Galiano Gold Q1 Operating and Financial Results

Galiano Gold (TSX: GAU)

Reported its first quarter 2024 operating and financial results for the Company

Galiano owns a 90% interest in the Asanko Gold Mine located on the Asankrangwa Gold Belt in the Republic of Ghana, West Africa.

Galiano Gold	TSX: GAU
Stage	Production
Metals	Gold
Market cap	C$578 million @ C$2.28
Location	Ghana

GALIANO GOLD REPORTS Q1 OPERATING AND FINANCIAL RESULTS

May 2, 2024
Results PDF)

VANCOUVER, BC,May 2, 2024/PRNewswire/ – **Galiano Gold Inc. (“Galiano” or the “Company”)**(**TSX: GAU) (NYSE American: GAU)** is pleased to report its first quarter (“Q1”) 2024 operating and financial results for the Company. Galiano owns a 90% interest in the Asanko Gold Mine (“AGM”) located on the Asankrangwa Gold Belt in the Republic of Ghana, West Africa.

All financial information contained in this news release is unaudited and reported in United States dollars.

Acquisition of Gold Fields Limited's 45% interest in the AGM

On March 4, 2024, the Company completed the previously announced acquisition of Gold Fields Limited's 45% interest in the AGM joint venture (the "Acquisition").

The strategic rationale of the Acquisition is to consolidate ownership of the AGM, one of the largest gold mines in West Africa, and establish Galiano as a growing gold producer with robust financial strength.

Following the Acquisition, the Company owns a 90% interest in the AGM with the Government of Ghana continuing to hold a 10% free-carried interest (non-controlling interest).

The Company began consolidating the operating results, cash flows and net assets of the AGM commencing on March 4, 2024.

Asanko Gold Mine Q1 Highlights (100% basis):

The operational and financial results of the AGM have been consolidated into the Company from March 4, 2024. To enable a

clear understanding of the operational performance at the mine asset level, the following highlights for the AGM are presented on a 100% basis for the entire three months ended March 31, 2024.

- **Safety:** There were no lost-time injuries ("LTI"), nor total recordable injuries ("TRI"), recorded during the first quarter. The 12-month rolling LTI and TRI frequency rates as of March 31, 2024 were 0.16 and 0.80 per million employee hours worked, respectively.
- **Production performance:** Gold production of 30,386 ounces during the first quarter. Gold production is expected to increase in the second half of 2024 after completion of waste stripping at the Abore deposit, and therefore remains in line with 2024 production guidance of 140,000 to 160,000 ounces.
- **Milling performance:** Achieved mill throughput of 1.5 million tonnes ("Mt") of ore at a grade of 0.8 grams per tonne ("g/t") during the first quarter. Metallurgical recovery in the first quarter was 83%.
- **Cost performance:** Total cash costs[1] of $1,180 per gold ounce ("/oz") and all-in sustaining costs[1]("AISC") of $1,793/oz for the three months ended March 31, 2024. AISC[1]guidance for 2024 is forecast between $1,600/oz to $1,750/oz and is anticipated to be elevated relative to the life of mine average primarily due to waste stripping to access consistent ore feed at Abore, which will benefit future years production.
- **Cash flow generation:** Generated positive cash flow from operations of $26.1 million and Free Cash Flow[1]of $5.8 million during the first quarter. Free Cash Flow[1]remained positive despite investing $12.4 million in waste stripping costs at the Abore deposit.
- **Financial performance:** Gold revenue of $65.5 million generated from 31,840 gold ounces sold at an average

realized price of $2,056/oz during the first quarter. Net income of $14.5 million and Adjusted EBITDA[1] of $21.7 million during the first quarter.

- **Growth at Abore:** Following successful 2023 and early 2024 infill drilling programs at Abore, a notable increase to the Abore Mineral Resource Estimate was completed effective March 31, 2024. The Abore Measured and Indicated Mineral Resource increased by 181,000 ounces or 38%.
- **Exploration focus:** Planned 2024 exploration programs include drilling at Midras South to advance the deposit towards a potential maiden Mineral Reserve estimate, infill drilling at Adubiaso, early-stage drill testing at Target 3 and extension drilling at Gyagyatreso. A property wide reconnaissance program has also been designed to identify new target areas of interest.

Galiano Q1 Highlights:

- **Robust liquidity:** Following payment of $65.0 million to Gold Fields under the terms of the Acquisition, the Company ended the quarter with $130.8 million in cash and cash equivalents and no debt. For the three months ended March 31, 2024, the Company generated $13.0 million in cash flow from operations.
- **Earnings:** Net loss of $4.8 million or $0.02 per common share during the first quarter, which included the consolidation of the AGM's financial results effective from March 4, 2024. Adjusted net income[1] for the first quarter was $6.5 million or $0.03 per common share.

Matt Badylak, Galiano's President and Chief Executive Officer stated

"The first quarter of 2024 was transformational for the Company with the acquisition of Gold Fields' interest in the AGM.

"The team also delivered continued exploration success at Abore and is moving forward with a clear and focused vision for the AGM under our consolidated ownership.

"We are tracking to our annual production and cost guidance, with the mine producing just over 30,000 ounces during the quarter.

"The required stripping at Abore continues, and while this program will continue through the second quarter, we anticipate transitioning from stockpile processing to higher grade feed to the mill by the end of the second quarter.

"The recently announced upgrade to the Mineral Resources at Abore by 38%, combined with additional step out and infill drilling across our deposits, will be used to update a consolidated Mineral Reserve estimate and Life of Mine plan across the AGM deposits in the fourth quarter.

"The team is committed to further value creation, through consistent delivery of production and cost targets, an aggressive exploration program and an optimized mine plan that aims to bring the Life of Mine cash flows forward."

To read the full news release, please click HERE

The live Spot gold price can be found HERE

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Disclosure

At the time of writing the author holds no shares in Galiano Gold.

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