONARY INFORMATION

This report includes certain statements that may be deemed “forward-looking”. All statements in this report, other than statements of historical facts, that address estimated resource quantities, grades and contained metals, possible future mining, exploration and development activities, are forward-looking statements. Although Asanko believes the forward-looking statements are based on reasonable assumptions, such statements should not be in any way construed as guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market price for metals, the conclusions of detailed feasibility and technical analyses, lower-than-expected grades and quantities of resources, mining rates and recovery rates, and the lack of availability of necessary capital, which may not be available to Asanko on terms acceptable to it or at all. Asanko is subject to the specific risks inherent in the mining business as well as general economic and business conditions. For more information on Asanko, investors should review the Annual Form 40-F filing with the United States Securities Commission and its home-jurisdiction filings that are available at www.sedar.com.

CAUTIONARY NOTE TO U.S. INVESTORS REGARDING MINERAL REPORTING STANDARDS

Asanko has prepared its disclosure in accordance with the requirements of securities laws in effect in Canada, which differ from the requirements of the US securities laws. Terms relating to mineral resources in this report are defined in accordance with National Instrument 43-101 – Standard of Disclosure for Mineral Projects under the guidelines set out in the Canadian Institute of Mining, Metallurgy, and Petroleum Standards on Mineral Resources and Mineral Reserves. The Securities and Exchange Commission (the SEC) permits mining companies, in their filings with the SEC, to disclose only those mineral deposits that a company can economically and legally extract or produce. Asanko uses certain terms, such as “measured mineral resources”, “indicated mineral resources”, “inferred mineral resources” and “probable mineral reserves” that the SEC does not recognize (these terms may be used in this report and are included in the public filings of Asanko which have been filed with securities commissions or similar authorities in Canada).

CORPORATE INFORMATION

CORPORATE OFFICE

Asanko Gold

680-1066 West Hastings Street
Vancouver, British Columbia
Canada V6E 3X2

T +1 604-683-8193
F +1 604-683-8194

E info@asanko.com
E csr@asanko.com

SOUTH AFRICA OFFICE

Asanko Gold South Africa Pty

First Floor, Pebble Beach,
Fourways Golf Park
Roos Street, Fourways, 2191
Johannesburg, South Africa

T +27 11-467-2758

GHANA OFFICE

Asanko Gold Ghana Limited

#4 Sir Arku Korsah Road,
Airport Residential Area
Accra, Ghana

T +233 243-690-224

INVESTOR INQUIRIES

Alex Buck

Investor Relations

T +44 7932-740-452
TF +1 855-246-7341

E alex.buck@asanko.com

CORPORATE AFFAIRS GHANA

Frederick Attakumah

T +233 302-761-454

E frederick.attakumah@asanko.com

EXTERNAL ENVIRONMENTAL, SOCIAL AND GOVERNANCE ADVISERS

Environment Works Ltd

BOARD OF DIRECTORS

Peter Breese

Director, President and CEO

Gordon J. Fretwell

Director

Marcel de Groot

Director

Michael Price

Director

Bill Smart

Director

Colin Steyn

Chairman

Shawn Wallace

Director

EXECUTIVE TEAM

Peter Breese

Director, President & CEO

Charles Amoah

General Manager, Asanko Gold Mine

Frederick Attakumah

Corporate Affairs Executive

Frans de Bruyn

Organizational Capability Executive

Fausto Di Trapani

Chief Financial Officer

Wayne Drier

Business Development Executive

Ed Munnik

Metallurgical Executive

Rob Slater

Mining Executive

Hugo Truter

Chief Operating Officer,
Asanko Gold Mine

Josephat Zvaipa

Managing Director, Ghana

WEBSITE

www.asanko.com

SHARES LISTED

Toronto Stock Exchange

TSX: AKG

New York Stock Exchange

NYSE MK: AKG

SHARES ISSUED

At December 31, 2016

Shares outstanding: 201,829,207

Fully diluted: 220,420,957

COMPANY FILINGS

www.sedar.com

www.sec.gov

TRANSFER AGENT

Computershare Inc.

3rd Floor, 510 Burrard Street

Vancouver, British Columbia

Canada V6C 3B9

T +1 604-661-9400

E service@computershare.com

AUDITORS

KPMG LLP

777 Dunsmuir Street, Suite 900

Vancouver, British Columbia

Canada V7Y 1K3

T +1 604-691-3126

LEGAL COUNSEL

McMillan LLP

1500-1055 West Georgia Street

Vancouver, British Columbia

Canada



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