

(All dollar amounts are United States dollars unless otherwise stated)

GALIANO GOLD REPORTS Q2 2023 OPERATING AND FINANCIAL RESULTS

Vancouver, British Columbia, August 2, 2023 – Galiano Gold Inc. (“Galiano” or the “Company”) (TSX, NYSE American: GAU) is pleased to report its second quarter (“Q2”) 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. All financial information contained in this news release is unaudited and reported in US\$.

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

- **Safety:** No lost-time injuries (“LTI”) and one total recordable injury (“TRI”) recorded during the quarter, resulting in 12-month rolling LTI and TRI frequency rates of 0.37 and 1.12 per million employee hours worked, respectively.
- **Production performance and upward revised guidance:** Gold production of 33,673 ounces during the second quarter. Year-to-date gold production of 66,351 ounces. Full year gold production guidance has been revised upward from between 100,000 to 120,000 ounces to between 120,000 to 130,000 ounces.
- **Milling performance:** Achieved milling throughput of 1.5 million tonnes (“Mt”) of ore at a grade of 0.8 g/t during the quarter. Metallurgical recovery in Q2 2023 was 85%.
- **Cost performance and cash flow:** Total cash costs¹ of \$1,127 per gold ounce (“/oz”) and all-in sustaining costs¹ (“AISC”) of \$1,374/oz for the three months ended June 30, 2023. Additionally, the JV generated positive cash flow from operations of \$18.0 million and Free Cash Flow¹ of \$10.1 million during the quarter.
- **Financial performance:** Gold revenue of \$64.0 million generated from 32,912 gold ounces sold at an average realized price of \$1,944/oz for the quarter. Net income of \$24.4 million and Adjusted EBITDA¹ of \$25.5 million during the quarter.
- **Mining contract awarded:** A competitive tender process was conducted during Q2 2023 and a preferred contractor was selected by the JV partners to resume mining operations at the AGM, with Abore scheduled to start in Q4 2023.
- **Exploration focus:** Drilled 5,204 metres at Kaniago West with an objective to evaluate the strike and depth extent of the deposit in order to assess potential economic viability. Completed the extension drilling program at Nkran South.
- **Robust liquidity:** \$112.9 million in cash and cash equivalents, \$12.0 million in gold sales receivables, \$2.3 million in gold on hand and no debt as of June 30, 2023.

¹ See “Non-IFRS Performance Measures”

Galiano Gold Highlights:

- **Stable balance sheet:** Cash and cash equivalents of \$55.5 million as at June 30, 2023, while remaining debt-free.
- **Positive earnings:** Net income of \$12.0 million or \$0.05 per common share during the quarter, which includes the Company's share of the JV's net earnings for the quarter.
- **Board changes:** Gordon Fretwell did not stand for re-election at the Company's Annual General Meeting and as such resigned as a director of the Company effective June 1, 2023. The Company would like to express its gratitude to Mr. Fretwell for his years of leadership and service to the Company.

"The second quarter saw continued momentum on achieving our stated milestones," stated Matt Badylak, Galiano's President and Chief Executive Officer, "We awarded a mining contract to restart mining at the Asanko Gold Mine during the fourth quarter, in line with the 2023 Technical Report schedule, while continuing to generate significant cash flows through stockpile processing. This has further strengthened the AGM's balance sheet in anticipation of a capital-intensive second half of 2023. At the corporate level, we closed the quarter with \$56 million in cash, no debt, and remain in an enviable position to pursue accretive opportunities for growth. I am also pleased with the progress our health and safety teams have made to strengthen safety awareness across site, reinforce our commitment to Zero Harm and maintain a culture of best practices at the Asanko Gold Mine.

Looking ahead, as a result of higher metallurgical recoveries, we have increased the AGM's 2023 production guidance, from 100,000 to 120,000 ounces to between 120,000 to 130,000 ounces."

Asanko Gold Mine – Summary of quarterly operational and financial highlights (100% basis)

Asanko Gold Mine (100% basis)	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Ore mined ('000t)	-	-	-	144	675
Waste mined ('000t)	-	-	-	107	1,320
Total mined ('000t)	-	-	-	251	1,995
Strip ratio (W:O)	-	-	-	0.7	2.0
Average gold grade mined (g/t)	-	-	-	1.8	1.6
Mining cost (\$/t mined)	-	-	-	25.27	8.30
Ore transportation from Esaase ('000 t)	729	1,367	503	699	901
Ore transportation cost (\$/t trucked)	5.88	5.51	6.19	6.55	6.19
Ore milled ('000t)	1,457	1,566	1,518	1,423	1,406
Average mill head grade (g/t)	0.8	0.9	0.8	1.1	1.3
Average recovery rate (%)	85	73	80	88	84
Processing cost (\$/t milled)	11.01	9.78	10.06	10.45	10.40
G&A cost (\$/t milled)	4.68	4.09	4.20	4.89	5.40
Gold produced (oz)	33,673	32,678	34,090	43,899	50,010
Gold sold (oz)	32,912	35,174	34,202	45,482	46,236
Average realized gold price (\$/oz)	1,944	1,850	1,686	1,687	1,832
Total cash costs ¹ (\$/oz)	1,127	1,083	1,031	1,001	1,218
All-in sustaining costs ¹ (\$/oz)	1,374	1,268	1,191	1,178	1,431
All-in sustaining margin ¹ (\$/oz)	570	582	495	509	401
All-in sustaining margin ¹ (\$m)	18.8	20.5	16.9	23.2	18.5
Revenue (\$m)	64.1	65.2	57.8	76.9	84.9
Income from mine operations (\$m)	24.4	24.7	19.2	25.7	16.2
Adjusted net income ¹ (\$m)	24.4	20.6	19.6	17.3	13.7
Cash provided by operating activities (\$m)	18.0	18.9	11.1	26.1	34.3
Free cash flow ¹ (\$m)	10.1	12.0	5.5	16.3	25.3

Asanko Gold Mine – Financial and operational highlights for the three and six months ended June 30, 2023 and 2022 (100% basis)

(All amounts in 000's of US dollars, unless otherwise stated)

Asanko Gold Mine (100% basis)

Financial results

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
Revenue	64,066	84,885	129,259	162,417
Income from mine operations	24,406	16,244	49,063	26,796
Net income	24,378	15,803	44,992	2,165
Adjusted net income ¹	24,378	13,723	44,992	21,085
Adjusted EBITDA ¹	25,541	21,064	48,404	34,169
Cash and cash equivalents	112,914	70,283	112,914	70,283
Cash generated from operating activities	17,979	34,344	36,922	38,269
Free cash flow ¹	10,113	25,338	22,072	21,975
AISC margin ¹	18,760	18,541	39,286	30,593

Key mine performance data

Gold produced (ounces)	33,673	50,010	66,351	92,353
Gold sold (ounces)	32,912	46,236	68,086	88,165
Average realized gold price (\$/oz)	1,944	1,832	1,896	1,839
Total cash costs (\$ per gold ounce sold) ¹	1,127	1,218	1,104	1,286
AISC (\$ per gold ounce sold) ¹	1,374	1,431	1,319	1,492

- The AGM produced 33,673 ounces of gold during Q2 2023, as the processing plant achieved milling throughput of 1.5 Mt of ore at a grade of 0.8 g/t with metallurgical recovery averaging 85%. Compared to Q1 2023, recoveries improved from 73% to 85% due to the composition of the feed blend processed having a higher percentage of oxide ore during Q2 2023.
- Sold 32,912 ounces of gold in Q2 2023 at an average realized gold price of \$1,944/oz for total revenue of \$64.1 million (including \$0.1 million of by-product silver revenue), a decrease of \$20.8 million from Q2 2022. The decrease in revenue quarter-on-quarter was primarily a function of a 29% reduction in sales volumes relative to Q2 2022, partly offset by a 6% increase in realized gold prices.
- Income from mine operations for Q2 2023 totaled \$24.4 million compared to income from mine operations of \$16.2 million in Q2 2022. The increase in income from mine operations was due to a \$29.0 million decrease in cost of sales (which resulted from fewer ounces sold, at a lower unit cost, driven by the successful labour cost restructuring completed in 2022 as well as processing ore that had no carrying value for accounting purposes), partly offset by the \$20.8 million reduction in revenue described above.
- Reported Adjusted EBITDA¹ of \$25.5 million in Q2 2023 compared to \$21.1 million in Q1 2022. The increase in Adjusted EBITDA¹ was largely driven by higher gold prices and lower operating costs as described above.
- Despite inflationary cost pressures, the lower operating costs described above, resulted in a 7% reduction to total cash costs¹ from \$1,218/oz in Q2 2022 to \$1,127/oz in Q2 2023.

- AISC¹ for Q2 2023 was \$1,374/oz compared to \$1,431/oz in the comparative period. AISC¹ was lower in the current quarter predominately due to the decrease in total cash costs per ounce¹ mentioned above, however capital costs were marginally higher on a per ounce basis due to significant investment in the next raise of the tailings storage facility.
- The AGM generated \$18.0 million of cash flow from operating activities and free cash flow¹ of \$10.1 million during Q2 2023. This compares to \$34.3 million of cash flow from operating activities and free cash flow¹ of \$25.3 million during Q2 2022. Despite higher AISC margins¹, the decrease in free cash flow¹ was primarily due to fewer gold ounces sold in Q2 2023.

Galiano Gold Inc. – Financial highlights for the three and six months ended June 30, 2023 and 2022

(All amounts in 000's of US dollars, unless otherwise stated)

Galiano Gold Inc.

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
Net income	11,961	12,566	20,454	11,029
Net income per share - basic	0.05	0.06	0.09	0.05
Adjusted EBITDA ¹	9,634	(1,181)	16,374	(2,603)
Cash and cash equivalents	55,503	53,005	55,503	53,005

- The Company reported net income of \$12.0 million in Q2 2023, compared to net income of \$12.6 million in Q2 2022. Net income was largely unchanged quarter-on-quarter as during Q2 2023 the Company recognized its share of the JV's net earnings of \$11.0 million and a \$2.4 million positive fair value adjustment on the Company's preference shares in the JV. During Q2 2022, the Company did not recognize its share of the JV's net earnings as the estimated recoverable amount of the Company's investment in the JV was nil as at June 30, 2022, while a \$13.2 million positive fair value adjustment on the Company's preference shares in the JV was recorded.
- Adjusted EBITDA¹ for Q2 2023 amounted to \$9.6 million, compared to a loss of \$1.2 million in Q2 2022. The increase in Adjusted EBITDA¹ was primarily a result of the Company's share of the JV's Adjusted EBITDA¹. During Q2 2022, the Company did not recognize its share of the JV's net earnings as the recoverable amount of the Company's equity investment was estimated to be nil.
- Cash used in operating activities in Q2 2023 was \$1.4 million, compared to cash provided by operating activities of \$2.6 million in Q2 2022. The increase in cash used in operating activities from Q2 2022 to Q2 2023 was driven by working capital movements, specifically related to the Company's service fee receivable from the JV.
- As of June 30, 2023, the Company had cash and cash equivalents of \$55.5 million, while remaining debt-free.

This news release should be read in conjunction with Galiano's Management's Discussion and Analysis and the Unaudited Condensed Consolidated Interim Financial Statements for the three and six months ended June 30, 2023 and 2022, which are available at www.galianogold.com and filed on SEDAR.

¹ Non-IFRS Performance Measures

The Company has included certain non-IFRS performance measures in this news release. These non-IFRS performance measures do not have any standardized meaning and therefore may not be comparable to similar measures presented by other issuers. Accordingly, these performance measures are intended to provide additional

information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. Refer to the Non-IFRS Measures section of Galiano's Management's Discussion and Analysis for an explanation of these measures and reconciliations to the Company's and the JV's reported financial results in accordance with IFRS.

- **Total Cash Costs per Gold Ounce**

Management of the Company uses total cash costs per gold ounce sold to monitor the operating performance of the JV. Total cash costs include the cost of production, adjusted for share-based compensation expense, by-product revenue and production royalties per ounce of gold sold.

- **All-in Sustaining Costs per Gold Ounce and All-in Sustaining Margin**

The Company has adopted the reporting of "all-in sustaining costs per gold ounce" ("AISC") as per the World Gold Council's guidance. AISC include total cash costs, corporate overhead expenses, sustaining capital expenditure, sustaining capitalized stripping costs, reclamation cost accretion and lease payments made to and interest expense on the AGM's mining and service lease agreements per ounce of gold sold. Excluded from AISC are one-time severance charges in line with World Gold Council guidance. All-in sustaining margin is calculated by taking the average realized gold price for a period less that period's AISC.

- **EBITDA and Adjusted EBITDA**

EBITDA provides an indication of the Company's continuing capacity to generate income from operations before taking into account the Company's financing decisions and costs of amortizing capital assets. Accordingly, EBITDA comprises net income (loss) excluding interest expense, interest income, amortization and depletion, and income taxes. Adjusted EBITDA adjusts EBITDA to exclude non-recurring items and to include the Company's interest in the Adjusted EBITDA of the JV. Other companies and JV partners may calculate EBITDA and Adjusted EBITDA differently.

- **Free cash flow**

The Company believes that in addition to conventional measures prepared in accordance with IFRS, the Company and certain investors and analysts use free cash flow to evaluate the JV's performance with respect to its operating cash flow capacity to meet non-discretionary outflows of cash. The presentation of free cash flow is not meant to be a substitute for the cash flow information presented in accordance with IFRS, but rather should be evaluated in conjunction with such IFRS measures. Free cash flow is calculated as cash flows from operating activities of the JV adjusted for cash flows associated with sustaining and non-sustaining capital expenditures and payments made to mining and service contractors for leases capitalized under IFRS 16.

- **Adjusted net income and adjusted net income per common share**

The Company has included the non-IFRS performance measures of adjusted net income and adjusted net income per common share. Neither adjusted net income nor adjusted net income per share have any standardized meaning and are therefore unlikely to be comparable to other measures presented by other issuers. Adjusted net income excludes certain non-cash items or non-recurring items from net income or net loss to provide a measure which helps the Company and investors to evaluate the results of the underlying core operations of the Company or the JV and its ability to generate cash flows and is an important indicator of the strength of the Company's or the JV's operations and performance of its core business.

Qualified Person

Richard Miller, P.Eng., Vice President Technical Services with Galiano Gold Inc., is a Qualified Person as defined by Canadian National Instrument 43-101, Standards of Disclosure for Mineral Projects, and has approved the scientific and technical information contained in this news release.

About Galiano Gold Inc.

Galiano is focused on creating a sustainable business capable of value creation for all stakeholders through production, exploration and disciplined deployment of its financial resources. The Company operates and manages the Asanko Gold Mine, which is located in Ghana, West Africa, and jointly owned with Gold

Fields. Galiano is committed to the highest standards for environmental management, social responsibility, and the health and safety of its employees and neighbouring communities. For more information, please visit www.galianogold.com.

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Cautionary Note Regarding Forward-Looking Statements

Certain statements and information contained in this news release constitute “forward-looking statements” within the meaning of applicable U.S. securities laws and “forward-looking information” within the meaning of applicable Canadian securities laws, which we refer to collectively as “forward-looking statements”. Forward-looking statements are statements and information regarding possible events, conditions or results of operations that are based upon assumptions about future conditions and courses of action. All statements and information other than statements of historical fact may be forward looking statements. In some cases, forward-looking statements can be identified by the use of words such as “seek”, “expect”, “anticipate”, “budget”, “plan”, “estimate”, “continue”, “forecast”, “intend”, “believe”, “predict”, “potential”, “target”, “may”, “could”, “would”, “might”, “will” and similar words or phrases (including negative variations) suggesting future outcomes or statements regarding an outlook.

Forward-looking statements in this news release include, but are not limited to: the operating plans for the AGM under the JV between the Company and Gold Fields; planned and future drilling programs; anticipated production and cost guidance; mine restart plans and timing thereof; expectations regarding AISC, capital expenditures and exploration budget; and statements regarding the usefulness and comparability of certain non-IFRS measures. Such forward-looking statements are based on a number of material factors and assumptions, including, but not limited to: the Company and Gold Fields will agree on the manner in which the JV will operate the AGM, including agreement on the new LOM plan, development plans and capital expenditures; the price of gold will not decline significantly or for a protracted period of time; the accuracy of the estimates and assumptions underlying mineral reserve and mineral resource estimates; the Company’s ability to raise sufficient funds from future equity financings to support its operations, and general business and economic conditions; the global financial markets and general economic conditions will be stable and prosperous in the future; the ability of the JV and the Company to comply with applicable governmental regulations and standards; the mining laws, tax laws and other laws in Ghana applicable to the AGM and the JV will not change, and there will be no imposition of additional exchange controls in Ghana; the success of the JV and the Company in implementing its development strategies and achieving its business objectives; the JV will have sufficient working capital necessary to sustain its operations on an ongoing basis and the Company will continue to have sufficient working capital to fund its operations and contributions to the JV; and the key personnel of the Company and the JV will continue their employment.

The foregoing list of assumptions cannot be considered exhaustive.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements to differ materially from those anticipated in such forward-looking statements. The Company believes the expectations reflected in such forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and you are cautioned not to place undue reliance on forward-looking statements contained herein. Some of the risks and other factors which could cause actual results to differ materially from those expressed in the forward-looking statements contained in this news release, include, but are not limited to: the mineral reserve and mineral resource estimates may change and may prove to be inaccurate; metallurgical recoveries may not be economically viable; risks associated with the Company ceasing its mining operations during 2023; LOM estimates are based on a number of factors and assumptions and may prove to be incorrect; the risk that the Company and Gold Fields will not agree on the manner

in which the JV will operate the AGM; actual production, costs, returns and other economic and financial performance may vary from the Company's estimates in response to a variety of factors, many of which are not within the Company's control; inflationary pressures and the effects thereof; the AGM has a limited operating history and is subject to risks associated with establishing new mining operations; sustained increases in costs, or decreases in the availability, of commodities consumed or otherwise used by the Company may adversely affect the Company; adverse geotechnical and geological conditions (including geotechnical failures) may result in operating delays and lower throughput or recovery, closures or damage to mine infrastructure; the ability of the Company to treat the number of tonnes planned, recover valuable materials, remove deleterious materials and process ore, concentrate and tailings as planned is dependent on a number of factors and assumptions which may not be present or occur as expected; the JV's mineral properties may experience a loss of ore due to illegal mining activities; the Company's operations may encounter delays in or losses of production due to equipment delays or the availability of equipment; outbreaks of COVID-19 and other infectious diseases may have a negative impact on global financial conditions, demand for commodities and supply chains and could adversely affect the Company's business, financial condition and results of operations and the market price of the common shares of the Company; the Company's operations are subject to continuously evolving legislation, compliance with which may be difficult, uneconomic or require significant expenditures; the Company may be unsuccessful in attracting and retaining key personnel; labour disruptions could adversely affect the Company's operations; recoveries may be lower in the future and have a negative impact on the Company's financial results; the lower recoveries may persist and be detrimental to the AGM and the Company; the Company's business is subject to risks associated with operating in a foreign country; risks related to the Company's use of contractors; the hazards and risks normally encountered in the exploration, development and production of gold; the Company's operations are subject to environmental hazards and compliance with applicable environmental laws and regulations; the effects of climate change or extreme weather events may cause prolonged disruption to the delivery of essential commodities which could negatively affect production efficiency; the Company's operations and workforce are exposed to health and safety risks; unexpected costs and delays related to, or the failure of the Company to obtain, necessary permits could impede the Company's operations; the Company's title to exploration, development and mining interests can be uncertain and may be contested; geotechnical risks associated with the design and operation of a mine and related civil structures; the Company's properties may be subject to claims by various community stakeholders; risks related to limited access to infrastructure and water; risks associated with establishing new mining operations; the Company's revenues are dependent on the market prices for gold, which have experienced significant recent fluctuations; the Company may not be able to secure additional financing when needed or on acceptable terms; the Company's shareholders may be subject to future dilution; risks related to the control of AGM cashflows and operation through a joint venture; risks related to changes in interest rates and foreign currency exchange rates; risks relating to credit rating downgrades; changes to taxation laws applicable to the Company may affect the Company's profitability and ability to repatriate funds; risks related to the Company's internal controls over financial reporting and compliance with applicable accounting regulations and securities laws; risks related to information systems security threats; non-compliance with public disclosure obligations could have an adverse effect on the Company's stock price; the carrying value of the Company's assets may change and these assets may be subject to impairment charges; risks associated with changes in reporting standards; the Company's primary asset is held through a joint venture, which exposes the Company to risks inherent to joint ventures, including disagreements with joint venture partners and similar risks; the Company may be liable for uninsured or partially insured losses; the Company may be subject to litigation; damage to the Company's reputation could result in decreased investor confidence and increased challenges in developing and maintaining community relations which may have adverse effects on the business, results of operations and financial conditions of the joint venture and the Company and the Company's share price; the Company may be unsuccessful in identifying targets for acquisition or completing suitable corporate transactions, and any such transactions may not be beneficial to the Company or its shareholders; the Company must compete with other mining companies and individuals for mining interests; the Company's growth, future profitability and ability to obtain financing may be impacted by global financial conditions; the Company's common shares may experience price and trading volume volatility; the Company has never paid dividends and does not expect to do so in the foreseeable future; the Company's shareholders may be unable to sell significant quantities of the Company's common shares into the public trading markets without a significant reduction in the price of its common shares, or at all; and the risk factors described under the heading "Risk Factors" in the Company's Annual Information Form.

Although the Company has attempted to identify important factors that could cause actual results or events to differ materially from those described in the forward-looking statements, you are cautioned that this list is not exhaustive and there may be other factors that the Company has not identified. Furthermore, the Company undertakes no obligation to update or revise any forward-looking statements included in, or incorporated by reference in, this news release if these beliefs, estimates and opinions or other circumstances should change, except as otherwise required by applicable law.

Neither the Toronto Stock Exchange nor the Investment Industry Regulatory Organization of Canada accepts responsibility for the adequacy or accuracy of this news release.

Source: Galiano Gold Inc.