

Galiano Gold Reports Q4 and FY 2023 Results

Galiano Gold (TSX: GAU)

Reported its fourth quarter and full year 2023 operating and financial results for the Company and the Asanko Gold Mine (“AGM”), located in Ghana, West Africa.

Gold production of 31,947 ounces during Q4. 2023 annual gold production of 134,077 ounces, exceeding the top end of upward revised guidance.



Galiano Gold	TSX: GAU
Stage	Production
Metals	Gold
Market cap	C\$279 million @ C\$1.24
Location	Ghana

GALIANO GOLD REPORTS Q4 AND FULL YEAR 2023 OPERATING AND FINANCIAL RESULTS

February 16, 2024

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VANCOUVER, BC, Feb. 16, 2024/PRNewswire/ – **Galiano Gold Inc. (“Galiano” or the “Company”)** (TSX: GAU) (NYSE American: GAU) is pleased to report its fourth quarter (“Q4”) and full year 2023 operating and financial results for the Company and the Asanko Gold Mine (“AGM”), located in Ghana, West Africa.

The AGM is a 50:50 joint venture (“JV”) with Gold Fields Limited (“Gold Fields”) which is managed and operated by Galiano. On December 21, 2023, the Company announced it had reached an agreement with Gold Fields to acquire its 45% interest in the AGM.

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

Consolidation of AGM

- On December 21, 2023, the Company announced it had entered into a binding share purchase agreement (“SPA”) with subsidiaries of Gold Fields to acquire its 45% interest in the AGM JV (the “Acquisition”). The

objective of the Acquisition is to consolidate ownership of the AGM and establish Galiano as growing gold producer with robust financial strength, owning and operating one of the largest gold mines in West Africa. Upon closing of the Acquisition, the Company will own a 90% interest in the AGM with the Government of Ghana continuing to hold a 10% free-carried interest. The Acquisition is expected to close in the first quarter of 2024, pending receipt of customary regulatory approvals in Ghana.

Asanko Gold Mine JV Key Metrics (100% basis):

- **Safety:** There were no lost-time injuries and one total recordable injury recorded during the fourth quarter, resulting in 12-month rolling LTI and TRI frequency rates of 0.50 and 1.65 per million employee hours worked, respectively.
- **Production performance:** Gold production of 31,947 ounces during the fourth quarter. 2023 annual gold production of 134,077 ounces, exceeding the top end of upward revised guidance of between 120,000 to 130,000 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 fourth quarter. Metallurgical recovery in Q4 2023 was 84%. Mill throughput for 2023 totaled 6.1 Mt, a new record for the AGM.
- **Cost performance:** Total cash costs¹ of \$1,352 per gold ounce ("/oz") and all-in sustaining costs¹ ("AISC") of \$2,065/oz for the three months ended December 31, 2023. Full year 2023 AISC¹ amounted to \$1,522/oz, at the lower

end of downward revised guidance of between \$1,500/oz to \$1,600/oz. Q4 2023 AISC¹ was elevated as anticipated due to higher sustaining capital expenditures related to Abores waste stripping and implementation of a water treatment system at the tailings storage facility ("TSF").

- **Cash flow generation:** The JV generated positive cash flow from operations of \$24.1 million and Free Cash Flow¹ of \$2.3 million during the fourth quarter. Full year 2023 Free Cash Flow¹ totaled \$48.4 million.
- **Financial performance:** Gold revenue of \$59.3 million generated from 30,555 gold ounces sold at an average realized price of \$1,942/oz during the fourth quarter. Net income of \$3.7 million and Adjusted EBITDA¹ of \$9.0 million during the fourth quarter.
- **Restart of mining:** Hard rock mining operations at the AGM restarted on October 1, 2023, with waste stripping activities ongoing. The Abores pit remains on track to deliver higher grade ore to the processing plant, as compared to the current stockpile processing, in Q2 2024.
- **Exploration focus:** Infill drilling at Abores, designed to convert inferred Mineral Resources to the indicated Mineral Resource category, and early stage drill testing at the Gyagyatresos prospect were completed. Other 2023 exploration programs included drilling at Midras South to advance the deposit towards a potential maiden Mineral Reserve estimate, and at Nkran to support potential Mineral Resource upgrades. Preliminary exploration work was also undertaken across the AGM's regional greenfields targets – with focus on the Aburi and Sky Gold concessions.
- **Robust liquidity:** \$138.7 million in cash and cash equivalents, \$5.7 million in gold sales receivables, \$5.1 million in gold on hand and no debt as of December

31, 2023.

Galiano Highlights:

- **Consolidation of AGM JV:** On December 21, 2023, the Company announced the execution of the SPA to acquire Gold Fields' 45% interest in the AGM JV.
- **Stable balance sheet:** Cash and cash equivalents of \$55.3 million as at December 31, 2023 and no debt.
- **Earnings:** Net loss of \$5.8 million or \$0.03 per common share during the fourth quarter, which includes the Company's share of the JV's net earnings for the quarter and a downward fair value adjustment on the Company's preferred shares in the JV.

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

"The AGM continues to perform well, with full year 2023 gold production surpassing the upper end of guidance of between 120,000 to 130,000 ounces.

"Strong production enabled the mine to continue to generate cash during the fourth quarter despite the planned elevated capital expenditure.

"With mining operations at the AGM having recommenced during the quarter, Abore is on track to deliver higher grade ore to the processing plant by the second quarter of 2024.

“Health and safety remain a top priority throughout the organization, and I am encouraged by the progress and execution of safety measures and strategies at the AGM.

“At the corporate level, I am very pleased with the announcement of our acquisition of Gold Fields’ 45% interest in the joint venture. This transaction is transformational for Galiano and provides a strong foundation to grow into a mid-tier gold producer.

“Galiano closed the quarter with \$55 million in cash and no debt, and on a pro forma basis, after closing the acquisition with Gold Fields, the consolidated Galiano group will have approximately \$130 million in cash while remaining debt free.

“The strengthening of our balance sheet will allow us to execute on our self-financed life of mine plan at the AGM, in addition to seeking additional opportunities for long term growth.”

[To read the full news release, please click HERE](#)

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If you need clarification of any information contained in this note, or have any questions, I will be delighted to assist – Please email andrew@city-investors-circle.com

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Disclosure

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

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