



News Release

Asanko Gold to Acquire PMI to Create an Emerging Mid-Tier Gold Producer

12/17/2013

VANCOUVER, BRITISH COLUMBIA—(Marketwired - Dec. 17, 2013) - Asanko Gold Inc. (“Asanko” or the “Company”) (TSX:AKG)(NYSE MKT:AKG)(NYSE Amex:AKG) and PMI Gold Corporation (“PMI”) (TSX:PMV)(ASX:PVM) are pleased to announce that they have entered into a definitive agreement whereby Asanko will acquire all of the common shares of PMI (the “Business Combination”) to create an emerging mid-tier gold producer with a clear pathway to 400,000 ounces of annual gold production. A joint conference call and webcast hosted by Peter Breese and Peter Bradford will be held today at 4:00pm (EST) and 1:00pm (PST) (8:00am Wednesday in Sydney) to discuss this transaction. Call-in details are provided at the end of this release.

Highlights:

- Combination of the neighbouring Esaase and Obotan gold projects in Ghana, West Africa, with a combined Resource base of 7.5 million ounces Measured & Indicated Resources and an additional 2.9 million ounces Inferred Resources, of which 4.8 million ounces are categorized as Proven and Probable Mineral Reserves 1,2,3,4&5
- Pathway to approximately 400,000 ounces of annual gold production by 2017, creating a mid-tier gold producer
- Well-funded with US\$280 million in cash and a US\$150 million debt facility arranged
- Esaase Gold Project (200,000 oz/yr by the end of 2015) fully funded to start construction in Q1 2014
- Obotan Gold Project (200,000 oz/yr additional production) to be co-developed with Esaase, capturing operating and capital cost synergies currently estimated to be well in excess of US\$100 million

- Significant exploration potential for future project development pipeline through exploration of numerous high priority targets on the consolidated 1,000km² land package
- Company to be managed by Asanko's executive team, led by Peter Breese, President & CEO, with proven mine development and operating track records in Africa
- Support from major shareholders, with PMI shareholders holding approximately 20% of the issued and outstanding PMI common shares and Asanko shareholders holding approximately 9.6% of the issued and outstanding Asanko common shares entering into voting support agreements

Under the terms of the Business Combination, which will be effected by means of a statutory plan of arrangement by PMI (the "Arrangement") under the Business Corporations Act (British Columbia), each PMI shareholder will receive 0.21 Asanko common shares for each PMI common share (the "Exchange Ratio"). This values each PMI share at C\$0.441 representing a premium of 79% to the 20-day volume weighted average share prices of the PMI common shares on the TSX as of December 16, 2013. Following the completion of the Business Combination, PMI and Asanko shareholders will hold approximately 50% each of the combined company.

In early 2013, an announced merger between the two companies at the same exchange ratio was terminated by mutual agreement when it became apparent that the merger, while enjoying majority support from PMI shareholders, would not achieve the supermajority support legally required. However, since that time, Asanko has significantly de-risked the Esaase Project by revising the mine and metallurgical models which has resulted in a more robust Pre-Feasibility Study and arranging US\$150 million in project financing. In addition, volatility in both the gold price and the value of gold equities has added considerable weight to the benefits that this transaction can deliver to shareholders of both companies through reduced corporate costs, capital and operating synergies and balance sheet strength.

The combination of these factors led to the unanimous support for the Business Combination from both Boards of Directors and from some of the companies' largest shareholders. PMI and Asanko shareholders holding approximately 20% and 9.6% respectively of the issued and outstanding common shares of PMI and Asanko have formally committed to support the transaction.

Commenting on the announcement, Peter Breese, President and CEO of Asanko, said "The combination of the Esaase and Obotan Gold Projects into an integrated mining operation is an overwhelmingly accretive transaction for both Asanko and PMI shareholders due to the inherent synergies that can be captured through co-developing the projects. The combined Esaase-Obotan resource base is located within a 15km radius and has the potential to

support gold production of approximately 400,000 ounces per year for over ten years, making it a flagship operation from which to build our Company and realize our vision of becoming a mid-tier gold mining company.

The combined Company will also boast a strong balance sheet with US\$280 million in cash and a US\$150 million debt facility arranged for project construction. This significant balance sheet strength clearly allows the Company to build Esaase, whilst at the same time advance the development options for Obotan. What is particularly pleasing about this transaction is that it has the support of the some of largest shareholders of both Asanko and PMI.”

PMI President and CEO, Peter Bradford, added “This transaction delivers increased certainty to the development and success of the combined Esaase and Obotan Gold Projects at a time when the standalone financing and development of either of these mines is challenging. In combination with the agreed exchange ratio, I believe that this is a compelling transaction for PMI shareholders and we are pleased to have the support of key shareholders for the transaction as well as the unanimous support of the Board of Directors.

For Ghana, the transaction and resulting certainty of financing and development ensures continued growth of the gold sector and new jobs at a time when the rest of the gold industry in Ghana is scaling back their activities and reducing employee numbers. On a personal note, I look forward to continued involvement, as a Non-Executive Director, with the emergence of a new mid-tier gold producer in West Africa.”

Board of Directors and Management Team

Upon completion of the Business Combination, the Asanko Board of Directors will be comprised of seven directors: Peter Breese, Peter Bradford, Gordon Fretwell, Marcel de Groot, Shawn Wallace, Colin Steyn and Michael Price. The Chairman of the Board will be appointed by the Board’s Nominating and Governance Committee once the new Board has been constituted upon completion of the Business Combination.

The Company will be managed by the existing Asanko executive team, led by Peter Breese as President & CEO. Building organisational capability will continue to be a focus for the Company as it moves into the construction phase of its projects and ultimately into operations. Key operational and project roles will continue to be filled, either with personnel from within PMI’s organisation or externally as the Company will be well positioned to attract and retain a highly skilled team as it continues to build a high-performance organisation. The Company will maintain its regulatory office in Vancouver, Canada with project and technical personnel located in Johannesburg, South Africa and operations personnel based in Ghana.

Development Plan

Asanko intends to proceed with the development of the fully funded Esaase Gold Project, with permits expected

imminently. The Definitive Feasibility Study is nearing completion and is expected to be released in early 2014 with the work on it thus far broadly confirming the conclusions of the May, 2013 Pre-Feasibility Study. The DFS envisages the commencement of construction in Q1 2014 and steady state production of 200,000 ounces of gold per year by the end of 2015.

Preliminary work has been carried out to investigate the various options that are available for a more integrated development of the Obotan and Esaase gold projects. Based on the initial findings, the best approach is to first develop Esaase and then commence the development of Obotan.

During the first half of 2014, Asanko will complete additional studies to confirm this preliminary work and to ensure that the final development plan delivers optimal synergies with the best returns at the lowest risk. The options will include the potential of utilizing flotation at Obotan and trucking concentrate to Esaase for leaching and/or the potential of transferring ore from the various Obotan project pits to Esaase in combination with a process plant expansion at Esaase. In either option, capital and operating cost synergies currently estimated at well in excess of US\$100 million are expected to be realized.

Details of the Business Combination

Full details of the Business Combination will be included in a joint management information circular of Asanko and PMI which will be mailed to their respective shareholders in the coming weeks and will be available for download at www.sedar.com.

The Business Combination will be subject to Court and stock exchange approvals as well as approval by (i) at least 2/3 of the votes cast by PMI shareholders, and (ii) at least a simple majority of the votes cast by PMI shareholders, after excluding the votes cast by Macquarie Bank Limited whose votes may not be included in determining minority approval for the Business Combination by virtue of the fact that one of its affiliates, Macquarie Capital Markets Canada Ltd., is being compensated for acting as PMI's financial advisor. Asanko shareholders are only required to approve the issuance of the shares in the Business Combination by a simple majority of votes cast. The Asanko and PMI shareholder meetings will both be held on the same day, targeted for late January 2014. In addition to the foregoing, the Combination is subject to the satisfaction of other customary closing conditions and deliveries. A copy of the Arrangement Agreement will be immediately posted at www.sedar.com and a summary will be included in the joint information circular.

The total consideration payable pursuant to the Arrangement Agreement values PMI's undiluted equity at approximately C\$183 million. Pursuant to the transaction, Asanko expects to issue approximately 86.9 million common shares on an undiluted basis. Pro-forma after the Business Combination, Asanko will have approximately 172.0 million shares, 9.6 million options and 9.6 million warrants outstanding, and PMI performance rights, which if

performance criteria are satisfied, will convert into an additional 0.3 million Asanko shares. These figures include PMI options and warrants adjusted as to number and exercise price based on the Exchange Ratio.

Asanko will maintain its TSX and NYSE MKT listings but does not intend to list on the ASX. Asanko will endeavour to establish a share sale facility available for PMI's ASX shareholders through an agent who will effect trades over these markets on behalf of former ASX shareholders who do not want to arrange trades over North American stock exchanges for themselves. In the United States, the issuance of securities of Asanko under the Combination will be conducted in reliance on the exemption from registration requirements found in section 3(a)(10) of the Securities Act of 1933. Asanko will continue to be a foreign private issuer under United States securities laws.

The Arrangement Agreement includes mutual deal protection provisions, including mutual promises of no soliciting competing proposals, a break fee of C\$9,400,000 in the event of an unsolicited superior proposal, irrevocable lock-up agreement from Macquarie Bank Limited a key PMI shareholder which holds approximately 13.1% of the issued and outstanding PMI common shares. In addition PMI has obtained a lock-up from Sun Valley Gold LLC which holds 6.9% of the issued and outstanding PMI common shares and Asanko has obtained a lock-up from Highland Park SA which holds approximately 9.6% of the issued and outstanding Asanko common shares. In the event an unsolicited superior proposal is received by a party, the other has a right to match and customary fiduciary-out provisions allow the directors of a party to recommend an unsolicited superior proposal subject to the break fee and the other party's right to match. Officers and Directors of both companies have also entered into voting support and lock-up agreements (totaling 1.6% for Asanko and 1.3% for PMI).

Both companies' Boards of Directors have determined that the proposed Business Combination is in the best interests of their respective Companies based on a number of factors, including verbal fairness opinions received from each of their respective financial advisors. These verbal opinions are subject to certain assumptions and limitations and opine on the fairness, from a financial point of view. Written fairness opinions will be set out in the joint information circular. Each company's Board of Directors has unanimously approved the terms of the Business Combination and will recommend that their respective shareholders vote in favor of the Business Combination at their respective shareholder meetings.

Financial Advisors and Legal Counsel

Asanko has retained Canaccord Genuity Corp. and Azure Capital to act as financial advisors and McMillan LLP and Hardy Bowen to act as legal advisors.

PMI has retained Macquarie Capital. to act as financial advisor and Stikeman Elliott LLP to act as legal advisor.

Conference Call & Webcast Details

A joint conference call hosted by Peter Breese and Peter Bradford will be held today at 4:00 pm (EST), 1:00 pm (PST), 9:00 pm (London), Wednesday 5:00 am (Perth) and 8:00 am (Sydney) to discuss this transaction. Presentation slides to accompany the call are available on both company's websites: www.asanko.com and www.pmigoldcorp.com.

To access the conference call, please dial-in 10 minutes beforehand and quote "Asanko Gold / PMI Transaction":

Australia Toll-Free: 1800-730-050
UK Toll-Free: 0800-358-0856
Canada Toll-Free: 1-866-228-9189
US: 1-877-941-9205
International: +44-20-8515-2313

A replay facility will be available two hours after the call on Asanko's website: www.asanko.com or, until December 24, 2013, please dial using the access code: 4657294:

Australia Toll: 02-9374-0998
UK Toll-Free: 0800-358-3474
Canada Toll: 1-303-590-3030
US Toll Free: 1-800-406-7325
International: +44-20-7154-2833

To access the webcast, please click on the link or visit:

<http://event.on24.com/r.htm?e=732624&s=1&k=675DEB3253ED6BB88057DEC32393D9AB>

About Asanko Gold Inc.

Asanko's vision is to become a mid-tier gold mining company that maximizes value for all its stakeholders. The Company's flagship project is the fully financed, multi-million ounce Esaase Gold Project located in Ghana, West Africa. Asanko is managed by highly skilled and successful technical, operational and financial professionals. The Company is strongly committed to the highest standards for environmental management, social responsibility, and health and safety for its employees and neighbouring communities. Asanko trades on the TSX and the NYSE MKT under the symbol AKG.

About PMI Gold Corporation

PMI is an exploration and development company listed on the TSX and ASX. PMI has a strong portfolio of assets in Ghana, with a dominant 70km contiguous landholding on the Asankrangwa Gold Belt including the Obotan Gold Project and the Diaso Regional Exploration Project. A Definitive Feasibility Study for the Obotan Gold Project completed in September 2012 demonstrated that a 220,000 ounce per annum project with a cash operating cost of US\$626 per ounce could be developed at a capital cost of US\$297 million.

Notes to Technical Disclosure

1. Mineral Resources for Esaase contains 23.4Mt grading 1.49g/t Au for 1.12 million ounces Au of Measured and 71.3Mt at a grade of 1.44g/t Au for 3.29 million ounces Au of Indicated as reported in the NI 43-101 Technical Report filed on SEDAR on June 27, 2013.
2. Mineral Resource inventory for Obotan consist of Measured Resources of 15.57Mt grading 2.47g/t Au for 1.23 million ounces; Indicated Resources of 29.21Mt grading 2.00g/t Au for 1.88 million ounces; and Inferred Resources of 21.91Mt grading 1.99g/t Au for 1.40 million ounces as reported in the NI43-101 Technical Report filed on SEDAR on October 23, 2012.
3. Figures shown exclude PMI's Kubi Gold Project.
4. Mineral Reserve for Esaase contains 22.9Mt grading 1.43g/t Au for 1.05 million ounces of Proven and 22.5Mt grading 1.40g/t Au containing 1.32 million ounces of Probable as reported in the NI43-101 Technical Report filed on SEDAR on June 27, 2013.
5. Mineral Reserve for Obotan consists of Proven Reserve of 14.8Mt, grading 2.39g/t Au for 1.14 million ounces and Probable Reserve of 19.4Mt grading 2.08g/t Au for 1.30 million ounces as reported in the NI43-101 Technical Report filed on SEDAR on October 23, 2012.

Qualified Persons in Respect of Technical Disclosure

For Asanko:

The information in this release that relates to Esaase Mineral Reserves is based on information compiled by Mr. Thomas Obiri-Yeboah. Mr. Thomas Obiri-Yeboah is the Senior Mining Engineer of DRA Mineral Projects Mining Division. Mr. Thomas Obiri-Yeboah is a Member of the South African Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the

Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code) and is a “Qualified Person” under National Instrument 43-101 - ‘Standards of Disclosure for Mineral Projects’. He has verified the Esaase reserve data disclosed in this news release.

The information in this release that relates to the recovery processes related to Esaase is based on information compiled by Mr Glenn Bezuidenhout, who is a Metallurgist and a Fellow of the South African Institute of Mining and Metallurgy. Mr Bezuidenhout is a Director of DRA Mineral Projects. Mr Bezuidenhout has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code) and is a “Qualified Person” under National Instrument 43-101 - ‘Standards of Disclosure for Mineral Projects’. He has verified any Esaase process data incorporated in this news release.

The information in this release that relates to Esaase in-situ Mineral Resources is based on information compiled by Mr Charles Muller of Minxcon. He is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code) and is a “Qualified Person” under National Instrument 43-101 - ‘Standards of Disclosure for Mineral Projects’. He has verified the data disclosed in this release in connection with Esaase including sampling, analytical and test data underlying the information contained in this release. Mr Muller consents to the inclusion of such information in this release in the form and context in which it appears.

The information in this release that relates to the economic assessment is based on financial models of Esaase compiled by Mr Andy Clay of Venmyn Deloitte. He is a Member of the Canadian Institute of Mining Metallurgy and Petroleum and Australasian Institute of Mining and Metallurgy and is a member of the International Mineral Asset Valuation (IMVAL) committee. Mr Clay has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a Qualified Valuator under Canadian Institute of Mining and Metallurgy (CIMVAL) guidelines and regulations. He has verified any Esaase financial and economic data disclosed in this release. Mr Clay consents to the inclusion of such information in this release in the form and context in which it appears.

For PMI:

Information that relates to Mineral Resources at the Obotan Gold Project is based on a resource estimate that has been carried out by Mr Peter Gleeson, a full time employee of SRK Consulting. Mr Gleeson is a Member of the Australian Institute of Geoscientists (MAIG). Information that relates to Mineral Reserves at the Obotan Gold Project

is based on a reserve estimate that has been carried out by Mr Ross Cheyne, a full time employee of Orelogy Mining Consultants. Mr Cheyne is a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM). Both have sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity undertaken to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC), and as a Qualified Person (by ROPO) as defined in terms of NI43-101 standards for resource estimate of gold. Mr Gleeson and Mr Cheyne have more than 5 years' experience in the field of exploration results and of resource/reserve estimation and consent to and approve the inclusion of matters based on information in the form and context in which it appears.

The Mineral Resource and Mineral Reserve estimates have been prepared in accordance with the 2010 Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definition Standards for Mineral Resources and Mineral Reserve as incorporated by reference in National Instrument 43-101 of the Canadian Securities Administrators, and is consistent with the Australasian Guidelines and Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (Revised December 2007) as prepared by the Joint Ore Reserves Committee of the AusIMM, AIG and MCA (JORC).

Cautionary Note Regarding Forward-Looking Statements and Information:

This Asanko and PMI joint press release contains "forward-looking information", as such term is defined in applicable Canadian securities legislation and "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995. Such statements concern Asanko's and PMI's future financial or operating performance and other statements that express management's expectations or estimates of future developments, circumstances or results. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "pro-forma", "expects", "believes", "anticipates", "budget", "scheduled", "estimates", "forecasts", "intends", "plans" and variations of such words and phrases, or by statements that certain actions, events or results "may", "will", "could", "would" or "might", "be taken", "occur" or "be achieved". Such forward-looking information may include, without limitation, statements regarding the completion and expected benefits of the proposed Business Combination and other statements that are not historical facts. Forward-looking information is based on a number of assumptions and estimates that, while considered reasonable by management based on the business and markets in which Asanko and PMI operate, are inherently subject to significant operational, economic and competitive uncertainties and contingencies. Assumptions upon which forward looking statements relating to the Business Combination have been made include that Asanko and PMI will be able to satisfy the conditions in the arrangement agreement, that ongoing due diligence investigations of each party will not identify any materially adverse facts or circumstances, that the required approvals will be obtained from the shareholders of each of Asanko and PMI, that all required third party, and that regulatory, court and government approvals will be obtained.

Asanko and PMI caution that forward-looking information involves known and unknown risks, uncertainties and other factors that may cause Asanko's and PMI's actual results, performance or achievements to be materially different from those expressed or implied by such information, including, but not limited to: gold price volatility; fluctuations in foreign exchange rates and interest rates; between actual and estimated reserves and resources or between actual and estimated metallurgical recoveries; costs of production; capital expenditure requirements; the costs and timing of construction and development of new deposits and expansion of existing operations; the success of exploration and permitting activities; parts, equipment, labor or power shortages or other increases in costs; mining accidents, labour disputes or other adverse events; and changes in applicable laws or regulations. In addition, the factors described or referred to in the section entitled "Risk Factors" in PMI's Annual Information Form for the year ended June 30, 2013 or under the heading "Business Description - Risk Factors" in Asanko's Annual Information Form for the financial year ended March 31, 2013, both of which are available on the SEDAR website at www.sedar.com, should be reviewed in conjunction with the information found in this press release. Although Asanko and PMI have attempted to identify important factors that could cause actual results, performance or achievements to differ materially from those contained in forward-looking information, there can be other factors that cause results, performance or achievements not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate or that management's expectations or estimates of future developments, circumstances or results will materialize. As a result of these risks and uncertainties, the proposed Business Combination could be modified, restricted or not completed, and the results or events predicted in these forward looking statements may differ materially from actual results or events. Accordingly, readers should not place undue reliance on forward-looking information. The forward-looking information in this press release is made as of the date of this press release, and Asanko and PMI disclaim any intention or obligation to update or revise such information, except as required by applicable law and neither Asanko nor PMI assume any liability for disclosure relating to the other company herein.

Cautionary Note to US Investors Regarding Mineral Reporting Standards:

Asanko and PMI prepare their disclosure in accordance with the requirements of securities laws in effect in Canada, which differ from the requirements of US securities laws. Terms relating to mineral resources in this press release are defined in accordance with National Instrument 43-101 - Standards 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 and PMI use 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 press release and are included in the public filings of each of Asanko and PMI which have been filed with securities commissions or similar authorities in Canada).

To view the map associated with this press release, please visit the following link:
http://media3.marketwire.com/docs/918230_map.pdf.

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