UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 40-F

☐ REGISTRATION STATEMENT PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

OR

☒ ANNUAL REPORT PURSUANT TO SECTION 13(a) OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended **December 31, 2020** Commission File Number: **001-33580**

GALIANO GOLD INC.

(Exact name of Registrant as specified in its charter)

British Columbia	**1040**	**Not Applicable**
(Province or Other Jurisdiction of Incorporation or Organization)	*(Primary Standard Industrial Classification Code)*	*(I.R.S. Employer Identification No.)*

1640 - 1066 West Hastings Street
Vancouver, British Columbia
Canada V6E 3X1
(604) 683-8193
(Address and telephone number of Registrant's principal executive offices)

Puglisi & Associates
850 Library Avenue, Suite 204
Newark, Delaware
United States 19711
Tel: (302) 738-6680
(Name, address (including zip code) and telephone number (including area code) of agent for service in the United States)

Securities registered or to be registered pursuant to section 12(b) of the Act:

Title Of Each Class	Trading Symbol(s)	Name Of Each Exchange On Which Registered
Common Shares, no par value	**GAU**	**NYSE American**

Securities registered or to be registered pursuant to Section 12(g) of the Act: **None**

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: **None**

For annual reports, indicate by check mark the information filed with this Form:

☒ Annual Information Form ☒ Audited Annual Financial Statements

Indicate the number of outstanding shares of each of the Registrant's classes of capital or common stock as of the close of the period covered by the annual report: **224,253,522 Common Shares as of December 31, 2020**

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files).

Yes ☒ No ☐

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 12b-2 of the Exchange Act.

Emerging growth company ☒

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

☐

INTRODUCTORY INFORMATION

In this annual report, references to the "Company" or "Galiano" mean Galiano Gold Inc. and its subsidiaries, unless the context suggests otherwise. The company changed its name from Asanko Gold Inc. to Galiano Gold Inc. effective April 30, 2020.

Galiano is a Canadian issuer eligible to file its annual report pursuant to Section 13 of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**") on Form 40-F pursuant to the multi-jurisdictional disclosure system adopted by the United States Securities and Exchange Commission (the "**SEC**") and Canadian securities regulators. The equity securities of the Company are exempt from Sections 14(a), 14(b), 14(c), 14(f) and 16 of the Exchange Act pursuant to Rule 3a12-3 of the Exchange Act.

Unless otherwise indicated, all amounts in this annual report are in US dollars and all references to "$" mean US dollars. Except as may be expressly indicated herein, information on the Company's website is not incorporated herein by reference.

PRINCIPAL DOCUMENTS

The following documents that are filed as exhibits to this annual report are incorporated by reference herein:

- the Company's Annual Information Form for the year ended December 31, 2020;
- the Company's Audited Consolidated Financial Statements for the years ended December 31, 2020 and 2019, and the notes thereto; and
- the Company's Management Discussion and Analysis for the years ended December 31, 2020 and 2019.

The Company's Audited Consolidated Financial Statements that are incorporated by reference into this annual report have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (the "IASB").

FORWARD-LOOKING STATEMENTS[1]

This annual report includes or incorporates by reference certain statements that constitute "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. These statements appear in a number of places in this annual report and documents incorporated by reference herein and include statements regarding the Company's intent, belief or current expectation and that of the Company's officers and directors. These forward-looking statements involve known and unknown risks and uncertainties that may cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. In certain cases, forward-looking statements can be identified by the use of words such as "believe", "intend", "may", "will", "should", "plans", "anticipates", "believes", "potential", "intends", "expects" and other similar expressions.

Forward-looking statements include, but are not limited to, statements with respect to:

- the future price of gold,

_____

- operating plans for the Asanko gold mine ("AGM") under the joint venture (the "JV") between the Company and Gold Fields Limited ("Gold Fields"),
- the estimation of Mineral Reserves (as defined below) and Mineral Resources (as defined below),
- the realization of Mineral Reserve estimates,
- the timing and amount of estimated future production from the AGM, including production rates and gold recovery,
- operating costs with respect to the operation of the AGM,
- capital expenditures that are required to sustain and expand mining activities,
- the timing, costs and project economics associated with the JV's development plans for the AGM,
- the availability of capital to fund the JV's expansion plans and to fund the Company's contributions to the JV's development plans,
- expected cost savings resulting from corporate simplification process commenced in 2020;
- estimates regarding the AGM's consumption of key reagents, consumables, critical spares and diesel fuel; the ability of the AGM to maintain current inventory levels;
- the ability of the AGM to continue to operate during the COVID-19 ("COVID-19") pandemic;
- the Company's continued work to advance a study to refine the structural, geological and mineralization models for Esaase augmented the further investigations to examine the modeling methodologies and data density related thereto and the Company's expectations regarding the results of this technical work and investigations;
- the timing of the development of new deposits,
- success of exploration activities,
- permitting timelines,
- hedging practices,
- currency exchange rate fluctuations,
- requirements for additional capital,
- government regulation of mining operations,
- environmental risks and remediation measures,
- unanticipated reclamation expenses,
- title disputes or claims, and

- limitations on insurance coverage.

The timing or magnitude of the events implied by these forward-looking statements, are inherently risky and uncertain.

Key assumptions upon which the Company's forward-looking statements are based, include the following:

- the ability of the AGM to continue to operate, produce and ship doré from the AGM site to be refined during the COVID-19 pandemic;
- that the other current or potential future effects of the COVID-19 pandemic on the Company's business, operations and financial position, including restrictions on the movement of persons (and in particular, the AGM's workforce), restrictions on business activities, including access to the AGM, restrictions on the transport of goods, trade restrictions, increases in the cost of necessary inputs, reductions in the availability of necessary inputs and productivity and operational constraints, will not impact its 2021 production and cost guidance;
- the Company and Gold Fields will agree on the manner in which the JV will operate the AGM, including agreement on development plans and capital expenditures,
- the price of gold will not decline significantly or for a protracted period of time,
- 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 AGM will not experience any significant uninsured production disruptions that would materially affect revenues,
- the ability of the JV and 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 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,
- the ongoing update of the life of mine plan for the AGM will not change original conclusions as to the technical and economic feasibility of each of the AGM's development projects, and
- the key personnel of the Company and the JV will continue their employment.

The foregoing list of assumptions cannot be considered exhaustive.

Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. These assumptions should be considered carefully by readers.

Readers are advised to carefully review and consider the risk factors identified in the Company's Annual Information Form under the heading "Risk Factors" and in the other documents incorporated by reference herein for a discussion of the factors that could cause the Company's actual results, performance and achievements to be materially different from any anticipated future results, performance or achievements expressed or implied by the forward-looking statements. These risks include, but not limited to:

- the outbreak of COVID-19 has had 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;
- risks inherent in joint venture mining projects, including the ability of the Company and Gold Fields to agree on the manner in which the AGM is operated and related development plans and capital expenditures;
- risks inherent in project developments, especially in a developing economy such as Ghana's including the risk of cost overruns, the inherent uncertainty of feasibility studies, the actual performance of production and recovery equipment deviating from expectations;
- risks inherent in the estimation of mineral reserves and mineral resources;
- developing economy risks including, but not limited to, uncertainties related to the taxation and royalty regimes, the recovery of value-added taxes, security of title/tenure regime, labour laws, foreign ownership restrictions, foreign exchange and capital repatriation restrictions and indigenous population concerns;
- operational risks associated with mining and mineral processing including experiencing lower grades than estimated, lower metal recoveries than projected, lower metals prices than anticipated, health, safety and environmental risks;
- development and operational risks that may result in financial losses and the need to seek additional capital which may result in dilution to shareholders or the application of funds to debt repayment;
- general mining risks include environmental liability claims, risk of accident, unexpected ground conditions, and other risks for which insurance may not be available or affordable; and
- the risk factors described in our Annual Information Form under the heading "Risk Factors" that is incorporated by reference into this annual report.

Readers are further cautioned that the foregoing list of assumptions and risk factors is not exhaustive and it is recommended that readers consult the more complete discussion of the Company's business, financial condition and prospects that is included in the Company's Annual Information Form, and in other documents incorporated by reference herein. The forward-looking statements contained in this annual report are made as of the date hereof and, accordingly, are subject to change after such date.

Although the Company believes that the assumptions on which the forward-looking statements are made are reasonable, based on the information available to the Company on the date such statements were made, no assurances can be given as to whether these assumptions will prove to be correct. The Company assumes no obligation to update or to publicly announce the results of any change to any of the forward-looking statements contained or incorporated by reference herein to reflect actual results, future events or developments, changes in assumptions or changes in other factors affecting the forward-looking statements, other than where a duty to update such information or provide further disclosure is imposed by applicable law, including applicable United States federal securities laws.

CAUTIONARY NOTE TO UNITED STATES INVESTORS CONCERNING ESTIMATES OF RESERVES AND MEASURED, INDICATED AND INFERRED RESOURCES

Disclosure regarding the Company's mineral properties, including with respect to mineral reserve and mineral resource estimates included in this annual report, was prepared in accordance with Canadian National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("**NI 43-101**"). NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. NI 43-101 differs significantly from the disclosure requirements of the SEC generally applicable to U.S. companies. Accordingly, information contained in this annual report is not comparable to similar information made public by U.S. companies reporting pursuant to SEC disclosure requirements.

NOTE TO UNITED STATES READERS REGARDING DIFFERENCES BETWEEN UNITED STATES AND CANADIAN REPORTING PRACTICES

The Company is permitted to prepare the documents incorporated by reference in this annual report in accordance with Canadian disclosure requirements, which are different from those of the United States. The Company's consolidated financial statements are prepared in accordance with IFRS as issued by the IASB. IFRS differs in certain respects from U.S. GAAP and from practices prescribed by the SEC. Therefore, the Company's historic financial statements and the financial statements incorporated by reference in this annual report may not be comparable to financial statements prepared in accordance with U.S. GAAP.

CURRENCY

Unless otherwise indicated, all dollar amounts in this annual report are in United States dollars. The exchange rate of United States dollars into Canadian dollars on December 31, 2020, based upon the rate published by the Bank of Canada, was U.S.$1.00=CDN$1.3415. The exchange rate of United States dollars into Canadian dollars, on March 25, 2021, based upon the rate as published by the Bank of Canada, was U.S.$1.00=CDN$[1.2606]

DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures are defined in Rule 13a-15(e) under the Exchange Act to mean controls and other procedures of an issuer that are designed to ensure that information required to be disclosed by the issuer in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and includes, without limitation, controls and procedures designed to ensure that such information is accumulated and communicated to the issuer's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

As of the end of the period covered by this report, our management carried out an evaluation, with the participation of our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of December 31, 2020, our disclosure controls and procedures, as defined in Rule 13a-15(e), were effective. See "Internal Control" on page 33 of Exhibit 99.7, Management Discussion and Analysis of the Company.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Exchange Act Rule 13a-15(f). Management conducted an evaluation of the effectiveness of the Company's internal control over financial reporting based on the framework in Internal Control - Integrated Framework issued in 2013 by The Committee of Sponsoring Organizations of the Treadway Commission ("**COSO**"). Based on this evaluation, management concluded that the Company's internal control over financial reporting was effective as of December 31, 2020. There have been no changes in the Company's internal control over financial reporting during the year ended December 31, 2020 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Management is responsible for designing, establishing and maintaining a system of internal controls over financial reporting to provide reasonable assurance that the financial information prepared by the Company for external purposes is reliable and has been recorded, processed and reported in an accurate and timely manner in accordance with IFRS as issued by the IASB. The Board of Directors is responsible for ensuring that management fulfills its responsibilities. The Audit Committee fulfills its role of ensuring the integrity of the reported information through its review of the interim and annual financial statements. Management reviewed the results of their assessment with the Company's Audit Committee.

There are inherent limitations in the effectiveness of internal controls over financial reporting, including the possibility that misstatements may not be prevented or detected. Accordingly, even effective internal controls over financial reporting can provide only reasonable assurance with respect to financial statement preparation. Furthermore, the effectiveness of internal controls can change with circumstances. The Company has paid particular attention to segregation of duties surrounding its internal controls over financial reporting. However, "ideal" segregation of duties is not always feasible as the Company has limited staff resources. This risk is mitigated by management and Board review where appropriate. At the present time, the Company will continue to rely on review procedures to detect potential misstatements in reporting of material to the public.

The Company's management, including the CEO and CFO, believe that any internal controls over financial reporting, including those systems determined to be effective and no matter how well conceived and operated, have inherent limitations and can provide only reasonable, not absolute, assurance that the objectives of the control system are met with respect to financial statement preparation and presentation. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

ATTESTATION REPORT OF REGISTERED PUBLIC ACCOUNTING FIRM

The Company is an "emerging growth company", as defined in Section 3(a) of the Exchange Act, as amended by the Jumpstart Our Business Startups Act. Accordingly, it is not required to provide, and has not provided, an attestation report of the Company's independent registered public accounting firm on the Company's internal control over financial reporting as at December 31, 2020.

IDENTIFICATION OF THE AUDIT COMMITTEE

The Company's Board of Directors has established a separately-designated Audit Committee of the Board in accordance with section 3(a)(58)(A) of the Exchange Act and section 802(B)(2) of the NYSE American Company Guide.

The Company's Audit Committee comprises three directors that the Board of Directors have determined are independent as determined under each of Rule 10A-3 under the Exchange Act and Section 803(A) of the NYSE American Company Guide:

- Marcel de Groot (Chair)
- Gordon Fretwell
- Judith Mosely

AUDIT COMMITTEE FINANCIAL EXPERT

The Company's Board of Directors has determined that Marcel de Groot, the Chair of the Audit Committee of the Board, is an audit committee financial expert (as that term is defined in Item 407 of Regulation S-K under the Exchange Act) and is independent, as that term is defined under the corporate governance requirements of the NYSE American. The SEC has indicated that the designation of Marcel de Groot as an audit committee financial expert does not make him an "expert" for any purpose, impose any duties, obligations or liabilities on him that are greater than those imposed on members of the audit committee and the Board of Directors who do not carry this designation or affect the duties, obligations or liabilities of any other member of the Audit Committee or the Board of Directors.

PRINCIPAL ACCOUNTANT FEES AND SERVICES

Audit Fees

The aggregate audit fees billed to the Company by KPMG LLP ("KPMG") in its capacity as the Company's independent registered public accounting firm totalled C$475,214 for the year ended December 31, 2020 and C$415,965 for the year ended December 31, 2019. 2019 fees have been updated to include "out of pocket" costs (including reimbursed costs, technology and support charges or administrative charges) incurred in connection with providing the professional services.

Audit-Related Fees

No audit-related fees were billed to the Company by KPMG for the years ended December 31, 2020 and 2019

Tax Fees

No tax fees were billed to the Company by KPMG for the years ended December 31, 2020 and 2019.

Other Fees

No other fees were billed to the Company by KPMG for the years ended December 31, 2020 and 2019.

The Company's Audit Committee of the Board has adopted a pre-approval policy. Under this policy, audit and permitted non-audit services will be presented to the Audit Committee of the Board for pre-approval. The Registrant did not rely on the *de minimis* exemption provided by Section (c)(7)(i)(C) of Rule 2-01 of Regulation S-X in respect of the fees set out above.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on the Company's financial condition, changes in financial condition, revenues, expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

TABULAR DISCLOSURE OF CONTRACTUAL OBLIGATIONS

The disclosures provided under "Commitments" on page 23 of Exhibit 99.7, Management's Discussion and Analysis, is incorporated by reference herein.

CODE OF BUSINESS CONDUCT AND ETHICS

Adoption of Code of Ethics

The Company has adopted a Code of Business Conduct and Ethics (the " **Code of Ethics**") for all its directors, executive officers and employees. The text of the Code of Ethics is posted on the Company's website at: https://www.galianogold.com/corporate/governance/default.aspx.

Amendments or Waivers

During the fiscal year ended December 31, 2020, the Company did not substantively amend, waive or implicitly waive any provision of the Code of Ethics with respect to any of the directors, executive officers or employees subject to it.

To the extent that the Company's Board of Directors or a Board committee determines to grant any waiver of the Code of Ethics for an executive officer or director, the NYSE American Company Guide requires that the waiver must be disclosed to shareholders within four business days of such determination.

All amendments to the Code of Ethics, and all waivers of the Code of Ethics, if any, with respect to the Company's principal executive officer, principal financial officer or other persons performing similar functions, will be posted on the Company's website, submitted to the SEC on Form 6-K and provided in print to any shareholder that provides the Company with a written request addressed to the Company's Corporate Secretary.

NYSE AMERICAN CORPORATE GOVERNANCE

The Company's common shares are listed for trading on the NYSE American. Section 110 of the NYSE American Company Guide permits NYSE American to consider the laws, customs and practices of foreign issuers in relaxing certain NYSE American listing criteria, and to grant exemptions from NYSE American listing criteria based on these considerations.

The Company has the following corporate governance practices that do not comply with NYSE American corporate governance practices that are required for U.S. domestic companies:

- Upon listing, the Company received an exemption from its quorum requirements for meetings of shareholders. Under the NYSE American listing standards, the quorum requirement is a minimum of one third of shareholders entitled to vote. The Company does not meet this requirement and has been granted relief from this listing standard.

In addition, Section 713 of the NYSE American Company Guide requires that the Company obtain the approval of its shareholders for share issuances equal to 20 percent or more of presently outstanding shares for a price which is less than the greater of book or market value of the shares. This requirement does not apply to public offerings. There is no such requirement under British Columbia law or under the Company's home stock exchange rules (Toronto Stock Exchange) unless the dilutive financing results in a change of control.

Except as disclosed above, the Company believes that there are otherwise no significant differences between its corporate governance policies and those required to be followed by United States domestic issuers listed on the NYSE American.

A copy of the Company's Corporate Governance Manual is available on the Company's website at https://www.galianogold.com/home/default.aspx. In addition, the Company is required by National Instrument 58-101 of the Canadian Securities Administrators, *Disclosure of Corporate Governance Practices*, to describe its practices and policies with regard to corporate governance in management information circulars that are furnished to the Company's shareholders in connection with annual meetings of shareholders.

The Company's governance practices also differ from those followed by U.S. domestic companies pursuant to NYSE American listing standards in the following manner, although the Company does not believe such differences to be particularly significant:

Board Meetings

Section 802 (c) of the NYSE American Company Guide requires that the Board of Directors hold meetings on at least a quarterly basis. The Board of Directors of the Company is not required to meet on a quarterly basis under the laws of the Province of British Columbia, but nevertheless meets on a regular basis.

MINE SAFETY DISCLOSURE

Pursuant to Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act 2010, issuers that are operators, or that have a subsidiary that is an operator, of a coal or other mine in the United States are required to disclose in their periodic reports filed with the SEC, information regarding specified health and safety violations, orders and citations, related assessments and legal actions, and mining-related fatalities under the regulation of the Federal Mine Safety and Health Administration under the Federal Mine Safety and Health Act of 1977.

The Company did not have any mines in the United States during the fiscal year ended December 31, 2020.

NOTICES PURSUANT TO REGULATION BTR

The Company did not send any notices required by Rule 104 of Regulation BTR during the year ended December 31, 2020 concerning any equity security subject to a blackout period under Rule 101 of Regulation BTR.

INCORPORATION BY REFERENCE

Exhibits 99.5, 99.6 and 99.7 to this annual report on Form 40-F for the year ended December 31, 2020 are incorporated by reference into the Registration Statement on Form F-10 (Commission File No. 333-239109) of the Company.

UNDERTAKING

The Registrant undertakes to make available, in person or by telephone, representatives to respond to inquiries made by the Commission staff, and to furnish promptly, when requested to do so by the Commission staff, information relating to the securities in relation to which the obligation to file an annual report on Form 40-F arises, or transactions in said securities.

CONSENT TO SERVICE OF PROCESS

In connection with the filing of its annual report on Form 40-F with the SEC on July 2, 2012, the Company caused an Appointment of Agent for Service of Process and Undertaking on Form F-X to be signed by the Company and its agent for service of process with respect to the class of securities in relation to which the obligation to file this annual report on Form 40-F arises. The Form F-X was filed with the SEC on February 15, 2013.

Any change to the name or address of the Company's agent for service shall be communicated promptly to the Commission by amendment to Form F-X referencing the file number of the Company.

SIGNATURES

Pursuant to the requirements of the Exchange Act, the Company certifies that it meets all of the requirements for filing on Form 40-F and has duly caused this annual report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: March 26, 2021

GALIANO GOLD INC.

By: /s/ Fausto Di Trapani
Fausto Di Trapani
EVP & Chief Financial Officer

EXHIBIT INDEX

Exhibit Number	Exhibit Description
99.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
99.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
99.3	Certification of Chief Executive Officer pursuant to Rule 13a-14(b) of the Exchange Act and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
99.4	Certification of Chief Financial Officer pursuant to Rule 13a-14(b) of the Exchange Act and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
99.5	Annual Information Form of the Company for the year ended December 31, 2020
99.6	Audited Consolidated Financial Statements for the years ended December 31, 2020 and 2019, and the notes thereto
99.7	Management's Discussion and Analysis for the years ended December 31, 2020 and 2019
99.8	Consent of KPMG LLP
99.9	Consent of Jonathan Hudson
99.10	Consent of Glenn Bezuidenhout
99.11	Consent of Jeffrey Coffin
99.12	Consent of Desmond Mossop
99.13	Consent of Jeffrey Stevens
99.14	Consent of Godknows Njowa
99.15	Consent of Malcolm Titley
99.16	Consent of Fanie Coetzee
99.17	Consent of David Michael Begg
101	Interactive Data File.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

Exhibit 99.1

CERTIFICATION REQUIRED BY RULE 13a-14(a) OR RULE 15d-14(a), PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Greg McCunn, Chief Executive Officer of Galiano Gold Inc., certify that:

(1) I have reviewed this annual report on Form 40-F of Galiano Gold Inc.;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

(4) The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

(a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

(5) The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of the internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

(a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: March 26, 2021

By: /s/ Greg McCunn
Name: Greg McCunn
Title: Chief Executive Officer

Exhibit 99.2

CERTIFICATION REQUIRED BY RULE 13a-14(a) OR RULE 15d-14(a), PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Fausto Di Trapani, Executive Vice President and Chief Financial Officer of Galiano Gold Inc., certify that:

(1) I have reviewed this annual report on Form 40-F of Galiano Gold Inc.;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

(4) The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

   (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

(5) The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of the internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: March 26, 2021

By: /s/ Fausto Di Trapani
Name: Fausto Di Trapani
Title: Executive Vice President and Chief Financial Officer

Exhibit 99.3

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Greg McCunn, Chief Executive Officer of Galiano Gold Inc. (the "Company"), hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

(i) the annual report on Form 40-F of the Company for the fiscal year ended December 31, 2020 (the "Annual Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Annual Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ Greg McCunn
Name: Greg McCunn
Title: President and Chief Executive Officer

Date: March 26, 2021

Exhibit 99.4

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Fausto Di Trapani, Executive Vice President and Chief Financial Officer of Galiano Gold Inc. (the "Company"), hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

(i) the annual report on Form 40-F of the Company for the fiscal year ended December 31, 2020 (the "Annual Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Annual Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ Fausto Di Trapani
Name: Fausto Di Trapani
Title: Executive Vice President and Chief Financial Officer

Date: March 26, 2021



GALIANO GOLD INC.

(FORMERLY ASANKO GOLD INC.[1])

ANNUAL INFORMATION FORM

FOR THE YEAR ENDED DECEMBER 31, 2020

DATED AS OF MARCH 26, 2021

SUITE 1640 - 1066 WEST HASTINGS STREET
VANCOUVER, BRITISH COLUMBIA
V6E 3X1

[1]The Company's name was changed from "Asanko Gold Inc." to "Galiano Gold Inc." effective April 30, 2020.

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PRELIMINARY NOTES

In this Annual Information Form (the "AIF"):

(i) references to the "Company" or "Galiano" mean Galiano Gold Inc. and its subsidiaries, unless the context requires otherwise;

(ii) references to the "AGM" mean the Asanko Gold Mine in which the Company holds a 45% interest through a 50:50 joint venture arrangement (the "JV") with a subsidiary of Gold Fields Limited ("Gold Fields");

(iii) the Company uses the United States dollar as its reporting currency and, unless otherwise specified, all dollar amounts are expressed in United States dollars and any references to "$" mean United States dollars and any references to "C$" mean Canadian dollars;

(iv) the Company's financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board;

(v) all figures and descriptions as they relate to the JV are on a 100% basis, unless otherwise indicated;

(vi) production results are in metric units, unless otherwise indicated; and

(vii) all information in this AIF is as of December 31, 2020, unless otherwise indicated.

CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION

The Company cautions readers regarding forward-looking statements found in this AIF and in any other statement made by, or on the behalf of the Company. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects", "estimates", "anticipates", or variations of such words and phrases or statements that certain actions, events or results "may", "could", or "might" occur. Forward-looking statements are made based on management's beliefs, estimates and opinions and are given only as of the date of this AIF. Such statements may constitute "forward-looking information" within the meaning of the United States Private Securities Litigation Reform Act of 1995 and applicable Canadian securities legislation.

Forward-looking statements are statements not based on historical information and which relate to future operations, strategies, financial results or other developments. Forward-looking statements reflect the Company's current views with respect to expectations, beliefs, assumptions, estimates and forecasts about the business of the JV and the Company and the industry and markets in which the JV and the Company operate. Forward-looking statements include, but are not limited to, statements with respect to:

- the future price of gold;
- the operating plans for the AGM under the JV between the Company and Gold Fields;
- the estimation of Mineral Reserves (as defined below) and Mineral Resources (as defined below) ;
- the realization of Mineral Reserve estimates;

- the timing and amount of estimated future production from the AGM, including production rates and gold recovery;
- operating costs with respect to the operation of the AGM;
- capital expenditures that are required to sustain and expand mining activities;
- the timing, costs and project economics associated with the JV's development plans for the AGM;
- the availability of capital to fund the JV's expansion plans and to fund the Company's contributions to the JV's development plans;
- expected cost savings resulting from corporate simplification process commenced in 2020;
- estimates regarding the AGM's consumption of key reagents, consumables, critical spares and diesel fuel; the ability of the AGM to maintain current inventory levels;
- the ability of the AGM to continue to operate during the COVID-19 ("COVID-19") pandemic;
- the Company's continued work to advance a study to refine the structural, geological and mineralization models for Esaase augmented the further investigations to examine the modeling methodologies and data density related thereto and the Company's expectations regarding the results of this technical work and investigations;
- the timing of the development of new deposits;
- success of exploration activities;
- permitting timelines;
- hedging practices;
- currency exchange rate fluctuations;
- requirements for additional capital;
- government regulation of mining operations;
- environmental risks and remediation measures;
- unanticipated reclamation expenses;
- title disputes or claims; and
- limitations on insurance coverage.

Forward-looking statements are not guarantees of future performance and involve risks, uncertainties and assumptions, which are difficult to predict. These uncertainties and contingencies can affect actual results and could cause actual results to differ materially from those expressed in any forward-looking statements made by or on behalf of the Company. The JV and Company's actual future results or performance are subject to certain risks and uncertainties including but not limited to:

- the outbreak of COVID-19 has had 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;
- the mineral reserve and resource estimates may change and may prove to be inaccurate;
- LOM estimates are based on a number of factors and assumptions and may prove to be incorrect;
- 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;
- 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 Company's operations may encounter delays in or losses of production due to equipment delays or the availability of equipment;
- 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;
- 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;

- the Company's exploration programs may not successfully expand its current mineral reserves or replace them with new reserves;
- 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;
- Company 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;
- ability to repatriate funds;
- risks related to the Company's internal controls over financial reporting and compliance with applicable accounting regulations and securities laws;
- the carrying value of the Company's assets may change and these assets may be subject to impairment charges;
- non-compliance with public disclosure obligations could have an adverse effect on the Company's stock price;
- 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;
- risks related to information systems security threats;
- the Company's growth, future profitability and ability to obtain financing may be impacted by global financial conditions;
- the Common Shares may experience price and trading volume volatility;
- the Company has never paid dividends; and
- the risk factors described under the heading "Risk Factors" in, or incorporated by reference in, this AIF.

Forward-looking statements are necessarily based upon estimates and assumptions, which are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the Company's control and many of which, regarding future business decisions, are subject to change. Assumptions underlying the Company's expectations regarding forward-looking statements or information contained in this AIF include, among others:

- the ability of the AGM to continue to operate, produce and ship doré from the AGM site to be refined during the COVID-19 pandemic;
- that the other current or potential future effects of the COVID-19 pandemic on the Company's business, operations and financial position, including restrictions on the movement of persons (and in particular, the AGM's workforce), restrictions on business activities, including access to the AGM, restrictions on the transport of goods, trade restrictions, increases in the cost of necessary inputs, reductions in the availability of necessary inputs and productivity and operational constraints, will not impact its 2021 production and cost guidance;
- the Company and Gold Fields will agree on the manner in which the JV will operate the AGM, including agreement on development plans and capital expenditures;
- the price of gold will not decline significantly or for a protracted period of time;
- 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 AGM will not experience any significant uninsured production disruptions that would materially affect revenues;
- 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;
- the ongoing update of the life of mine plan for the AGM will not change original conclusions as to the technical and economic feasibility of each of the AGM's development projects; and
- the key personnel of the Company and the JV will continue their employment.

The foregoing list of assumptions cannot be considered exhaustive.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. All factors including the risk factors contained in this AIF should be considered carefully and readers should not place undue reliance on the Company's forward-looking statements. The Company undertakes no obligation to update forward-looking information if these beliefs, estimates and opinions or other circumstances should change, except as may be required by applicable law.

GLOSSARY

The Company uses the following defined terms in this AIF:

2020 LOM Plan	The technical report entitled the "NI 43-101 Technical Report for the Asanko Gold Mine, Ghana (Amended and Restated)", dated February 15, 2020, filed on SEDAR on March 17, 2020, and amended and restated on June 9, 2020.
AARL	Anglo American Research Laboratories
AGM	The Asanko Gold Mine located in Ghana, West Africa. The AGM is also known as the "project". The Company's 45% net interest in the AGM is held through a 50:50 JV with Gold Fields, with the Government of Ghana holding a 10% free-carried interest
AISC/oz (all-in sustaining cost per ounce of gold)	This is a non-GAAP financial measurement which the Company has adopted using World Gold Council's guidance for calculation of this number. AISC/oz includes total cash costs, overhead expenses, sustaining capital expenditure, capitalized stripping costs and reclamation cost accretion for each ounce of gold sold. AISC/oz is intended to assist the comparability of the operations of the JV and Company with those of other gold producers who disclose operating results using the same or similar guidance standards See "Non-GAAP Measures".
Galiano or the "Company"	Galiano Gold Inc. formerly Askanko Gold Inc.
AGGL	Asanko Gold Ghana Limited, a 45% owned Ghanaian affiliate of Galiano. Gold Fields acquired a 45% interest in AGGL effective July 31, 2018, while the Government of Ghana has a 10% free-carried interest in AGGL under Section 8 of the Ghanaian Mining Act
Au	Chemical symbol for gold
BCBCA	*Business Corporations Act* (British Columbia)
brownfields	A reference to a mining project situated in an existing mining area with the result that environmental approval procedures are generally expedited as contrasted with a "greenfields" project which is a mine proposed for a previously non-mining area or an altogether undisturbed area

Carbon-in-leach process or "CIL"	A process used to recover dissolved gold inside a cyanide leach circuit. Coarse activated carbon particles are introduced in the leaching circuit and are moved counter-current to the slurry, adsorbing dissolved gold in solution as they pass through the circuit. Loaded carbon is removed from the slurry by screening. Gold is recovered from the loaded carbon by stripping in a caustic cyanide solution followed by electrolysis. CIL is a process similar to CIP (carbon-in-pulp) except that the gold leaching and the gold adsorption are done simultaneously in the same stage compared with CIP where the gold-adsorption stage follows the gold-leaching stage
CFPOA	Corruption of Foreign Public Officials Act of 1998, a Canadian anti-corruption law applicable to Galiano
concentrate	A product containing the valuable metal and from which most of the waste material in the ore has been eliminated
contained ounces	Ounces in the mineralized rock without reduction due to mining loss or processing loss
CSA	CSA Global Pty Ltd., a geological, mining and management consulting company operating in numerous prominent mining jurisdictions.
CSR	Corporate social responsibility, meaning the responsibility of the Company to make positive and meaningful contributions to the economic and social development of its host communities, while being a responsible corporate citizen, to mitigate its impact on the environment and to maintain high health and safety performance
cut-off grade	The lowest grade of mineralized material considered economic; used in the estimation of mineral reserves in a given deposit
DCF	Discounted cash flow
DCF Model	Discounted cash flow model
depletion	The decrease in quantity of mineral reserves in a deposit or property resulting from extraction or production during a particular period
DSFA	The Definitive Senior Facilities Agreement with Red Kite, which was fully drawn for a total of $150 million plus $13.9 million in unpaid interest that was accrued up to May 2016. The DSFA was fully repaid on July 31, 2018 upon the completion of the JV Transaction with Gold Fields
dilution	An estimate of the amount of waste or low-grade mineralized rock which will be mined with the ore as part of normal mining practices in extracting an ore body
EPA	The Ghanaian Environmental Protection Agency
Exchange Act	The *United States Securities Exchange Act of 1934* , as amended

FCPA	The *Foreign Corrupt Practices Act of 1977*, a United States federal law
Ghana	The Republic of Ghana
Ghanaian Mining Act	The Ghanaian Minerals and Mining Act of 2006
Gold Fields	Gold Fields Limited, the ultimate parent of the affiliates which own a 45% net interest in the AGM and also holds a 9.9% equity interest in Galiano
g/t Au	Reference to ore grade in terms of grams of gold per tonne (1 g/t is equivalent to one part per million)
grade	The relative quantity or percentage of metal or mineral content
hedge	A risk management technique used to manage commodity price, interest rate, foreign currency exchange or other exposures arising from regular business transactions
hedging	The current purchase or sale of a future interest in a commodity made to secure or protect the future price of a commodity as revenue or cost and secure cash flows
IFRS	International Financial Reporting Standards
IT	Information technology
JV	The Asanko Gold Mine Joint Venture, a 50:50 joint arrangement with Gold Fields within which the AGM is owned and operated. The Company is currently the manager and operator of the JV and has a 45% economic interest in the JV, with Gold Fields also currently holding a 45% economic interest and the remaining 10% representing the government of Ghana's free-carried interest
JV Transaction	The combination agreement and other definitive agreements with Gold Fields for the formation of the JV for the AGM
JVA	The Joint Venture Agreement that governs the management of the JV, effective July 31, 2018
LOM	Life of mine
LTIFR	Rolling lost time injury frequency rate per million employee-hours worked
Moz	Million ounces
MRE	Mineral resource estimate
MRev	Mineral reserve estimate
Mt	Million tonnes

Mtpa	Mt per annum
NI 43-101	National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* , as adopted by the Canadian Securities Administrators
NPV	Net present value, the value of projected future cash flow streams discounted to reach a present value
NCIB	A Normal Course Issuer Bid
NSR	Net smelter returns, a proxy for the value to be received from refined minerals produced and shipped from the AGM
NYSE American	The NYSE American, formerly known as the NYSE MKT and prior to that the NYSE Amex
OCCU	Obotan Cooperative Credit Union
ounce	Refers to one troy ounce, which is equal to 31.1035 grams
PMI	PMI Gold Corp. which was acquired by Galiano in 2014 and which previously developed the Obotan deposit
Project	The Asanko Gold Mine, also known as the "AGM"
Q	Refers to a fiscal quarter
QA/QC	Quality-assurance/quality control
Qualified Person	An individual who is an engineer or geoscientist with a university degree, or equivalent accreditation, in an area of geosciences, or engineering, relating to mineral exploration or mining who has at least five years of experience in mineral exploration, mine development or operation, or mineral project assessment, or any combination of these, that is relevant to his or her professional degree or area of practice, and who has experience relevant to the subject matter of the mineral project or technical report, and who is in good standing with a professional association, as more fully described in NI 43-101
RAP	Resettlement Action Plan
RC	Reverse circulation (a method of drilling)
recovery	The proportion of valuable material obtained during mining or processing, generally expressed as a percentage of the material recovered compared to the total material present
Red Kite	A special purpose lending vehicle of RK Mine Finance Trust I, the counterparty to the DSFA

ROM	Run of mine
royalty	Cash payment or physical payment (in-kind) generally expressed as a percentage of NSR or mine production
SAG	Semi-autogenous grinding (ore is tumbled to smash against itself)
SEDAR	System for Electronic Document Analysis and Retrieval available on the Internet at www.sedar.com, (the Canadian securities regulatory filings website)
SEC	The United States Securities and Exchange Commission
stripping	In mining, the process of removing overburden or waste rock to expose ore
SO_2	Sulfur dioxide
Spot price	The current price of a metal for immediate delivery
tailings	The material that remains after metals or minerals considered economic have been removed from ore during processing
Tailings Storage Facility or **TSF**	A containment area used to deposit tailings from milling
tonne	Commonly referred to as the metric ton in the United States, is a metric unit of mass equal to 1,000 kilograms; it is equivalent to approximately 2,204.6 pounds, 1.102 short tons (US) or 0.984 long tons (imperial).
TSX	Toronto Stock Exchange
U.S. Securities Act	The United States Securities Act of 1933, as amended
volatility	Propensity for variability. A market or share is considered volatile when it records rapid variations in trading volume and/or price.
WAD	Weak acid dissociable, often used with reference to cyanide concentration

GLOSSARY OF CERTAIN TECHNICAL TERMS

As a Canadian issuer, we are required to comply with reporting standards in Canada that require that we make disclosure regarding our mineral properties, including any estimates of mineral reserves and resources, in accordance with NI 43-101. NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. Unless otherwise indicated, all resource estimates contained in or incorporated by reference in this AIF have been prepared in accordance with NI 43-101.

This AIF uses the certain technical terms presented below as they are defined in accordance with the CIM Definition Standards on mineral resources and reserves (the "CIM Definition Standards") adopted by the Canadian Institute of Mining, Metallurgy and Petroleum (the "CIM Council"), as required by NI 43-101. The following definitions are reproduced from the latest version of the CIM Standards, which were adopted by the CIM Council on May 10, 2014 (the "CIM Definitions"):

feasibility study	A comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable modifying factors together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate, at the time of reporting, that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a pre-feasibility study.
indicated mineral resource	That part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of modifying factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation. An indicated mineral resource has a lower level of confidence than that applying to a measured mineral resource and may only be converted to a probable mineral reserve.
inferred mineral resource	That part of a mineral resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. An inferred mineral resource has a lower level of confidence than that applying to an indicated mineral resource and may not be converted to a mineral reserve. It is reasonably expected that the majority of inferred mineral resources could be upgraded to Indicated mineral resources with continued exploration.
measured mineral resource	That part of a mineral resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of modifying factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing and is sufficient to confirm geological and grade or quality continuity between points of observation. A measured mineral resource has a higher level of confidence than that applying to either an indicated mineral resource or an inferred mineral resource. It may be converted to a proven mineral reserve or to a probable mineral reserve.
mineral reserve	The economically mineable part of a measured and/or indicated mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of modifying factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. The reference point at which mineral reserves are defined, usually the point where the ore is delivered to the processing plant, must be stated. It is important that, in all situations where the reference point is different, such as for a saleable product, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported. The public disclosure of a mineral reserve must be demonstrated by a pre-feasibility study or feasibility study.

mineral resource	A concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade or quality, continuity and other geological characteristics of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling.
modifying factors	Considerations used to convert mineral resources to mineral reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.
pre-feasibility study	A comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the modifying factors and the evaluation of any other relevant factors which are sufficient for a Qualified Person, acting reasonably, to determine if all or part of the mineral resource may be converted to a mineral reserve at the time of reporting. A pre-feasibility study is at a lower confidence level than a feasibility study.
probable mineral reserve	The economically mineable part of an Indicated, and in some circumstances, a measured mineral resource. The confidence in the modifying factors applying to a probable mineral reserve is lower than that applying to a proven mineral reserve.
proven mineral reserve	The economically mineable part of a measured mineral resource. A proven mineral reserve implies a high degree of confidence in the modifying factors.

CAUTIONARY NOTE TO US INVESTORS REGARDING DISCLOSURE OF MINERAL RESERVE AND RESOURCE ESTIMATES

Disclosure regarding the Company's mineral properties, including with respect to mineral reserve and mineral resource estimates included in this Annual Information Form, was prepared in accordance with NI 43-101. NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. NI 43-101 differs significantly from the disclosure requirements of the SEC generally applicable to U.S. companies. Accordingly, information contained in this Annual Information Form is not comparable to similar information made public by U.S. companies reporting pursuant to SEC disclosure requirements.

CORPORATE STRUCTURE

Name, Address and Incorporation

The Company was incorporated on September 23, 1999 under the BCBCA. The Company completed the acquisition of PMI Gold Corporation ("PMI") on February 6, 2014 by way of a court approved plan of arrangement transaction. The Company changed its corporate name to Galiano Gold Inc. effective April 30, 2020.

The Company's primary asset is its interest in the JV, which operates the AGM, located on the Asankrangwa gold belt in Ghana.

The Company's common shares trade in Canada on the TSX and in the United States on the NYSE American, each under the symbol "GAU". The Company is a reporting issuer in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador, Northwest Territories, Yukon and Nunavut. The Company's common shares are registered under Section 12(b) of the Exchange Act.

The Company's registered and records office is located at Suite 2600, Three Bentall Centre, 595 Burrard Street, P.O. Box 49314, Vancouver, British Columbia, V7X 1L3. The Company's Canadian head office is located at Suite 1640 - 1066 West Hastings Street, Vancouver, British Columbia, V6E 3X1.

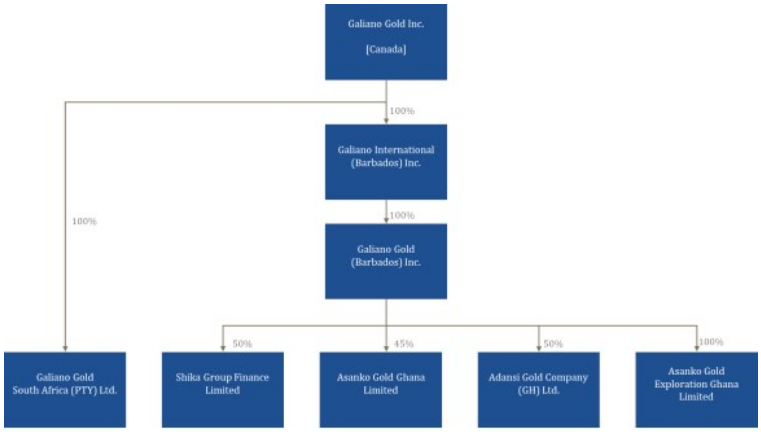
Inter-corporate Relationships

The Company had the following interests in affiliates and subsidiaries as at December 31, 2020:

Affiliate name	Jurisdiction	Interest
Asanko Gold Ghana Limited	Ghana	45%
Adansi Gold Company (GH) Limited	Ghana	50%
Asanko Gold Exploration (Ghana) Limited	Ghana	100%
Shika Group Finance Limited ("JV Finco")	Isle of Man	50%
Galiano Gold South Africa (PTY) Ltd.	South Africa	100%
Galiano International (Barbados) Inc.[1]	Barbados	100%
Galiano Gold (Barbados) Inc.[1]	Barbados	100%

1. Continued into the Isle of Man effective February 15, 2021

The Company's inter-corporate relationships with its subsidiaries and affiliates as at December 31, 2020 are illustrated in the chart below:



During 2020, the Company commenced a corporate simplification process whereby it migrated its two Barbados subsidiaries from Barbados to the Isle of Man by means of a continuation of these entities, effective February 15, 2021. In addition, the Company also initiated a process in 2020 whereby the majority of the Company's technical services has been systematically migrated from the Company's Johannesburg office to its Vancouver office, which was completed on February 28, 2021. Following this latter process, the Company expects to deregister its South African subsidiary. These simplifications are not expected to have material tax or financial consequences to shareholders, but are expected to result in some cost savings through elimination of redundant corporate entities and the institution of a more efficient corporate and management structure.

DESCRIPTION AND GENERAL DEVELOPMENT OF THE BUSINESS

Summary

The Company is Canadian-incorporated and headquartered. The Company's vision is focused on building a sustainable business capable of long-term value creation for its stakeholders through a combination of exploration, accretive acquisitions and the disciplined deployment of its financial resources.

The Company's principal asset is its interest in the JV, which owns the AGM located in Ghana, West Africa. The Company holds its 45% interest in the AGM through a 50:50 joint venture arrangement stemming from the completion of the JV Transaction . The Company is currently the operator and manager of the JV. The AGM is a multi-deposit complex, with two main deposits, Nkran and Esaase, and a number of satellite deposits. The mine has been developed in phases. The first phase comprised the construction of a 3 Mtpa CIL ore processing facility and bringing the first pit, Nkran, into production ("Phase 1"). Phase 1 was financed in part by the DSFA with Red Kite in the amount of $150.0 million plus $13.9 million in unpaid interest. Gold production commenced in January 2016, commencement of commercial production was declared on April 1, 2016, and the operation reached steady-state production levels by the end of the second quarter of 2016.

Fiscal 2018 (Year ended December 31, 2018)

In February 2018, the AGGL agreed to a new term sheet with Red Kite, whereby it would be able to defer the repayment of principal associated with the DSFA by up to three years (repayment commencing on July 1, 2021) subject to certain fees, terms and conditions.

The AGM received an amended Environmental Permit in June 2018 that allowed for the trucking of ore from Esaase to the Obotan processing plant.

On March 29, 2018, the Company entered into a combination agreement (the "Combination Agreement") and certain other definitive agreements whereby the Company and Gold Fields formed a joint venture for the AGM pursuant to which, among other things:

- the Company and Gold Fields would each own a 45% interest in AGGL, with the Government of Ghana retaining a 10% free-carried interest in AGGL;
- the Company and Gold Fields would each own a 50% interest in Adansi Gold Company Ghana Limited ("Adansi Ghana"), the Galiano affiliate that owns a number of exploration licenses; and
- the Company and Gold Fields would each acquire a 50% interest in a newly formed entity, Shika Group Finance Limited ("JV Finco").

In consideration for its interests in the JV, Gold Fields:

- contributed $165.0 million, representing its initial $164.9 million redeemable share investment in JV Finco, as well as its initial $0.1 million equity investments in AGGL, Adansi Ghana and JV Finco, respectively; and
- contributed an additional $20.0 million redeemable share investment to JV Finco based on an agreed Esaase development milestone during 2019. Once this contribution was received by JV Finco, it was repaid immediately to the Company as a redemption of $20.0 million of the redeemable preference shares held by the Company.

The JV Transaction was completed, and the JV formed, on July 31, 2018. Concurrent with the closing of the JV Transaction, AGGL used the consideration received from the JV Transaction to repay in full all outstanding principal and accrued interest ($163.9 million) owing to Red Kite. There were no early repayment penalties associated with the DSFA.

In addition to the $185.0 million contribution paid to the Company, Gold Fields purchased a 9.9% interest in the common shares of the Company via a private placement on April 4, 2018. Gold Fields purchased 22,354,657 common shares of the Company at $0.79 per common share, equal to the 5-day volume-weighted average price as of market close on March 27, 2018, for gross proceeds of $17.6 million.

In connection with the JV Transaction, the Company finalized the terms of the associated JVA that governs the management of the JV, in July 2018. Under the terms of the JVA, the Company remains the manager and operator of the JV and receives an arm's length fee for services rendered to the JV of $6.0 million per annum (pre-tax), adjusted annually for inflation. A Management Committee was formed, with equal representation from both Galiano and Gold Fields, to govern the operating and development activities of the JV.

The JVA therefore established joint control of the JV and, effective July 31, 2018, the Company no longer retains control of the AGM and its associated mineral properties. Because the JV is structured within the legal entities of AGGL and Adansi Ghana, the JV represents a joint venture as defined under IFRS 11 - Joint Arrangements, and the Company commenced equity accounting for its interest in the JV effective July 31, 2018. At this date, the Company derecognized all the assets and liabilities of its former Ghanaian subsidiaries, as well as the carrying amount of previously recognized non-controlling interests in AGGL. Conversely, the Company recognized the fair value of the consideration received from Gold Fields, as well as the fair value of the investment that the Company retained in the JV.

Under the terms of the Combination Agreement, the Company entered into a services agreement, registration rights agreement as well as the JVA and the Investor Rights Agreement, the material terms of which are summarized under "Material Contracts".

In conjunction with the JV Transaction, the Company also simplified its corporate structure by amalgamating Galiano and PMI (the latter which had been a subsidiary of Galiano since 2014).

During 2018, upgrades to the plant were completed and the JV also commissioned a secondary crushing system, allowing the AGM to achieve record annual milling rates of 5.2Mt. The JV also initiated the Western portion of the Nkran Cut 2 pushback and commenced with the initial development of the Esaase deposit, which included the completion of a 27km haul road, site establishment of the mining contractor and a mining bulk sample.

The AGM produced 223,152 ounces of gold, in excess of the top-end of its 2018 production guidance of 200,000 - 220,000 ounces at AISC/oz of $1,072 (the lower end of its 2018 cost guidance of $1,050 - $1,150 per ounce).

During the year ended December 31, 2018, the AGM sold 227,772 ounces of gold at an average realized gold price of $1,247/oz for total revenue of $283.9 million (including $0.9 million of by-product revenue and net of $1.1 million of gold sales related to pre-production activities at Esaase that were capitalized to mineral properties, plant and equipment).

Fiscal 2019 (Year ended December 31, 2019)

The Esaase bulk sample was completed in January 2019, following which a trial mining operation commenced which was restricted to day shift only, with minimal blasting, and the material being trucked to the processing facility via the haul road.

Effective April 1, 2019, Mr. Greg McCunn joined the Galiano management team as Chief Executive Officer and Director.

In August 2019, the JV partners announced the scope of the new LOM plan that was being updated by the JV partners. The LOM plan would:

- target a remaining mine life of 8-10 years with gold production of 225,000 to 250,000 ounces per year;
- contemplate resources based on Localized Uniform Conditioning methodology;
- be based on NI 43-101 standards and consistent with Gold Field's operating practices;
- be based on Measured and Indicated Mineral Resources using Datamine Mine Stope Optimization software;
- not include any major development capital investments such as further processing plant expansions or alternative Esaase ore transportation infrastructure; and

- be based on metallurgical recovery estimates for Esaase fresh ore based on an updated metallurgical model, which would in turn be based on a test-work program currently underway.

On August 29, 2019, the Company received the first of two $10.0 million remaining payments from Gold Fields related to the JV Transaction.

The Nkran Cut 2 pushback was completed in Q4 2019, however, an upper bench slippage occurred in the western wall of the Nkran pit which resulted in a higher reliance on the processing of lower-grade ore from stockpiles and the Esaase pits. This contributed to AISC for the year of $1,112/oz being 5% higher than guidance.

The AGM produced a record 251,044 ounces for the year ended December 31, 2019, exceeding the upper end of 2019 production guidance of 225,000-245,000 ounces.

During the year ended December 31, 2019, the AGM sold 248,862 ounces of gold at an average realized gold price of $1,376/oz for proceeds of $342.4 million. Revenues of $341.0 million also included $0.8 million of by-product revenue and were presented net of $2.2 million of gold sales related to pre-production activities at Esaase that were capitalized to mineral properties, plant and equipment.

Work associated with the resettlement of the Tetrem village commenced.

In October 2019, the JV entered into a $30.0 million Revolving Credit Facility ("RCF") with Rand Merchant Bank ("RMB"). The term of the RCF is three years, maturing in September 2022 and bears interest on a sliding scale of between LIBOR plus a margin of 4% and LIBOR plus a margin of 3.8%, depending on security granted to RMB. Commitment fees in respect of the undrawn portion of the RCF are on a similar sliding scale of between 1.40% and 1.33%. As at December 31, 2019, the drawn balance under the RCF was $nil.

On October 24, 2019, the Company announced that Ms. Judith Mosely would join the Company's Board effective January 1, 2020. The Company subsequently announced that Mr. Bill Smart resigned from the Board effective December 31, 2019, with Ms. Mosely replacing Mr. Smart on the Company's Board.

On November 12, 2019, the Company received approval from the TSX to commence a NCIB on November 15, 2019 to purchase up to 11,310,386 common shares, representing 5% of the Company's issued and outstanding common shares on the date thereof. During Q4 2019, the Company repurchased and cancelled a total of 1,108,920 common shares under the NCIB program for $1.0 million (average acquisition price of $0.86 per share).

On December 19, 2019, the Company received the final of two $10.0 million payments from Gold Fields based on the achievement of the agreed Esaase development milestone and an additional $10.0 million distribution from the JV. These payments were recorded as redemptions of the previously recognized preference shares.

Following the completion of the work associated with the life-of-mine update, the Company published the 2020 LOM Plan. In light of the results of the 2020 LOM Plan, the Company determined that as at December 31, 2019 the carrying value of the AGM's single cash-generating unit was $289.6 million greater than its recoverable amount. Based on this assessment, a $289.6 million impairment was recorded against the non-current assets of the AGM during the year ended December 31, 2019, of which the Company recognized its interest of $130.3 million (or 45% of $289.6 million) as part of the Company's share of the net loss related to joint venture.

Fiscal 2020 (Year ended December 31, 2020)

During the first half of 2020, Cut 2 of the higher-grade Nkran deposit was depleted as planned and operations at the AGM shifted to Esaase and Akwasiso as the main ore sources.

The higher-grade yield from Nkran, combined with the supportive gold price environment prevailing in 2020, allowed the JV to return $75.0 million to the JV partners ($37.5 million to each of Galiano and Gold Fields, respectively).

During 2020, the Company also announced its focused exploration strategy for the AGM, aimed at improving the JV's five-year business plan. This includes:

1. Near term - to replace depletion from mining activity in 2020 and 2021.

   Five advanced targets are believed by management to have the potential to replace depletion in 2020-2021:

   - Nkran South - located 1.3km south of the Nkran pit, previously mined, targeting extensions to mineralization identified in soil and Versatile Time Domain Electromagnetic ("VTEM") geochemistry anomalies.
   - Akwasiso - located 5km northeast of the processing plant, currently being mined, targeting extensions of the ore body to the north and south as well as upgrading of inferred resources.
   - Abore - located 13km north of the processing plant on the Esaase haul road, current mineral reserves, targeting upgrading of inferred resources and extensions to the ore body to the north and south.
   - Midras South - located 5km south west of the processing plant, previously explored in 2015 and 2017 with no stated resources, targeting definition of the ore body as well as extensions to the south and at depth.
   - Adubiaso - located 5km northwest of the processing plant, previously mined, targeting upgrading of inferred resources.

2. Medium term - to improve the business plan for 2023 to 2026 by delineating Mineral Reserves by the end of 2022 that have superior economics (return on invested capital) to Cut 3 at Nkran.

   Four high priority targets that are in close proximity to the processing plant and are believed by management to be capable of being augmented into the mine plan from 2023.

- Miradani Central - located along trend and approximately 2km southwest of Tontokrom, previous trenching by the prior operator indicates multiple wide zones of mineralization.
- Kaniago West - located 6km northwest of the processing plant, a 5,000 meter drill program was completed by the previous operator. The current program will be targeting resource definition of the target with extensions along strike and at depth.
- Mepease - located 8km southwest of the processing plant, newly acquired Central West concessions host a cluster of targets with a 10,000 meter drill program underway by current operator.
- Mirdani North - located 10km southwest of the processing plant, drilled in 2019. Prior small scale mining operations have left a shallow pit, approximately 400m x 150m with known mineralization extending at depth and along strike.

3. To advance exploration targets with +1 million ounce potential to be in production by 2027 to replace Esaase. The current conceptual targets are on prospecting licenses and will require extensive work including soil sampling, ground geophysics and drilling.

In accordance with this strategy, during 2020, the Company completed exploration programs at Abore, Nkran Cut 3, Akwasiso and Miradani North. For more details on the exploration results from the programs undertaken in 2020 please refer to the MD&A for the year ended December 31, 2020.

On April 30, 2020, Paul Wright was appointed as Chair of the Board, following the resignation of Colin Steyn.

On April 30, 2020, the shareholders of the Company approved amendments to the Company's Articles of Incorporation, including a name change from Asanko Gold Inc. to Galiano Gold Inc., and on May 4, 2020, the Company commenced trading under the symbol "GAU" on both the TSX and the NYSE American.

During Q2 2020, the Company filed a preliminary base shelf prospectus and subsequently filed a prospectus supplement qualifying an at-the-market offering ("ATM") of up to $50 million.

On July 30, 2020, the Company's then Executive Vice President and Chief Operating Officer, Mr. Joe Zvaipa passed away from complications related to COVID-19.

On August 17, 2020, the Company announced that Mr. Matt Badylak had been appointed Executive Vice President and Chief Operating Officer. Mr. Badylak is based in the Company's head office in Vancouver. Following the appointment of Mr. Badylak, the Company initiated a process whereby the majority of the Company's technical services have been systematically migrated from the Company's Johannesburg office to Vancouver, which completed on Feb 28, 2021.

During 2020, the Company repurchased and cancelled 2,758,063 common shares for $2.3 million (average acquisition price of $0.83 per share) under the NCIB program that was initiated in 2019. Additionally, the Company entered into an ATM agreement, under which, the Company may, at its discretion and from time-to-time during the term of the ATM agreement, sell through the Agents common shares of the Company for aggregate gross proceeds to the Company of up to $50.0 million (the “Offering”). As of December 31, 2020, the Company had not issued any common shares under the Offering.

During 2020, the AGM produced 249,904 ounces of gold, exceeding the upper end of 2020 production guidance of 225,000-245,000 ounces, at a AISC/oz of $1,115 (below revised guidance as of Q3 2020 of $1,150/oz).

During the year ended December 31, 2020, the AGM sold 243,807 ounces of gold at an average realized gold price of $1,711/oz for gold proceeds of $417.2 million. Revenues of $418.1 million also included $0.9 million of by-product revenue.

COVID-19

During 2020, the global COVID-19 pandemic emerged that had various impacts on the Company's business. The JV continued to operate in all material respects with strict hygiene, deep cleaning, restriction of personnel movement, ongoing monitoring and physical distancing protocols in place in accordance with the Ghanaian Ministry of Health Guidelines. The AGM established additional protocols and procedures to manage any confirmed cases of COVID-19, including contact tracing, rapid testing and isolation of affected persons. The AGM procured a polymerase chain reaction ("PCR") testing machine capable of processing up to 40 samples per day which is in the process of being certified by the Ghana health authorities. Additionally, on-site accommodations were modified to isolate infected and suspected-to-be-infected individuals, limiting on-site cross contamination and expediting return to work timelines. As a result, though there were several confirmed cases of COVID-19 among the operational personnel at the AGM (mostly asymptomatic), to date the AGM's operations have been able to continue uninterrupted in all material respects with the majority of confirmed cases cleared and those employees resuming normal duties after completing a two-week regulatory isolation. The Company's offices in Vancouver and Accra are observing local regulations and open with restrictions and protocols in place. The Company's Johannesburg office was closed in February 2021.

The AGM also stockpiled key reagents, consumables, critical spares and diesel supply. The AGM's primary refiner, based in South Africa, continues to receive shipments and refine gold doré from the AGM.

Ongoing work associated with updating Mineral Resource and Reserve Estimates and Life of Mine Plan

During the year, a decision was made to extend mining activities in certain pits beyond the boundaries of the original pit designs contemplated in the 2020 LOM Plan to take advantage of elevated commodity prices and provide additional reserve flexibility in the future operations of those pits. In light of these operational changes and in order to incorporate the results of the 2020 exploration program, the Company and its JV partner are currently in the process of preparing a new LOM plan and undertaking other technical work at the AGM, which it expects will be included in an updated Mineral Resource and Reserve Estimate with an anticipated effective date of June 30, 2021. The JV has not yet finalized this technical work or the new LOM plan and, once finalized, the LOM plan (and the updated Mineral Resource and Reserve Estimate) may include changes to the assumptions, estimates, parameters and plans reflected in the AGM's current LOM plan including, but not limited to, changes to the current estimates of in-situ ounces, ore tonnes to be mined in future periods, strip ratios, head grades, recovery rates, gold price assumptions, mining costs, processing costs, trucking costs, capital and closure costs, as well as discount rates. Changes to any of these factors may result in negative impacts on the project economics of the AGM, which may impact the Company's equity investment in the JV and the valuation of its preferred shares in the JV. Changes in the new LOM plan from the current LOM plan in a manner that reduces the economic benefit to the Company of its interest in the AGM, including reductions in net present values and internal rates of return, could materially impact the Company's future financial performance.

Specialized Skill and Knowledge

Various aspects of the mining business of the JV and Company require specialized skills and knowledge, including skills and knowledge in the areas of permitting, geology, drilling, metallurgy, logistical planning, mine design, engineering, construction, health and safety and implementation of exploration programs as well as finance, governance, risk management and accounting. Much of the specialized skill and knowledge is provided by the management and operations team of the Company and JV. The JV and Company also retains outside consultants with additional specialized skills and knowledge, as required. In the event that the Company loses access to this specialized skill and knowledge, it is possible that delays and increased costs may be experienced by the JV and the Company in locating and/or retaining skilled and knowledgeable employees and consultants in order to proceed with its planned exploration and development at its mineral properties.

Competitive Conditions

Galiano and the JV compete with other mineral resource companies for financing, for the acquisition of new mineral properties, for the recruitment and retention of qualified employees and other personnel, as well as operating supplies. Many of the mineral resource companies with which Galiano and the JV compete have greater financial and technical resources. Accordingly, these competitors may be able to spend greater amounts on acquisitions of mineral properties of merit, on exploration of their mineral properties and on development of their mineral properties. In addition, they may be able to afford more geological expertise in the targeting and exploration of mineral properties. This competition could result in competitors having mineral properties of greater quality and interest to prospective investors who may finance additional exploration and development.

Cycles

The mining business is subject to mineral price cycles. The marketability of minerals is also affected by worldwide economic cycles. At the present time, the significant demand for minerals in many countries is driving commodity prices, but it is difficult to assess how long such demand may continue. Fluctuations in supply and demand in various regions throughout the world are common.

The JV's revenues may be significantly affected by changes in commodity demand and prices. The ability of the JV to fund ongoing exploration and development is impacted by the sale of gold produced by the mine and the proceeds of such sales. As market fluctuations affect the price of gold, proceeds from the sale of the gold produced by the JV can be affected accordingly. As well, the ability of the JV and Company to continue development, exploration and increased production is affected by the availability of financing which, in turn, is affected by the strength of the economy and other general economic factors.

Economic Dependence

In connection with the JV Transaction, the Company entered into a services agreement with the JV whereby the Company will remain manager and operator of the AGM. In consideration for the Company's services as manager and operator, the JV pays the Company an annual service fee of $6.2 million (adjusted annually for inflation). Other than the JV service fee, the Company has no current direct sources of revenue and any free cash flows generated by the AGM are no longer within the Company's exclusive control as the disposition of cash from the JV is governed by the JVA. The JVA provides that "Distributable Cash" will be calculated and distributed quarterly, if available. Further information regarding the definition of "Distributable Cash" is included in the section "Control of AGM cash flows and Operation through a Joint Venture".

Environmental Protection

The JV's properties are subject to stringent laws and regulations governing environmental quality. Such laws and regulations can increase the cost of planning, designing, installing and operating facilities on the JV's properties. However, it is anticipated that, absent the occurrence of an extraordinary event, compliance with existing laws and regulations governing the release of emissions in the environment or otherwise relating to the protection of the environment, will not have a material effect upon the JV's current operations, capital expenditures, earnings or competitive position.

Employees

At December 31, 2020, the JV had approximately 510 full-time employees workers and 19 temporary workers employed across its site operations and corporate and regional offices. At the same time, the Company had approximately 20 full-time employees employed across its corporate and regional offices.

Foreign Operations

All of the JV's mine development operations are currently conducted in Ghana, a foreign jurisdiction, and as such, the JV's operations are exposed to various levels of political, economic and other such risks and uncertainties such as: military repression; extreme fluctuations in currency exchange rates; high rates of inflation; labour unrest; war or civil unrest; expropriation and nationalization; renegotiation or nullification of existing concessions, licenses, permits and contracts; illegal mining; changes in taxation policies; restrictions on foreign exchange and repatriation; changes to export regulations and changing political conditions, currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

In the past, Ghana has been subject to political instability, changes and uncertainties, which if such instability were to recur, may cause changes to existing governmental regulations affecting mineral exploration and mining activities. Furthermore, Ghana's status as a developing country may make it more difficult for the JV or the Company to obtain any required financing for its projects.

The JV's operations and properties are subject to a variety of governmental regulations governing worker health and safety, employment standards, waste disposal, protection of historic and archaeological sites, mine development, protection of endangered and protected species and other matters.

The JV's mineral exploration and development activities in Ghana may be adversely affected in varying degrees by changing government regulations relating to the mining industry or shifts in political conditions that increase the costs related to the JV's activities or the maintenance of its properties.

Changes, if any, in mining or investment policies or shifts in political attitude may adversely affect the operations and financial condition of the JV and the Company. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income and other taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety.

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.

The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the operations and financial condition of the JV and the Company. Future changes in applicable laws and regulations or changes in their enforcement or regulatory interpretation could negatively impact current or planned exploration and development activities on the AGM or in respect of any other projects in which the JV or the Company becomes involved. Any failure to comply with applicable laws and regulations, even if inadvertent, could result in the interruption of exploration and development operations or material fines, penalties or other liabilities.

Free Carried Interest to the Ghanaian Government

Section 43.1 of the Ghanaian Mining Act (Government Participation in Mining Lease) provides: *Where a mineral right is for mining or exploitation, the Government shall acquire a ten percent free carried interest in the rights and obligations of the mineral operations in respect of which financial contribution shall not be paid by Government.*

In order to achieve this legislative objective, 10% of the common shares of AGGL, the Company's Ghanaian affiliate which owns the Obotan and Esaase properties, have been issued into the name of the Government of Ghana. The government has a nominee on the Board of the JV. There is no shareholder agreement between AGGL and any of its shareholders and the 10% ownership stake of the Government of Ghana represents a capital non-contributing interest where the Ghanaian Government is entitled to 10% of declared dividends from the net profit of AGGL, but does not have to contribute to its capital investment (but does in effect suffer its share of operating losses which need to be recovered before dividends accrue). The Government of Ghana is not a party to nor subject to any JV agreements between the Company and Gold Fields.

Ghanaian Mining Royalties and Taxes

On March 19, 2010, the government of Ghana amended section 25 of the Ghanaian Mining Act which stipulates the royalty rates on mineral extraction payable by mining companies in Ghana. The Ghanaian Mining Act now requires the holder of a mining lease, restricted mining lease, or small-scale mining license to pay a royalty in respect of minerals obtained from its mining operations to Ghana at the rate of 5% of the total revenue earned from minerals obtained by the holder.

Changes to the Ghanaian tax system were announced and substantively enacted during the year ended March 31, 2012. Corporate tax rates rose from 25% to 35% and capital deductions were reduced from an 80% deduction in year one to a straight-line depreciation of 20% per year over 5 years. Tax losses in Ghana are carried forward for up to 5 years, and to the extent they are not utilised within 5 years, they expire.

Effective August 1, 2018, the Ghanaian government introduced a non-refundable 5% levy on goods and services that attract VAT.

Changes that may give rise to increased exposure to tax expense, could affect the amount of “Distributable Cash” available to the JV partners, as defined and governed by the JVA (refer to “Control of AGM cash flows and Operation through a Joint Venture”).

Sustainability

The JV believes that a comprehensive sustainability program is integral to meeting its strategic objectives as it will assist the JV to positively support relationships with its stakeholders, improve its risk management, reduce the AGM’s cost of production and both directly and indirectly benefit the communities that the JV and the Company operate in, beyond the life of the JV’s mines. During 2020, in order to enhance the Company’s focus on sustainability, the Company appointed Todd Romaine as EVP Sustainability, and reconstituted a Board committee to focus in this area, with Judith Mosely as Chair.

The approach of the JV to its sustainability program is based on the following principles:

- Complying with its corporate governance principles, national and international laws, industry codes and being a responsible corporate citizen.
- Mitigating its impact on the environment, for example by use of an Independent Tailings Review Panel.

- Maintaining a high-level Health and Safety performance.
- Actively identifying opportunities to make a positive and meaningful contribution to the communities that the JV operates in beyond the life of the JV's mines.
- Contributing to the economic and social development of the JV's host country.
- Developing its employees.
- Adhering to the values of the JV and the Company and demonstrating them in its behavior.

The JV follows guidelines with respect to its approach on sustainability:

- Embrace the Global Reporting Initiative in the Sustainability reporting of the Company and the JV.
- Work to align the JV's business with selected United Nations Sustainable Development Goals
- Regularly engage with stakeholders and take into consideration their perspectives, concerns, customs and cultural heritage before acting.
- Work closely with landowners prior to commencing activities on the ground, and negotiate fair compensation for such activities where appropriate.
- Hire and develop local, regional and national residents and use goods and services from the JV's local communities wherever possible, without compromising the JV's quality and efficiency standards.
- Uphold fundamental human rights and do not interfere or take sides in politics or social issues.
- Work with unified local committees to identify and prioritize community development projects intended to promote long-lasting livelihood improvements.
- Do not tolerate any unethical behavior by any stakeholder involved in the JV's business.

Social and Environmental Policies

The Company published its 2019 annual sustainability report on July 17, 2020. This report summarized the JV's performance highlights in the areas of health and safety, environmental stewardship, climate change adaptation, governance, human rights, contributing to community, our people, and stakeholder engagement. The report outlines the JV's sustainability goals at the AGM for 2020, some of which were impacted by COVID-19. The report is available on the Company's website at www.galianogold.com and has also been distributed electronically to local and national stakeholders in Ghana.

The JV supports a number of socio-economic development programs in its stakeholder communities. Some the initiatives undertaken in FY 2020 included:

- Completion of training and the development of an operational manual for the Board of Trustees overseeing a local foundation which will complement existing community investment programs.
- Completion of a new hospital at Esaase with donations of medicine and supplies.
- A proactive approach to support stakeholder communities as the COVID-19 pandemic evolved. This included working closely with the regional health care providers and donating hygiene and personal protective equipment.

The Company has various feedback mechanisms in place at the AGM and the stakeholder communities which enable the JV's workforce, local residents, other groups and individuals to come forward to raise issues of concern. These concerns are then fully investigated by the JV and subsequently addressed.

The AGM became a signatory to the International Cyanide Management Code for the Manufacture, Transport and Use of Cyanide in the Production of Gold during Q2 2020 and completed the external certification process in Q1 2021. The JV has commenced its community plastic recycling program and waste segregation on-site has commenced. A greenhouse gas baseline audit was completed during the year, allowing the JV to continuously strive to improve energy efficiency at the AGM.

Community Investment Initiative

On December 6, 2016, the Company announced that the AGM had been awarded the Ghana Mining Industry Awards 2016 Corporate Social Investment Project of the Year, for the OCCU initiative. The OCCU aims to increase access to financial capital and other financial services to assist small businesses address the challenge of access to credit and to support the development of economic growth in and around the AGM catchment area. The OCCU was launched in December 2015, before the AGM had poured first gold, and now has over 2,000 members, with 54% of them being women. The OCCU is sponsored by the JV and the German government-backed development organization, Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH, and is also an affiliate member of the Credit Union Association of Ghana.

Environmental Policy

Galiano and the JV work diligently to provide safe, responsible and profitable operations whilst ensuring sustainable natural resources development for the benefit of its employees, shareholders and host communities. The Company and the JV also work diligently to protect and conserve the natural environment for future generations.

In adopting the following principles, the JV intends to drive continuous improvement and excellence in environmental performance:

- The JV will communicate its commitment to excellence in environmental performance to its employees, contractors, government agencies and the community.
- The JV will comply with host country laws and regulations, and will augment these with appropriate international guidelines and best practice environmental management.
- The JV will allocate the necessary resources to ensure it meets its reclamation and environmental obligations.
- The JV strives to prevent pollution of air, land and water, and will implement appropriate waste management practices.

- The JV strives to be energy efficient as well as pursue for opportunities for renewable energy sources .
- The JV will explore opportunities with government agencies and communities to remediate and mitigate historic mining impacts on acquired properties.
- The JV will develop and utilize an Environmental Management System that ensures prioritization, planning, implementation, monitoring, review and transparent reporting.
- The JV will routinely set and review environmental targets and performance for each project and report on progress to its employees, shareholders, government agencies and the community.

MINERAL PROPERTIES

The Asanko Gold Mine

The AGM is operated in a 50:50 joint venture with Gold Fields, however, all amounts and descriptions within this "Mineral Properties" section as they relate to the AGM are on a 100% basis, unless otherwise indicated.

Investors are cautioned that the MRE and MRev included below have not been adjusted to take into account production since the effective date of the 2020 LOM Plan (being December 31, 2019). In addition, it is anticipated that the ongoing work associated with updating the MRE and MRev may result in further changes to the MRE and MRev included below, see section *"Ongoing work associated with updating Mineral Resource and Reserve Estimates and Life of Mine Plan"*.

The following is a summary description of the project known as the AGM and is a direct extract and reproduction of the summary, without material modification, contained in the 2020 LOM Plan. The 2020 LOM Plan was prepared on behalf of Galiano by Snowden Mining Industry Consultants Pty Limited ("Snowden") and each of the following Qualified Persons:

- Malcolm Titley and Jonathan Hudson of CSA Global (UK) Ltd ("CSA Global")
- Glenn Bezuidenhout of DRA Global ("DRA Global")
- Fanie Coetzee of ABS Africa (Pty) Ltd ("ABS Africa")
- Godknows Njowa of Ernst & Young Advisory Services (Pty) Ltd ("EY")
- Jeff Coffin of Knight Piésold Ghana ("Knight Piésold")
- Jeffrey Stevens of Wood Mining South Africa (Pty) Ltd. ("Wood"); and
- Desmond Mossop of SRK (South Africa) (Pty) Ltd ("SRK")

Each of the above individuals are independent Qualified Persons in accordance with NI 43-101. In addition, Mike Begg, former Senior Vice President Technical Services of Galiano is a Qualified Person in accordance with NI 43-101.

The AGM was originally intended to be developed in two phases, with the first phase being largely based on the Obotan Project originally owned by PMI. It was envisioned by the Company that the Esaase pit would be assessed for development in a second phase. The construction of the first phase was completed in early 2016. Gold production commenced in January 2016, commercial production was declared on April 1, 2016, and the operation reached steady-state production levels by the end of the second quarter of 2016. The second phase entailed increasing the processing capacity of the Obotan processing plant to 5Mtpa, which was completed in 2018, and the initial development of the Esaase deposit. Ore from Esaase is trucked via a haul road from Esaase to Obotan. This haul road was initially considered a temporary haul road as the JV's plans at the time contemplated that the Esaase deposit would be connected to the Obotan processing plant by means of a 27-km conveyor belt. However, in keeping with the revised scope of the LOM plan (as previously discussed), the ore transportation solution (from Esaase to Obotan) was modified and the 2020 LOM Plan was based on a continuous trucking operation from Esaase to Obotan, subject to certain upgrades to the existing haul road.

All amounts for MRE and MRev and project economics, including NPV are presented for the AGM as a whole (100% basis), without adjustment for the Company's ownership in the JV.

All defined terms used in the summary below have the meaning ascribed to them in the 2020 LOM Plan, and as a result may differ from the defined terms used elsewhere throughout this AIF. The below summary is subject to all the assumptions, qualifications and procedures set out in the 2020 LOM Plan and is qualified in its entirety with reference to the full text of the 2020 LOM Plan, which is incorporated herein by reference, and which was originally filed on March 17, 2020, and is available for review under the Company's profile at www.sedar.com.

Project Description, Location and Access

The AGM concessions, the Obotan and Esaase project areas, are located in the Amansie West District of the Ashanti Region of Ghana, West Africa (Figure 1-1). The project is operated as a 50:50 joint venture between the Company and Gold Fields (each holding a 45% economic interest, respectively), while the Government of Ghana has a 10% free carried interest in AGGL under Section 8 of the Ghanaian Mining Act.

The JV holds seven mining leases (Table 1-1), as well as prospecting and reconnaissance licenses, which collectively make up the AGM and span 30 km strike length of the Asankrangwa Gold Belt. The mining lease concessions cover an area of approximately 213.2 km^2, between latitudes 6° 11' 54.985" N and 6° 35' 33.074" N, and longitudes 2° 4' 59.195" W and 1° 51' 25.040" W.

The Esaase, Abore, Abirem, and Adubea Mining Leases contain all of the mineral resources defined to date. All other concessions held by the JV in the area contain exploration potential defined to date and, in some instances, locations for infrastructure. The Ghanaian EPA grants permits on a perennial basis to conduct exploration. With respect to the AGM concession areas, all permitting within the aforementioned governmental permitting structure is up to date and accounted for.

Figure 1-1 The AGM Location and location of the various tenements making up the AGM (Source: 2020 LOM Plan)

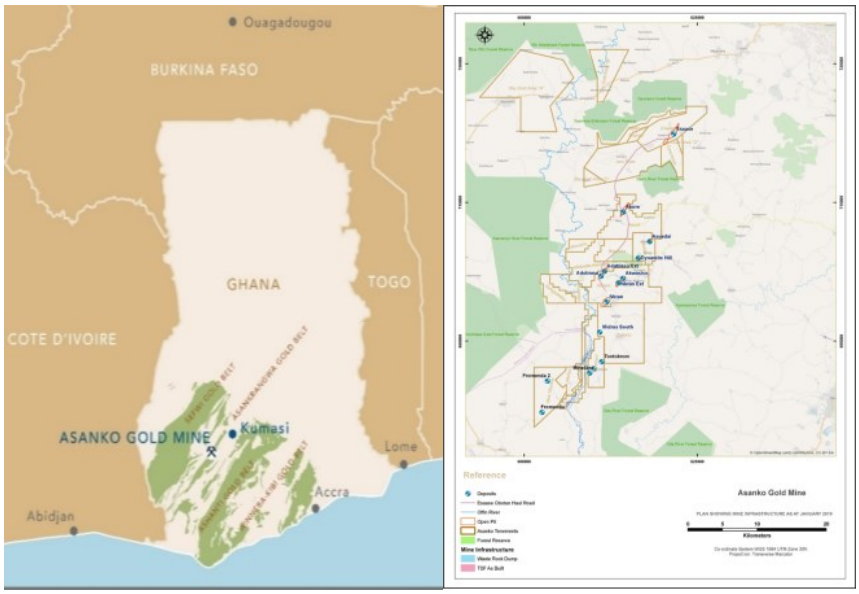


Table 1-1: The Asanko Gold Mine Mining Licenses (Source: 2020 LOM Plan)

Tenement name	Licence Category	100% owned title holder	Minerals Commission file	Status of licence/expiration date	Area Km²
Datano	Mining Lease	AGGL - 100%	PL 6/32/Vol 3	Valid-ML 5/2030	53.78
Abore	Mining Lease	AGGL - 100%	PL 6/303	Valid-ML 7/2031	28.47
Abirem	Mining Lease	AGGL - 100%	PL 6/303	Valid-ML 3/2026	47.13
Adubea	Mining Lease	AGGL - 100%	PL 6/310	Valid-ML 7/2028	13.38
Esaase	Mining Lease	AGGL - 100%	PL 6/8/Vol.8	Valid-ML renewal*	27.03
Jeni River	Mining Lease	AGGL - 100%	RL 6/21	Valid-ML renewal*	43.41
Miradani	Mining Lease	AGGL - 100%	RL 6/122	Valid-ML 5/2025	14.98

*Note: * Renewal applications have been submitted for the Esaase and Jeni River mining leases and Galiano does not foresee any complications with the renewal process*

All concessions carry a 10% free-carried interest in favour of the Ghanaian government. The government interest is reflected in a 10% ownership of AGGL, and the government has a right to 10% of any dividends paid by the subsidiary. The leases are also subject to a 5% royalty on the value of metals sold payable to the government of Ghana. In addition, the Adubea concession is subject to an additional 0.5% royalty to the original concession owner. The Esaase mining lease is subject to an additional 0.5% royalty to the Bonte Liquidation Committee. The Akwasiso pit on the Abirem mining lease is also subject to an additional 2% NSR royalty payable to the original concession owner.

There is no environmental liability held over Galiano for any of the AGM concessions relating to the Obotan project area, with the exception of project works to date. There is a potential environmental liability on the AGM's Jeni River concession which was inherited with the acquisition of the Esaase concession.

Accessibility, Climate, Infrastructure and Physiography

The AGM concessions are located in the Amansie West district of the Ashanti region of Ghana, approximately 250 km northwest of the capital Accra, and about 50 to 80 km southwest of the regional capital of Kumasi.

Mining personnel are readily available in Ghana with a highly skilled workforce and numerous mining operations in the country.

There are daily flights from Accra to Kumasi flown by several different airlines. In addition, there is a small airstrip located adjacent to the Obotan project site infrastructure west of the Nkran village, which is used by the AGM to transport staff and service providers to and from Accra. Existing road access to the site is available from the west, south and east, but the main access used are from the ports of Tema and Takoradi to the south via Kumasi, or Obuasi. Total distance from Tema to the project site via Kumasi is approximately 400 km.

The AGM is located in hilly terrain dissected by broad, flat drainages that typically form swamps in the wet season between May and late October. Hill tops are generally at very similar elevations, reflecting the elevation of a previous erosional peneplane that is now extensively eroded. Maximum elevations are around 80m above sea level, but the areas impacted by the AGM deposits generally lie at less than 50m elevation. Despite the subdued topography, hill slopes are typically steep. Ecologically the AGM area is situated in the wet evergreen forest zone.

Project Infrastructure

Current site infrastructure consists of:

- an administration block, training facilities, exploration offices, core storage area, clinic and laboratory
- senior and junior accommodation facilities located to the west of the Obotan mine
- an exploration camp and office at Esaase
- an established mining operation at Obotan and Esaase with various structures like offices, stores, workshops and fuel storage facilities
- a Carbon-in-leach ("CIL") Plant at Obotan with various structures like offices, stores, workshops and reagent buildings
- a TSF
- the haul road from Esaase to Obotan
- Multiple boreholes sunk for water supply
- a 161-kV incoming power line fed from the Asawinso sub-station
- Communications currently available at the site are good due to the erection of an additional Vodafone tower at the Obotan camp.

History

Gold rushes in the area occurred in 1898 to 1901 and again in the 1930s. Most of the AGM concessions, however, have no record of the work undertaken on the properties for this period. Interest in the area was renewed in the early 1990s mainly because of the successful exploration work carried out on the adjacent concession where the Nkran deposit is located.

Table 1-2 below summarises the extent of the exploration activities and developments per project area relevant to the current MRE. All of the Mineral Resources of the AGM were remodelled in 2019.

Table 1-2 Summary of historical exploration and development per deposit

Period	Workings
Nkran	
Historical	Alluvial and elluvial gold artisanal gold mining occurred which extended for ±610m in a northeast-southwest direction. European settlers worked the deposits - adits and drives extended 80m into the hill on site of old native workings.
1980s	Limited exploration work was undertaken with minor attention paid to the alluvial gold potential.
1990-1995	Exploration focused on known prospects at Nkran deposit (formerly known as Jabokassie). Regional soil geochemical survey was carried out that identified numerous anomalies around Nkran. Early reverse circulation ("RC") drilling phase yielded encouraging results over wide zone of bedrock mineralisation, extending along strike for 600m. The broad, low-lying Nkran had relief of only about 40m with oxidation extending to depths of 40m.
1995	Additional diamond drill hole ("DDH"), RC, RC with diamond tail ("RCD") drilling was completed. Mineral Resources (Measured, Indicated and Inferred classes) were estimated and reported. A feasibility study was completed, and mining lease was granted.
1996	Combined interests of Kiwi International Resources and Associated Gold Fields NL bought out by Resolute Mining Limited ("Resolute") who immediately reviewed and expanded the project scope. Further RC and DDH drilling was conducted over 74,168m to increase Mineral Resources to a depth of 150m at Nkran and to further assess the known mineralisation at nearby Adubiaso.
July 1996	A revised mine development plan was completed with a decision to proceed into production at a rate of 1.4Mtpa.
Early 1997	Initial mining commenced, and further exploration drilling continued.
May 1997	First gold poured.
1998-2000	Additional DDH, RC, RCD holes drilled.
2001	The Nkran mine was closed due to low gold price having produced 590,743 oz Au at an average grade of 2.35 g/t Au.
2002	Intensive exploration was undertaken.
2011	PMI carried out a 5km² Induced Potential ground geophysical survey. PMI also completed a versatile time-domain electromagnetic ("VTEM") and magnetic survey centered over the Nkran pit.
2015-2016	Nkran mine was dewatered and re-opened by AGGL as a deeper opencast operation.
2016-current	Open pit production. Construction and expansion of plant to circa 5Mtpa
Esaase	
Historical	Artisanal mining occurred in the Bonte Area associated with the Ashanti Kingdom.
1900-1939	Workings by European settlers are evidenced by old adits - no documented records remain.
1966-1967	Drilling was conducted on the Bonte River valley alluvial sediments to determine alluvial gold potential - no information is available.
1990	The Bonte mining lease was granted to Akrokerri-Ashanti Gold Mines and later transferred to Bonte Gold Mines Limited.
1990-2002	Approximately 200,000 oz of alluvial gold was recovered on Esaase concession and 300,000 oz downstream on Jeni River concession.
2006-2013	Keegan Resources Inc. ("Keegan") consolidated further concessions. Intensive exploration was carried out including geophysics (airborne VTEM - 2,266 line-km), soil geochemistry (>4,000 samples) and exploration drilling. Drilling included 112 DDH over 25,190m, 40 down-the-hole drills over 2,692m, 667 RC holes over 106,854m and 321 RC with RCD holes over 100,102m.
2013-2018	AGGL continued extensive exploration in order to update the Mineral Resources. 2018 included 43,383m of re-logging and 4,992m infill RC drilling.
Dec 2018-current	Open pit production.

Nkran Extension Project area	
Historical	No known historical exploration or mining activity.
1997-current	Exploration on north-eastern extension of Nkran structure delineated a number of mineralised zones - Akwasiso and Nkran Extension have all been drilled (2016) to Indicated Mineral Resource classification.
Akwasiso	
1996-2000	Exploration programs including 145 RC holes over 5,088m and 32 DDH holes over 9,489m to delineate the target.
2001	Artisanal miners mined oxides. 6 DDH holes drilled (1,826m).
2014-2018	Exploration continued with purpose of refining the Mineral Resource. Drilling undertaken included RC holes over 6,256m, 25 DDH holes over 5,499m and RCD holes over 6,619m.
2017	Open pit operations commenced.
Abore	
Historical	Alluvial and elluvial artisanal gold mining.
1990-1998	Mutual Resources and Leo Shield Exploration initiated a regional exploration program (73km²) including soil geochemistry and trenching. Soil geochemistry revealed a strong north-north-east trending gold anomaly over the area of artisanal mining (bedrock areas); the anomaly is several hundred metres wide and traceable along strike for about 3km, well beyond the area of old workings. Extensive trenching confirmed continuous bedrock mineralisation over 1,000m with widths in the range 50m to 100m. The mineralisation consists of a broad quartz stock work system hosted mainly by a north-north-east trending intermediate granitoid intrusion. Early artisanal pitting was focused mainly on narrow quartz veins associated with the stock work system Extensive drilling in the area (mainly RC, some DDH) outlined sizeable resources (now known as the Abore, Adubiaso, Asuadai and Akwasiso prospects). Full details of this work are not available. Prospecting in an area north of Abore revealed artisanal mining in alluvial areas, as well as many old pits in the saprolite along a low hill immediately adjacent to the alluvial workings.
2007-2012	Exploration programs which included 31,639m RC (408 holes) and 10,188m DDH (57 holes) drilling were completed. This resulted in a Mineral Resource estimate. Open pit mining occurred, and an agreement was reached whereby ore was trucked from Abore north to Nkran plant for treatment.
2012-current	No further exploration was undertaken. The Mineral Resource estimate was restated.
Asuadai	
Historical	No formal historical mining or exploration is known to have occurred on this area. Minor pitting in the region was performed by artisanal miners down to 5m to 10m through the oxide material to expose stock work vein sets.
1996	Mining undertaken by artisanal workers (to present day).
2000-2012	Exploration programs which included 447 holes for 5,551m RC and 8,785m DDH drilling completed.
2014 - current	No further exploration was undertaken. The Mineral Resource estimate was restated.
Adubiaso	
Historical	No known formal historical mining or exploration occurred on this area.
1996-2000	Drilling was undertaken over 292 holes for 639m diamond drill, 590m RCD and 21,693m RC.
1999-2000	Open pit mining occurred. Oxide ore was processed at the Nkran plant.
2007-2013	Exploration programs, which included 1,359m RC and 9,691m DDH (50 holes) drilling, was completed.
2016	Exploration continued with 35 RC holes over 3,460m to refine orebody definition.
2017 - current	No further exploration was undertaken. The Mineral Resource estimate was restated.

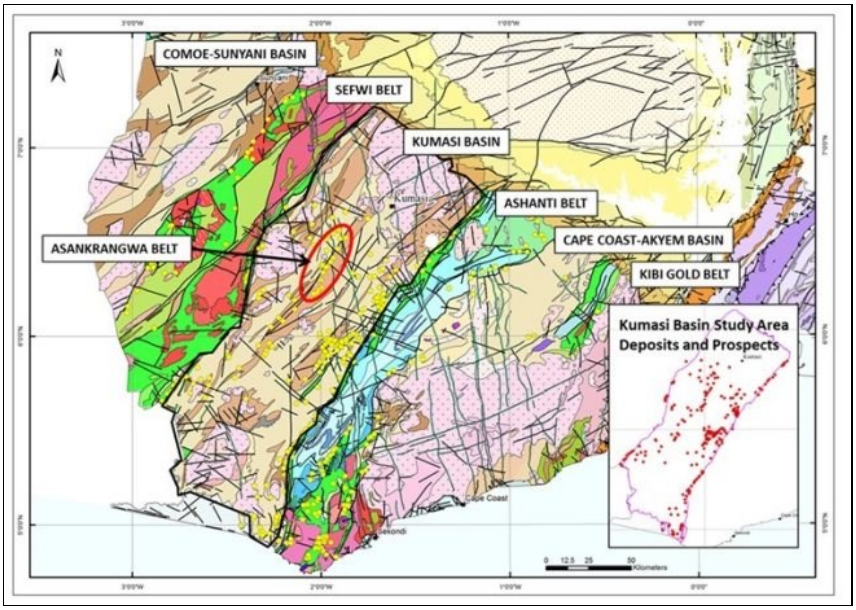
Geological Setting, Mineralization and Deposit Types

a) Regional Geology - The geology of Ghana is dominated by predominantly metavolcanic paleoproterozoic Birimian Supergroup (2.25 - 2.06 billion years ago) sequences inclusive of the clastic Tarkwaian Group sediments (2.12 - 2.14 billion years), in the central-west and northern parts of the country. Clastic shallow water sediments of the Neoproterozoic Volta Basin cover the northeast of the country (Figure 1-2). A small strip of Paleozoic and Cretaceous to Tertiary sediments occur along the coast and in the extreme southeast of the country.

In Ghana, the Paleoproterozoic Birimian terrains consist of five linear northeast-trending volcanic belts with intervening sedimentary basins. The volcanic belts have been folded by multiple deformation events and are generally 15-40km wide and extend for several hundred kilometres laterally (Leube, et al., 1990). The Kumasi Basin is 90km wide and lies between the Ashanti Belt to the south-east and the Sefwi Belt to the north-west. The Kumasi Basin also continues under the Neoproterozoic Volta Basin to the north east and is covered by more recent Phanerozoic sediments and the Atlantic Ocean to the south-west.

The combined Sefwi and Ashanti volcanic belts and intervening Kumasi Basin host the vast majority of the gold endowment in Ghana (Figure 1-2); gold deposit and prospect locations are shown as yellow dots on the main map and red dots in the insert.

Figure 1-2 Regional geology map of south-west Ghana, West Africa



Source: Modified from Agyei Duodu, et al., 2009

b) Local geology - The AGM deposits are located within the Kumasi Basin on the Asankrangwa Gold Belt, which was recognised after decades of artisanal mining in gold-bearing, shear zone hosted quartz reefs. The basin is bound to the south by the Ashanti Fault/Shear and the Bibiani shear to the north. The Asankrangwa Belt expresses itself as a complex of northeast trending shear zones situated along the central axis of the Kumasi Basin. Several major northeast trending shears/structures that bisect the Kumasi Basin/Asankrangwa Belt. The Nkran deposit is located on a jog along the regional 35-40° trending Nkran Shear, which is a zone of about 15km in width and may be traced on a northeast to southwest trend for a distance of some 150km. The Nkran Shear Corridor also hosts the Asuadai, Dynamite Hill and Akwasiso deposits. The parallel Esaase Shear Corridor hosts the Esaase, Adubiaso and Abore deposits. The Miradani Shear Corridor hosts the Tontokrom, Miradani and Fromenda deposits.

The local geological setting, i.e. the Kumasi Basin, is heavily faulted and consists of an isoclinally folded sequence of metasediments, dominated by turbiditic sequences of greywackes and shales, intercalated with rare andesites and volcanoclastics, previously described as greywackes, phyllites, argillites and shales.

The Asankrangwa Belt straddles two broad domains of distinct magnetic character. The western portion is characterised by the low magnetic relief that is typical of the Kumasi Basin as a whole. In the east, moderately magnetic mafic volcanic rocks results in a high magnetic zone corresponding to the Lower Birimian Supergroup, and the infolded, strongly magnetic rocks of the Ashanti Belt volcano-sedimentary and Tarkwaian sedimentary packages. This domain is in sharp contact with the weakly, to non-magnetic rocks of the upper Birimian metasediments, which dominate the Kumasi Basin in the west. This zone of contrast coincides with the prominent, shear zone which bounds the northwest margin of the Ashanti volcanic belt that plays host to most of the large gold deposits in the area.

A sharp northeast trending break separates these two distinct magnetic domains and also truncates the dominant east northeast to west southwest trends typical of the eastern domain. Evident, dramatic changes in the structural grain in the area indicate the presence of a major shear zone separating the two domains. This interpretation results in the Upper Birimian metasediments of the western domain occurring in the hanging wall of the shear zone, and above Lower Birimian metavolcanics of the eastern domain which occur in the shear zone footwall. This arrangement of 'younger-over-older' supports a long and intense thrusting history on the shear zone.

One of the structural setting interpretations of the Asankrangwa Belt that explains these relationships is an inverted half-graben, in which growth faulting-controlled accumulation of the upper Birimian metasediments, above the Lower Birimian metavolcanics in the footwall.

c) Property geology - The deposits are hosted along the northeast-southwest Asankrangwa structural shear corridor, which is defined by northeast-southwest trending lineaments and magnetic lows. It is about 7 km wide and over 50 km long. A summary of the mineralisation and dominant host rocks at each deposit is presented in Table 1-3.

Table 1-3 Summary of mineralisation style per deposit (Source: 2020 LOM Plan)

Deposit	Mineral style	Main host rock
Nkran	D2 shear + granite + Late conjugate QVs	Quartz (Qtz) sandstone + granite + quartz veins (QVs)
Nkran Extension	D2 shear + Late conjugate QVs	Qtz sandstone
Esaase	D2 shear + tensional QVs	Highly deformed sandstone-siltstone-shale + QVs
Akwasiso	D2 shear + granite + Late conjugate QVs	Qtz sandstone + granite + QVs
Abore	D2 shear + granite dyke + Late conjugate QVs	Granite + QVs
Asuadai	D2 + Granite + late conjugate QVs	Granite + QVs
Adubiaso	D2 shear + granite dyke + Late conjugate QVs	Qtz sandstone + granite
Adubiaso Ext	D2 shear + late conjugate QVs	Qtz sandstone

For additional detail regarding the underlying geology, mineralization and (in the case of the Esaase deposit) geometallurgy of each deposit, refer to the 2020 LOM Plan filed on SEDAR at www.sedar.com.

d) Deposit types - Two broad styles of gold deposits are present in southwest Ghana:

- Structurally controlled lode or orogenic gold deposits
- Paleoplacer disseminated gold deposits in Tarkwaian conglomerates.

The primary controls on mineralisation in the Asankrangwa Belt are structural in origin. Certain sandstone units within the Birimian metasedimentary package provided favourable rheological conditions that optimised gold deposition often close to major lithological contacts with either Birimian metavolcanics, or Tarkwaian metasediments. The deposit type targeted by the AGM is this structurally controlled mesothermal quartz vein style mineralisation. This is the most important type of gold occurrence in West Africa and is commonly referred to as the Ashanti-type. Milesi et al. (1992) recognised that mesothermal quartz vein style deposits are largely confined to tectonic corridors that are often over 50km long and up to several kilometres wide and usually display complex, multi-phase structural features, which control the mineralisation.

There are at least two separate gold mineralising events that are linked to the structural evolution of the area. Mineralisation is linked to:

- Early isoclinal folding, shearing and/or duplexing of stratigraphy controlling the location of deformation zones and fluid flow
- A late approximate east-west compressional event that generated shallow dipping to flat orientated conjugate vein sets that crosscut the earlier fabric and gold mineralisation.

This brittle style deformation postdates the emplacement of granitic intrusives into the core of the existing deformed and sheared sediments.

Two distinct gold events are recognised in southwest Ghana:

- D2 gold related to regional north-east south-west compression and reverse faulting (ca. 2,110 Ma)
- D4/D5 gold related to regional sinistral strike slip faulting (ca. 2,090 Ma).

Gold mineralisation is associated with major northeast striking, 5m to 40m wide graphite-chlorite-sericite fault zones. In particular, gold mineralisation is developed where the northeast fault zones intersect major east-northeast striking fault zones, and especially where they are recognised to have influenced granite emplacement, alteration and gold geochemical trends.

Left stepping flexures (10km to 30km scale) in the northeast striking fault zones (which produce more northerly striking fault sections), are important for the localisation of gold mineralisation. Other local complexities in stratigraphy and fault geometry, associated with major northeast striking faults, are also important for example, folds in stratigraphy that may produce saddle reef style mineralisation, or fault duplexes.

The most common host rock is usually fine-grained metasediments, often in close proximity to graphitic, siliceous, or manganiferous chemical sediments. However, in some areas, mafic volcanics and belt intrusions are also known to host significant gold occurrences. Refractory type deposits feature early-stage disseminated sulphides in which pyrite and arsenopyrite host important amounts of gold overprinted by extensive late stage quartz veining in which visible gold is fairly common and accessory polymetallic sulphides are frequently observed. This type includes important lode /vein deposits in Ghana such as at the Obotan and Esaase area. However, a second non-refractory style of gold mineralisation occurs in which gold is not hosted within sulphide minerals either in early, or late stage mineralisation. These deposit types have lower sulphide content in general and often lack the needle-like arsenopyrite that is common in the refractory type deposits.

The Obotan deposits demonstrate a late (second) phase of gold mineralisation hosted in granitoids (Nkran basin type granite), emplaced in regional shear corridors. The deposits are situated within the Birimian metasediments, but the granitoid and mineralisation both occur at contacts between greywacke and carbonaceous phyllite units. The deposits are dominated by D2 regional reverse faulting gold, and only contain quartz vein-hosted free-milling gold lodes.

Exploration

The AGM has employed an ongoing systematic exploration programme including regional (generative) and near mine (advanced) programmes, targeting new gold deposits as well as incremental mineral resources (oxide and fresh). Regional prospectivity work was initiated in 2014 in collaboration with Corporate Geoscience Group, and advanced drilling programmes undertaken thereafter from early 2015. The key elements completed to date include:

- Prospectivity mapping analysis of the Asankrangwa Belt (collation of available regional geophysical and geological data and drilling and geochemical survey information)
- Review of previous exploration and drilling programs
- Exploration target prioritisation for generative and advanced exploration
- 3,000-line kilometre Heli-borne VTEM survey infilling previous gaps in coverage
- Updated regional geological interpretation based on the interpretation of the VTEM survey
- 3D inversion study of the VTEM data
- Relogging of DDH core (Nkran, Abore, Esaase)
- RC, RCD and DDH drilling to indicated Mineral Resource classification on all selected and reported targets.

The AGM have collated all historical work and integrated the databases from previous owners with more current and ongoing activities. Work completed under AGGL ownership is described in the following sections.

a) Geophysical surveys

The geophysical survey work is a standard routine method conducted by practicing professionals and thus the integrity of the source survey data would be of an acceptable standard. The greater, extensive regional area has been surveyed. All surveys grid location information is in WGS 84, Zone 30N Universal Transverse Mercator coordinates.

b) Geological mapping

The geological data points used in the geological mapping exercises across the AGM are stored in an extensive database. The exercises are considered qualitative studies of the nature of and geological genesis for the deposits as opposed to being quantitative in nature.

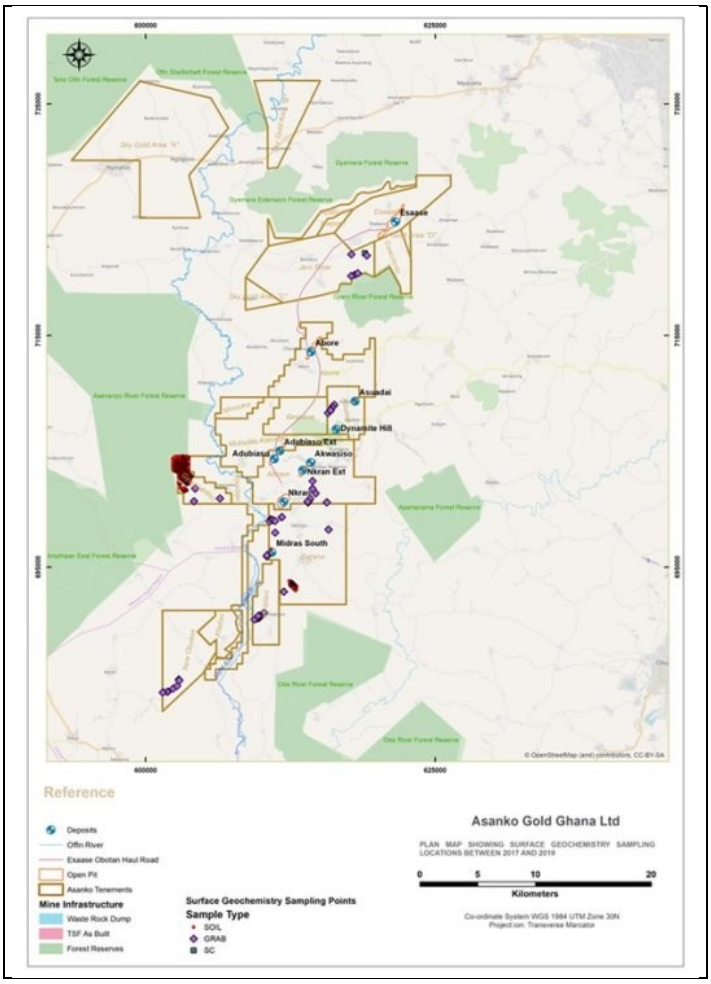
c) Sampling

Sampling has been and is currently conducted across the extent of the AGM tenements. AGGL employs the procedures as described in the above section. The sampling datasets taken over the years appear to be complete and well annotated, including nature of sample taken. All samples are considered qualitative in nature.

Since 2017, a total of 882 surface geochemical samples (grab, soil, stream sediment) have been taken across the greater AGM tenements, with the focus on greenfields targets that are not the subject of this AIF.

Figure 1-3 illustrates on a regional level the location of the sampling points.

Figure 1-3 Surface geochemistry sampling locations (2017 to 2019)



Source: Asanko Gold, 2019

Since 2014, the AGM has taken a total of 38,469 channel, pulp, DDH and RC samples across the Adubiaso, Akwasiso, Esaase and Nkran deposits, as shown in Table 1-4.

Table 1-4 Drill hole sample summary by deposit since 2014

Prospect	Channel	DDH	Pulp	RC	Total
Nkran	9	2,934		390	**3,333**
Esaase Main Zone North			960	3,871	**4,831**
Esaase Main Zone South				2,325	**2,325**
Akwasiso		8,741		7,239	**15,980**
Adubiaso				3,298	**3,298**
Total	**9**	**12,128**	**960**	**25,372**	**38,469**

Note: DDH - Diamond drill hole; RC - Reverse circulation.

In addition to this, grade control sampling has occurred as summarised in Table 1-5.

Table 1-5 Grade control sample summary by deposit since 2014

Pit	COMP_RC	FC	Grab	RC	RPL	Total
Akwasiso Pit				21,851	127	**21,978**
Esaase Main Pit				58,996		**58,996**
Nkran Ext Pit				6,736		**6,736**
Nkran Pit	37,974	23	19	75,748		**113,764**
Total	**37,974**	**23**	**19**	**163,331**	**127**	**201,474**

Note: RPL - Ripline; FC - Face channel; RC - Reverse circulation

Drilling

Historically, surface drilling at the AGM included RC, DDH and RCD drilling. Drilling for Mineral Resource delineation focused on Nkran, Esaase, Akwasiso and Abore, although extensive drilling has also been undertaken at Asuadai and Adubiaso. The most extensive drilling was conducted over the project areas as well as adjacent tenements under the auspices of Resolute, PMI and Keegan.

To date, a combined total of 6,150 evaluation aircore ("AC"), DD, RC and RCD drill holes totalling 521,122m have been drilled at the AGM deposits that are the subject of this AIF, as well as additional grade control and other drill holes. Mineral Resource definition drilling at the AGM mainly includes RC and DDH drilling. A summary of the drilling completed at each deposit, on a yearly basis, is provided in Table 1-6. It is noted that the table only reflects AC, DDH, RC and RCD drilling. Additional drilling work has been completed but is not utilised in the Mineral Resource estimation.

Table 1-6 Drilling summary by deposit

Prospect	Year	No. of holes	Metres drilled				
			AC	DDH	RC	RCD	Total
Abore	2010	30		4,886.68			4,886.68
	2011	24		4,550.30			4,550.30
Abore North	2000	485		1,224.70	31,594.00		32,818.70
	2010	2		408.00			408.00
	2011	2		352.60			352.60
Adubiaso	1996	49			5,958.17		5,958.17
	1997	20			876.00		876.00
	1998	11			1,745.20		1,745.20
	1999	34					-
	2000	178		638.90	13,113.87	589.70	14,342.47
	2009	3		488.28			488.28
	2010	10		1,567.27			1,567.27
	2011	37		7,635.60			7,635.60
	2013	14			1,359.00		1,359.00
	2016	35			3,460.00		3,460.00

Akwasiso	1996	1	250.00			250.00
	1997	18	1,278.30	1,098.00		2,376.30
	1998	189	824.50	2,372.00		3,196.50
	2000	102	2,736.03	6,019.00		8,755.03
	2016	51	5,498.60	1,742.00	1,888.00	9,128.60
	2017	91		4,514.00	4,731.30	9,245.30
Akwasiso South	2018	65		4,946.00	225.10	5,171.10
Asuadai	2000	384	329.00	5,551.00		5,880.00
	2010	15	1,739.82			1,739.82
	2011	45	6,063.87			6,063.87
	2012	3	652.60			652.60
Esaase B Zone	2007	24	300.53	3,023.00		3,323.53
	2008	184		1,728.00	1,630.30	3,358.30
	2011	73	608.00	7,265.00	3,659.60	11,532.60
Esaase B1 Zone	2007	8	1,009.80	265.00		1,274.80
	2009	2			580.60	580.60
	2010	1			156.30	156.30
Esaase C Zone	2007	5	651.36			651.36
	2010	6		897.00		897.00
	2011	66		177.00		177.00
Esaase D Zone	2007	1	232.26			232.26
	2008	37		3,035.00	1,845.10	4,880.10
	2010	2		150.00	311.90	461.90
	2011	19		360.00	4,202.40	4,562.40
Esaase E Zone	2008	9		251.00		251.00
	2009	3		351.00		351.00
	2011	12		1,303.00	802.00	2,105.00
Esaase Main Zone NE	2007	2	506.58			506.58
	2008	28		3,161.00	642.10	3,803.10
	2009	1004		11,041.00	2,082.10	13,123.10
	2010	61		7,787.00	177.00	7,964.00
	2011	70	439.50	2,152.00		2,591.50
Esaase Main Zone North	2006	14	4,084.46			4,084.46
	2007	236	1,464.47	20,375.00	14,095.20	35,934.67
	2008	202	833.00	23,955.00	13,624.60	38,412.60
	2009	73	915.70	891.00	3,332.10	5,138.80
	2010	92	5,096.40	1,494.00	18,570.60	25,161.00
	2011	102	5,625.80	5,285.00	14,169.30	25,080.10
	2013	6	1,322.60			1,322.60
	2018	82		4,872.00		4,872.00
Esaase Main Zone South	2007	68	381.61	9,831.00	1,270.20	11,482.81
	2008	39	224.60	3,795.00	3,492.00	7,511.60
	2010	36	1,063.60	764.00	5,936.60	7,764.20
	2011	47	490.90	2,513.00	2,249.90	5,253.80
	2013	1	100.00			100.00
	2018	27		2,378.00		2,378.00

	1995	57		4,305.85	985.00	1,285.71	6,576.56
	1997	59		100.00	3,435.00	1,324.90	4,859.90
	1998	28			190.00		190.00
	1999	5			100.00		100.00
Nkran	2000	671		32,376.88	20,500.45	3,000.99	55,878.32
	2010	21		9,049.57			9,049.57
	2011	79		34,646.53		494.00	35,140.53
	2012	452	20,677.00	546.30	800.00	2,426.50	24,449.80
	2017	12		1,699.60		2,600.30	4,299.90
	1997	49					-
	1998	60			370.00		370.00
	2000	19			1,591.00		1,591.00
Nkran Ext	2013	10			1,002.00		1,002.00
	2014	18			1,785.90		1,785.90
	2016	38			3,032.00		3,032.00
	2017	24		257.20	930.00	702.30	1,889.50
Nkran NE	2015	4			368.00		368.00
	2016	4			352.00		352.00
Total		**6,150**	**20,677.00**	**149,458.15**	**238,888.59**	**112,098.70**	**521,122.44**

Note: AC - Aircore; DDH - Diamond drill hole; RC - Reverse circulation; RCD - Reverse circulation with diamond tail.

The following drilling is excluded from the above - Auger (AG), Rotary Air Blast

Esaase B, B1,C,D&E zones do not form part of the declared Esaase Mineral Resources.

Nkran has been drilled formally from the early 1990s prior to mine establishment and has since undergone numerous RC and DDH drilling and infill drilling programmes to define and refine the orebody model, as well as relogging of available core materials.

Drilling at Esaase by Keegan from 2006 to 2012 focused mainly on the northwest-striking, main gold bearing structures. An oxide RC infill drilling program was completed in May to June 2018 with the aim to target the two-year oxide pit and drill a staggered 40m x 40m infill pattern to increase the confidence in the mineralisation within the upper portion of the deposit. Overall, the drill holes averaged approximately 60m in depth and were spread along the length of the proposed two-year oxide pit. In addition to this program, 21,000m of historical diamond drill core was re-logged from a selection of 83 holes covering the full strike of the Esaase Main orebody. A further 6,950m was re-logged from 38 diamond drill holes covering the Esaase South orebody.

Resolute originally tested the Akwasiso oxide material in 2001 by RC and DD drilling. After acquiring the project area, AGGL completed further RC and DD drilling, including a second phase of RC and RCD drilling to upgrade Inferred Mineral Resources.

The Abore and Asuadai project database comprises historical drill hole data from Resolute and PMI. These are utilised in the Mineral Resource and form part of LOM plan. Further drilling is anticipated to upgrade the Mineral Resources and prepare the sites for mining.

AGGL continued testing the Adubiaso target during 2016 with a RC drilling program, successfully identifying over 500m of strike of additional multiple thin mineralised zones, which have subsequently been infill drilled. During 2016 AGGL conducted RC exploration and RC infill drilling on the northeast extension of the Adubiaso pit mineralisation. These programs resulted in further Mineral Resources and open pittable reserves being estimated for what is known as Adubiaso Extension.

Currently mainly RC and DDH are utilised and employ standard industry practices. Many of the DDH was drilled as a tail to the initial RC. Shallow drill holes targeting oxidised material and shallow fresh material generally utilise RC drilling.

Drill traverses for all project areas are generally aligned perpendicular to the local northeast-southwest mineralised trends. The drill hole spacing varies between the projects, ranging from 10m to 20m across strike to 20m to 50m along strike (to define near mine surface projections of mineralisation).

Grade control ("GC") drilling is conducted at the Nkran, Esaase, Akwasiso and Adubiaso pits. A summary of this work as completed by the AGM since 2014 is shown in Table 1-7Table 1-. Further infill drilling is anticipated in the future at the operational pits.

Table 1-7 Grade control drilling summary by deposit since 2014

Pit	No. of holes	Reverse circulation (RC) metres drilled
Adubiaso Pit	323	11,877
Akwasiso Pit	1,961	51,873
Esaase Main Pit	3,728	84,369
Nkran Ext Pit	473	10,896
Nkran Pit	10,514	332,060
Total	**16,999**	**491,075**

The drilling density is considered appropriate to define the geometry and extent of the mineralisation for the purpose of estimating Mineral Resources, given the understanding of the local project geology, structure and confining formations. AGGL's strategy is to conduct drilling sufficient to assume geology and grade continuity to a level to support at least Indicated Mineral Resources and thus support the application of modifying factors in sufficient detail to support mine planning and evaluation of economic viability.

Sampling, Analysis and Data Verification

At Nkran all sampling was carried out under the direct supervision of senior geological personnel. All drill core was geologically and structurally logged, split (sawn), photographed and stored at AGM's field offices, or the sampling and storage facility in Nkran.

Samples with visible gold were routinely submitted for either screen fire assay or a bulk cyanide leach assay. Crushing and grinding were completed at the analytical laboratory. The quality of analysis at the laboratories was monitored using blanks, standards, duplicates and check assays.

Esaase RC chips, half-core and core photographs, duplicate pulps and residues of all submitted samples were retained and stored at the exploration camp at Tetrem. Keegan used HQ3 drilling to maximise sample recovery in weathered zones. RC drilling switched to diamond core drilling once wet samples were noted.

AGGL's DD core samples are determined by the logging geologist and should be between 30cm and 150cm in length. Samples must not cross lithological boundaries and must be defined within similar alteration zones and structural features. Samples should weigh between 2 and 3kg. Quality control samples are inserted by the logging geologist at the core shed. Quarter core duplicates are taken to measure precision.

AGGL's RC samples of approximately 2 to 3kg are collected from the cyclone at 1m intervals and split in a riffle splitter. If the resultant sample is greater than 3kg, then the entire sample is re-split. The cyclone is continuously monitored to avoid contamination from clogging and at a minimum cleaned after every hole. The drill rods, down-hole hammer bit and the sampling equipment are cleaned regularly using compressed air. To determine recovery and ensure that the optimal sample size was taken, recovery is monitored by weighing samples at the RC rig.

The geologist ensures that the quality control samples are inserted at the core yard and monitors the dispatch of the samples to the laboratory. A 2 to 3kg duplicate sample is taken in an identical manner as the original and stored in a pre-labelled sample bag.

To avoid contamination, no metal jewellery is permitted to be worn by the AGGL's samplers. All sample preparation, apart from discussed above, is undertaken by the preparation and analytical laboratories.

Diamond core cutting procedures vary slightly between the earlier work and the current AGGL sampling. In both cases an orientation line was drawn on the core and an electric diamond core saw used to cut the core, retaining the left-hand side for reference (when looking down hole). Historical samples were cut 1cm to the right of the line and AGGL samples are cut along the line. AGGL procedures state that the line should be traced perpendicular to the stratification, or where there is mineralisation one should try to get the optimum distribution so that 50% of mineralisation is represented in each half of the core.

Where core was too friable to cut with a diamond saw, the core was dry cut or cleaved.

Nkran GC and exploration RC samples were taken from the drilling rig using a rotary splitter which produced equal aliquots to mitigate any bias. A 3kg sample was collected for laboratory submission and coarse rejects of all samples were kept as a backup for at least three months (GC) and six months (exploration).

Esaase and other RC samples are split using a three-tier riffle splitter (1 in 8 split) to obtain a sub-sample of 3kg or less and collected in pre-labelled plastic bags. Rejects are stored in plastic bags.

At Nkran, individually bagged core and RC drilling samples were packed in polyweave, or heavy plastic sacks, tied with binding wire and prepared for transport to the laboratory. The geologist was responsible for sample security and prior to dispatch, the samples were firmly secured and locked in a designated sample room at the field office.

Esaase sampling procedures required samples to be collected in staple-closed bags once taken from the rig or core-cutting facility. The samples were then transported to the project camp to be picked up by the laboratory truck and taken directly to the laboratory.

The AGGL procedure for sample submission is as follows:

- RC samples are collected from the drill site every shift and transported to the Obotan and Esaase camp
- Samples are packed in 50kg bags and stored in the logging shed until shipped to the laboratory
- The QA/QC geologist supervises loading of samples on to the truck
- A sample dispatch form accompanies the samples, and another signed by the exploration manager is provided to the security guards to authorise the shipment to leave the camp
- At the laboratory, the laboratory representative signs the sample dispatch form confirming receipt and change of custody for the samples.

Samples were prepared and analysed at commercial external laboratories until the establishment of the AGM Laboratory in 2017. Thereafter the AGM laboratory has been used as the primary preparation and analytical laboratory for production sampling. Exploration samples are sent to an external accredited laboratory (Intertek Tarkwa or ALS Kumasi). The tables below have been adapted for the purposes of the 2020 LOM Plan and summarise the preparation(Table 1-8) and analytical techniques (Table 1-9) used.

Table 1-8 Summary of sample preparation techniques

Laboratory	Locality	Period	Preparation
SGS	Accra	1995	Jaw crush to -6mm, then cone crushed or disk milled to -2mm. Pulverisation of 300g to 1kg split -200 mesh in labtechnic homogenizing mill
Inchcape	Obuasi	1995-1997	Dry, crush, pulp 2kg. SFA dry at 105°C, ringmill 500g to 1.5kg 75µms
Analabs	Nkran Site	1997-1998	Drying, jaw crushing to nominal 6mm to 12mm. Sample volume reduction - riffle split. Ringmill <1kg, nominal 75 microns
SGS	Bibiani	2009 - 2012	
SGS	Tarkwa	2010-2012	3kg or less of sample is dried, disaggregated, and jaw crushed to 3mm. Sample is pulverised to 95% passing 75µm using an LM2 pulveriser. Two pulp samples are taken for analysis and pulp storage
Min Analytical	Perth	2011-2014	
ALS Kumasi	Kumasi	2006-present	3kg, or less of sample is dried, disaggregated, and jaw crushed with 70% passing 2mm. Sample is pulverised to 85% passing 75µm using an LM2 pulveriser. Two pulp samples are taken for analysis and pulp storage
Trans World (TWL)	Tarkwa	2009-2010	3kg or less of sample is dried, disaggregated, and jaw crushed to 3mm. Sample is pulverised to a nominal 95% passing 75µm using an LM2 pulveriser. Two pulp samples are taken for analysis and pulp storage
Intertek	Tarkwa	2010-present	Samples are crushed to 2mm and pulverised to 75µm
Performance Labs	Bibiani	2010-2012	
Asanko Gold	Nkran site	2017-present	Samples are crushed to 2mm and pulverised to 90% passing 75µm in LM2 pulverisers. 250g pulp sample taken for analysis

Table 1-9 Summary of analytical laboratories and assay techniques

Laboratory	Locality	Period	Accreditation	Au assay method	Lower detection limit
SGS	Accra	1995	ISO/IEC 17025	Fire assay	0.01 g/t
Inchcape	Obuasi	1995-1997	ISO/IEC 17025	Fire assay, screen fire assay	0.01 g/t
Analabs	Nkran Site	1997-1998	ISO/IEC 17025	Fire assay	0.01 g/t
SGS	Bibiani	2009 - 2012	ISO/IEC 17025	Fire assay	0.01 g/t
SGS	Tarkwa	2010-2011	ISO/IEC 17025	Fire assay, screen fire assay	0.01 g/t
Min Analytical	Perth	2011-2014	ISO/IEC 17025	Fire assay	0.005 g/t
ALS Kumasi	Kumasi	2006-present	ISO 9001:2000	Fire assay, Leachwell bottle roll, screen fire assay	0.01 g/t
Trans World (TWL)	Tarkwa	2009-2010	ISO/IEC 17025	Fire assay	0.01 g/t
Intertek	Tarkwa	2010-present	ISO/IEC 17025	Fire assay, Leachwell bottle roll	0.01 g/t
Performance Labs	Bibiani	2010-2012	ISO/IEC 17025	Fire assay, BLEG	0.01 g/t
Asanko Gold	Nkran site	2017-present	Nil	Leachwell bottle roll & fire assay	0.01 g/t

External check assays (umpires) are used to monitor between laboratory bias:

- Esaase samples analysed at Transworld Laboratories ("TWL"), were sent to SGS Tarkwa and Genalysis Perth for external check analysis. In both cases, the TWL results had a mean positive bias compared to the checks (i.e. over-reported)

- Esaase samples originally analysed at SGS Tarkwa and ALS Kumasi were sent to Genalysis Perth for external check analysis and results had no significant bias
- Exploration samples analysed at the AGM laboratory since 2016 were sent to ALS Kumasi for umpire analysis. The procedure requires monthly dispatches of a range of samples which include ore and waste material.

Mineral Processing and Metallurgical Testing

Historical metallurgical test work campaigns for various phases for AGM have included the following:

- Phase 1 of a pre-feasibility study ("PFS") (2014 - 2015) - metallurgical response evaluation of a gravity-CIL circuit (as per the existing AGM design) and a gravity-flotation-CIL circuit (as per the Esaase PFS design) when treating blends of Esaase and Obotan ores. Test work also considered potential carbon poisoning by flotation reagents
- Phase 2 of a definitive feasibility study (2015 - 2016) - combined processing of gravity-CIL circuit tailings and flotation concentrate regrind product (from a gravity-flotation-CIL circuit), through a combined CIL circuit when treating blends of Esaase and Obotan ore types. Diagnostic test work was also conducted on the treatment of Nkran material through a gravity-flotation-CIL circuit.

In 2018 an additional limited test work campaign was initiated. The purpose of the program was to address two key technical aspects with respect to the Esaase fresh ore component, namely to:

- Create a better understanding of the structural geology of the orebody
- Formulate a metallurgical test program which would focus on the ore body structural interpretation (and its inherent different lithologies). This would then lead to the creation of a geometallurgical model and a more defined recovery profile.

The key component of the geometallurgy of the fresh, unoxidised gold mineralisation at Esaase, is the distribution and abundance of Organic Carbon ("OC") which shows enrichment in the following areas:

- Within and immediately adjacent to the northeast-southwest trending shear zones and sheared lithological contacts within the stratigraphic units
- Within the deformed shales and siltstones of the identified "Cobra" unit.

One of the planned outputs of this metallurgical test work campaign was the development of an unbiased recovery model which reflects the distribution and abundance of OC and is therefore applicable to all sections of the ore body. The test work campaign also considered comparative benchmark performance relative to the Nkran ore body which had experienced similar OC enrichment.

OC content variances were determined by appropriate drill core sampling and assaying, with the Cobra unit identified as a distinctly elevated OC geometallurgical domain (narrow 2-5 m intervals of greater than 0.5% OC). OC content levels in the central sandstone zone are significantly lower (Table 1-10).

Table 1-10 Percent OC populations by stratigraphic unit (in %)

Stratigraphic unit	Probability of OC above 0.5% threshold	Mean %OC of sample population below threshold	Mean %OC of sample population above threshold
Upper	15	0.30	0.84
Cobra	55	0.38	0.89
Central Sandstone	12	0.30	0.62
Python	26	0.32	0.62

Geological observations from ongoing pit mapping (linked to drill hole %OC stratigraphic characterisation) suggests that elevated organic carbon levels are predictable and occur within identifiable "structural domains" that are however not continuous across the full strike length of the Esaase Main and South deposits. Metallurgical sampling and testing completed in 2018/ 2019 was better aligned with the growing understanding of the resource geology but was biased towards the thinking at that time that the OC was more widespread (not necessarily diagnostic) - this is to be addressed in 2020.

Over the LOM of Nkran (3.5 years) the plant has achieved consistent recoveries exceeding 93.4%, notwithstanding the treatment of a blended ore comprising Oxides, Transition and Fresh and despite some mineralised lithologies with recorded preg-robbing characteristics. The recoveries achieved are shown in Table 1-11.

Table 1-11 Nkran (Obotan) historical annualised recovery

Annualised recovery	2016	2017	2018	2019
Nkran Au recovery percent (%)	91.6	94.3	93.8	93.8

Ore with OC values of greater than 0.5% would generally originate from the shear zones (Python and Cobra) within the Esaase LOM pit. Ore originating within these zones comprise approximately 15% of the LOM tonnage. These ores are easily distinguishable from the ores outside the shear zones and have the potential therefore to be separately mined and stockpiled.

Fresh Esaase ore has not yet been introduced into the process plant - this will be the ultimate test of recovery performance.

The predicted LOM recovery profile is indicated in Figure 1-4 below.

Figure 1-4 LOM grade and recovery profile

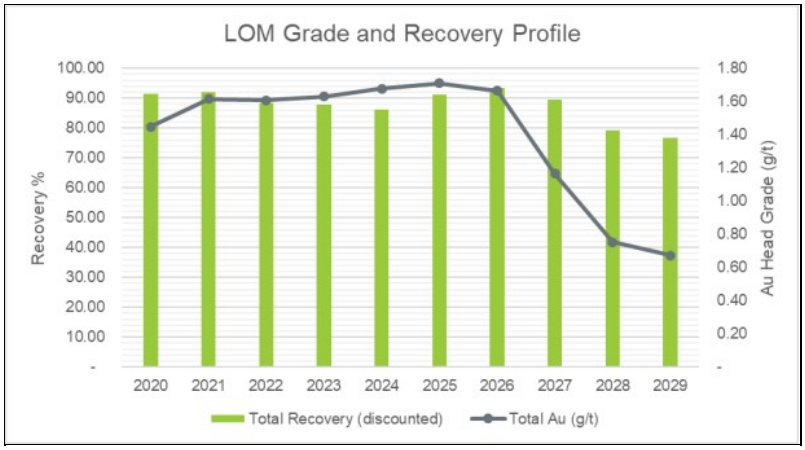


Table 1-12 confirms the comparative LOM recoveries per ore body.

Table 1-12 Comparative LOM recoveries per ore body

Ore body	Recovery (%)	Ore body	Recovery (%)
Abore	93.8	Esaase Main	86.2
Adubiaso	93.9	Esaase South	87.4
Akwasiso	93.8	Nkran	94.1
Asuadai	93.1	Stockpiles	86.9

Note: The overall LOM recovery is 89.1% (88.6% discounted due to soluble gold losses and carbon losses).

Mineral Resource Estimates

MREs are reported for six deposits - all updated for the purposes of the 2020 LOM Plan. Referencing Table 1-13, CSA Global compiled the updated MREs for Nkran, Esaase and Akwasiso. The Updated MREs for Abore, Adubiaso and Asuadai were compiled by the AGM technical team under supervision of the CSA Global Qualified Person.

The MREs are reported in compliance with the definitions and guidelines for the reporting of Exploration Information, Mineral Resources and Mineral Reserves in Canada, as per CIM (2014). These MREs adhere to the rules, policies and standards of disclosure for NI 43-101.

The effective date of the MRE (comprising six deposits) is 31 December 2019, presented in the form of a combined global mineral resource table (Table 1-13). The 2019 Mineral Resource conforms to CIM (2014) and NI 43-101. The Esaase Resources below includes the Mineral Reserves contained in both the Esaase Main and Esaase South pits (as described in the Mineral Reserve Estimate).

Table 1-13 Asanko Gold Mineral Resource as at 31 December 2019 at a 0.5 g/t Au cut-off

Deposit	Measured & Indicated			Inferred		
	Tonnes (Mt)	Au grade (g/t)	Au content (koz)	Tonnes (Mt)	Au grade (g/t)	Au content (koz)
Nkran	8.5	2.14	586	-	-	-
Esaase	43.2	1.69	2,348	5.4	1.54	269
Akwasiso	2.8	1.82	165	0.4	2.16	29
Abore	4.7	1.46	221	0.9	1.69	48
Asuadai	1.3	1.32	55	0.0	1.24	2
Adubiaso	1.2	1.88	71	0.2	1.43	9
Stockpiles	2.3	0.76	57			
Total	**64.1**	**1.70**	**3,504**	**7.0**	**1.59**	**357**

Notes:

- *The effective date of the Mineral Resource is 31 December 2019*
- *Mineral Resources are reported at a cut-off grade of 0.5 g/t gold assuming a metal price of US$1,500/oz Au*
- *Mining, G&A, processing costs, and process recovery are dependent on deposit and detailed in the respective deposit sections*
- *Figures are rounded to the appropriate level of precision for the reporting of Mineral Resources*
- *Due to rounding, some columns or rows may not compute as shown*
- *The Mineral Resource is stated as in situ dry metric tonnes*
- *The Mineral Resource is classified under the guidelines of CIM (2014), and procedures for classifying the reported Mineral Resources were undertaken within the context of the NI 43-101*
- *Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues*
- *The Mineral Resource is reported inclusive of Mineral Reserves*
- *The Nkran, Esaase and Akwasiso MREs have been prepared by CSA Global who are independent of the AGM. The Abore, Asuadai and Adubiaso MREs have been prepared by Gold Fields and reviewed and accepted by CSA Global*
- *CSA Global does not know of any known legal, political, environmental, or other risks that could materially affect the potential development of the mineral resources. CSA Global considers the risks regarding permitting and socio-economic factors to be low.*

Mineral Reserve Estimates

The MRev has been prepared as part of the 2020 LOM Plan by CSA Global using CIM (2014) and procedures for classifying the reported Mineral Reserves were undertaken within the context of the NI 43-101.

The Mineral Reserves were derived from the Mineral Resource block models and estimates. The Mineral Reserves are based on the Measured and Indicated Mineral Resources that have been identified as being economically extractable and which incorporate mining losses and the addition of waste dilution. The Mineral Reserve estimate as at 31 December 2019 is included in Table 1-14.

Table 1-14 Asanko Gold Mineral Reserve, as at 31 December 2019

Deposit	Proven			Probable			Total		
	Tonnes (Mt)	Au Grade (g/t)	Au Content (koz)	Tonnes (Mt)	Au Grade (g/t)	Au Content (koz)	Tonnes (Mt)	Au Grade (g/t)	Au Content (koz)
Nkran				10.9	1.64	577	10.9	1.64	577
Esaase Main				29.1	1.33	1,245	29.1	1.33	1,245
Esaase South				4.5	1.44	210	4.5	1.44	210
Akwasiso				1.9	1.43	87	1.9	1.43	87
Abore				2.8	1.42	127	2.8	1.42	127
Adubiaso				0.8	1.51	38	0.8	1.51	38
Asuadai				1.0	1.12	37	1.0	1.12	37
Stockpiles	2.3	0.76	57				2.3	0.76	57
Total	**2.3**	**0.76**	**57**	**51.1**	**1.41**	**2,320**	**53.4**	**1.38**	**2,377**

Notes:

- *The effective date of the Mineral Reserve is 31 December 2019 based on projected mining depletions*
- *Mineral Reserves are reported assuming a metal price of US$1,300/oz Au*
- *Mineral Reserves are defined within pit designs guided by pit shells derived from Whittle Four-X™ software (Whittle)*
- *Mineral Reserves are reported based on the maximum of: (a) the calculated marginal cut-off grades for each of the pits ranging between 0.38 - 0.71 g/t gold, and (b) 0.50 g/t gold*
- *Mining, G&A, processing costs, and process recovery are dependent on deposit and detailed in the respective deposit sections.*
- *Figures are rounded to the appropriate level of precision for the reporting of Mineral Reserves. Due to rounding, some columns or rows may not compute as shown*

- *The Mineral Reserve is stated as in situ dry metric tonnes*
- *The mine plan underpinning the Mineral Reserves has been prepared by Snowden and reviewed and accepted by the CSA Global. Both Snowden and CSA Global are independent of AGGL*
- *In accordance with the CIM definitions and guidelines (2014) the reporting of Mineral Reserves is classified as either "Probable" or "Proven" Mineral Reserves and are based on Indicated and Measured Mineral Resources only. For the LOM Study, no Mineral Reserves have been estimated using Inferred Mineral Resources.*
- *CSA Global does not know of any known legal, political, environmental, or other risks that could materially affect the potential development of the Mineral Reserves. CSA Global believes the risks regarding permitting and socio-economic factors to be low.*

***Mining* Operations**

Mining methods will be comprised of conventional open pit methods of drill and blast, followed by load and haul. Drilling and blasting will be performed on 6m benches. Loading of the blasted material will be performed on two 3m flitches. Mining is currently undertaken by two separate mining contractors under the direction of the AGM management. The intention is to get the optimum economical solution from a contracting approach through a tender process.

Underground mining was not considered in the 2020 LOM Plan.

The mine plan was developed around a 5.4Mtpa processing throughput, where between 20% and 50% of the feed is oxide. A blending program is followed throughout the LOM that consider grade-bins, ore-types and Bond-work-index ("BWI").

A typical ore type blend will consist of approximately 30% Oxide-, 5% Transition-, 35% soft-Fresh-, 20% moderate-Fresh- and 10% hard-Fresh ore. This will ensure a BWI is controlled to achieve the required comminution for maximum throughput.

The grade bins are split between mill feed, Low grade and marginal grade for the different pits with a philosophy of feeding the higher-grade material first, then the lower grade material to achieve an average head grade of 1.5 g/t and only processing marginal ore when required. The marginal ore stockpiles are planned to be fed at the end of the LOM.

SRK carried out a due diligence study for the geotechnical design aspects of all operating pits, Nkran Cut 2, Esaase Cut 1 and Akwasiso, and the future proposed pits for Nkran Cut 3, Esaase Cuts 2 to 7 (so defined for scheduling purposes), Akwasiso, Abore, Asuadai and Adubiaso to support the mine planning inputs for the 2020 LOM Plan.

Current geotechnical design values have been derived from back analysis of several Nkran west wall instabilities and geotechnical studies for Esaase and other future open pit mining designs. The Nkran west wall slopes have experienced slippages within the unweathered rock mass, the transition zone material beneath the saprolite zone, and within the saprolites. The west wall slippages were observed to be due to structural interaction between the north- south striking shear zones, east-west striking faults and dominant joint sets. This geology in similar throughout the AGM mining area.

A detailed back-analysis of the Nkran instabilities, in conjunction with laboratory test data from geotechnical studies, has provided reliable design input values for geotechnical material parameters for all the pits. Based on the results of the back-analysis, forward analyses of the pit slope geometry were undertaken to assess the stability of the Nkran Cut 2 and Cut 3 slope designs. The material parameters determined from the back analysis, including the assessment of the November 2019 Nkran West wall slippage, were applied to assess the stability of the future designs. A similar process was followed to formulate the Esaase Main Pit slope design.

For ease of design, the geotechnical domains for all pits are divided into:

- Oxides (saprolite material)
- Transition (saprock material)
- Fresh (unweathered rock).

The unweathered rock consists of quartzitic shales, sandstone and localised granitic intrusions, with graphite filled shear zones and associated foliation dominant in the quartzitic shales. The stability analyses modelled these materials in accordance with the available geological models, with the derived slope angles honouring the back-analysed material strengths.

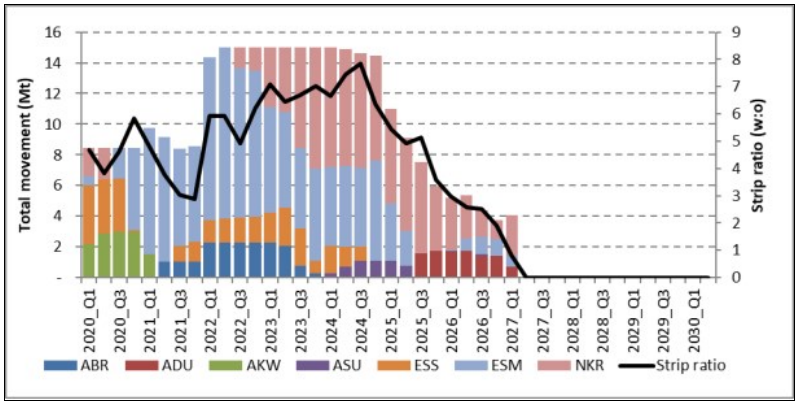
The Akwasiso pit design was assessed based on the observed performance of the current pit. This formed the basis for the assessment of the Abore, Asuadai and Adubiaso Satellite Pits designs. These are all limited life pits that are mainly within the saprolite zone with free-dig operations. Therefore, from previous saprolite back-analyses conducted by SRK and AGGL, these designs were assessed by comparing the given slope design with the recommended slope angles for the saprolite/oxide zone and compared to a benchmarking carried out in similar geological environments.

Results of the stability analyses were compared to accepted design criteria. The purpose of the design criteria is to establish that the walls are stable for the required life of the pit and may extend up to mine closure. The most common method of assessing the performance of open pit mine slopes is the allowable factor of safety ("FoS"). The FoS is the ratio between the resisting forces (capacity) and the driving forces (demand) of the system. In open pit mines, the FoS is defined as the ratio of the average shear strength of the material constituting the slopes and the average shear stress developed along the potential failure surface. Acceptability criteria adopted for this study are based on recommendations provided in the internationally accepted Guideline for Open Pit Slope Design (CSIRO, 2009; Editors: Read and Stacey).

It should be noted that this methodology utilises a deterministic approach and does not define the probability of failure of the slope which additionally considers the variability of the analysis input parameters and is data sensitive, time consuming and costly. Further specialist studies to refine the geotechnical and litho-structural understanding, and slope design are on-going.

Mining is expected to be completed in just over eight years (Figure 1-5), ramping up over the first three years to a peak of 60Mtpa of ore and waste in 2022 to 2024. The mining rate peaks during this period whilst waste stripping for Nkran Cut 3 is being completed.

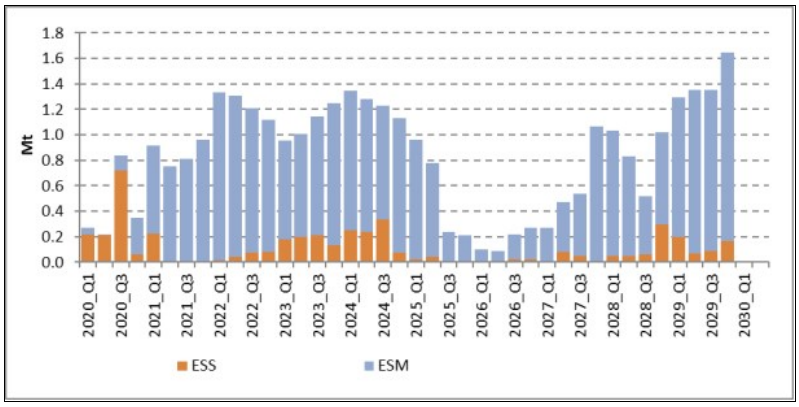
Figure 1-5 Mining schedule by deposit



Note: ABR - Abore; ADU - Adubiaso; AKW - Akwasiso; ASU - Asuadai; ESS - Esaase South; ESM - Esaase Main; NKR - Nkran

The Esaase haulage to the Obotan plant is variable over the LOM, largely dependent on the feed available from Nkran and other satellite ore sources (Figure 1-6).

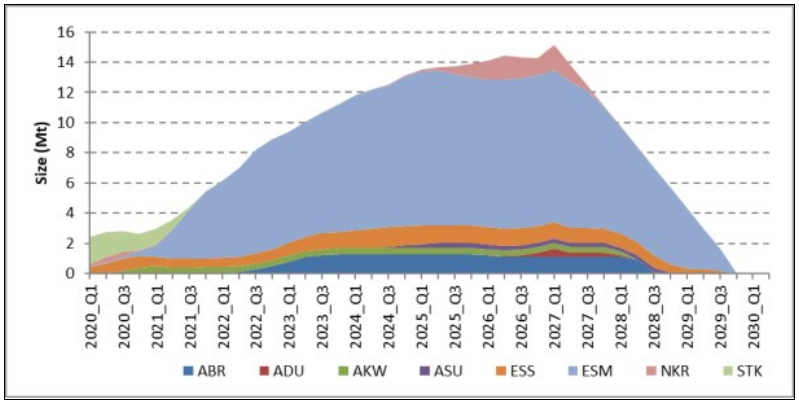
Figure 1-6 Esaase haulage schedule



Note: ESS - Esaase South; ESM - Esaase Main

Long-term stockpile inventories of approximately 14 Mt are expected to be built up for the project (Figure 1-7). The largest inventory is at Esaase, with a peak stockpile size of 11.1 Mt. The stockpile grade averages approximately 0.7 - 0.8 g/t gold (or "Au") and is predominantly marginal grade ore, designed to be depleted at the end of the mine life.

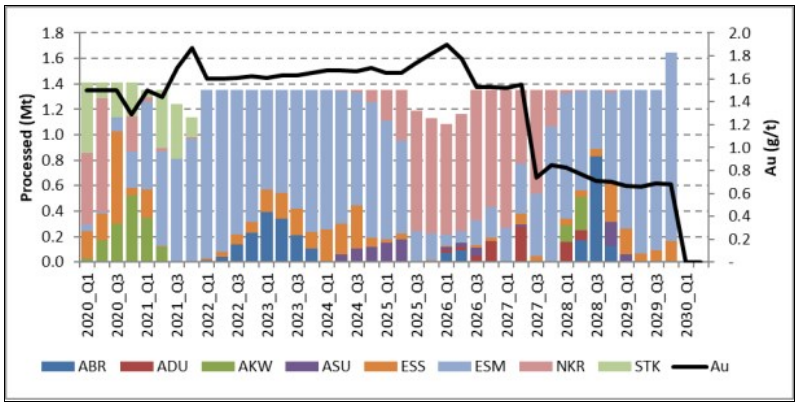
Figure 1-7 Long-term stockpile balance



Note: ABR - Abore; ADU - Adubiaso; AKW - Akwasiso; ASU - Asuadai; ESS - Esaase South; ESM - Esaase Main; NKR - Nkran; STK - Stockpile.

The plant operates at current operating capacity for most of the LOM (Figure 1-8), except for half a year in 2025, when higher grade is being processed (thus expected to meet the gold production target with fewer processed tonnes).

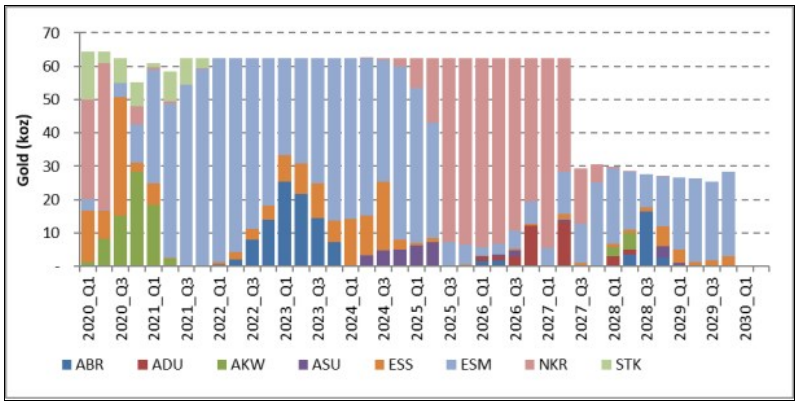
Figure 1-8 Processing schedule by deposit



Note: ABR - Abore; ADU - Adubiaso; AKW - Akwasiso; ASU - Asuadai; ESS - Esaase South; ESM - Esaase Main; NKR - Nkran; STK - Stockpile

The gold production schedule (Figure 1-9) achieves the target for the majority of the first eight years. Following this production drops to approximately 100koz/a when the mining operation is exhausted and low-grade stockpiles are being depleted. Reclaiming of these low-grade stockpiles could be deferred if additional higher-grade sources are identified in future.

Figure 1-9 Gold production schedule by deposit



Note: ABR - Abore; ADU - Adubiaso; AKW - Akwasiso; ASU - Asuadai; ESS - Esaase South; ESM - Esaase Main; NKR - Nkran; STK - Stockpile

An annual summary of the mining schedule is provided in Table 1-15.

Table 1-15 Planned mining production schedule

Component/area	Total	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Mining											
Total ex-pit movement (Mt)	304.3	33.8	35.9	59.4	60.0	59.0	33.6	18.7	4.1	-	-
Abore	17.6	-	3.1	9.1	5.4	-	-	-	-	-	-
Adubiaso	10.3	-	-	-	-	-	3.3	6.3	0.7	-	-
Akwasiso	12.6	11.1	1.5	-	-	-	-	-	-	-	-
Asuadai	5.1	-	-	-	-	3.2	1.8	0.1	-	-	-
Esaase South	31.2	10.9	2.3	6.3	7.6	4.0	0.0	-	-	-	-
Esaase Main	134.4	7.9	28.9	41.1	24.5	22.0	6.1	3.3	0.7	-	-
Nkran	93.0	3.9	-	2.9	22.5	29.8	22.3	9.0	2.6	-	-
Strip ratio (w:o)	5.0	4.7	3.6	5.7	6.8	7.0	4.8	2.5	0.8	-	-
Ex-pit waste movement (Mt)	253.2	27.8	28.0	50.5	52.3	51.6	27.8	13.3	1.8	-	-
Ex-pit ore mined (Mt)	51.1	6.0	7.9	8.9	7.7	7.3	5.8	5.3	2.2	-	-
Grade mined (g/t)	1.41	1.38	1.38	1.24	1.34	1.43	1.56	1.60	1.68	-	-
Long-term stockpiling											
Stockpile size (Mt)	14.3	2.7	5.4	8.9	11.2	13.1	13.9	14.3	11.1	5.7	0.0
Stockpile grades (g/t)		0.68	0.82	0.76	0.74	0.74	0.73	0.73	0.71	0.67	-
Processing											
Total processed (Mt)	53.4	5.7	5.1	5.4	5.4	5.4	5.0	4.9	5.4	5.4	5.7
Grade processed (g/t)	1.38	1.45	1.62	1.61	1.63	1.68	1.71	1.67	1.16	0.75	0.67
Oxide %	27%	28%	50%	39%	20%	20%	20%	20%	20%	20%	31%

Processing and Recovery Operations

The existing AGM process plant located at Obotan, will treat approximately 5.4 Mtpa of total ore, comprised of both fresh and oxide ores from Nkran and Esaase. The key process design criteria (PDC) are shown in Table 1-16, the major equipment in Table 1-17, and the process block flow diagram in Figure 1-10.

Table 1-16 Obotan key process plant design criteria for 5.4 Mtpa throughput

Parameter	Units	Value
Crushing plant running time	Hours/annum (hpa)	5,125
Crushing plant feed rate	Tonnes per hour (tph)	1,054
Milling & CIL plant running time	hpa	8,000
Milling & CIL plant feed rate	Tph	675
LOM Au head grade	g/t	1.40
LOM gravity gold recovery	%	50
ROM feed size (F_{100})	Mm	800
SAG mill feed size (F_{100})	Mm	300
SAG mill feed size (P_{80})	Mm	125
Leach feed size (F_{80})	µm	106
Pre leach (1 stage)	hr	2.1
CIL (7 stages)	hr	15.0
CIL slurry feed density	% w/w	50.2
CIL feed grade	Au g/t	0.846
LOM average CIL cyanide consumption	kg/t	0.10
LOM average lime consumption	kg/t	0.14
Elution circuit type		Split AARL
Elution circuit size	t	5
Frequency of elution	batches/day	2.0

Note: SAG - Semi-autogenous; CIL - carbon in leach; LOM - Life of Mine; ROM - Run of Mine; AARL - Anglo American Research Laboratories

Figure 1-10 Obotan plant, 5.4 Mtpa block flow diagram

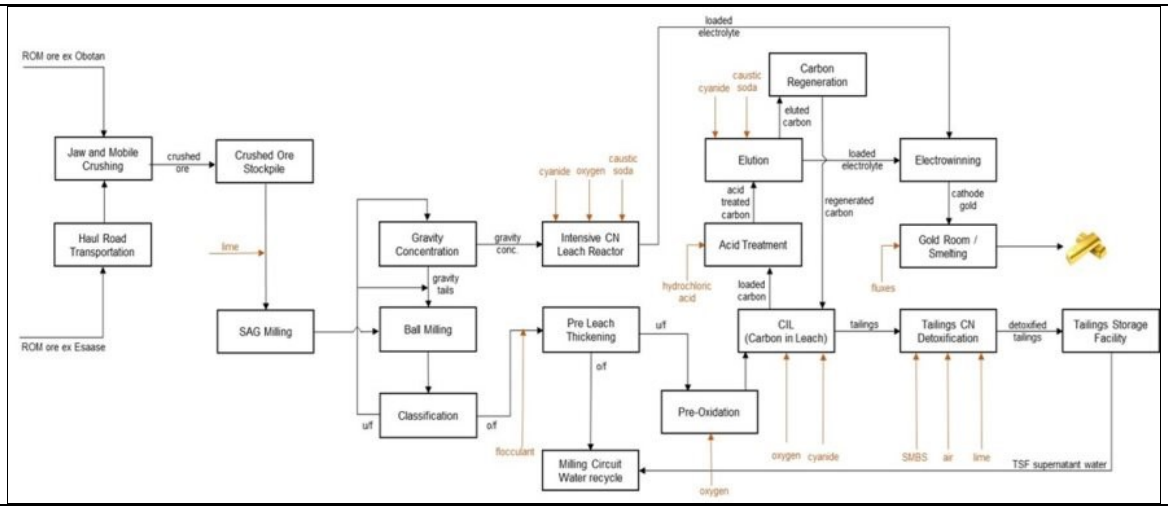


Table 1-17 AGM Obotan process plant major equipment

Equipment description	No. of units	Specification	Power (kW)
Nkran primary jaw crusher	1	CJ815	200
Nkran mobile jaw crusher unit	3	Model UJ440i; CJ412 crusher	Diesel
Primary SAG mill	1	Shell support; grate discharge; 8.6 m diameter; inside shell: 4 m equivalent grinding length (EGL)	5,600 LRS /SER
Secondary ball mill	1	Shell support: overflow; 5.8 m diameter; inside shell: 9.1 m EGL	5,600 LRS
Gravity gold recovery scalping screen	3	Horizontal vibratory, 2.44 m width x 4.88 m length; aperture 2 mm x 19 mm	44 (4 x 11)
Gravity gold concentrator	3	KC-QS48 (G5 cone)	55
Gravity intensive leach reactor	2	2000 BA reactor; 3.2 m^3	4
Gravity recovery electrowinning cells	2	12 cathode, 14 anodes; 316 stainless steel (SS); 0.73 m (width) x 1.35 m (height) x 1.01 m (length); 1,000 A	12
Pre-leach trash screen	1	Horizontal vibratory, 3.05 m (width) x 6.10 m (length); aperture 0.8 mm x 8.8 mm	44 (4 x 11)
Pre-leach thickener	1	30 m depth; high rate	11 (hydraulic)
CIL pre-leach tank	1	14.0 m diameter x 14.3 m height; flat bottom; 2,100 m^3 live volume	
CIL pre-leach tank agitator	1	XHH/90/15/90/M4PVSFK (MSRL) hydrofoil dual impeller	90
CIL tank agitator	7	XHH/90/15/90/M4PVSFK (MSRL) hydrofoil dual impeller	90
CIL inter-stage screens	7	MPS 1450(P); 14.5 m^2; 304 L SS; aperture 800 µm	22
Elution column	1	5 t carbon capacity, 13 m^3 total volume, SAF 2507 duplex SS	
Regeneration kiln	1	Horizontal tube; tube 321SS, 750 kg	Diesel
Elution electrowinning cells	6	12 cathode, 14 anodes; 316 SS; 0.73 m (width) x 1.35 m (height) x 1.01 m (length); 1,000 A	12

Note: LRS - Liquid resistance starter; SER - modern slip energy recovery drive; MSRL - mild steel rubber lined; SS - stainless steel

a) Crushing

Obotan sourced ore

The primary crushing circuit consists of a single tip with a dedicated run of mine ("ROM") bin and a single jaw crusher in open circuit. Primary crusher product reports to the crushed ore stockpile ("COS"). The ROM ore (F100 800 mm, F80 500 mm) is loaded into a 100t ROM bin by means of a front-end loader, or by direct tipping by haul trucks.

The ROM ore is drawn from the ROM bin at a controlled rate by a single, variable speed apron feeder, and fed directly to the jaw crusher. The speed of the apron feeder is controlled to maintain crusher throughput. Fine material spillage from the apron feeder reports to the primary crushing conveyor, where it is combined with the primary crusher product (P_{100} 300 mm, P_{80} 125 mm). The primary crushing conveyor is fitted with a belt magnet to remove any tramp iron material. The primary crushing conveyor discharges the crushed material onto the COS.

A mobile crushing array is used to assist with crushing of the ROM material, to optimise fragmentation and maintain throughput in the crushing circuit. Dust suppression, for dust control, is used at the crushing circuit.

Esaase sourced ore

ROM Esaase ore P_{100} of 800 mm is loaded onto haul trucks which transport the ore approximately 28 km to Obotan, where it is crushed in the Obotan crushing plant and thereafter joins the Obotan crushed ore ahead of feeding to the milling circuit.

b) Milling

The milling circuit is configured as a semi-autogenous grinding ("SAG") milling, ball milling, crushing circuit (SABC circuit) comprising a primary SAG mill, a secondary Ball mill and a pebble crushing circuit. Ore is withdrawn from the 1,550t COS by apron feeders feeding onto the SAG mill feed conveyor. A weightometer indicates the instantaneous and totalised crushed ore mill feed tonnage and is used to control the SAG mill feed rate via the apron feeders as well as the supplementation rate of the feed with the Esaase oxide material. The SAG mill feed conveyor discharges directly into the SAG mill feed hopper. The SAG mill discharge is screened via a 12mm x 30mm aperture trommel screen before gravitating to the mill discharge tank. Screen oversize is conveyed to a single pebble crusher, where it is crushed to below 12mm prior to recycling back to mill feed conveyor. The pebble crusher feed conveyor is fitted with a weightometer for control purposes. A SAG mill pebble bunker is installed, in which any pebble overflow is stored for further handling.

The SAG mill (slurry discharge) operates in reverse open circuit, discharging directly into the Ball Mill discharge sump, and in closed circuit with the pebble crusher. The ball mill discharges into a sump from where the slurry is pumped to the cyclone classification circuit. A portion of the cyclone underflow (84% target) is diverted to the three gravity concentration units, each with its own scalping screen, removing the oversize fraction and diverting this back to the ball mill discharge sump. The remaining cyclone underflow portion reports back to the ball mill discharge sump for further grinding. Gravity recovered gold concentrate reports to an intensive leaching reactor circuit ("ILR") while the gravity tailings fraction reports back to the ball mill discharge sump.

Cyclone overflow gravitates to the pre-leach thickening circuit, comprising a single high rate thickener, where it is thickened to approximately 50% solids ahead of leaching and gold adsorption in the CIL circuit. Supernatant solution overflowing the thickener is recycled back to the process plant.

Quicklime is stored in a 100t silo and is metered onto the mill feed conveyor using a variable speed screw feeder. Quicklime is delivered to site by tanker and pneumatically transferred to the lime silo using an off-loading blower.

A ball loading system is used for loading of grinding media into the SAG mill (via the mill feed conveyor).

Dust control is by way of a water dust suppression system at the stockpile area.

c) Gravity gold recovery

Gravity concentrate originating from the three milling gravity recovery concentrators is treated in two ILRs. These reactors contain elevated levels of cyanide, caustic soda and oxygen to enable maximum leaching of the precious metals in the concentrate. Leach residence time is approximately 18 hours. At the end of the leach cycle the pregnant solution is treated for gold recovery in two dedicated electrowinning cells to facilitate separate metallurgical accounting. ILR residue is pumped to the mill discharge sump. Overall gravity recovery is approximately 50%.

d) Pre-leach thickening

The secondary ball mill classification cyclone overflow stream gravitates to a horizontal vibrating trash removal screen, to remove any coarse ore particles, wood fragments, organic material and plastics that would otherwise become locked up with the circuit carbon and block the CIL inter-tank screens. The trash screen oversize reports directly to a trash bin, whilst the underflow reports to the pre-leach thickener, via a two-stage sampling system.

The pre-leach thickener is a high rate thickener producing an underflow product of between 50% to 60% solids weight/weight. The thickened underflow slurry is pumped to the existing CIL circuit by means of an underflow pumping installation.

The thickener overflow product gravitates to the process water circuit. Flocculant and lime are added to the circuit.

e) Carbon in leach (CIL)

The CIL circuit comprises a single mechanically agitated, pre-oxidation conditioning tank, followed by seven carbon adsorption stages. Slurry and carbon flows are counter current with loaded carbon pumped up circuit and exiting Stage 1 and tailings slurry gravity flowing down circuit and overflowing Stage 7. The tailings slurry gravitates from Stage 1 to 7 through inter-stage screening (vertical, mechanically swept wedge wire screen) in each tank (facilitating carbon retention), exiting from CIL tank 7 over a carbon safety screen, to recover any stray carbon particles. Carbon is transferred upstream by a submerged pump in each stage with the Stage 1 pump feeding the loaded carbon recovery screen. The associated slurry with the loaded carbon gravitates back to the Stage 1 tank. Each of the tanks contains a bypass facility which allows the removal of any tank from service for maintenance.

A pre-oxidation stage exists; however, this may be converted into a pre-leach stage to maximise residence time, hence recovery when necessary.

Oxygen, (90% purity) from the three, pressure swing absorption (PSA) plants, is included in stages 1-7. The pre-oxidation tank has an intensive reactor injection system to elevate the dissolved oxygen level to approximately 15ppm, while CIL stages 1 to 7 include sparging systems to elevate dissolved oxygen levels to approximately 12ppm in stages 2 and 3 and 7ppm in stages 4 to 7. This process enhances the dissolution of oxygen into the leach slurry, minimising cyanide consumption and improving leach kinetics by increasing the dissolved oxygen concentration.

Total slurry circuit residence time is approximately 17.4 hours. Carbon concentration per stage is 11 g/ℓ with an anticipated loaded carbon value of 1,250 g/t. CIL Au recovery is in the order of 85% (tailings approximately 0.131 g/t) resulting in overall plant gold recovery of approximately 92%. Daily loaded carbon recovery is approximately 10t.

f) Tailings and detoxification

As per EPA guidelines, the CIL tailings needs to be discharged with a final cyanide concentration of less than 50g CN_{WAD}/m^3 at the TSF spigot.

The current plant operating parameters result in no need for cyanide detoxification of the CIL tailings as the CN_{WAD} values are generally below the 50ppm compliance standard.

However, provision has been made to use the INCO air/SO_2 process for cyanide detoxification. The current detoxification circuit comprises a cyanide destruction feed box, gravity feeding into a single agitated tank, with a blower air sparging facility.

The detoxification process utilises SO_2 and air in the presence of a soluble copper catalyst to oxidise cyanide to the less toxic compound cyanate. Sodium meta-bisulphite is used as the SO_2 source and is dosed into the cyanide destruction feed box as a 20% weight/volume ("w/v") solution. The detoxification process requires the presence of soluble copper to act as a catalyst and to ensure that any free cyanide present is bound to copper as a CN_{WAD} component. Provision is made for the preparation and dosing of a copper sulphate solution, for dosing to the cyanide destruction feed box as a 15% w/v solution when required. Oxygen required in the reaction will be supplied by sparging of blower air into the cyanide detoxification tank. The reaction is carried out at a pH of 8.5 which is maintained by controlled lime addition to the cyanide destruction feed box. The detoxified tailings are then pumped to the TSF. Supernatant TSF water is recovered via a barge pump and recycled to the plant as process water.

g) Carbon treatment

Carbon is received from the loaded carbon recovery screen and loaded directly into the acid wash column. The carbon treatment circuit is designed to handle a batch size of 5t of loaded carbon per elution. Based on the mass balance, an average of 60 elutions are required per month. The circuit comprises cold acid washing, using a 3% HCl concentration, to remove inorganic foulants such as carbonates, a split AARL elution process operated at approximately 125°C, using an eluant solution comprising 3% NaCN and 3% NaOH, regeneration of the eluted carbon in a rotary kiln at 750°C to remove organic foulants such as grease and oils, and ultimate electrowinning of the pregnant solution in four dedicated electrowinning cells situated in the gold room.

The elution process may be described in more detail as follows. The caustic solution is pumped into the strip (elution) solution make-up tank from the caustic mixing tank and the cyanide solution is pumped from the cyanide dosing tank. The reagents are mixed with filtered raw water in the strip solution make-up tank at the correct concentrations. When the elution column is filled, the strip solution pump turns on and pumps the strip solution through the recovery heat exchangers followed by the primary heat exchangers before entering the bottom of the elution column at 125°C. The strip solution is recycled through the carbon column via the strip solution pump, at a flow rate of two bed volumes per hour ("BV/h") equivalent to 20 m^3/h, for a total of 50 minutes resulting in a carbon strip (removal of gold from the carbon). Eluate produced during the elution cycle is pumped to either one of the two eluate storage tanks located in the electrowinning area.

The fresh strip solution cycle is followed by a spent solution cycle. During this cycle, the rinse solution from the previous elution (stored in the intermediate solution tank) is circulated through the elution column at 125°C a rate of two BV/h (20 m^3/h) for 150 minutes. Once the cycle is complete, the spent solution is pumped to either one of the two eluate storage tanks.

Following this, the rinse cycle involves pumping water for 150 minutes at a rate of two BV/h through the elution column and storing the resulting solution in the intermediate solution tank for the spent solution cycle in the subsequent elution cycle. On completion of the elution cycle, cooling water is pumped from the intermediate solution tank, through the elution column at a rate of two BV/h for 30 minutes and reports to the CIL circuit.

Eluted carbon is removed from the elution column and transferred to the carbon regeneration kiln, via the static sieve bend drainage screen, by means of pressurised water. Drained carbon gravitates to the carbon regeneration kiln feed bin from where it is fed to the carbon regeneration kiln. The regenerated carbon is collected in the barren carbon quench tank, from where it is pumped to the carbon dewatering screen for re-introduction to the CIL circuit via CIL tank 6 or CIL tank 7.

h) Electrowinning

Currently the pregnant leach solution from the ILR is collected in the ILR pregnant solution storage tank. This pregnant solution is circulated through two dedicated electrowinning cells via a common steady head tank.

Pregnant solution from the carbon elution circuit is collected in either one of the two eluate storage tanks. This solution is circulated through a dedicated electrowinning circuit consisting of four cells operating in parallel via a common steady head tank.

Gold is deposited on the electrowinning cell cathodes as a sludge while the solution is circulated until the desired barren gold concentration is achieved, or the cycle time has elapsed. After completion of an electrowinning cycle, barren solution is sampled before being pumped to the CIL feed circuit for disposal. Loaded cathodes are removed periodically from the cells, the gold sludge is washed off using a high-pressure washer after which the washed solution is decanted.

Hydrogen cyanide, ammonia, and hydrogen gas detection equipment is installed in the electrowinning circuit, together with relevant extraction systems.

i) Gold room

Electrowon gold is recovered from the electrowinning cells using high pressure water jet sprays. The precious metal slurry is then dried in a drying oven at approximately 110°C to remove associated moisture. Once dried the precious metal powder is smelted in the melting furnace at approximately 1,700°C with fluxes, such as borax, sodium carbonate and silica to remove base metallic impurities such as copper, iron etc. The molten bullion mixture is then poured in moulds, allowed to solidify cleaned and stamped with the mine name and sequential bar number. Gold content varies from 85% to 90%, with approximately 10% silver and approximately 2% to 5% base metal content. The bars are dispatched periodically to a refiner for production of 99.99% gold bars. Slag remaining from the bars may be re-smelted if the gold content warrants this or be returned to the SAG mill for recovery through the circuit. Additional equipment in the gold room includes safes, scales and various security systems.

j) Reagents and consumables

Reagents and consumables relied on as part of the processing and recovery operations include:

- Flocculant
- Copper sulphate
- Sodium meta-bisulphite
- Diesel
- Caustic soda
- Sodium cyanide
- Hydrated lime
- Ferric chloride
- Hydrochloric acid
- Quicklime
- Anti-scaling agent
- Activated carbon
- Grinding media

Infrastructure, Permitting and Compliance Activities

a) Project permitting process

Two key regulatory permits are required for ongoing operations in Ghana:

- The Mine Operating Permit ("MOP") issued by the Minerals Commission
- The environmental permit issued by the EPA.

These two permits are currently in good standing with the authorities but may require an amendment to be in alignment with the 2020 LOM Plan description.

Following the required engagements, regulatory site visits and submission of the relevant project details, the AGM is currently operating under a MOP issued in November 2018. The MOP applies to the following licence areas:

- LVD 110. 299/2013 - Abirem
- LVD 21721/2012 located at Adubea
- LVD 21722/20 located at Abore
- LVD 3969A/90 located at Esaase.

The environmental permit for the current operations was approved in August 2019.

b) Environmental and social monitoring

Monitoring information is assessed against the Ghana EPA guidelines (January 2001) and international best practice guidelines for the mining industry, including:

- IFC Environmental, Health & Safety Guidelines - Mining (December 2007)
- IFC Performance Standards on Social and Environmental Sustainability (July 2006)
- "Equator Principles III" 2013
- The Government of Ghana and EPA's Environmental Performance Rating and Disclosure Methodology for Mining Companies (AKOBEN Programme). AGM will be aiming to achieve gold status under this programme.

The AGM is monitoring and reporting on any environmental incidents that may occur on or offsite as a result of its operations. Environmental incidents are classified into five different levels of severity. The AGM has not recorded any level three incidents (e.g. spills that have impact outside the mine boundary) or above in its corporate history.

c) Stakeholder engagement

Interactions include various stakeholder groups including the government, regulatory authorities and, particularly, members of communities that will be impacted by the operations.

The engagements follow the lines of free, prior and informed consent so as to ensure that, apart from legal and regulatory consent to the project, affected communities are fully informed about the project, its potential technical and socio-economic impacts on them, interventions to mitigate these impacts, among others, so the communities can make the decision on whether or not to allow the project to be implemented on their land.

d) Closure costs

An amount of US$60.2 million has been included in the capital estimate for closure costs.

e) Mine site and bulk infrastructure

The Obotan complex and process plant commenced production in early 2016. The plant was installed close to the Nkran ore deposit and several satellite orebodies. It is currently operating successfully at a throughput of circa 5.4 Mtpa ore.

In 2018, development of the Esaase orebody commenced. It is located 29 km north of the processing plant. Oxide ore at that time was transported from Esaase to Obotan via a haul road at a maximum rate of 180kt per month (approximately 2.2Mtpa). The balance of the ore in 2018 was sourced from Nkran, other satellite deposits and ROM stockpiles.

Over time, the Nkran deposit will be depleted and additional ore is proposed to be sourced from Esaase. The scope of this LOM Study provides for upgrade of the haul road to transport up to 5.4 Mtpa of ore from Esaase to Obotan and the associated provision or upgrade of existing facilities at Esaase.

Additional infrastructure anticipated to support the LOM includes:

- Upgrades to the haul road to cater for up to 5.4 of Mtpa ore
- Additional lifts for the TSF at Obotan
- Minor upgrades at Esaase. These upgrades include:
  - Potable and sewage water treatment plants, fire system, pollution control infrastructure, sediment control structures, camp upgrade, power distribution, public road diversion, river/public road crossings and pit dewatering wells
  - Esaase pit water buffer dam
  - Esaase RAP which includes relocation of approximately 105 dwellings
  - Arsenic water treatment plants (at both Obotan and Esaase).

Capital and Operating Costs

Capital Costs

The capex estimate for this project has been developed to a Class 3 level of accuracy (+/-25%). The base date for the capex estimate is Q4 2019 and the base currency is US$. The summary capex estimate is included in Table 1-18 below.

Table 1-18 Capital estimate summary

Item	Value (US$ M)
Sustaining capital	
General plant sustaining capex	26.7
TSF lifts	57.3
Total sustaining capital	**84.0**
Development capital	
Resettlement action plan	38.7
Esaase haul road	33.6
Esaase infrastructure (mining and non-mining)	22.1
Mining (pre-production costs)	10.8
Total development capital	**105.2**
Closure costs	60.2
Total capital	**249.3**

The capital cost estimate excludes stripping costs of US$278.2 million. These costs are included as part of AISC (refer to Table 1-19).

Operating Costs

Cash operating costs are defined as direct operating costs and includes contract mining and owner's mining cost (excluding capital stripping costs), ore haulage, processing and general and administrative costs.

The 2020 LOM Plan considers the optimisation of mining and metallurgical processing (via the Obotan process plant) at a throughput of 5.4 Mtpa. Mining is expected to be completed in eight years, and as the plant is already producing, no ramp-up phase is included in the mine plan. Gold production is targeted at 220 to 250koz per annum.

A blending program (as currently practised) will be followed throughout the LOM that considers grade-bins, ore-types and the BWI. To manage mill throughput, the proportion of oxide in the feed is constrained to between 20-50% of the overall feed, and the average BWI limited to 13 kWh/t. Buffer stockpiles will include Oxide, Transitional and Fresh material, located in close proximity to the primary crusher. An estimated 25% of the plant feed tonnage will be directly fed into the crusher, with the remaining 75% requiring re-handle.

The Nkran ore deposit is located within close proximity to the process plant at Obotan, whilst ore from Esaase (South and Main Pit), Akwasiso, Adubiaso, Abore and Asuadai is transported by haul road 29km, 5km, 5km, 13.4km and 14.2km respectively. Oxide ore from Esaase is currently transported to Obotan at a maximum rate of 2.2Mtpa. The scope of the 2020 LOM Plan includes the upgrade of the road to facilitate the transport of up to 5.4Mtpa ore from the Esaase pit.

The operating cost estimate for the LOM is summarised in Table 1-19 below. The summary corresponds to a total of 304.4Mt mined, and 53.4Mt ore feed to the process plant.

Table 1-19 Operating cost summary

Opex component	Amount (US$ M)	Unit value (US$/oz)
Mining cost	783	371
Ore haulage	224	106
Processing cost	597	283
General & administration (G&A)	263	124
Cash operating costs	**1,867**	**884**
Royalties	157	74
Refining costs	8	4
Sustaining capital expenditure	84	40
Sustaining capital stripping	278	132
All-in sustaining costs	**2,394**	**1,135**

Economic Analysis

A cash flow based financial evaluation has been undertaken based on a realised gold price of US$1,400/oz. The annual cashflow for the project is presented in Table 1-20.

Table 1-20 Project cashflow extract

Description	Units	Total/ Average	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Ore mined	kt	**51,069**	5,977	7,881	8,855	7,685	7,336	5,763	5,335	2,236	-	-	-	-	-	-
Waste mined	kt	**253,249**	27,823	27,996	50,524	52,315	51,634	27,803	13,339	1,815	0	0	-	-	-	-
Stripping ratio	#	**5.0**	4.7	3.6	5.7	6.8	7.0	4.8	2.5	0.8	-	-	-	-	-	-
Grade	g/t	**1.41**	1.38	1.38	1.24	1.34	1.43	1.56	1.60	1.68	-	-	-	-	-	-
Ore processed	kt	**53,394**	5,652	5,084	5,400	5,400	5,400	5,018	4,944	5,400	5,400	5,696	-	-	-	-
Processing recovery	%	**88.6%**	91.4%	91.9%	88.5%	87.8%	86.1%	91.0%	93.4%	89.6%	79.1%	76.7%	0.0%	0.0%	0.0%	0.0%
Gold produced	koz	**2,110**	241	243	247	249	251	251	247	181	106	94	-	-	-	-
Gold price	US$/oz	**1,400**	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400
Revenue	**US$'000**	**2,953,809**	**331,227**	**339,686**	**345,716**	**348,139,**	**351,125**	**351,462**	**346,191**	**253,665**	**148,813,**	**137,784**	**-**	**-**	**-**	**-**
Mining costs	US$'000	**(783,227)**	(97,374)	(97,683)	(107,058)	(104,221)	(100,458)	(138,952)	(78,422)	(35,748)	(14,011)	(9,300)	-	-	-	-
Ore transport & handling	US$'000	**(224,049)**	(12,572)	(25,792)	(32,342)	(28,277)	(32,430)	(14,236)	(4,385)	(15,239)	(22,135)	(36,643)	-	-	-	-
Processing costs	US$'000	**(596,742)**	(62,058)	(56,572)	(58,618)	(60,336)	(60,896)	(58,769)	(58,539)	(60,884)	(60,339)	(59,732)	-	-	-	-
General & administration	US$'000	**(262,500)**	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(15,000)	(7,500)	-	-	-	-
Cash operating costs	**US$'000**	**(1,866,519)**	**(202,003)**	**(210,047)**	**(228,018)**	**(222,834)**	**(223,784)**	**(241,956)**	**(171,345)**	**(141,870)**	**(111,485)**	**(113,175)**	**-**	**-**	**-**	**-**
Royalties	US$'000	**(156,592)**	(17,128)	(18,383)	(18,854)	(18,697)	(19,207)	(18,293)	(17,442)	(13,108)	(7,935)	(7,545)	-	-	-	-
Refining costs	US$'000	**(8,439)**	(946)	(971)	(988)	(995)	(1,003)	(1,004)	(989)	(725)	(425)	(394)	-	-	-	-
Total operating costs	**US$'000**	**(2,031,550)**	**(220,078)**	**(229,400)**	**(247,860)**	**(242,526)**	**(243,994)**	**(261,254)**	**(189,776)**	**(155,703)**	**(119,846)**	**(121,114)**	**-**	**-**	**-**	**-**
Sustaining capital expenditure	US$'000	**(83,958)**	(11,556)	(14,445)	(9,447)	(12,491)	(7,998)	(6,999)	(7,295)	(7,050)	(5,676)	(1,000)	-	-	-	-
Stripping costs	US$'000	**(278,216)**	(20,251)	(10,812)	(52,035)	(87,304)	(106,508)	-	(1,305)	-	-	-				
All-in sustaining costs	**US$'000**	**(2,393,724)**	**(251,885)**	**(254,657)**	**(309,341)**	**(342,322)**	**(358,500)**	**(268,253)**	**(198,376)**	**(162,753)**	**(125,522)**	**(122,114)**	**-**	**-**	**-**	**-**
Development capital expenditure	US$'000	**(105,124)**	(28,943)	(43,611)	(26,407)	(2,763)	(950)	(1,950)	(500)	-	-	-	-	-	-	-
Closure capital expenditure	US$'000	**(60,218)**	-	(658)	(660)	(689)	(717)	(778)	(809)	(850)	(4,035)	(14,693)	(14,693)	(10,102)	(10,102)	(1,433)
Working capital	US$'000	**(17,500)**	(1,098)	1,206	2,983	750	1,104	(7,367)	(5,784)	(1,092)	(907)	(66)	(7,229)	-	-	-
Tax payable	US$'000	**(30,821)**	-	-	-	-	-	-	-	-	(24,784)	(6,037)	-	-	-	-
Free cash flow after tax	**US$'000**	**346,423**	**49,300**	**41,967**	**12,291**	**3,116**	**(7,938)**	**73,114**	**140,723**	**88,970**	**(6,436)**	**(5,125)**	**(21,922)**	**(10,102)**	**(10,102)**	**(1,433)**
NPV	**US$'000**	**291,277**														
Cash operating costs	**US$/oz.**	**884**	840	866	923	896	892	964	693	783	1,049	1,199				
All-in sustaining costs	**US$/oz.**	**1,135**	1,047	1,050	1,253	1,377	1,429	1,069	802	898	1,181	1,294				

NPV is typically used as an indicator of project performance and for evaluation of a project's return relative to the cost of capital. As the AGM is an operating mine, the NPV is considered to be the most appropriate indicator of economic performance for this mineral asset. The NPV at the various selected discount rates is shown in Table 1-21.

Table 1-21 Project NPV results

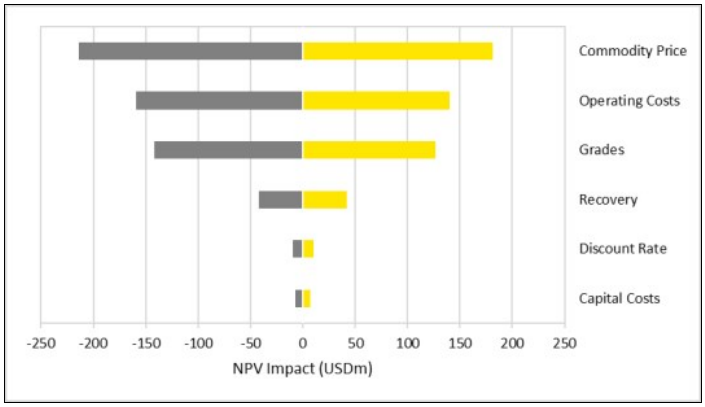
Description	Discount rate applied			
	5.0%	7.5%	10.0%	12.5%
NPV	291	268	248	230

The DCF was subjected to a sensitivity and scenario analysis in order to assess the effect of changes in significant cost and revenue drivers on the NPV. The results of the sensitivity analysis against the respective scenarios are summarised in Figure 1-11, after the sensitivities represented in Table 1-22 were applied. Differences in the results of the scenario analysis and further sensitivities may be due to rounding and/or non-linear relationships modelled.

Table 1 22 Sensitivity factors applied

Description	Sensitivity	Units	Up Case	Down Case
Commodity price	10%	US$/oz	1,260	1,540
Operating costs	10%	US$ 000	1,680	2,053
Grades	0.1 g/t	g/t	1.48	1.28
Recovery	2% differential	%	90.6	86.6
Discount rate	1% differential	%	4	6
Capital costs	10%	US$ M	224.4	274.2

Figure 1-11 Sensitivity analysis of key parameters



EY investigated the sensitivity of the project NPV to different input parameters, namely commodity pricing, operating costs, grade, discount rate, plant recovery and capital costs associated with the project. From this analysis, the NPV generated from the DCF models proved to be most sensitive to changes in parameters affecting revenue, most notably commodity pricing. Following commodity pricing, the next most influential parameters are operating costs and grade; while capital costs the project NPV was least sensitive to NPV.

In assessing the combined impact of commodity price and discount rate on the value of the project, these two variables were varied concurrently and the results of their combined sensitivity analysis is shown in Table 1-23.

Table 1-23 Gold price and discount rate sensitivity (NPV in US$'000)

Realised gold price (US$/oz)	Discount rate			
	5.0%	7.5%	10.0%	12.5%
1,200	(24)	(25)	(26)	(27)
1,300	144	130	118	107
1,400	291	268	248	230
1,500	423	393	366	343
1,600	546	510	478	450

The economic analysis shows that the gold price would need to decrease below US$1,215/oz for the NPV of the project to be negative at discount rate of 5% (US$1,219/oz at a discount rate of 10%). The spot gold price was US$1,521/oz at 31 December 2019 and the three-year average trailing gold price was US$1,307/oz. The median long-term real gold price of a number of independent brokers reviewed by EY is US$1,400/oz. With reference to the spot, three-year average and long-term median broker forecast gold prices, the economics of the project is considered to be robust, with the project considered to be able to endure significant price reductions before proving to be uneconomical.

Exploration and Development

The AGM expects to spend $20 million in 2021 on exploration activities.

Additional Properties

The AGM acquired the Miradani property in September 2017 and made further land acquisitions in 2020. The Miradani property is located within 10km of the AGM, covering an area of approximately 15km^2. It is on an existing mining lease (valid until May 2025) which may enable potential mineral resources to be accelerated to production.

The northern boundary of the concession is located approximately 5.5km south of the Obotan processing plant on the NE-SW Asankrangwa structural corridor. The underexplored Asankrangwa Gold Belt is about 7km wide and over 50km long. The area is highly prospective with multiple geochemical anomalies aligning with the structures interpreted from the airborne VTEM and magnetic surveys completed by Galiano in 2015.

Three significant initial target areas along the main structural trend, Miradani, Central, and Tontokrom, have been identified. Historical trench and soil geochemistry data, along with recent mechanized artisanal mine workings, indicate that each target area consists of multiple parallel mineralized zones, individually ranging between 3m and 37m in width. Individual 1.5m trench samples assayed up to 47.3 g/t.

The AGM has not made any MRE for any of these properties and do not currently consider these properties to be material to the AGM.

NON-GAAP MEASURES

The Company has included certain non-GAAP performance measures throughout this AIF. These performance measures are employed by management to assess the Company's operating and financial performance and to assist in business decision-making. The Company believes that, in addition to conventional measures prepared in accordance with GAAP, certain investors and other stakeholders use this information to evaluate the Company's operating and financial performance; however, as explained elsewhere herein, these non-GAAP 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 GAAP.

The JV does not calculate this information for use by both JV partners, rather it is calculated by the Company solely for the Company's own disclosure purposes.

All-in sustaining costs per gold ounce

In June 2013, the World Gold Council, a non-regulatory association of many of the world's leading gold mining companies established to promote the use of gold to industry, provided guidance for the calculation of "all-in sustaining costs per gold ounce" in an effort to encourage improved understanding and comparability of the total costs associated with mining an ounce of gold. The Company has adopted the reporting of "all-in sustaining costs per gold ounce", which is a non-GAAP performance measure. The Company believes that the all-in sustaining costs per gold ounce measure provides additional insight into the costs of producing gold by capturing all of the expenditures required for the discovery, development and sustaining of gold production and allows the Company to assess its ability to support capital expenditures to sustain future production from the generation of operating cash flows. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, some investors use this information to evaluate the JV's performance and ability to generate cash flow, disposition of which is subject to the terms of the JVA. Accordingly, it is 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. Other companies may calculate all-in sustaining costs per ounce differently. AISC include total cash costs, corporate overhead expenses, sustaining capital expenditure, capitalized stripping costs and reclamation cost accretion per ounce of gold sold.

A reconciliation of AISC of the AGM to production costs and various operating expenses of the AGM (the nearest GAAP measure) is presented in the MD&A for the year ended December 31, 2020.

RISK FACTORS

There are a number of risks that may have a material and adverse impact on the future operating and financial performance of Galiano that could cause its operating and financial performance to differ materially from the estimates described in forward-looking statements relating to the Company or the JV. These include widespread risks associated with any form of business and specific risks associated with the business of the Company and the JV and their involvement in the gold exploration and development industry.

An investment in the securities of Galiano is considered speculative and involves a high degree of risk due to, among other things, the nature of Galiano's business and the present stage of development of the AGM. A prospective investor should carefully consider the risk factors set out below along with the other matters set out or incorporated by reference in this AIF. The operations of the JV are speculative due to the high-risk nature of its business which is the operation, exploration and development of mineral properties. The Company has identified the following non-exhaustive list of inherent risks and uncertainties that it considers to be relevant to the operations and business plans of the JV and the Company. In addition to information set out elsewhere in this AIF, for the financial year ended December 31, 2020, or with reference to information which is incorporated by reference into this AIF, investors should carefully consider the following risk factors. Such risk factors could materially affect the future operating results of the JV and the Company and could cause actual events to differ materially from those described in forward-looking statements relating to the JV and the Company.

A summary of the principal risks that the JV and the Company faces are as follows:

- the value of the JV's mineral reserves and resources and the outlook for profitable mining from its operations is dependent on continued strong gold prices, and achieving planned production rates and LOM costs per ounce to mine and produce gold. Gold prices are historically volatile and gold can be subject to long periods of depressed prices;
- the estimation of mineral resources and reserves is a subjective process, the accuracy of which is a function of the quantity and quality of available data and the assumptions made and judgments used in the engineering and geological interpretation of that data and such assumptions and judgment, which may prove unreliable or mistaken. The JV's estimates of resources and reserves may be subject to revision based on various factors, some of which are beyond its control;
- mining risks which affect all companies in the industry to different degrees include the impact and cost of compliance with environmental regulations and the actions of mining opposition groups, adverse changes in mining and reclamation laws and compliance with increasingly complex health and safety rules; and
- other general and specific risks detailed from time-to-time in the Company's quarterly filings, AIFs, annual reports and annual filings with Canadian securities regulators and those which are discussed below.

Certain of the risk factors below are drafted solely in reference to the JV, as this is the corporate vehicle through which Galiano holds and participates in the AGM. In the event, however, that Galiano, in the future, obtains an interest in another mineral property, some of risks set out below may be considered applicable to Galiano as well, to the extent relevant in the circumstances.

Operational risks

Coronavirus

The outbreak of COVID-19 has had a negative impact on global financial conditions. COVID-19 emerged in Wuhan, China and has spread globally, including Canada and the US. These markets are a significant source of global demand for commodities, including gold. A sustained slowdown in economic growth or demand in these markets, in either case, that is not offset by reduced supply or increased demand from other regions, could have an adverse effect on the price and/or demand for gold.

In addition, outbreaks or the threat of outbreaks of viruses or other infectious diseases or similar health threats, such as COVID-19, could also cause operational and supply chain delays and disruptions (including as a result of governmental regulation and prevention measures), labour shortages and shutdowns or the inability to sell precious metals. On March 22, 2020, Ghana closed all borders for travel by all persons, and on March 27, 2020, announced restricted movements of people within the major centers of Accra and Kumasi. On August 30, 2020, the President of Ghana announced the reopening of the Kotoka International Airport to passenger travel effective September 1, 2020. To date, mining, power supply and fuel supply operators were exempted from the lockdown and the AGM's operations have not been materially impacted. In the event that the prevalence and impacts of COVID-19 continue to increase, governments, including Ghana's government, may increase regulations and restrictions regarding the flow of labour or products, and the Company's and the JV's operations, suppliers, customers and distribution channels could be severely impacted.

At this time, the Company cannot accurately predict what effects COVID-19 will have on mining operations or financial results, including as a result of uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of the travel restrictions and business closures that have been or may be imposed by the governments of impacted countries. The widespread health crisis caused by COVID-19, and its adverse economic and financial impacts, could adversely affect the Company's business, financial condition and results of operations and the market price of the Company's common shares.

Reserves and resources

Mineral reserves and mineral resources are based on estimates of mineral content and quantity derived from limited information acquired through drilling and other sampling methods and require judgmental interpretations of geology, structure, grade distributions and trends, and other factors. These estimates may change as more information is obtained. No assurance can be given that the estimates are accurate or that the indicated level of metal will be produced. Actual mineralization or formations may be different from those predicted. Further, it may take many years from the initial phase of drilling before production is possible, and during that time the economic feasibility of exploiting a discovery may change.

In addition, the mineral reserve and mineral resource estimates for the AGM are updated from time to time as the geological and technical information on the mineralization increases. These mineral reserve and mineral resource updates may result in reclassification of resources from one category of resources to another and these reclassifications may have a follow-on impact on reserves. To the extent that these reclassifications of resources are from a higher category to a lower category, there may be a resulting negative impact on related mineral reserves. Any reduction of reserves resulting from reclassification of resources may ultimately impact on project economics, including net present values and internal rates of return, and may result in the Company recognizing an impairment of the value of the AGM. For future projects, these reductions may impact adversely on production decisions. Mineral resources that are not mineral reserves do not have demonstrated economic viability. It cannot be assumed that all or any part of the JV's mineral resources constitute or will be converted into reserves. Market price fluctuations of gold as well as increased production and capital costs, reduced recovery rates or technical, economic, regulatory or other factors may render the JV's proven and probable reserves unprofitable to develop at a particular site or sites for periods of time or may render mineral reserves containing relatively lower grade mineralization uneconomic. Successful extraction requires safe and efficient mining and processing. Moreover, short-term operating factors relating to the mineral reserves, such as the need for the orderly development of ore bodies or the processing of new or different ore types, may cause mineral reserves to become uneconomical or the AGM to be unprofitable in any particular reporting period. Estimated reserves may have to be recalculated based on actual production experience. Any of these factors may require the JV to reduce its mineral reserves and resources, which could have a negative impact on the financial results of the JV and the Company.

Failure to obtain or maintain necessary permits or government approvals, revocation of those permits and approvals, regulatory changes affecting necessary permits or government approvals, or environmental concerns could also cause the JV to reduce its reserves. There is also no assurance that the JV will achieve indicated levels of gold recovery or obtain the prices for gold production assumed in determining the amount of such reserves. Anticipated levels of production may be affected by numerous factors, including mining conditions, labour availability and relations, weather and supply shortages.

Life of mine plans

LOM estimates for each of the properties of the JV are based on a number of factors and assumptions and may prove to be incorrect. In addition, LOM plans, by design, may have declining grade profiles and increasing rock hardness and mine life could be shortened if the JV increases production, experiences increased production costs or if the price of gold declines significantly. The LOM plan for the AGM will be updated from time-to-time to reflect current geological, technical and economic information and the JV's plans for the operation and expansion of the AGM may change materially from current planned operations based on the results of an updated LOM plan. Any such updates may result in changes to the LOM that could negatively impact the operations and financial condition of the JV and the AGM, or the share price of the Company, including pursuant to the recognition by the Company of impairment charges with respect to its investment in the JV.

The Company and its JV partner are currently in the process of preparing a new LOM plan and undertaking other technical work at the AGM, which it expects will be included in an updated Mineral Resource and Reserve Estimate with an anticipated effective date of June 30, 2021. The JV has not yet finalized this technical work or the new LOM plan and, once finalized, the LOM plan (and the updated Mineral Resource and Reserve Estimate) may include changes to the assumptions, estimates, parameters and plans reflected in the AGM's current LOM plan including, but not limited to, changes to the current estimates of in-situ ounces, ore tonnes to be mined in future periods, strip ratios, head grades, recovery rates, gold price assumptions, mining costs, processing costs, trucking costs, capital and closure costs, as well as discount rates. Changes to any of these factors may result in negative impacts on the project economics of the AGM, which may impact the Company's equity investment in the JV and the valuation of its preferred shares in the JV. Changes in the new LOM plan from the current LOM plan in a manner that reduces the economic benefit to the Company of its interest in the AGM, including reductions in net present values and internal rates of return, could materially impact the Company's future financial performance.

Production costs

This AIF and the Company's other public disclosures contain estimates of future production, operating costs, capital costs, estimates of future AISC/oz and other economic and financial measures with respect to existing mines and certain development stage projects. These estimates may change and/or the JV or the Company may be unable to achieve them. Actual production, costs, returns and other economic and financial performance may vary from the estimates depending on a variety of factors, many of which are not within the JV's or the Company's control. These factors include, but are not limited to:

- actual ore mined varying from estimates of grade, tonnage, dilution, and metallurgical and other characteristics;
- short-term operating factors such as the need for sequential development of ore bodies and the processing of new or different ore grades from those planned;
- mine failures, slope failures or equipment failures;
- industrial accidents;
- natural phenomena such as inclement weather conditions, floods, droughts, rock slides and earthquakes;
- encountering unusual or unexpected geological conditions;
- changes in power costs and potential power shortages;
- exchange rate and commodity price fluctuations;
- shortages of principal supplies needed for operations, including explosives, fuels, water and equipment parts;
- labour shortages or strikes;
- litigation;
- terrorism;
- civil unrest and protests;
- restrictions or regulations imposed by governmental or regulatory authorities;
- permitting or licensing issues; or
- shipping interruptions or delays.

In addition, estimates of capital costs and operating costs derived from the 2020 LOM Plan should be viewed in the context of being estimates based on the mine plan set forth in the 2020 LOM Plan. In addition, the estimates of capital and operating costs derived from the 2020 LOM Plan may be materially impacted by events beyond the JV's control, such as foreign exchange rate fluctuations and increases in plant, equipment and labour costs. Accordingly, the JV's actual capital and operating costs may vary materially from the estimates derived from the 2020 LOM Plan.

Failure to achieve production or cost estimates or material increases in costs could have a material adverse effect on the future cash flows, profitability, results of operations and financial condition of the JV and Company.

Limited history of mining operations

The AGM has limited history of mining operations. As a result, the JV (and consequently Galiano) is subject to all of the risks associated with establishing new mining operations including: the timing and cost, which can be considerable, of the construction of mining facilities; the availability and costs of skilled labour and mining equipment; the availability and costs of appropriate smelting and/or refining arrangements; the need to obtain necessary environmental and other governmental approvals and permits, and the timing of those approvals and permits; and, the availability of funds to finance construction and development activities. It is common in new mining operations to experience unexpected problems and delays during construction, development, and mine start-up. Such operations are subject to all the hazards and risks normally encountered in the exploration for, and development and production of gold and other precious or base metals, including unusual and unexpected geological formations, seismic activity, rock bursts, fires, cave-ins, flooding and other conditions involved in the drilling and removal of material as well as industrial accidents, labour force disruptions, fall of ground accidents in underground operations, and force majeure factors, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to person or property, environmental damage, delays, increased production costs, monetary losses and possible legal liability. Milling operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas, which may result in environmental pollution and consequent liability. In addition, delays in the commencement of mineral production often occur.

Consumables

The profitability of the JV (and consequently of Galiano) is affected by the market prices and availability or shortages of commodities which are consumed or otherwise used in connection with the JV's operations. Prices of such commodities also can be subject to volatile price movements, which can be material and can occur over short periods of time, and are affected by factors that are beyond the JV's control. Operations consume significant amounts of energy and are dependent on suppliers or governments to meet these energy needs and to allow declines in oil prices to filter through to the JV. In some cases, no alternative source of energy is available. An increase in the cost, or decrease in the availability, of construction materials may affect the timing and cost of the JV's development project. If the costs of certain commodities consumed or otherwise used in connection with the JV's operations were to increase significantly, and remain at such levels for a sustained period of time, this would have a material adverse impact on the JV and the Company. Costs at any particular mining location are also subject to variation due to a number of factors, such as changing ore grade, changing metallurgy and revisions to mine plans in response to the physical shape and location of the ore body or due to operational or processing changes. Reported costs may also be affected by changes in accounting standards. A material increase in costs at any significant location could have a significant effect on the JV's capital expenditures, production schedules, profitability and operating cash flow.

Extraction

A number of factors can affect the JV's ability to extract ore efficiently in the quantities that it has budgeted, including, but not limited to:

- ground conditions;
- geotechnical conditions;
- geological conditions;
- chemical effects;
- efficiency; and
- scheduling.

These factors may result in a less than optimal operation and lower throughput or lower recovery, which may affect the JV's production schedule. There is no assurance that, in planning and budgeting at the AGM, the Company or the JV have foreseen and/or accounted for every possible factor that might cause a project to be subject to suboptimal operation, and such suboptimal operation could have an effect on business, results of operations and financial condition of the JV and the Company and on the share price of the Company.

Processing

A number of factors could affect the JV's ability to process ore in the tonnages budgeted, the quantities of the metals and deleterious materials that are recovered and the ability to efficiently handle material in the volumes budgeted, including, but not limited to:

- the presence of oversized material at the crushing stage;
- material showing breakage characteristics different to those planned;
- material with grades outside of planned grade range;
- the presence of deleterious materials in ratios different than expected;
- material drier or wetter than expected, due to natural or environmental effects; and
- viscosity/density different than expected.

The occurrence of any of the above could affect the ability of the JV to treat the number of tonnes planned, recover valuable materials, remove deleterious materials and process ore, concentrate and tailings as planned. This may result, among other things, in lower throughput, lower recovery and/or more downtime which may have an adverse effect on future cash flow, results of operations and financial condition of the JV and the Company.

Equipment malfunctions

The JV's various operations may encounter delays in or losses of production due to the delay in the delivery of equipment, key equipment or component malfunctions or breakdowns, damage to equipment through accident or misuse, including potential complete write-off of damaged units, or delay in the delivery or the lack of availability of spare parts, which may impede maintenance activities on equipment. In addition, equipment may be subject to aging, if not replaced, or through inappropriate use or misuse and may become obsolete. Any one of these factors could adversely impact the operations, profitability and financial results of the JV and Company.

Legislative changes

The JV and Company, respectively, is subject to continuously evolving legislation, including, but not limited to, the areas of labour, environment, land titles, mining practices, closure and rehabilitation requirements and taxation. Compliance with these laws may require significant expenditures. If the JV or Company is unable to comply fully, they may be subject to enforcement actions or other liabilities, or its image may be harmed, all of which could materially affect operating costs, delay or curtail operations or cause the JV or Company to be unable to obtain or maintain required permits. There can be no assurance that the JV or Company has been or will be at all times in compliance with all applicable laws regulations, that compliance will not be challenged or that the costs of complying with current and future laws and regulations will not materially or adversely affect the business, operations or results of the Company or the JV.

New laws, regulations and administrative interpretations, amendments to existing laws and regulations or administrative interpretations, or more stringent enforcement of existing laws, regulations and administrative interpretations, whether in response to changes in the political or social environment the Company and JV operates in or otherwise, could have a material and adverse effect on the future cash flows, results of operations and financial condition of the Company and JV.

Key employees

The ability of the JV and the Company to effectively manage its corporate, exploration and operations teams, as applicable, depends in large part on the ability of the JV and Company to attract and retain key individuals in management positions and as senior leaders within the organization. The success of the Company and JV also depends on the technical expertise of its professional employees. The JV and Company face competition for qualified management, professionals, executives and skilled personnel from other companies. There can be no assurance that the JV or Company will continue to be able to compete successfully with its competitors in attracting and retaining senior leaders, qualified management and technical talent with the necessary skills and experience to manage its current needs. The length of time required to recruit key personnel and fill a position may be longer than anticipated. The failure to attract and retain capable leaders and key management professionals as well as qualified talent to manage the existing operations and projects effectively could have a material adverse effect on the business, financial condition and/or operational results of the JV and Company.

Labour disruptions

The JV is dependent on its workforce and the workforce of its contractors to extract and process minerals. Relations between the JV and its employees, as well as between contractors and their employees, may be impacted by changes in labour relations which may be introduced by, among other things, employee groups, unions and the relevant governmental authorities in whose jurisdictions the JV carries on business. Labour disruptions at the JV's properties could have a material adverse impact on its business, results of operations and financial condition and that of the Company. A number of the JV's employees are represented by labour unions under various collective labour agreements, which are subject to renegotiation and renewal at or near the termination of these contracts. In addition, existing labour agreements may not prevent a strike or work stoppage at the JV's facilities in the future. Any work stoppage or strike by union or other employees could have a material adverse effect on the JV and Company's earnings and financial condition.

Political and legal risks

Mining investments are subject to the risks normally associated with any conduct of business in foreign and/or emerging countries including:

- political risks;
- war, terrorism and civil disturbance risks;
- risks related to changes in laws or policies of particular countries, including those relating to royalties, duties, imports, exports and currency;
- risks in respect of the cancellation or renegotiation of contracts;
- the risk of the imposition of royalties, net profits payments, tax increases or other claims by government entities, including retroactive claims;
- the risk of expropriation and nationalization; and
- the risk of delays in obtaining or the inability to obtain necessary governmental permits or the reimbursement of refundable tax from fiscal authorities.

Other risks include the potential for fraud and corruption by suppliers, personnel or government officials which may implicate the JV or the Company, compliance with applicable anti-corruption laws, including the U.S. FCPA and the Canadian CFPOA by virtue of the JV and the Company operating in jurisdictions that may be vulnerable to the possibility of bribery, collusion, kickbacks, theft, improper commissions, facilitation payments, conflicts of interest and related party transactions and the JV or the Company's possible failure to identify, manage and mitigate instances of fraud, corruption, or violations of its code of conduct and applicable regulatory requirements.

There is also the risk of increased disclosure requirements, including those pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act; currency fluctuations; restrictions on the ability of local operating companies to sell gold offshore for U.S. dollars, and on the ability of such companies to hold U.S. dollars or other foreign currencies in offshore bank accounts; import and export regulations, including restrictions on the export of gold or on the import, for further gold processing; limitations on the repatriation of earnings or on the ability of the JV and the Company to assist in minimizing its expatriate workforce's exposure to double taxation in both the home and host jurisdictions; and increased financing costs.

These risks may limit or disrupt operating mines or projects, restrict the movement of funds, cause the JV and the Company to have to expend more funds than previously expected or required, or result in the deprivation of contract rights or the taking of property by nationalization or expropriation without fair compensation, and may materially adversely affect the financial position and/or results of operations of the JV and Company. In addition, the enforcement by the JV and Company of its legal rights in foreign countries, including rights to exploit its properties or utilize its permits and licenses and contractual rights may not be recognized by the court systems in such foreign countries or enforced in accordance with the rule of law.

It is possible that a current or future government of any country in which the Company or the JV has mining projects or operations may adopt substantially different policies or take arbitrary action which might halt exploration or production, nationalize assets or cancel contracts and/or mining and exploration rights and/or make changes in taxation treatment any of which could have a material and adverse effect on the future cash flows, earnings, results of operations and/or financial condition of the JV and Company.

Contractors

The JV uses contractors at the AGM for some of its mining activities. As a result, operations at the AGM are subject to a number of risks, some of which will be outside of the JV's control, including:

- negotiating agreements with contractors on acceptable terms;
- the inability to replace a contractor and its operating equipment in the event that either party terminates the agreement;
- reduced control over such aspects of operations that are the responsibility of the contractor;
- failure of a contractor to perform under its agreement with the JV;
- interruption of operations in the event that a contractor ceases its business due to insolvency or other unforeseen events;
- failure of a contractor to comply with applicable legal and regulatory requirements, to the extent that it is responsible for such compliance; and
- problems of a contractor with managing its workforce, labour unrest or other employment issues.

In addition, the JV may incur liability to third parties as a result of the actions of a contractor. The occurrence of one or more of these risks could have a material adverse effect on the business, results of operations and financial condition of the JV and Company.

Mining dangers

Mining operations generally involve a high degree of risk. The JV's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of gold, including: unusual and unexpected geological formations; seismic activity; cave-ins or slides; flooding; pit wall failure; periodic interruption due to inclement or hazardous weather conditions; and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, personal injury or death, damage to property, environmental damage and possible legal liability. Milling operations are subject to hazards such as fire, equipment failure or failure of retaining dams around tailings disposal areas, which may result in environmental pollution and consequent liability.

Environmental and Health and Safety Issues

Routine safety inspections are conducted across the AGM site with any non-conformances reported through the safety, health & environment management system. Weekly inspections are conducted at the mining contractor workshops, fuel depot, process plant, and other external areas as required. With regards to the TSF, the JV employs a series of monitoring boreholes around the perimeter of the TSF, which are regularly monitored for ground water contamination. The TSF is inspected on a daily basis for signs of stress or damage and to ensure structural integrity. It is also audited every quarter, including for structural integrity, by independent third-party consultants and their report is submitted to the Ghanaian EPA.

Although the JV monitors its mining and disposal sites for potential environmental hazards, there is no assurance that it has detected, or can detect all possible risks to the environment arising from the business and operations. The JV expends significant resources to comply with environmental laws, regulations and permitting requirements, and expects to continue to do so in the future. Failure to comply with applicable environmental laws, regulations and permitting requirements may result in injunctions, damages, suspension or revocation of permits and imposition of penalties. There is no assurance that:

- the JV has been or will be at all times in compliance with such laws, regulations and permitting requirements, or with any new or amended laws, regulations and permitting requirements that may be imposed from time to time;
- the JV's compliance with such laws, regulations and permitting requirements, or with any new or amended laws, regulations and permitting requirements that may be imposed from time to time, will not be challenged; or
- the costs of compliance with such laws, regulations and permitting requirements, or with any new or amended laws, regulations and permitting requirements that may be imposed from time to time, will be economical and will not materially or adversely affect the JV's future cash flow, results of operations and financial condition.

The JV may be subject to proceedings in respect of alleged failures to comply with increasingly strict environmental laws, regulations or permitting requirements or of posing a threat to or of having caused hazards or damage to the environment or to persons or property. While any such proceedings are in process, the JV could suffer delays or impediments to or suspension of development and construction of projects and operations and, even if the JV is ultimately successful, the JV may not be compensated for the losses resulting from any such proceedings or delays.

There may be existing environmental hazards, contamination or damage at the JV's mines or projects that the JV may be unaware of. The JV may also be held responsible for addressing environmental hazards, contamination or damage caused by current or former activities at its mine sites or projects or exposure to hazardous substances, regardless of whether or not hazard, damage, contamination or exposure was caused by the activities of the JV or by previous owners or operators of the property.

Any finding of liability in such proceedings could result in additional substantial costs, delays in the exploration, development and operation of the JV's properties and other penalties and liabilities related to associated losses, including, but not limited to:

- restrictions on or suspension of the activities of the JV;
- loss of rights, permits and property, including loss of the JV's ability to operate in that country or generally;
- completion of extensive remedial cleanup or paying for government or third-party remedial cleanup;
- premature reclamation of operating sites; and
- seizure of funds or forfeiture of bonds.

The costs of complying with any orders made or any cleanup required and related liabilities from such proceedings or events may be significant and could have a material adverse effect on the business, results of operations, financial condition of the JV and the Company and the share price of the Company.

In Ghana, the JV is required to submit, for government approval, a reclamation plan for each of its mining sites that establishes the JV's obligation to reclaim property after minerals have been mined from the site. Further, the JV is required to provide security to the Ghanaian EPA for the performance by the JV of its reclamation obligations in respect of the Abirem, Abore and Adubea mining leases. Although the JV has currently made provision for certain of its reclamation obligations, there is no assurance that these provisions will be adequate in the future.

Climate Change

The Company acknowledges climate change and that increased environmental regulation resulting therefrom may adversely affect the operations of the JV and Company. 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.

There is no assurance that the response of the JV and the Company to the risks posed by Climate change and the corresponding legislation and regulation will be effective and the physical risks of climate change will not have an adverse effect on the JV's operations and profitability.

Health and Safety Risks

The JV and its workforce are exposed to pandemics such as malaria , dengue, the coronavirus, chikungunya and other diseases. Such pandemics and diseases represent a serious threat to maintaining a skilled workforce in the mining industry in Africa and is a major healthcare challenge for the JV.

As a result of such pandemics and workplace accidents due to the inherent dangers of mining operations, there can be no assurance that the JV will not lose members of its workforce or see its workforce productivity reduced or incur medical costs, which could have a material and adverse effect on the future cash flows, earning, results of operations and financial condition of the JV and the Company.

Permitting

The operation, exploration and development projects of the JV require licenses and permits from various governmental authorities to exploit its properties, and the process for obtaining and renewing licenses and permits from governmental authorities often takes an extended period of time and is subject to numerous delays, costs and uncertainties. Any unexpected delays or costs or failure to obtain such licenses or permits associated with the permitting process could delay or prevent the execution of the AGM's development plans or impede the operation of a mine, which could adversely impact the JV's and the Company's operations, profitability and financial results. Such licenses and permits are subject to change in various circumstances. Failure to comply with applicable laws and regulations may result in injunctions, fines, suspensions or revocations of permits and licenses, and other penalties. There can be no assurance that the JV has been or will be at all times in compliance with all such laws and regulations and with its licenses and permits or that the JV has all required licenses and permits in connection with its operations. The JV may be unable, on a timely basis, to obtain, renew or maintain in the future all necessary licenses and permits that may be required to explore and develop its properties, maintain the operation of mining facilities and properties under exploration or development or to otherwise maintain continued operations.

The JV's ability to obtain and maintain required permits and approvals and to successfully operate, in particular, may be adversely impacted by real or perceived detrimental events associated with the JV's activities or those of other resource companies affecting the environment, human health and safety of the surrounding communities. Delays in obtaining or failure to obtain, renew, or retain government permits and approvals may adversely affect the JV's operations, including its ability to explore or develop properties, commence production or continue operations.

Land title

The validity of exploration, development and mining interests and the underlying mineral claims, mining claims, mining leases, tenements and other forms of land and mineral tenure held by the JV, which fundamentally constitute the JV's property holdings, can be uncertain and may be contested and the JV's properties are subject to various encumbrances, including royalties.

Acquisition of title to mineral properties is a very detailed and time-consuming process, and the JV's title to its properties may be affected by prior unregistered encumbrances, agreements or transfers, or undetected defects. Although the JV has attempted to acquire satisfactory title to its properties, some risk exists that some titles, particularly title to exploration and undeveloped properties, may be defective. A successful challenge to the JV's title to its properties could result in the JV being unable to operate on its properties as anticipated or being unable to enforce its rights with respect to its properties which could have a material adverse effect on the JV and the Company. The JV may further need to acquire other title, such as surface title, easements or rights of way, which may encroach on the title to property of third parties. There is no guarantee that such further title, easements or rights of way necessary for the JV's operations may be acquired by the JV and the failure to acquire same, or to acquire the same in a timely fashion, may materially impede the JV's operations.

Geotechnical

Mining, by its very nature, involves the excavation of soils and rocks. The stability of the ground during and after excavation involves a complicated interaction of static and dynamic stresses (including induced stresses such as blasting), gravity, rock strength, rock structures (such as faults, joints, and bedding), groundwater pressures and other geo-mechanical factors.

Additionally, excavated ore and waste may be deposited in dumps or stockpiles, or used in the construction of tailings dams and roads or other civil structures, which may be very large. These dumps, stockpiles, dams, etc. may also be subject to geotechnical failure due to over-steepening, seismically induced destabilization, water saturation, material degradation, settling, overtopping, foundation failure or other factors.

The JV employs internal geotechnical experts, external consultants and third-party reviewers and auditors who use industry-standard engineering data gathering, analyses, techniques and processes to manage the geotechnical risks associated with the design and operation of a mine and the related civil structures. However, due to unforeseen situations and to the complexity of these rock masses and large rock and soil civil structures, geotechnical failures may occur at the AGM which could result in the temporary or permanent closure of all or part of a mining operation and/or damage to mine infrastructure, equipment or facilities, which materially impacts mineral production and/or results in additional costs to repair or recover from such geotechnical failures and the resulting damage.

Community risk

Maintaining a positive relationship with the communities in which the JV operates is critical to continuing the successful operation of the AGM as well as construction and development of existing and new projects. Community support for mining operations is a key component of a successful mining venture.

As a mining business, the JV and the Company may come under pressure in the jurisdictions in which it operates, or will operate in the future, to demonstrate that other stakeholders (including employees, communities surrounding operations and the countries in which the JV and the Company operate) benefit and will continue to benefit from the JV's and the Company's commercial activities, and/or that it operates in a manner that will minimize any potential damage or disruption to the interests of those stakeholders. The JV and the Company may face opposition with respect to current and future development and exploration projects which could materially adversely affect the business, results of operations, financial condition of the JV and the Company and the Company's share price.

Surrounding communities may affect or threaten the security of the mining operations through the restriction of access of supplies and the workforce to the mine site or the conduct of artisanal mining at or near the mine sites. The material properties of the JV may be subject to the rights or asserted rights of various community stakeholders, including indigenous people, through legal challenges relating to ownership rights or rights to artisanal mining. The JV is exposed to artisanal and illegal mining activities in close proximity to its operations that may cause environmental issues and disruptions to the operations and relationships with governments and local communities.

Infrastructure and Water Access

The JV's operations are carried out in geographical areas which lack developed infrastructure and are subject to various other risk factors, including the availability of sufficient water supplies. Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants which affect capital and operating costs. Lack of such infrastructure or unusual or infrequent weather phenomena, sabotage, terrorism, government or other interference in the maintenance or provision of such infrastructure could adversely affect the operations, financial condition and/or results of operations of the JV and the Company.

The JV's failure to obtain needed water permits, the loss of some or all of the JV's water rights for any of its mines or shortages of water due to drought or loss of water permits could require the JV to curtail or close mining production and could prevent the JV from pursuing expansion opportunities.

Exploration and development risks

Exploration

Gold and other metal exploration is highly speculative in nature, involves many risks and is often not productive; there is no assurance that the JV will be successful in its exploration efforts.

The JV's ability to increase mineral reserves is dependent on a number of factors, including the geological and technical expertise of the JV's management and exploration teams, the quality of land available for exploration and other factors. Once gold mineralization is discovered, it can take several years of exploration and development before production is possible, and the economic feasibility of production can change during that time.

Substantial expenditures are required to carry out exploration and development activities to establish proven and probable mineral reserves and determine the optimal metallurgical process to extract the metals from the ore.

Once the JV has found ore in sufficient quantities and grades to be considered economic for extraction, metallurgical testing is required to determine whether the metals can be extracted economically. There may be associated metals or minerals that make the extraction process more difficult.

There is no assurance that the JV's exploration programs will expand the JV's current mineral reserves or replace them with new mineral reserves. Failure to replace or expand the mineral reserves could have an adverse effect on the JV and the Company.

Mine development

The execution of the AGM's development plans will require the development and operation of various mining pits, the resettlement of villages, upgrades to the existing haul road, upgrades to Esaase mining infrastructure and TSF lifts. As a result, the JV and the Company is and shall continue to be subject to many of the risks associated with establishing new mining operations including:

- the availability of funds to finance construction and development activities;
- the receipt of required governmental approvals and permits;
- the availability and costs of skilled labour and the ability of key contractors to perform services in the manner contracted for;
- unanticipated changes in grade and tonnage of ore to be mined and processed;
- unanticipated adverse geotechnical conditions;
- incorrect data on which engineering assumptions are made;
- potential increases in construction and operating costs due to changes in the cost of fuel, power, materials, skilled labour, security and supplies;
- adequate access to the site and unanticipated transportation costs or disruptions; and
- potential opposition or obstruction from non-governmental organizations, environmental groups, terrorists or local groups which may delay or prevent development activities.

Any delay in the performance of any one or more of the contractors, suppliers, consultants or other persons on which the AGM is dependent in connection with its development plans, a delay in or failure to receive the required governmental approvals and permits in a timely manner or on reasonable terms, or a delay in or failure in connection with the completion and successful operation of the operational elements in connection with the JV's development plans could delay or prevent the development of the mine as planned.

Risks Relating to the Value of Securities

The Company's Common Shares may experience price and volume volatility

In recent years, the securities markets have experienced a high level of price and volume volatility, and the market price of securities of many companies has experienced wide fluctuations, which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that such fluctuations will not affect the price of the Company's securities, and the price may decline below their acquisition cost. As a result of this volatility, investors may not be able to sell their securities at or above their acquisition cost.

Securities of mining companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in the countries where these companies carry on business and globally, and market perceptions of the attractiveness of particular industries. The price of the securities of the Company is also likely to be significantly affected by short-term changes in commodity prices, other precious metal prices or other mineral prices, currency exchange fluctuation and the political environment in the countries in which the Company does business and globally.

In the past, following periods of volatility in the market price of a company's securities, shareholders have often instituted class action securities litigation against those companies. Such litigation, if instituted, could result in substantial costs and diversion of management attention and resources, which could significantly harm the Company's profitability and reputation.

Financial Risks

Gold price fluctuations

The JV's revenues depend in part on the market prices for gold. Gold prices fluctuate widely and are affected by numerous factors beyond the JV's control including central bank lending, sales and purchases of gold, producer hedging activities, expectations of inflation, the level of demand for gold as an investment, speculative trading, the relative exchange rate of the U.S. dollar with other major currencies, interest rates, global and regional demand, political and economic conditions and uncertainties, industrial and jewelry demand, production costs in major gold producing regions and worldwide production levels. The aggregate effect of these factors is impossible to predict with accuracy. Although the JV has from time to time entered into hedging instruments to manage the AGM's exposure to gold price risk, the JV may not do so in future. Fluctuations in gold prices may materially and adversely affect the financial performance or results of operations of the JV and the Company.

Insufficient financing

To fund growth, the JV and the Company may choose to secure necessary capital through loans or other forms of financing. The availability of this capital is subject to general economic conditions and lender and investor interest in the JV and the Company and their respective projects.

In addition, the JV and the Company may seek funding to further its search and exploration for new mineral deposits and their development. Financing may not be available when needed or, if available, may not be available on terms acceptable to the JV or the Company. Failure to obtain any financing that may become necessary for the development plans of the JV and the Company may result in a delay or indefinite postponement of exploration, development or production on any or all of the properties of the JV and the Company.

Shareholder dilution

The adequacy of the Company's capital structure is assessed on an ongoing basis and adjusted as necessary after taking into consideration the Company's strategic plans, market and forecasted gold prices, the mining industry, general economic conditions and associated risks. In order to maintain or adjust its capital structure, the Company may adjust its capital spending, issue new common shares, purchase common shares for cancellation pursuant to normal course issuer bids, issue new debt or reimburse existing debt. The constating documents of the Company allow it to issue, among other things, an unlimited number of Common Shares for such consideration and on such terms and conditions as may be established by the Board of Directors of the Company, in many cases, without the approval of shareholders. The Company cannot predict the size of future issuances of Common Shares or the issue of securities convertible into common shares of Galiano or the effect, if any, that future issuances and sales of the Company's common shares will have on the market price of its common shares. Any transaction involving the issue of previously authorized but unissued common shares or securities convertible into common shares would result in dilution to present and prospective holders of common shares.

Control of AGM cash flows and Operation through a Joint Venture

Positive cash flows from the AGM are not within the Company's exclusive control as the disposition of cash from the AGM is governed by the JVA. The JVA provides that "Distributable Cash" will be calculated and distributed quarterly, if available. "Distributable Cash" means an amount to be calculated at each calendar quarter-end, as being the lesser of (i) cash and cash equivalents which are projected at that time to be surplus to all the JV companies taken together, after providing for all amounts anticipated to be required to be paid during a period of least the ensuing two calendar quarters in order to pay the net obligations (net of anticipated revenues during such two subsequent quarters) which will arise out of the operations contemplated by the current approved program and budget while also providing for retention of a reasonable amount of cash and cash equivalents for working capital, contingencies and reserves, all of which factors shall be considered by the Management Committee of the JV; and (ii) the maximum amount permissible for distributions to shareholders of a particular JV company at that time in accordance with applicable law and the terms of any third party loan or other agreement in effect which limits distributions from the JV companies. Distributable cash is to be paid out by the JV in certain priority, and is generally paid first to interest and principal of loans, second to redemption of the preferred shares issued by the JV (of which shares each partner held 137.4 million preferred shares as of December 31, 2020) and finally as dividends on common shares of the JV companies (which the JV partners own 45:45 with the Government of Ghana holding 10%). As a result, despite positive cash flows from the AGM accruing to the JV, in certain circumstances, including wherein the JV is expected to incur costs in respect of work programs to be undertaken at the AGM or principal and interest payments are owing by the JV, Galiano may not be able to realize on all or any part of this positive cash flow, which may have a negative impact on the financial condition, results of operations or share price of the Company. See section "*Corporate risks - Risks associated with Joint Ventures*" below.

Interest rates

Increases in interest rates could cause the Company's cost of capital to increase, which in turn may affect the feasibility of financing future development projects. In addition, the Company's financial results are affected by movements in interest rates, as it forms an important factor in the estimation of the fair value of certain assets and liabilities of the JV and the Company.

Foreign currency and foreign exchange

The JV receives revenue from operations in US dollars but incurs a portion of its operating expenses and costs in foreign currencies including Ghanaian Cedis, South African Rand, and Canadian dollars. Similarly, the Company raises its capital in Canadian dollars and US dollars, as applicable, yet incurs expenses in foreign currencies including South African Rand and Australian dollars. Each of these currencies fluctuates in value and is subject to its own country's political and economic conditions and the JV and the Company are therefore subject to fluctuations in the exchange rates between the US dollar, the Canadian dollar and these currencies. These fluctuations could have a material effect on the future cash flow, business, results of operations and financial condition of the JV and the Company and on the share price of the Company. Foreign currency fluctuations may also lead to higher-than-anticipated construction, development and other costs. The JV and the Company does not currently hedge against currency exchange risks, although it may do so from time to time in the future.

Credit rating downgrade

Any debt issued by the JV or the Company may have a non-investment grade rating, and any rating assigned could be lowered or withdrawn entirely by a rating agency if, in that rating agency's judgment, future circumstances relating to the basis of the rating, such as adverse changes, so warrant. Consequently, real or anticipated changes in the credit ratings of the JV and the Company will generally affect the market value of any debt of the JV and the Company. Additionally, credit ratings may not reflect the potential of risks relating to the structure of any debt of the JV and the Company. Any future lowering of the ratings for the JV and the Company likely would make it more difficult or more expensive to obtain debt financing.

Taxation

The JV and the Company have operations and conduct business in a number of different jurisdictions and are subject to the taxation laws of each such jurisdiction. These taxation laws are complicated and subject to changes and are subject to review and assessment in the ordinary course. Any such changes in taxation law or reviews and assessments could result in higher taxes being payable by the JV and the Company, which could adversely affect profitability. Taxes and other local laws and requirements may also adversely affect the ability of the JV and the Company to repatriate earnings and otherwise deploy assets.

In addition, the JV and the Company are subject to routine tax audits by various tax authorities. Tax audits may result in additional tax, interest payments and penalties which, if levied, would negatively affect the financial condition and operating results of the JV and the Company.

Repatriation of funds

The Company may need to repatriate funds from foreign affiliates to service indebtedness or fulfill the Company's business plans, in particular in relation to ongoing expenditures at development assets unrelated to the JV. Galiano may not be able to repatriate funds, or may incur tax payments or other costs when doing so, as a result of a change in applicable law or tax requirements at local subsidiary levels, and such costs could be material.

Financial reporting risks

Inadequate controls over financial reporting

The Company assessed and tested, for its 2020 fiscal year, its internal control procedures in order to satisfy the requirements of Section 404 of the Sarbanes-Oxley Act ("SOX"). SOX requires an annual assessment by management of the effectiveness of the Company's internal control over financial reporting. In 2020, the Company elected not to obtain an attestation report from the Company's independent auditors addressing the effectiveness of the Company's internal controls over financial reporting. The Company's failure to satisfy the requirements of Section 404 of SOX on an ongoing and timely basis could result in the loss of investor confidence in the reliability of its financial statements and/or regulatory sanctions, which in turn could harm the Company's business and negatively impact the trading price of its Common Shares or market value of its other securities. In addition, any failure to implement required new or improved controls, or difficulties encountered in their implementation could harm the Company's operating results or cause it to fail to meet its reporting obligations.

Moreover, the Company's management does not expect that its internal control over financial reporting will prevent or detect all errors and all fraud. Any such errors or fraud could cause the Company to be required to amend its financial statements, result in regulatory sanction and/or liability, any of which could harm the Company's financial results, results of operation, business or share price.

Public company obligations

The Company's business is subject to evolving corporate governance and public disclosure regulations that have increased both the Company's compliance costs and the risk of non-compliance. Any non-compliance with these regulations could have an adverse effect on the Company's share price.

The Company is subject to changing rules and regulations promulgated by a number of U.S. and Canadian governmental and self-regulated organizations, including the SEC, the Canadian Securities Administrators, the NYSE American, the TSX, and the International Accounting Standards Board. These rules and regulations continue to evolve in scope and complexity and many new requirements have been created in response to laws enacted by the U.S. Congress, making compliance more difficult and uncertain.

Carrying value of assets

The carrying value of the assets of the JV and the Company is compared to internal estimates of their estimated fair value to assess how much value can be recovered based on current events and circumstances. The fair value estimates of the JV and the Company are based on numerous assumptions and are adjusted from time to time and the actual fair value, which also varies over time, could be significantly different than these estimates.

If there are no mitigating valuation factors and the JV and the Company do not achieve their valuation assumptions, or they experience a decline in the fair value of their reporting units, it could result in an impairment charge, which could have an adverse effect on the JV and the Company.

Change in reporting standards

Changes in accounting or financial reporting standards may have an adverse effect on the financial condition and results of operations of the JV and the Company in the future.

Corporate risks

Risk associated with joint ventures

Since the conclusion of the JV Transaction on July 31, 2018, the Company's primary asset is held through a joint venture arrangement with Gold Fields, which exposes the Company to various additional risks. The existence or occurrence of one or more of the following circumstances and events could have a material adverse impact on the Company's profitability or the viability of the Company's interest in the AGM, which could have a material adverse impact on the Company's future cash flows, earnings, results of operations and financial condition:

- disagreements with the JV partners on how to operate the AGM and whether and how to develop the AGM;
- inability to exert influence over certain strategic decisions made in respect of the AGM's development plans;
- inability of the Company to meets its own obligations under the JVA;
- inability of the Company to make its required contributions under the JVA which may result in dilution to the Company's interest in the JV;
- inability of partners to meet their obligations to the JV, joint operation of the AGM or third parties;
- decisions under the dispute resolution provisions of the JVA may not be resolved in the Company's favour; and
- litigation between partners regarding the JV or matters in respect of the joint operation of the AGM.

In addition, the Company is currently the manager of the JV operations for which it receives fees under the Services Agreement in respect of the AGM for direct services and supervised activities, capped at $6 million per year (adjusted annually for inflation). The Company is obliged to provide services to a professional standard and to otherwise comply with the obligations of the Services Agreement. If the Company were to fail to meet the required standards and obligations under the Services Agreement, or were diluted pursuant to the JVA, it could be removed as manager and would lose entitlement to these fees.

The Company's inability to control the JV may impact adversely on the ability of the Company to raise funds to fund its contributions to the JV, which may ultimately result in dilution to the Company's interest in the JV.

Insurance and Uninsured risks

Where economically feasible and based on availability of coverage, a number of operational, financial and political risks are transferred to insurance companies. The availability of such insurance is dependent on the past insurance losses and records of the JV and the Company and general market conditions. Available insurance does not cover all the potential risks associated with a mining company's operations. The JV and the Company may also be unable to maintain insurance to cover insurable risks at economically feasible premiums, insurance coverage may not be available in the future or may not be adequate to cover any resulting loss, and the ability to claim under existing policies may be contested. Moreover, insurance against risks such as the validity and ownership of unpatented mining claims and mill sites and environmental pollution or other hazards as a result of exploration and production is not generally available to the JV or the Company or to other companies in the mining industry on acceptable terms. As a result, the JV and the Company might become subject to liability for environmental damage or other hazards for which it is completely or partially uninsured or for which it elects not to insure because of premium costs or other reasons. Losses from these events may cause the JV and the Company to incur significant costs that could have a material adverse effect upon the financial condition and/or results of operations of the JV and the Company.

Litigation

The JV and the Company may be subject to litigation arising in the normal course of business and may be involved in disputes with other parties, including governments and its workforce, in the future which may result in litigation. The causes of potential future litigation cannot be known and may arise from, among other things, business activities, environmental laws, volatility in stock price, failure to comply with disclosure obligations or the presence of illegal miners or labour disruptions at its mine sites. The results and costs of litigation cannot be predicted with certainty. If the JV or the Company is unable to resolve these disputes favourably, it may have a material adverse impact on the financial performance, cash flow and results of operations of the JV and the Company.

In the event of a dispute involving the foreign operations of the Company's affiliates, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada. The Company's ability to enforce its rights or its potential exposure to the enforcement in Canada or locally of judgments from foreign courts could have an adverse effect on its future cash flows, earnings, results of operations and financial condition.

Reputational risk

Damage to Galiano's reputation can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity, whether true or not. Galiano and the JV operate not have control over how they are perceived by others. Any reputation loss 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 condition of the JV and the Company and the Company's share price.

Acquisitions

The Company may pursue the acquisition or disposition of producing, development or advanced stage exploration properties and companies. The search for attractive acquisition opportunities and the completion of suitable transactions are time consuming and expensive, and may be unsuccessful. The Company's success in its acquisition activities depends on its ability to identify suitable acquisition candidates, negotiate acceptable terms for any such acquisition, obtain necessary regulatory approvals and integrate the acquired operations successfully with those of the Company or the JV. Any acquisition that the Company may choose to complete may be of a significant size, may change the scale of the Company's business and operations and may expose the Company to new geographical, political, operational, financial and geological risks. For example:

- there may be a significant change in commodity prices after the Company has committed to complete an acquisition and established the purchase price or share exchange ratio;
- a material ore body may prove to be below expectations;
- the Company may have difficulty integrating and assimilating the operations and personnel of any acquired companies, realizing anticipated synergies, maximizing the financial and strategic position of the combined enterprise, and maintaining uniform standards, policies and controls across the organization;

- the integration of the acquired business or assets may disrupt the Company's ongoing business and its relationships with employees, suppliers and contractors; and
- the acquired business or assets may have unknown liabilities which may be significant.

Competitors

The Company competes with other mining companies and individuals for mining interests on attractive exploration properties and the acquisition of mining assets, including competitors with greater financial, technical or other resources. This may increase the risk of higher costs when acquiring suitable claims, properties and assets or of even making such acquisitions on terms acceptable to the Company. There can be no assurance that the Company will be able to compete successfully with its competitors in acquiring such properties and assets.

Information systems security threats

The Company and the JV is reliant on the continuous and uninterrupted operation of its IT systems. User access and security of all IT systems can be critical elements to the operations of the Company and the JV. Protection against cyber security incidents, cloud security and security of all of the IT systems of the JV and the Company are critical to the operations of the JV and the Company. Any IT failure pertaining to availability, access or system security could result in disruption for personnel and could adversely affect the reputation, operations or financial performance of the JV and the Company.

The IT systems of the JV and the Company could be compromised by unauthorized parties attempting to extract business sensitive, confidential or personal information, corrupting information or disrupting business processes or by inadvertent or intentional actions by the employees or vendors of the JV and the Company. A cyber security incident resulting in a security breach or failure to identify a security threat could disrupt business and could result in the loss of business sensitive, confidential or personal information or other assets, as well as litigation, regulatory enforcement, violation of privacy or securities laws and regulations, and remediation costs.

If any of the foregoing events, or other negative events in respect of the IT systems of the Company or the JV not described herein occur, the business, financial condition or results of operations of the JV and the Company could suffer. In that event, the market price of the Company's securities may decline and investors could lose part or all of their investment.

Other risks and uncertainties

The exploration, development and mining of natural resources are highly speculative in nature and are subject to significant risks. The risk factors noted above do not necessarily comprise all risks faced by the Company or the JV. Additional risks and uncertainties not presently known to the Company or that management currently consider immaterial may also impair the business, operations and future prospects of the JV and the Company. If any of the following risks actually occur, the business of the JV and the Company may be harmed and their financial condition and results of operations may suffer significantly.

DIVIDENDS AND DISTRIBUTIONS

Galiano has no fixed dividend policy and has not declared any dividends on its Common Shares since its incorporation. Subject to the BCBCA, the actual timing, payment and amount of any dividends declared and paid by the Company will be determined by and at the sole discretion of Galiano's Board of Directors from time to time based upon, among other factors, the Company's cash flow, results of operations and financial condition, the need for funds to finance ongoing operations and exploration, and such other considerations as the Board of Directors in its discretion may consider or deem relevant.

DESCRIPTION OF CAPITAL STRUCTURE

Common Shares

Galiano's authorized capital consists of an unlimited number of Common Shares without par value. At December 31, 2020, there were 224,253,522 Common Shares issued and outstanding.

Each Common Share entitles the holder to one vote at all meetings of the Company's shareholders. The holders of the Company's Common Shares are entitled to receive during each year, as and when declared by the Board of Directors, dividends payable in money, property or by the issue of fully-paid Common Shares of Galiano. If the Company is dissolved, wound-up, whether voluntary or involuntary, or there is a distribution of Galiano's assets among shareholders for the purpose of winding-up its affairs, the holders of the Company's Common Shares are entitled to receive Galiano's remaining property.

The Company was previously authorized to issue unlimited preferred shares without par value or restrictions. At the Company's Annual General and Special Meeting of Shareholders held on April 30, 2020, the Company's Notice of Articles was updated to remove preferred shares from the Company's capital structure.

(a) Normal Course Issuer Bid

The Company received approval from the TSX to commence a NCIB on November 15, 2019 to purchase up to 11,310,386 common shares, representing 5% of the Company's issued and outstanding common shares. Purchases pursuant to the NCIB are made on the open market through the facilities of the TSX and NYSE American.

All common shares purchased by the Company under the NCIB were purchased at the market price at the time of acquisition in accordance with the rules and policies of the TSX and NYSE American and applicable securities laws. All common shares acquired by the Company under the NCIB were cancelled and purchases were funded out of the Company's working capital. The NCIB had a term of one-year and was terminated on November 14, 2020.

Over the term of the NCIB, the Company repurchased and cancelled a total of 3,866,983 common shares for $3.3 million, at a weighted average price of $0.84 per share.

(b) At-the-Market Offering ("ATM")

On June 25, 2020, the Company entered into an ATM agreement with H.C. Wainwright & Co. and Cormark Securities (the "Agents"). Under the ATM agreement, the Company may, at its discretion and from time-to-time during the term of the ATM agreement, sell through the Agents common shares of the Company for aggregate gross proceeds to the Company of up to $50.0 million (the "Offering"). The Company expects to use any net proceeds of the Offering for general corporate and working capital requirements, including, but not limited to, funding ongoing exploration and operations at the AGM, funding the Company's working capital requirements, repaying indebtedness outstanding from time to time, completing future acquisitions and/or for other corporate purposes.

Sales of common shares will be made through “at-the-market distributions” as defined in National Instrument 44-102 - *Shelf Distributions*, including sales made directly on the NYSE American, or any other recognized marketplace upon which the Company’s common shares are listed or quoted or where the common shares are traded in the United States. No offers or sales of common shares will be made in Canada on the Toronto Stock Exchange or other trading markets in Canada. The Company will pay the Agents a commission of 3.0% of the aggregate gross proceeds from each sale of common shares. The Company will determine, in its sole discretion, the date, price and number of common shares to be sold under the Offering, if any. Any common shares sold in the Offering will be distributed at market prices or prices related to prevailing market prices from time to time. The Company is not required to sell any common shares under the Offering at any time.

The Offering was made by way of a prospectus supplement dated June 25, 2020 (the “Prospectus Supplement”) to the Company’s existing U.S. registration statement on Form F-10 (the “Registration Statement”) and Canadian short form base shelf prospectus (the “Base Shelf Prospectus”) each dated June 11, 2020. The Prospectus Supplement relating to the Offering has been filed with the securities commissions in each of the provinces and territories of Canada (other than Québec) and with the SEC. The Prospectus Supplement and the Registration Statement are available on the SEC's website and the Prospectus Supplement (together with the related Base Shelf Prospectus) is available on the SEDAR website maintained by the Canadian Securities Administrators.

In addition, in connection with Gold Fields’ existing pre-emptive right to maintain its 9.9% pro rata ownership interest in the Company, the Company has agreed to sell to Gold Fields, from time to time during the term of the Offering at Gold Fields’ election, on a private basis, such number of common shares as to represent 9.9% of the common shares issued under the Offering, if any.

During the year ended December 31, 2020, the Company did not issue any common shares under the Offering.

As at March 25, 2021, there were 224,563,222 shares issued and outstanding.

Constraints

There are no constraints imposed on the ownership of the Common Shares by corporate law. There are certain government review requirements regarding foreign investment in Canadian companies which are not expected to be relevant to Galiano shareholders.

MARKET FOR SECURITIES

Trading Price and Volume

The Company's common shares trade on the TSX and NYSE American under the symbol "GAU".

The following tables set out the low and high sale prices and the aggregate volume of trading of the Company's Common Shares on the TSX for the months indicated (Canadian Dollars) and NYSE American for the months indicated (US Dollars).

	TSX Price Range		
Month	High (C$)	Low (C$)	Total Volume
January 2020	1.27	1.12	2,320,500
February 2020	1.39	1.14	3,764,900
March 2020	1.29	0.80	4,791,700
April 2020	1.75	1.13	7,639,500
May 2020	1.84	1.49	3,632,500
June 2020	1.85	1.47	3,202,500
July 2020	2.61	1.82	9,490,300
August 2020	2.80	2.00	9,492,900
September 2020	2.13	1.71	11,288,000
October 2020	2.17	1.66	5,908,300
November 2020	1.97	1.39	3,610,900
December 2020	1.62	1.40	2,511,600
January 2021	1.69	1.36	2,525,200
February 2021	1.84	1.42	3,128,000
March 1 to 25, 2021	1.63	1.28	2,341,200

	NYSE American Price Range		
Month	High ($)	Low ($)	Total Volume
January 2020	0.98	0.84	7,226,100
February 2020	1.07	0.85	8,692,700
March 2020	0.94	0.56	10,022,800
April 2020	1.28	0.78	13,991,500
May 2020	1.33	1.05	11,527,300
June 2020	1.36	1.10	13,234,400
July 2020	1.94	1.32	51,216,400
August 2020	2.12	1.51	45,988,000
September 2020	1.62	1.27	26,899,200
October 2020	1.64	1.25	28,361,900
November 2020	1.51	1.06	27,512,600
December 2020	1.28	1.09	20,731,700
January 2021	1.34	1.07	29,436,400
February 2021	1.44	1.12	34,082,900
March 1 to 25, 2021	1.31	1.01	52,408,900

PRIOR SALES

The Company does not have any classes of common or preferred shares that are outstanding, but not listed or quoted on a marketplace.

The following table sets out details of all securities convertible or exercisable into Common Shares that were issued or granted by the Company from January 1, 2020 to December 31, 2020.

Date	Type of Security Issued	Number of Common Shares issuable upon exercise or conversion	Exercise or conversion price per Common Share (C$ unless otherwise indicated)
February 28, 2020	Share Option	3,552,000	C$1.29
April 1, 2020	Share Option	173,000	C$1.23
May 14, 2020	Share Option	363,000	C$1.67
August 17, 2020	Share Option	243,000	C$2.20
August 25, 2020	Share Option	40,000	C$2.16
September 2, 2020	Share Option	10,000	C$2.08
November 13, 2020	Share Option	60,000	C$1.61
December 11, 2020	Share Option	235,000	C$1.46

DIRECTORS AND EXECUTIVE OFFICERS

Name, Occupation and Security Holding

The following table sets out the names, province or state and country of residence, positions with or offices held with the Company, and principal occupation for the past five years of each of Galiano's directors and executive officers, as well as the period during which each has been a director of the Company.

The term of office of each director of Galiano expires at the annual general meeting of shareholders each year.

Name, Position and Province/State and Country of Residence [1]	Principal Occupation During the Past Five Years [1]	Director or Officer For Period[2]
PAUL N. WRIGHT Chairman,Director British Columbia, Canada	Paul N. Wright served as a director, President and Chief Executive Officer of Eldorado Gold Corporation ("Eldorado") from October 1999 to April 2017. He joined Eldorado in July 1996 as Vice President, Mining and subsequently as Senior Vice President, Operations in October 1997. Mr. Wright led Eldorado through a period of intense activity through which was created a leading international gold company. Mr. Wright is a graduate of the University of Newcastle Upon Tyne with over 40 years of international experience in the development and operation of open pit and underground mines. He is a member of the Canadian Institute of Mining and Metallurgy, the Institute of Materials, Minerals and Mining, and is a Chartered Engineer (UK). Mr. Wright has served as a director of Centerra Gold Inc. since May 2020.	April 1, 2020 until present

Name, Position and Province/State and Country of Residence [1]	Principal Occupation During the Past Five Years [1]	Director or Officer For Period[2]
GORDON J. FRETWELL[3][4][5] Director British Columbia, Canada	Gordon Fretwell is a lawyer who holds a Bachelor of Commerce degree and graduated from the University of British Columbia in 1979 with a Bachelor of Law degree. Formerly a partner in a large Vancouver law firm, Mr. Fretwell has, since 1991, been a self-employed solicitor (Gordon J. Fretwell Law Corporation) in Vancouver practicing primarily in the areas of corporate and securities law. Mr. Fretwell is a past director of Coro Mining Corp., Northern Dynasty Minerals Ltd., Curis Resources Ltd., Benton Resources Corp., Lignol Energy Corp ("Lignol"), Pine Valley Mining Corporation, International Royalty Corp and Auryn Resources Inc. Mr. Fretwell currently serves on the Board of Canada Rare Earth Corp. RE Royalties Ltd. and Pucara Resources Corp.	February 24, 2004 until present
MARCEL DE GROOT[3][5] Director British Columbia, Canada	Marcel de Groot is an independent consultant and founding partner and President of Pathway Capital Ltd. ("Pathway"), a Vancouver-based private venture capital corporation, since 2004. Pathway has worked with a number of successful public mining companies including Peru Copper Inc. (acquired by Chinalco), and Sandstorm Gold Ltd. Mr. de Groot graduated from the University of British Columbia with a Bachelor of Commerce degree and articled with Grant Thornton LLP where he obtained the Chartered Accountant designation. Mr. de Groot is a past director of Equinox Gold Corp., Solaris Resources Inc., Northern Dynasty Minerals Ltd., Underworld Resources Inc., and Esperanza Resources. Mr. de Groot is a current director of Northern Vertex Mining Corp and Level 14 Ventures Ltd.	October 1, 2009 until present
SHAWN WALLACE[4] Director British Columbia, Canada	Shawn Wallace has over 32 years experience in building a number of high-quality mineral exploration, development and production stage companies. He is one of the original founding members of the Company and served as Chair of the Company from March 2010 to February 2014. He has spent the last thirty years active in all facets of building and operating several successful junior mining exploration and development companies. Mr. Wallace is a past Chairman and Director of Cayden Resources Inc. and a past Director of Full Metal Minerals Inc. Mr. Wallace currently serves as the Executive Chair of Torq Resources Inc., Chair of Sombrero Resources and Co-Chair of Tier One Silver.	March 3, 2010 until present
MICHAEL PRICE[4][5][6] Director London, UK	Dr. Michael Price has been a mining finance consultant and advisor since 2006 and has over 35 years' experience in mining and mining finance. During his career, he has held senior positions at Barclays Capital, Société Générale, and NM Rothschild and Sons and he is also the London Representative of Resource Capital Funds. Mr. Price currently serves on the Board of Entrée Resources Ltd.	February 6, 2014 until present

Name, Position and Province/State and Country of Residence [1]	Principal Occupation During the Past Five Years [1]	Director or Officer For Period[2]
JUDITH MOSELY[3][6] Director London, UK	Judith Mosely is a retired banking executive with over 20 years' experience in the mining and metals banking sector. She most recently held the position of Business Development Director for Rand Merchant Bank ("RMB") in London since 2011 with responsibility for developing the bank's African business with international mining and metals companies. Prior to RMB she headed the mining finance team at Société Générale in London where her focus was principally on debt financing in Europe, the Middle East and Africa and Australia. She has broad experience across commodity sectors, working with juniors through to multinationals. She is currently a non-executive director of Blackrock World Mining Trust plc, and Eldorado Gold, a Trustee of Camborne School of Mines Trust, and sits on the board of Women in Mining in the UK. She is also a consultant with Northcott Capital Ltd, a financial advisory firm focusing on mining and renewables.	January 1, 2020 until present
GREG MCCUNN[6][7] Chief Executive Officer and Director; former Chief Financial Officer British Columbia, Canada	Greg McCunn was appointed CEO of the Company effective April 1, 2019. Mr. McCunn is a Professional Engineer with over 25 years' experience in finance, operations, project engineering, project construction and corporate development. Most recently he served as CEO of Alio Gold Inc, as CFO for Galiano and as CFO for Farallon Mining, prior to which he held technical, operational and corporate development roles with Teck Resources, Placer Dome and junior mining companies in Canada and Australia.	April 4, 2011 until December 31, 2016; April 1, 2019 until present
FAUSTO DI TRAPANI[7] Executive Vice President, Chief Financial Officer and Corporate Secretary British Columbia, Canada	Fausto Di Trapani joined Galiano in 2012 as Executive: Finance and has played a major role in the transformation of the Company's Finance function from late stage exploration through project development and production to the multi-jurisdictional fully integrated function it is today. This has included the deployment of a group wide ERP system to improve forecasting and budgetary controls, securing the Red Kite project finance facility and leading the Company's procurement processes to bring the AGM into production on time and under budget. During his 20+ year career as a Chartered Accountant, Fausto has held a number of senior financial management roles at significant listed resource companies including Mantra Resources, Norilsk Nickel International and BHP Billiton. He holds an Honours Bachelor of Accounting Sciences degree.	January 11, 2017 until present
MATT BADYLAK Chief Executive Officer and Chief Operating Officer British Columbia, Canada	Mr. Badylak is a seasoned mining professional with 20 years of operations experience including a number of senior management roles with Eldorado since 2007. In his most recent role as General Manager Kisladag Mine, Mr. Badylak was responsible for multiple cost saving initiatives and optimization of the heap leaching operations, allowing the company to avoid construction of a capital-intensive milling facility and extend the operation of the heap leach. Prior to his role at Kisladag, Matt held various corporate and operations management roles in Eldorado, including Managing Director of China Operations and prior to that, General Manager of the Tanjianshan Gold Mine located on the Tibetan Plateau in China's Qinghai Province. Prior to Eldorado, he worked in various technical roles across Australia and Asia. He holds a Bachelor of Science in Extractive Metallurgy & Chemistry from Murdoch University in Perth and is a member of the Australian Institute of Mining and Metallurgy.	August 17, 2020 until present

Notes:

(1) The information as to province of residence and principal occupation, is not within the knowledge of the Company, and has been individually provided by the respective directors and officers.

(2) Each of the Company's directors serve until the next annual general meeting of shareholders or until a successor is elected or appointed. The Company's officers serve at the determination of the Company's Board of Directors.

(3) Member of the Audit Committee.

(4) Member of the Compensation Committee.

(5) Member of the Nominating & Governance Committee.

(6) Member of the Sustainability Committee.

(7) Member of the Disclosure Committee.

As of the date of this AIF, the directors and executive officers of the Company, as a group, own beneficially, directly or indirectly, or exercise control or direction over 598,112 common shares of the Company.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

None of the individuals named above is, as at the date of this AIF, or has been, within ten (10) years before the date of this AIF a director, chief executive officer or chief financial officer of any company that:

(a) was subject to a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or

(b) was subject to a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Except as disclosed below, none of the individuals named above is, as at the date of this AIF, or has been, within ten (10) years before the date of this AIF, a director or executive officer of any company that, while that person was acting in that capacity or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or has, within ten (10) years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Mr. Gordon J. Fretwell was a director of TSX-V listed Lignol from January 2007 to May 2015. Lignol was placed into receivership on August 22, 2014 upon an application by Difference Capital, Lignol's senior secured creditor at the time. The Bowra Group Inc. was appointed Receiver-Manager of Lignol on August 29th, 2014 pursuant to a court order made in the Supreme Court of British Columbia. The Receiver-Manager conducted a sales process for the assets of Lignol and realized $5.5 million from the sale of the assets of a wholly-owned subsidiary of Lignol. The Court approved a distribution to Difference Capital in the amount of $4.8 million in February 2015. In connection with its receivership, Lignol was cease traded on September 8, 2014.

Mr. Paul N. Wright was a director of Nordic Mines AB ("Nordic") until November 17, 2012. On July 8, 2013, Nordic announced that it had requested a court-appointed administrator for itself and two of its subsidiaries. The appointment of the administrator was terminated on September 1, 2014, when Nordic entered into an agreement with its creditors and lenders regarding a debt write-off. The final condition for the debt write-off was satisfied on September 10, 2014 and Nordic has since completed the repurchase of its outstanding bank debt from its lenders.

In addition, none of the individuals named above has been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable shareholder in deciding whether to vote for a nominee as director.

Conflicts of Interest

Directors and officers of Galiano are also directors, officers and/or promoters of other reporting and non-reporting issuers, which raises the possibility of future conflicts in connection with property opportunities which they may become aware of and have a duty to disclose to more than the issuer on whose board they serve. This type of conflict is common in the junior resource exploration industry and is not considered an unusual risk. Conflicts, if any, will be subject to the procedures and remedies provided under the BCBCA.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

There are no material legal proceedings or regulatory actions to which the Company is a party or, to the best of the Company's knowledge, to which any of the Company's properties may be affected.

However, due to the nature of its business, the Company may be subject to regulatory investigations, claims, lawsuits and other proceedings in the ordinary course of its business. While the Company cannot reasonably predict the ultimate outcome of these actions, and inherent uncertainties exist in predicting such outcomes, the Company believes that the ultimate resolution of these actions is not reasonably likely to have a material adverse effect on the Company's financial condition or future results of operations.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

To the best knowledge of Galiano's management, no (a) director or executive officer of the Company; (b) person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of any class or series of the Company's outstanding voting securities; or (c) an associate or affiliate of any of the persons or companies referred to in paragraphs (a) or (b), had any material interest, direct or indirect, in any transaction since the Company's incorporation or during the current financial year.

TRANSFER AGENT AND REGISTRAR

Galiano's registrar and transfer agent for its Common Shares is Computershare Trust Company of Canada, 3 rd Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9.

MATERIAL CONTRACTS

The following are the material contracts to which the Company or its subsidiaries are a party to as of the date of this AIF, which currently can reasonably be regarded as material to a security holder of the Company, copies of which have been filed at www.sedar.com as required under section 12.2 of National Instrument 51-102 *Continuous Disclosure Requirements*:

- Shareholders Rights Plan Agreement ("Rights Plan") between the Company and Computershare Investor Services Inc., as Rights Agent, dated as of May 24, 2016, which provides for the issuance of rights to existing shareholders of the Company in certain circumstances involving a take-over bid of the Company. The Rights Plan will expire at the termination of the annual general meeting of the Company held in 2022;
- The Combination Agreement among the Company (and certain of its affiliates) and Gold Fields (and certain of its affiliates), dated March 29, 2018, providing for the sale to Gold Fields of its 45% interest in the AGM;
- The JVA, as described below;
- The Investor Rights Agreement, as described below; and

The JVA

The JVA has been entered into to govern the joint venture relationship between the Galiano and Gold Fields participating group (the "Participating Groups") respecting the ownership and operation of JV Finco, AGGL and Adansi and the assets and liabilities of the JV which include the AGM. The Participating Groups own their respective interests in the AGM and other assets through the equal ownership of common share equity of each of AGGL, Adansi and JV Finco (collectively the "JV Companies"). The Government of Ghana continues to retain a 10% free-carried interest in AGGL.

The JVA includes the following material terms:

- Establishment of a Management Committee to oversee the operation and any development of the JV, with initial equal representation from the Participating Groups,
- Agreements as to Board representation and management of each of the JV Companies with initial equal representation from the Participating Groups,
- Adjustment to Management Committee and Board representation in the event of future changes in ownership of the JV Companies.
- Voting on the Management Committee and the Boards of the JV Companies is in accordance with the Participating Groups' respective JV ownership interests (50:50 between Galiano and Gold Fields subsequent to the additional $20 million investment by Gold Fields).
- An expedited dispute resolution process by reference to an expert for "ordinary decisions", which are all decisions which are not "Special Majority Decisions". Special Majority Decisions require 85% voting approval and so will effectively require unanimity as long as the Participating Groups are 50:50. Special Majority Decisions principally include:

    (1) Approval of annual programs and budgets including changes from the previous year or to the life-of-mine business plan which vary by more than 6%.

(2) Approval for monthly cash calls in an amount which is 100% or more of the monthly cash call forecasted under the then current approved program and budget.

(3) Expansion of the area of the operations beyond the development area, the disposition or surrender or relinquishment of property titles, the disposal or sale of any assets whose book value exceeds $30 million, the abandonment of material operations, or approval of a closure plan.

(4) The sale, lease or exchange of all or substantially all of the JV assets or merger or consolidation of any of the JV operations or entities with any other business or entity.

(5) Placing the mining operations on "care and maintenance" unless they are projected to operate with negative cash flow beyond certain defined time and amount thresholds.

(6) Any changes in the JV auditor, and engaging in certain financial transactions such as hedging or foreign currency obligations for the JV.

(7) The JV borrowing in excess of $5 million and granting security interests in JV assets, and effecting other transaction types generally in excess of $5 million.

(8) Initiating or settling lawsuits or arbitration proceedings in excess of certain thresholds.

(9) Approval of any material delay of expenditure of more than the greater of 15% and $5 million in relation to an approved program and budget.

(10) Any change in the constating documents or in the authorized capital of any JV Company or the taking of any steps to wind-up or terminate a JV Company or convert any shareholder loan of any JV Company into shares of that JV Company.

- Special Majority Decisions are not subject to expert determination or arbitration and each Participating Group is permitted to vote on them in its own self-interest.
- Galiano will act as Manager (or operator) under the Services Agreement, which establishes the duties and responsibilities of Galiano as Manager and the manner of determination of the compensation payable to Galiano as Manager. Compensation is agreed to be (and shall not exceed that amount except for US inflation) approximately $6 million per year. Galiano can be removed for customary reasons including misconduct, insolvency and JV equity dilution of its interest below a 30% interest in the JV.
- The manner of preparation and approval of programs and budgets for the AGM and timing for their adoption and implementation.
- The parties have agreed that funding for the JV will generally come firstly from cash flow from AGM operations, secondly from third party borrowings by the JV and lastly from cash calls to the Participating Groups themselves. Where program funding is requested of the parties in excess of $20 million per year, a Participating Group may elect to fund a lesser amount of the program or none at all and may in such case suffer equity dilution in the JV if the other Participating Group funds the shortfall.
- The JVA has equity dilution provisions based on the amount of non-participation in a program calculated as a fraction of the amount not funded divided by the appraised value of the JV. The JVA also has additional penalty equity dilution of 50% of the voluntary dilution amount where a Participating Group commits to a program funding but fails to timely provide it and the other Participating Group makes a cover payment to provide the JV with the required funding.

- Under the JVA each Participating Group has the right to undertake sole risk development in respect of a new development program which is supported by a "positive" (≥ 15% rate of return) feasibility study where the other Participating Group declines to participate. In such event the funding Participating Group will act as Manager to implement the new development and must include compensation to the other Participating Group for any interference in existing mine operations. The other Participating Group may elect to back-in to the new development by paying its pro rata share plus a 50% risk premium within 6 months of project completion. If the other Participating Group does not elect to back-in, then the sole risk Participating Group will be entitled to priority to 100% of cash flow of the new development until its payback (recovery of all carried costs plus interest) plus a 100% risk premium. After achieving invested funds payback including interest, plus a 100% premium, the sole risk Participating Group may be required by the other Participating Group to contribute its priority cash flow rights to the JV for $1.
- The JVA defines customary events of default and remedies of a non-defaulting Participating Group against a defaulting Participating Group, including circumstances where the sale of the interest of a defaulting Participating Group may be compelled, subject the ability of the defaulting Participating Group to make cover payments where defaults may be remedied within an agreed period of time.
- The JVA has provisions relating to capital accounts, records, other accounts, reports and audits and establishes the criteria for adjustment and determination of distributable cash.
- The JVA has restrictions on transfer and manner of sale obligations, including rights of pre-emption as well as mechanics for dispute resolution including use of arbitration insofar as possible to resolve disputes.

Investor Rights Agreement

Under the Investor Rights Agreement, Galiano and Gold Fields have agreed as follows:

- The Company has granted Gold Fields a pre-emptive right to maintain its prevailing equity interest in the Company (currently 9.9%) in the event that the Company issues common shares in future. The pre-emptive right excludes certain types of share issuance, such as those for strategic acquisitions and incentive options, however Gold Fields will have the right to "top-up" to its prevailing percentage before such excluded issuances through participation entitlement in Galiano's next offering of shares for cash. If Gold Fields sells down its position or fails to take up Galiano shares when offered, the pre-emptive right percentage reduces. The pre-emptive right ceases on the earlier of Gold Fields being reduced below 5% (provided that Gold Fields has had the opportunity to "top-up" its pro-rata percentage in an offering of shares for cash prior to any termination for reduction below 5%), or April 4, 2023.
- Gold Fields has agreed not to vote its Galiano shares against (i) Galiano's proposed nominees for election to the Board of Directors of the Company; or (ii) any other matters comprising annual shareholder meeting business or which are otherwise ordinary course of business (however Gold Fields may always abstain from voting).
- In the event Gold Fields wishes to dispose of its Galiano shares in an amount greater than 2% of the outstanding shares, it has agreed to help ensure an orderly market by allowing the Company a short opportunity to first seek to source purchasers for such shares. Gold Fields has also agreed to negotiate in good faith with any prospective purchasers identified by the Company with the objective of completing a sale(s) to the proposed purchasers.

INTERESTS OF EXPERTS

Names of Experts

1. The following are the persons or companies who were named as having prepared or certified a statement, report or valuation in this AIF either directly or in a document incorporated by reference and whose profession or business gives authority to the statement, report or valuation made by the person or company:

   (a) Malcolm Titley; BSc (Geology and Chemistry), MAIG, MAusIMM; Associate Principal Consultant, CSA Global;

   (b) Jonathan Hudson; B.Eng (Hons), FSIAMM; Associate Principal Mining Engineer, CSA Global

   (c) Glenn Bezuidenhout; National Diploma (Extractive Metallurgy), FSIAMM; Process Director, DRA Global

   (d) Jeffrey Coffin; Ph.D, P.E.; Regional Manager, Knight Piésold

   (e) Desmond Mossop; Pr.Sci.Nat.; Partner & Principal Engineering Geologist, Mining Geotechnics, SRK

   (f) Jeffrey Stevens; Pr.Eng.; Studies & Project Manager, Wood

   (g) Fanie Coetzee; Pr.Sci.Nat.; Partner and Director, ABS Africa

   (h) Godknows Njowa; M.Sc Eng (Mining), PrEng.; Executive Director, EY

   (i) Mike Begg; Pr.Sci.Nat.; former Senior Vice President of Technical Services, Galiano

2. KPMG Chartered Professional Accountants, of Vancouver, British Columbia, has prepared the Report of Independent Registered Public Accounting Firm with respect to the audited consolidated financial statements of Galiano for the financial years ended December 31, 2020 and 2019.

Interests of Experts

To the Company's knowledge, Messrs. Titley, Hudson, Bezuidenhout, Coffin, Mossop, Stevens, Njowa and Begg do not hold, directly or indirectly, any of the Company's issued and outstanding Common Shares. Mr. Begg holds 67,333 share options issued to him by the Company.

The aforementioned persons have not received any direct or indirect interest in any securities of the Company or of any associate or affiliate of the Company in connection with the preparation of the 2020 LOM Plan. None of the aforementioned persons are currently expected to be elected, appointed or employed as a director, officer or employee of the Company or of any associate or affiliate of the Company.

KPMG LLP, the Company's independent auditors, have audited Galiano's consolidated financial statements for the years ended December 31, 2020 and 2019. As at the date of their report, KPMG LLP has confirmed that they are independent with respect to the Company within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations and also that they are independent accountants with respect to the Company under all relevant US professional and regulatory standards.

ADDITIONAL INFORMATION

Additional financial information relating to the Company may be found on SEDAR at www.sedar.com.

Additional information relating to the Company, including directors' and officers' remuneration and indebtedness, principal holders of Galiano's securities, and securities authorized for issuance under equity compensation plans, is contained in the 2021 shareholders meeting Management Information Circular.

Additional financial information is provided in Galiano's financial statements and related MD&A for the year ended December 31, 2020.

The technical contents of this AIF, other than the summary of the 2020 LOM Plan, have been reviewed and approved by Mike Begg, Pr.Sci.Nat., former Senior Vice President Technical Services of Galiano, who is a "Qualified Person" as defined by 43-101.

Controls and Procedures

Disclosure Controls and Procedures

Evaluation of disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Company's Chief Executive Officer and Chief Financial Officer, on a timely basis so that appropriate decisions can be made regarding public disclosure. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Management of the Company, with the participation of the Chief Executive Officer and the Chief Financial Officer, have evaluated the design and effectiveness of the Company's disclosure controls and procedures as required by Canadian and United States securities legislation, and have concluded that, as of December 31, 2020, such procedures are adequate to ensure accurate, complete and timely disclosures in public filings.

Management's Report on Internal Control over Financial Reporting

The Company's management, with the participation of its Chief Executive Officer and Chief Financial Officer, is responsible for establishing and maintaining adequate internal control over financial reporting. Under the supervision of the Chief Executive Officer and Chief Financial Officer, the Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company's internal control over financial reporting includes policies and procedures that:

- pertain to the maintenance of records that accurately and fairly reflect, in reasonable detail, the transactions and dispositions of assets of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS and that the Company's receipts and expenditures are made only in accordance with authorizations of management and the Company's Directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Company's consolidated financial statements.

The Company's management, with the participation of its Chief Executive Officer and its Chief Financial Officer, assessed the effectiveness of the Company's internal control over financial reporting. In making this assessment, management used the criteria set forth in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, management and the Chief Executive Officer and Chief Financial Officer have concluded that, as of December 31, 2020, the Company's internal control over financial reporting was effective.

Changes in Internal Control over Financial Reporting

There has been no change in the Company's internal control over financial reporting during the year ended December 31, 2020 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Limitations of Controls and Procedures

The Company's management, including the Chief Executive Officer and Chief Financial Officer, believes that any disclosure controls and procedures or internal control over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any control system also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Audit Committee, Code of Ethics, Accountant Fees and Exemptions

Audit Committee Charter

The Audit Committee is ultimately responsible for the policies and practices relating to integrity of financial and regulatory reporting, as well as internal controls to achieve the objectives of safeguarding of corporate assets; reliability of information; and compliance with policies and laws.

The Company's Audit Committee charter can be viewed on the Company's website at https://www.galianogold.com/corporate/governance/default.aspx.

Composition of Audit Committee

The Company's Board of Directors has a separately designated standing Audit Committee established in accordance with Section 3(a)(58)(A) of the Exchange Act and Section 803(B)(2) of the NYSE American Company Guide. The Company's Audit Committee is comprised of the following three directors that the Board of Directors have determined are independent as determined under each of National Instrument 52-110 *Audit Committees*, Rule 10A-3 of the Exchange Act and Section 803(A) of the NYSE American Company Guide: Marcel de Groot (Chairman), Gordon Fretwell and Judith Mosely. Each of Messrs. De Groot, Fretwell and Ms. Mosely is financially literate within the meaning of National Instrument 52-110 *Audit Committees and* is able to read and understand fundamental financial statements, including a Company's balance sheet, income statement, and cash flow statement as required under Section 803(B)(2)(iii) of the NYSE American Company Guide.

Relevant Education and Experience

Set out below is a brief description of the education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member.

Marcel de Groot is a Chartered Accountant and a founder and President of Pathway Capital Ltd., a Vancouver based private venture capital corporation. Pathway Capital Ltd, formed in 2004, invests in and provides strategic support to early stage private and public companies. He is currently a director of Eclipse Gold Mining.

Gordon Fretwell holds a Bachelor of Commerce degree and graduated from the University of British Columbia in 1979 with his Bachelor of Law degree. Formerly a partner in a large Vancouver law firm, Mr. Fretwell has, since 1991, been a self-employed solicitor (Gordon J. Fretwell Law Corporation) in Vancouver practicing primarily in the areas of corporate and securities law. He is currently a director of Auryn Resources Inc., Canada Rare Earth Corp. and RE Royalties Ltd.

Judith Mosely has over 20 years of experience in the mining and metals banking sector. Most recently, Ms. Mosely held the position of Business Development Director for RMB in London with responsibility for developing the bank's African business with international mining and metals companies. Prior to RMB she headed the mining finance team at Société Générale in London where her focus was principally on debt financing in Europe, the Middle East and Africa ("EMEA") and Australia. She is a graduate in Modern Languages from Oxford University and holds a Diploma in Business Administration from the University of Warwick. She currently serves on the boards of Blackrock World Mining Trust plc and Eldorado, and sits on the board of Women in Mining in the UK.

Such education and experience provide each member with:

- an understanding of the accounting principles used by the Company to prepare its financial statements;
- the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;
- experience analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements; and
- an understanding of internal controls and procedures for financial reporting.

Pre-Approval Policies and Procedures

The Audit Committee's charter sets out responsibilities regarding the provision of non-audit services by the Company's external auditor. This policy encourages consideration of whether the provision of services other than audit services is compatible with maintaining the auditor's independence and requires Audit Committee pre-approval of permitted audit and non-audit-related services.

Audit Fees

The following table discloses the aggregate fees billed for each of the last two fiscal years for professional services rendered by the Company's audit firm for various services.

Nature of Services	Fees Paid to Auditor for Year Ended December 31, 2020	Fees Paid to Auditor for Year Ended December 31, 2019[5]
Audit Fees[1]	C$475,214	C$415,965
Audit-Related Fees[2]	Nil	Nil
Tax Fees[3]	Nil	Nil
All Other Fees[4]	Nil	Nil
Total	C$475,214	C$415,965

Notes:

(1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Company's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits. These include "out-of-pocket" costs (including reimbursed costs, technology and support charges or administrative charges) incurred in connection with providing the professional services

(2) "Audit-Related Fees" include fees billed for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements which are not included under the heading "Audit Fees".

(3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

(4) "All Other Fees" include all other non-audit services.

(5) 2019 fees have been updated to include "out-of-pocket" costs as detailed above.

GALIANO GOLD INC.
(formerly Asanko Gold Inc.[1])

CONSOLIDATED FINANCIAL STATEMENTS

Years ended December 31, 2020 and 2019

(Expressed in United States dollars, unless otherwise noted)

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[1] The Company's name was changed from "Asanko Gold Inc." to "Galiano Gold Inc." effective April 30, 2020

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management's Report on Financial Statements

The consolidated financial statements of Galiano Gold Inc. have been prepared by, and are the responsibility of, the Company's management. The consolidated financial statements have been prepared by management on a going concern basis in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. Financial statements are not exact since they include certain amounts based on estimates and judgements. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly, in all material respects.

The Board of Directors is responsible for ensuring management fulfills its financial reporting responsibilities. The Audit Committee meets with the Company's management and external auditors to discuss the results of the audits and to review the consolidated financial statements prior to the Audit Committee's submission to the Board of Directors for approval. The Audit Committee also reviews the quarterly financial statements and recommends them for approval to the Board of Directors, reviews with management the Company's systems of internal control, and reviews the scope of the external auditors' audit and non-audit work. The Audit Committee is appointed by the Board, and all of its members are independent directors.

The consolidated financial statements have been audited by KPMG LLP, Chartered Professional Accountants, in accordance with the standards of the Public Company Accounting Oversight Board (United States) on behalf of the shareholders.

Management's Report on Internal Controls over Financial Reporting

Management has developed and maintains systems of internal accounting and administrative controls in order to provide, on a reasonable basis, assurance that the financial information is relevant, reliable and accurate and that the Company's assets are appropriately accounted for and adequately safeguarded. All internal control systems have inherent limitations, including the possibility of circumvention and overriding of controls, and therefore, may not prevent or detect misstatements. Management has assessed the effectiveness of the Company's internal control over financial reporting based on the framework in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on management's assessment, the Company's internal control over financial reporting is effective as at December 31, 2020.

"Greg McCunn"
_____
Greg McCunn
Director and Chief Executive Officer

"Fausto Di Trapani"
_____
Fausto Di Trapani
Executive Vice President and Chief Financial Officer

KPMG LLP
Chartered Professional Accountants
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Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors

Galiano Gold Inc.

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statements of financial position of Galiano Gold Inc. and its subsidiaries (the Company) as of December 31, 2020 and 2019, the related consolidated statements of operations and comprehensive income (loss), changes in equity, and cash flows for each of the years in the two-year period ended December 31, 2020, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and its financial performance and its cash flows for each of the years in the two-year period ended December 31, 2020, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ KPMG LLP

Chartered Professional Accountants

Vancouver, Canada
March 10, 2021

We have served as the Company's auditor since 2011.

GALIANO GOLD INC.
(formerly Asanko Gold Inc.)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2020 AND 2019
(In thousands of United States Dollars)

	Note	December 31, 2020 $	December 31, 2019 $
Assets			
Current assets			
Cash and cash equivalents		**62,151**	31,109
Receivables		**186**	161
Receivable due from related party	6	**2,675**	4,183
Prepaid expenses and deposits		**529**	347
		65,541	35,800
Non-current assets			
Financial assets	7	**78,299**	108,025
Investment in Joint Venture	8	**59,159**	-
Right-of-use asset	9	**485**	589
Property, plant and equipment		**106**	90
		138,049	108,704
Total assets		**203,590**	144,504
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		**3,524**	2,234
Lease liability	9	**94**	83
		3,618	2,317
Non-current liabilities			
Long-term incentive plan liabilities	11(b),11(c)	**668**	416
Lease liability	9	**421**	514
		1,089	930
Total liabilities		**4,707**	3,247
Equity			
Share capital	10	**578,750**	578,385
Equity reserves	11	**49,957**	50,072
Accumulated deficit		**(429,824)**	(487,200)
Total equity		**198,883**	141,257
Total liabilities and equity		**203,590**	144,504
Commitments and contingencies		12	
Subsequent event		23	

The accompanying notes form an integral part of these consolidated financial statements.

Approved on behalf of the Board of Directors:

"Greg McCunn"	“Marcel de Groot”
Director	Director

GALIANO GOLD INC.
(formerly Asanko Gold Inc.)
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In thousands of United States Dollars, except dollar per share amounts)

	Note	2020 $	2019 $
Share of net income (loss) related to joint venture	8	**59,159**	(126,264)
Service fee earned as operators of joint venture	6	**4,917**	4,963
General and administrative expenses	13	**(14,757)**	(11,828)
Income (loss) from operations and joint venture		**49,319**	(133,129)
Finance income	14	**8,325**	871
Finance expense	15	**(45)**	(35,650)
Foreign exchange loss		**(223)**	(20)
Net income (loss) after tax and comprehensive income (loss) for the year		**57,376**	(167,928)
Net income (loss) per share:			
Basic		**0.26**	(0.74)
Diluted		**0.26**	(0.74)
Weighted average number of shares outstanding:			
Basic	17	**223,655,880**	225,867,169
Diluted	17	**224,919,474**	225,867,169

The accompanying notes form an integral part of these consolidated financial statements.

GALIANO GOLD INC.
(formerly Asanko Gold Inc.)
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In thousands of United States Dollars, except for number of common shares)

	Note	Number of shares	Share capital $	Equity reserves $	Accumulated deficit $	Total equity $
Balance as at December 31, 2018		225,804,614	578,853	49,261	(319,272)	308,842
Issuance of common shares on exercise of stock options	11(a)	403,116	490	(158)	-	332
Shares repurchased and cancelled under normal course issuer bid	10(c)	(1,108,920)	(958)	-	-	(958)
Share-based payments	11(a)	-	-	969	-	969
Net loss and comprehensive loss for the year		-	-	-	(167,928)	(167,928)
Balance as at December 31, 2019		225,098,810	578,385	50,072	(487,200)	141,257
Issuance of common shares on exercise of stock options	11(a)	1,912,775	2,661	(768)	-	1,893
Shares repurchased and cancelled under normal course issuer bid	10(c)	(2,758,063)	(2,296)	-	-	(2,296)
Share-based payments	11(a)	-	-	653	-	653
Net income and comprehensive income for the year		-	-	-	57,376	57,376
Balance as at December 31, 2020		**224,253,522**	**578,750**	**49,957**	**(429,824)**	**198,883**

The accompanying notes form an integral part of these consolidated financial statements.

GALIANO GOLD INC.
(formerly Asanko Gold Inc.)
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In thousands of United States Dollars)

	Note	2020 $	2019 $
Operating activities:			
Net income (loss) for the year		**57,376**	(167,928)
Adjustments for:			
Share of net (earnings) loss related to joint venture	8	**(59,159)**	126,264
Depreciation		**163**	98
Share-based payments	11(a),11(b),11(c),13	**2,168**	1,789
Finance income	14	**(8,325)**	(871)
Finance expense	15	**35**	35,640
Unrealized foreign exchange (gain) loss		**(187)**	20
Operating cash flow before working capital changes		**(7,929)**	(4,988)
Change in non-cash working capital	18	**1,525**	(3,760)
Cash used in operating activities		**(6,404)**	(8,748)
Investing activities:			
Expenditures on property, plant and equipment		**(76)**	(39)
Gold Fields investment in joint venture	7(b)	**-**	20,000
Redemption of preferred shares in joint venture	7(a)	**37,500**	10,000
Interest received		**506**	210
Cash provided by investing activities		**37,930**	30,171
Financing activities:			
Shares issued for cash on exercise of stock options	11(a)	**1,893**	332
Shares repurchased under normal course issuer bid	10(c)	**(2,296)**	(958)
Office lease payments	9	**(117)**	(39)
Cash used in financing activities		**(520)**	(665)
Impact of foreign exchange on cash and cash equivalents		**36**	(7)
Increase in cash and cash equivalents during the year		**31,042**	20,751
Cash and cash equivalents, beginning of year		**31,109**	10,358
Cash and cash equivalents, end of year		**62,151**	31,109
Supplemental cash flow information	18		

The accompanying notes form an integral part of these consolidated financial statements.

1. Nature of operations

Galiano Gold Inc. ("Galiano" or the "Company") was incorporated on September 23, 1999 under the laws of British Columbia, Canada. The Company changed its name from Asanko Gold Inc. to Galiano Gold Inc. which was approved by the Company's shareholders at its Annual General and Special Meeting on April 30, 2020. The Company's head office and principal address is located at 1640 - 1066 West Hastings Street Vancouver, British Columbia, V6E 3X1, Canada. The Company's registered and records office is located at Suite 2600, Three Bentall Centre, 595 Burrard Street, Vancouver, V7X 1L3. The Company's common shares trade on the Toronto Stock Exchange ("TSX") and NYSE American Exchange ("NYSE American") under the ticker symbol "GAU".

The Company's principal business activity is the operation of the Asanko Gold Mine ("AGM") through a 50:50 joint venture arrangement (the "JV") associated with the Company's 45% economic interest in the AGM (see note 8) and exploration and development of the JV's mineral property interests. The Government of Ghana has a 10% free-carried interest in the AGM. The AGM consists of two neighboring gold projects, the Obotan Project and the Esaase Project, both located in the Amansie West District of the Republic of Ghana ("Ghana"), West Africa.

In addition to its interest in the AGM, the Company's interest in the JV also includes a 50% interest in a portfolio of other Ghanaian gold concessions in various stages of exploration.

2. Basis of presentation

(a) Statement of compliance

These consolidated financial statements have been prepared using accounting policies in accordance with IFRS as issued by the IASB and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

These consolidated financial statements were authorized for issue and approved by the Board of Directors on March 10, 2021.

(b) Basis of presentation and consolidation

These consolidated financial statements have been prepared on a historical cost basis, except for financial instruments carried at fair value.

All amounts are expressed in thousands of United States dollars, unless otherwise stated, and the United States dollar is the functional currency of the Company and each of its subsidiaries. References to C$ are to Canadian dollars.

These consolidated financial statements incorporate the financial information of the Company and its subsidiaries as at December 31, 2020. Subsidiaries are entities controlled by the Company. Control exists when the Company has power, directly or indirectly, to govern the financial and operating policies of an entity as to obtain benefits from its activities. Subsidiaries are included in the consolidated financial statements of the Company from the effective date of acquisition up to the effective date of disposition or loss of control.

All significant intercompany amounts and transactions between the Company and its subsidiaries have been eliminated on consolidation.

Certain comparative period information has been restated to conform to the current year presentation.

2. Basis of presentation (continued)

The principal subsidiaries and joint arrangements to which the Company is a party, as well as their geographic locations, were as follows as at December 31, 2020:

Affiliate name	Location	Interest	Classification and accounting method
Galiano Gold South Africa (PTY) Ltd. [2]	South Africa	100%	Consolidated
Galiano International (Barbados) Inc. [2, 3]	Barbados	100%	Consolidated
Galiano Gold (Barbados) Inc. [2, 3]	Barbados	100%	Consolidated
Asanko Gold Ghana Limited	Ghana	45%	Joint venture; equity method
Adansi Gold Company (GH) Limited	Ghana	50%	Joint venture; equity method
Shika Group Finance Limited	Isle of Man	50%	Joint venture; equity method

[2] Company changed their official names during the year to align with Galiano's change of name.

[3] Effective February 15, 2021, the Company's Barbados subsidiaries were migrated to the Isle of Man.

3. Significant accounting policies

The accounts policies described in this section were those applied by the Company and/or the JV (see note 8) during the year ended December 31, 2020 and 2019.

(a) Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The cost of the business combination is measured as the aggregate of the fair value at the date of acquisition of the consideration transferred in exchange for the interest in the acquiree. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognized at their fair values at the acquisition date. The acquisition date is the date the Company obtains control over the acquiree, which is generally the date that consideration is transferred and the Company acquires the assets and assumes the liabilities of the acquiree. The Company considers all relevant facts and circumstances in determining the acquisition date.

Acquisition-related costs, other than costs to issue equity securities of the acquirer, including investment banking fees, legal fees, accounting fees, valuation fees and other professional or consulting fees are expensed as incurred. The costs to issue equity securities of the Company as consideration for the acquisition are deducted from share capital as share issue costs.

Goodwill arising on acquisition is recognized as an asset and initially measured at cost, being the excess of the cost of the business combination over the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognized. If, after reassessment, the Company's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognized immediately in the consolidated statement of operations and comprehensive income (loss).

(b) Investments in joint arrangements

The Company conducts a portion of its business through joint arrangements where the parties are bound by contractual arrangements establishing joint control and decisions about the activities that significantly affect the returns of the investee require unanimous consent. A joint arrangement is classified as either a joint operation or a joint venture, subject to the terms that govern each investor's rights and obligations in the arrangement.

3. Significant accounting policies (continued)

In a joint operation, the investor has rights and obligations to the separate assets and liabilities of the investee and in a joint venture, the investors have rights to the net assets of the joint arrangement. For a joint operation, the Company recognizes its share of the assets, liabilities, revenue, and expenses of the joint arrangement, while for a joint venture, the Company accounts for its investment in the joint arrangement using the equity method.

Under the equity method, the Company's investment in a joint venture is initially recognized at cost and subsequently increased or decreased to recognize the Company's share of net earnings or losses of the joint venture, after any adjustments necessary for impairment losses after the initial recognition date. The total carrying amount of the Company's investment in a joint venture also includes any long-term debt interests which in substance form part of the Company's net investment. The Company's share of a joint venture's losses that are in excess of its investment are recognized only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the joint venture. The Company's share of net earnings or losses of a joint venture are recognized in net earnings during the period. Dividends and repayment of capital received from a joint venture are accounted for as a reduction in the carrying amount of the Company's investment. Intercompany balances between the Company and its joint ventures are not eliminated.

At the end of each reporting period, the Company assesses whether there is any objective evidence that an investment in a joint venture is impaired. Objective evidence includes observable data indicating there is a measurable decrease in the estimated future cash flows of the joint venture's operations. When there is objective evidence that an investment is impaired, the carrying amount of such investment is compared to its recoverable amount, being the higher of its fair value less costs of disposal and value-in-use. If the recoverable amount of an investment is less than the carrying amount, the carrying amount is reduced to its recoverable amount and a corresponding impairment loss is recognized in the period in which the relevant circumstances are identified. When an impairment loss reverses in a subsequent period, the carrying amount of the investment is increased to the revised estimate of the recoverable amount to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had an impairment loss not been previously recognized. A reversal of an impairment loss is recognized in net earnings in the period in which the reversal occurs.

Similar to the assessment of impairment for subsidiaries, the Company reviews the mining properties and plant and equipment for a joint arrangement at the cash-generating unit level to determine whether there is any indication that these assets are impaired.

(c) Foreign currency translation

Transactions in foreign currencies are initially recorded at the functional currency rate of exchange at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange at the date of the statement of financial position. Foreign exchange gains (losses) are recorded in the consolidated statement of operations and comprehensive income (loss) for the year.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

3. Significant accounting policies (continued)

(d) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and short-term investments with original maturity dates of less than ninety days or that are fully redeemable without penalty or loss of interest.

(e) Inventories

Gold on hand, gold in process and stockpiled ore inventories are recorded at the lower of weighted average production cost and net realizable value. Production costs include the cost of raw materials, direct labour, mine-site overhead expenses and applicable depreciation and depletion. Net realizable value is calculated as the estimated price at the time of sale based on prevailing and long-term metal prices less estimated future costs to convert the inventories from their respective states into saleable form less estimated costs to sell.

Production costs are included in work-in-process inventory based on current costs incurred up to the point of dore production. The costs of finished goods represent the costs of work-in-process inventories plus applicable treatment costs. The costs of inventories sold during the period are presented as production costs in the statement of operations and comprehensive income (loss) for the period.

Additions to the cost of ore stockpiles are based on the related current cost of production for the period, while reductions in the cost of ore stockpiles are based on the weighted-average cost per tonne of ore in the stockpile. Stockpiles are segregated between current and non-current inventories in the consolidated statement of financial position based on the planned period of usage.

Supplies and spare parts are valued at the lower of weighted-average cost and net realizable value. Replacement costs of materials and spare parts are generally used as the best estimate of net realizable value. Provisions are recorded to reduce the carrying amount of materials and spare parts inventory to net realizable value to reflect current intentions for the use of redundant or slow-moving items. Provisions for redundant and slow-moving items are made by reference to specific items of inventory. The Company reverses write-downs where there is a subsequent increase in net realizable value and where the inventory is still on hand.

(f) Mineral properties, plant and equipment

(i) Mineral properties

Recognition

Capitalized costs of mining properties include the following:

- costs assigned to mining properties acquired in business combinations;
- expenditures incurred to develop mineral properties including pre-production stripping costs;
- stripping costs in the production phase of a mine if certain criteria have been met (see below);
- costs to define and delineate known economic resources and develop the project;
- borrowing costs attributable to qualifying mining properties;
- costs incurred during testing of the processing facility, net of proceeds from sales, prior to operating in the manner intended by management; and
- estimates of reclamation and closure costs.

3. Significant accounting policies (continued)

Stripping costs

In open pit mining operations, it is necessary to incur costs to remove overburden and other mine waste materials in order to access the ore from which minerals can be extracted economically. Stripping costs incurred in order to provide initial access to the ore body (referred to as pre-production stripping) are capitalized as incurred. Stripping costs incurred during the production stage of an open pit mine are accounted for as production costs in the consolidated statement of operations and comprehensive income (loss) during the period that the stripping costs were incurred, unless these costs provide a future economic benefit. Production phase stripping costs are considered to generate a future economic benefit when (i) it is probable that future economic benefit associated with the stripping activity will flow to the entity; (ii) the entity can identify the component of the ore body for which access has been improved; and (iii) the costs relating to the stripping activity associated with that component can be measured reliably. These costs are capitalized as mine development costs.

Production costs are allocated between inventory produced and the stripping asset based on the volume of waste extracted compared with the expected volume, for a given volume of ore production. Stripping costs incurred and capitalized during the production phase are depleted using the units-of-production method over the proven and probable reserves of the component of the ore body to which access has been improved as a result of the specific stripping activity.

Management reviews the estimates of the waste and ore in each identified component of operating open pit mines at the end of each financial year, and when events and circumstances indicate that such a review should be made. Deferred stripping assets are written-down to their recoverable amount when their carrying value is not considered supportable. Changes to the estimated identification of components and the associated waste and ore within each component are accounted for prospectively.

Exploration and evaluation expenditures

Exploration and evaluation expenditures include the costs of acquiring rights to explore, exploratory drilling and related exploration costs incurred on sites without an existing mine and on areas outside the boundary of a known mineral deposit which contain proven and probable reserves. Exploration and evaluation expenditures incurred on a mineral deposit, with the exception of acquisition costs and costs arising from the recognition of an asset retirement obligation, are expensed as incurred up to the date of establishing that costs incurred on a mineral deposit are technically feasible and commercially viable.

Expenditures incurred on a mineral deposit subsequent to the establishment of its technical feasibility and commercial viability are capitalized and included in the carrying amount of the related mining property.

The technical feasibility and commercial viability of a mineral deposit is assessed based on a combination of factors, such as, but not limited to:

- the extent to which mineral reserves or mineral resources have been identified through a feasibility study or similar level document;
- the results of optimization studies and further technical evaluation carried out to mitigate project risks identified in the feasibility study;
- the status of environmental permits, and
- the status of mining leases or permits.

3. Significant accounting policies (continued)

Borrowing costs

Borrowing costs directly relating to the financing of qualifying assets are added to the capitalized cost of those related assets until such time as the assets are substantially ready for their intended use or sale which, in the case of mining properties, is when they are capable of commercial production. Where funds have been borrowed specifically to finance a project, the amount capitalized represents the actual borrowing costs incurred. Where the funds used to finance a project form part of general borrowings, the amount capitalized is calculated using a weighted average of rates applicable to relevant general borrowings of the Company during the period. Capitalized borrowing costs are depreciated over the life of the related asset.

All other borrowing costs are recognized in the consolidated statement of operations and comprehensive income (loss) in the year in which they are incurred. Borrowing costs are included as part of interest paid in the statement of cash flows.

Depletion

Mining properties in production are depleted on a mine-by-mine basis using the units-of-production method over the mine's estimated proven and probable reserves, with the exception of deferred stripping which is depleted using the unit-of-production method over the reserves that directly benefit from the specific stripping activity and will commence when the mine is capable of operating in the manner intended by management.

The Company uses a number of criteria to assess whether the mine is in the condition necessary for it to be capable of operating in a manner intended by management. These criteria include, but are not limited to:

- completion of operational commissioning of each major mine and plant component;
- demonstrated ability to mine and mill consistently and without significant interruption at a pre-determined average rate of designed capacity;
- the passage of a reasonable period of time for testing of all major mine and plant components;
- gold recoveries at or near expected production levels; and
- a significant portion of available funding is directed towards operating activities.

Mining properties in development are not depleted.

(ii) Plant and equipment

Recognition

The cost of plant and equipment consists of the purchase price, costs directly attributable to the delivery of the asset to the location and the condition necessary for it to be capable of operating in the manner intended by management, including the cost of testing whether these assets are operating in the manner intended by management. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. Where significant components of an asset have differing useful lives, depreciation is calculated on each separate component.

Depreciation

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

3. Significant accounting policies (continued)

The carrying amounts of plant and equipment are depreciated using either the straight-line or units-of-production method over the shorter of the estimated useful life of the asset or the life of mine. The significant classes of depreciable plant and equipment and their estimated useful lives are as follows:

Asset Class	Estimated Useful Life
Fixed plant & related components and infrastructure	Units of production over life of mine
Mobile and other mine equipment components	3 to 12 years
Computer equipment and software	3 years
Right-of-use assets	Straight-line over lease term

Management reviews the estimated useful lives, residual values and depreciation methods of the Company's plant and equipment at the end of each financial year, and when events and circumstances indicate that such a review should be made. Changes to estimated useful lives, residual values or depreciation methods resulting from such review are accounted for prospectively.

Major maintenance and repairs

Expenditure on major maintenance and repairs includes the cost of replacement parts of assets and overhaul costs. Where an asset or part of an asset is replaced and it is probable that future economic benefits associated with the item will be available to the Company, that expenditure is capitalized and the carrying amount of the item replaced derecognized. Similarly, overhaul costs associated with major maintenance are capitalized when it is probable that future economic benefits will be available and any remaining carrying amounts of the cost of previous overhauls are derecognized. All other maintenance and repair costs are expensed as incurred.

(iii) Impairment of non-financial assets

The carrying amounts of assets included in mining interests are reviewed for impairment when events and changes in circumstances indicate that the related carrying amounts may not be recoverable. If any such indication exists, the recoverable amount of the relevant cash-generating unit ("CGU") is estimated in order to determine the extent of impairment. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

The carrying amounts of the CGUs are compared to their recoverable amounts where the recoverable amount is the higher of value-in-use ("VIU") and fair value less costs to sell ("FVLCS"). VIU is estimated as the present value of the future cash flows expected to be derived from an asset or CGU. For mining assets, when a binding sale agreement and observable market prices are not readily available, FVLCS is estimated using a discounted cash flow approach for each of the Company's cash generating units (CGUs) to which the individual assets are allocated. The assumptions used in determining the FVLCS for the CGU's include long-term mining plans, long-term commodity prices, discount rates and foreign exchange rates. If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount is reduced to its recoverable amount. An impairment is recognized immediately in the consolidated statement of operations and comprehensive income (loss).

Where an impairment loss subsequently reverses, the carrying amount of the asset (CGU) is increased to the revised estimate of its recoverable amount (however, the increased carrying amount shall not exceed the net carrying amount that would have been recognized should no impairment loss have been previously recognized for the asset (or CGU) in prior years).

3. Significant accounting policies (continued)

(iv) Derecognition

Upon disposal or abandonment, the carrying amounts of mining properties and plant and equipment are derecognized and any associated gains or losses are recognized in the consolidated statement of operations and comprehensive income (loss).

(g) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether it has the right to obtain substantially all of the economic benefits from and to direct the use of the identified asset.

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset, or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

3. Significant accounting policies (continued)

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option, or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the Statement of Operations and Comprehensive Income (Loss) if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including office equipment. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(h) Provisions

General

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statement of operations and comprehensive income (loss) net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as finance expense in the consolidated statement of operations and comprehensive income (loss).

Asset retirement provisions

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. The Company records the estimated present value of future cash flows associated with site reclamation as a liability when the liability is incurred with a corresponding increase in the carrying value of the related assets. Discount rates using a pre-tax, risk-free rate that reflect the time value of money are used to calculate the net present value. The liability is accreted over time to reflect the unwinding of the discount with the accretion expense included in finance costs in the consolidated statement of operations and comprehensive income (loss). Changes in estimates or circumstances include changes in legal or regulatory requirements, increased obligations arising from additional mining and exploration activities, changes to cost estimates, changes to the discount rate and changes to the risk-free interest rates.

(i) Revenue from contracts with customers

Revenue is derived from the sale of gold and by-products. Revenue is recognized for contracts with customers when there is persuasive evidence that all of the following criteria are met:

3. Significant accounting policies (continued)

- the parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations;
- the Company can identify each party's rights regarding the goods or services to be transferred;
- the Company can identify the payment terms for the goods or services to be transferred;
- the contract has commercial substance (i.e. the risk, timing or amount of the Company's future cash flows is expected to change as a result of the contract); and
- it is probable that the Company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

Revenue from gold and any by-product metals is generally recorded at the time of physical delivery of the refined gold, which is also the date when control of the gold passes to the customer. Revenue from saleable gold produced during the testing phase of production activities is deducted from capitalized mine development costs.

(j) Royalties and mining taxes

Payments to governments that are based on a measure of income less expense are accounted for in accordance with the Company's income tax accounting policy. Payments to governments which are based on gross amounts such as revenue are classified in accordance with the substance of the transaction. For royalties calculated based on production costs, the royalty is presented as an increase in cost of sales.

(k) Financial instruments

(i) Financial assets

Recognition and measurement

The Company recognizes a financial asset in its statement of financial position when the Company becomes party to the contractual provisions of the instrument. All financial assets are initially recorded at fair value plus directly attributable transaction costs and classified as either (i) financial assets subsequently measured at amortized cost, (ii) financial assets subsequently measured at fair value through other comprehensive income or (iii) financial assets subsequently measured at fair value through profit or loss. The basis of classification takes into consideration both the Company's business model for managing and the contractual cash flow characteristics of the financial assets.

A financial asset is measured at amortized cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. Fair value changes in financial assets classified as fair value through profit or loss, if any, are recognized in the consolidated Statement of Operations and Comprehensive Income (Loss).

3. Significant accounting policies (continued)

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the contractual rights to receive cash flows from the asset have expired, or
- the Company has transferred its contractual rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through 'arrangement; and either (a) the Company has transferred substantially all the risks and rewards of ownership of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(ii) Financial liabilities

Recognition and measurement

All financial liabilities are initially recorded at fair value less transaction costs. All financial liabilities are subsequently measured at amortized cost using the effective interest method, except for:

- financial liabilities at fair value through profit or loss;
- financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies;
- financial guarantee contracts;
- commitments to provide a loan at a below-market interest rate; and
- contingent consideration recognized by an acquirer in a business combination to which IFRS 3, *Business combinations*, applies.

An entity may, at initial recognition, irrevocably designate a financial liability as measured at fair value through profit or loss when a contract contains one or more embedded derivatives, or when doing so results in more relevant information, because either (a) it eliminates or significantly reduces a measurement or recognition inconsistency (i.e. an accounting mismatch); or (b) a group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis.

Fair value changes of financial liabilities classified as fair value through profit or loss, if any, are recognized in the consolidated statement of operations and comprehensive income (loss).

3. Significant accounting policies (continued)

(l) Share-based compensation

The Company has a share option plan and share unit plan which are described in note 11. For share options, the fair value of share-based compensation awards is determined at the date of grant using the Black-Scholes option pricing model. The Company records all share-based compensation for options using the fair value method with graded vesting. Under the fair value method, share-based payments are measured at the fair value of the consideration received or the fair value of the equity instruments issued or liabilities incurred, whichever is more reliably measurable, and are charged over the vesting period to the consolidated statement of operations and comprehensive income (loss). The offset is credited to Equity reserves (within equity in the consolidated statement of financial position) ratably over the vesting period, after adjusting for the number of awards that are expected to vest.

Expenses recognized for forfeited awards are reversed. For awards that are cancelled, any expense not yet recognized is recognized immediately in the statement of operations and comprehensive income (loss).

Where the terms of an equity-settled award are modified, as a minimum an expense is recognized as if the terms had not been modified over the original vesting period. In addition, an expense is recognized for any modification which increases the total fair value of the share-based payment arrangement as measured at the date of modification, over the remainder of the vesting period.

For cash-settled share-based payments, including restricted share units ("RSU"), the Company measures the goods or services acquired and the liability incurred at the fair value of the liability. The corresponding share-based compensation expense is recognized over the vesting period of the award. As these awards will be settled in cash, the liability is remeasured at fair value at each reporting period and at the date of settlement, with changes in fair value recognized in the consolidated statement of operations and comprehensive income (loss) in the period incurred.

(m) Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred income tax. Income tax is recognized in the consolidated statement of operations and comprehensive income (loss) except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current income tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred income tax is recognized in respect of unused tax losses, tax credits and temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the tax rates that have been substantively enacted at the reporting date.

A deferred income tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a future income tax asset will be recovered, it does not recognize the asset.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its tax assets and liabilities on a net basis.

3. Significant accounting policies (continued)

The Company records foreign exchange gains and losses representing the impacts of movements in foreign exchange rates on the tax bases of non-monetary assets and liabilities which are denominated in foreign currencies. Foreign exchange gains and losses relating to the translation of the deferred income tax balance from local statutory accounts to functional currency accounts are included in deferred income tax expense or recovery in the consolidated statement of operations and comprehensive income (loss).

(n) Income (loss) per share

Basic income (loss) per share is computed by dividing net income (loss) by the weighted average number of common shares outstanding during the period. The computation of diluted income (loss) per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on income (loss) per share. For this purpose, the treasury stock method is used for the assumed proceeds upon the exercise of stock options that are used to purchase common shares at the average market price during the period.

4. Changes in accounting standards

(a) Accounting standards adopted during the year

There were no new standards effective January 1, 2020 that impacted the Company's consolidated financial statements.

(b) Accounting standards and amendments issued but not yet adopted

The following standards and interpretations, which may be applicable to the Company or the JV, have been issued but are not yet effective as of December 31, 2020:

Amendment to IAS 16

On May 14, 2020, the IASB amended IAS 16 "Property, Plant and Equipment" to prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss. The amendments are effective for annual periods beginning on or after January 1, 2022 with early adoption permitted. The Company does not expect the amendments to IAS 16 to have a significant impact on its or the JV's accounting policies.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Management believes the estimates and assumptions used in these consolidated financial statements are reasonable, however, actual results could differ from those estimates and could impact future results of operations and cash flows. The accounting judgements and estimates which have the most significant effect on these financial statements and the financial results of the JV are as follows:

Estimates

Equity investment in joint venture and impairment estimates

When facts and circumstances suggest the carrying value of the Company's equity investment in the JV may be impaired, the Company is required to estimate the recoverable amount of its equity investment through a fair value less cost of disposal or value-in-use approach. Estimating the recoverable amount requires management to make significant estimates about the future life of mine cash flows of the AGM which may include, but may not be limited to, changes to the current estimates of in-situ ounces, ore tonnes to be mined in future periods, strip ratios, head grades, recovery rates, gold price assumptions, mining costs, processing costs, trucking costs, capital and closure costs, as well as discount rates.

When facts and circumstances suggest the carrying value of the JV's mineral interests may be impaired, the same policies and set of assumptions as described above are applied.

Reserves and Resources

Estimates of the quantities of proven and probable mineral reserves and mineral resources form the basis for the JV's life-of-mine plans, which are used for a number of key business and accounting purposes, including: the calculation of depreciation expense, the capitalization of stripping costs, the forecasting and timing of cash flows related to the asset retirement provision and impairment assessment, if any. In addition, when required, the life-of-mine plans are used in impairment tests for mineral properties, plant and equipment. To the extent that these estimates of proven and probable mineral reserves and resources varies, there could be changes in depreciation expense, stripping assets, asset retirement provisions and impairment charges recorded.

Depletion of mineral interests

Estimates are made of recoverable ounces in the JV's mining properties which are depleted based on recoverable tonnes contained in proven and probable reserves. To the extent that changes are made to the estimate of proven and probable reserves, the depletion charge may change. In addition, mineral properties, plant and equipment are depreciated to their estimated residual value over the estimated useful life of the asset. Should the actual useful life of the mineral properties, plant or equipment vary, future depreciation charges may change.

Inventory valuation of production costs

The JV estimates quantities of ore on stockpiles and in process and the recoverable gold contained in this material in order to determine the cost of inventories and the weighted average costs of finished goods sold during the period. To the extent that these estimates vary, production costs of finished goods may change.

5. Significant accounting judgements and estimates (continued)

Net realizable value of inventory

Estimates of net realizable value are based on the most reliable evidence available, at the time that the estimates are made, of the amount that the inventories are expected to realize. In order to determine the net realizable value of gold dore, gold-in-process and stockpiled ore, the JV estimates future metal selling prices, production forecasts, realized grades and recoveries, timing of processing, and future costs to convert the respective inventories into saleable form, if applicable. Reductions in metal price forecasts, increases in estimated future costs to convert, reductions in the number of recoverable ounces, and a delay in timing of processing can result in a write-down of the carrying amounts of the JV's stockpiled ore inventory.

Materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. However, to the extent net realizable value of materials and spares must be estimated, replacement costs of the materials and spare parts are generally used as the best estimate of net realizable value.

Current and deferred Income taxes

In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. Levels of future taxable income are affected by, among other things, market gold prices, production costs, quantities of proven and probable gold reserves, interest rates and foreign currency exchange rates.

Where applicable tax laws and regulations are either unclear or subject to varying interpretations, it is possible that changes in these estimates could occur that materially affect the amounts of deferred income tax assets and liabilities recorded in the financial statements. Changes in deferred tax assets and liabilities generally have a direct impact on earnings in the period that the changes occur.

Deferred stripping

To determine whether stripping costs incurred during the production phase of a mining property relate to reserves and resources that will be mined in a future period and therefore should be capitalized, the JV makes estimates of the stripping activity over the life of the component of reserves and resources which have been made accessible. In addition, judgement is involved when allocating production costs between inventory produced and the stripping asset; the allocation is based on the volume of waste extracted compared with the expected volume, for a given volume of ore production. To the extent that these estimates and judgements change, there could be a change to the amount of production costs which are deferred to the statement of financial position.

Asset retirement provisions

Provisions for reclamation and closure cost obligations represents management's best estimate of the present value of the future cash outflows required to settle closure cost liabilities. Significant judgements and estimates are required in forming assumptions of future activities, future cash outflows and the timing of those cash outflows. These assumptions are formed based on environmental and regulatory requirements or the Company's environmental policies which may give rise to constructive obligations. The JV's assumptions are reviewed at the end of each reporting period and adjusted to reflect management's current best estimate and changes in any of the above factors can result in a change to the provision recognized by the JV. Changes to these estimates and judgements may result in actual expenditures in the future differing from the amounts currently provided for.

5. Significant accounting judgements and estimates (continued)

Preferred shares

The Company holds preferred shares (without a fixed redemption date) in the JV which have been classified as financial assets measured at fair value through profit or loss. Management estimated the fair value of these preference shares by discounting the forecast future cash flows from the AGM. Several estimates were made to determine the forecast future cash flows including, but not limited to, long-term realized gold prices, mineable reserves/resources, mining and processing costs per tonne, ore grades, and metallurgical recoveries. Additionally, judgement was required to determine the appropriate discount rate used to calculate the present value of the forecast future cash flows. Changes in one or more of these assumptions could lead to a materially different fair value estimate of the preferred shares.

Judgements

Impairment indicators of equity investment in joint venture

The Company considers both external and internal sources of information in assessing whether there are any indications that its equity investment in the JV is impaired. External sources of information the Company considers include changes in the market, economic and legal environment in which the JV operates that are not within its control and affect the recoverable amount of the Company's equity investment. Internal sources of information the Company considers include the manner in which mining properties and plant and equipment of the JV are being used or are expected to be used and indications of economic performance of the assets. The estimates and judgements are subject to risk and uncertainty; hence, there is the possibility that changes in circumstances will alter these projections, which may impact the recoverable amount of the assets. In such circumstances, the carrying value of the Company's equity investment in the JV may be impaired or a prior period's impairment charge reversed with the impact recorded in the consolidated statement of operations and comprehensive income (loss).

6. Receivable due from related party

Under the terms of the Joint Venture Agreement (the "JVA") that governs the management of the JV (note 8), the Company remains the manager and operator of the JV and receives an arm's length fee for services rendered to the JV of $6.2 million per annum (originally $6.0 million, but adjusted annually for inflation).

During the year ended December 31, 2020, the Company earned a service fee of $4.9 million (year ended December 31, 2019 - $5.0 million). For the year ended December 31, 2020, the service fee was comprised of a gross service fee of $6.1 million less withholding taxes payable in Ghana of $1.2 million (year ended December 31, 2019 - gross service fee of $6.0 million less withholding taxes of $1.0 million). As at December 31, 2020, the Company had a receivable due from the JV in respect of the service fee in the amount of $2.7 million, net of withholding taxes (December 31, 2019 - $4.2 million).

All transactions with related parties have occurred in the normal course of operations and were measured at the exchange amount agreed to by the parties. All amounts are unsecured, non-interest bearing and have no specific terms of settlement.

7. Financial assets

As part of the JV Transaction (note 8), the Company subscribed to 204.9 million non-voting fixed redemption price redeemable preferences shares in Shika Group Finance Limited (the "preference shares"). The preference shares were issued at a par value of $1 per redeemable share, resulting in a face value of the preference shares of $204.9 million, comprising $20.0 million with a determinable redemption date and $184.9 million with no fixed redemption date.

a) Redeemable preference shares with no fixed redemption date

	December 31, 2020 $	December 31, 2019 $
Balance, beginning of year	108,025	153,651
Fair value adjustment for the year	7,774	(35,626)
Redemption of preferred shares during the year	(37,500)	(10,000)
Balance, end of year	**78,299**	**108,025**

As these preference shares have no contractual fixed terms of repayment that arise on specified dates, they are measured at fair value through profit or loss at each reporting period-end.

During the year ended December 31, 2020, the JV redeemed $37.5 million of the preference shares, bringing the Company's holding to 137.4 million preference shares in the JV (December 31, 2019 - 174.9 million preference shares).

As at December 31, 2020, the Company re-measured the fair value of the redeemable preference shares with no fixed redemption date to $78.3 million (applying a discount rate of 11.6%) resulting in the recognition of a positive fair value adjustment of $7.8 million in finance income for the year ended December 31, 2020 (year ended December 31, 2019 - $35.6 million downward fair value adjustment recorded in finance expense). These preference shares are classified as a Level 3 financial asset in the fair value hierarchy.

b) Redeemable preference shares with determinable redemption date

These preference shares had a fixed redemption date based on an agreed upon Essase development milestone and were initially recognized at amortized cost based on a discounted cash flow analysis.

During the year ended December 31, 2019, these preference shares were settled as the Company received $20.0 million from Gold Fields and accretion income of $0.5 million was recognized in finance income in the Statement of Operations and Comprehensive Income (Loss).

8. Investment in joint venture

On July 31, 2018, the Company completed a transaction (the "JV Transaction") with a subsidiary of Gold Fields Limited ("Gold Fields"), following which:

- the Company and Gold Fields each own a 45% economic interest in Asanko Gold Ghana Limited ("AGGL"), which owns the AGM, with the Government of Ghana retaining a 10% free-carried interest in the AGM;
- the Company and Gold Fields each own a 50% interest in Adansi Gold Company (GH) Limited ("Adansi Ghana"), which owns a number of exploration licenses; and
- the Company and Gold Fields each acquired a 50% interest in the JV entity, Shika Group Finance Limited ("JV Finco").

Under the terms of the JVA with Gold Fields, the Company remains the manager and operator of the JV and receives an arm's length fee for services rendered to the JV of $6.2 million per annum (originally $6.0 million, but adjusted annually for inflation).

The JVA established joint control of the JV and thus the Company no longer controls the AGM and associated properties. As the JV is structured within the legal entities of AGGL, Adansi Ghana and JV Finco, the JV represents a joint venture as defined under IFRS 11 - Joint Arrangements, and the Company commenced equity accounting for its interest in the JV effective July 31, 2018.

The following table summarizes the change in the carrying amount of the Company's investment in the joint venture:

	December 31, 2020 $	December 31, 2019 $
Balance, beginning of year	-	126,264
Company's share of net income (loss) of the JV for the year	59,159	(126,264)
Balance, end of year	**59,159**	**-**

During the year ended December 31, 2019, the Company's share of the net loss of the JV of $126.3 million was recorded net of the Company's attributable share of an impairment of $130.3 million (or 45% of $289.6 million) that was recognized by the JV (note 8(xi)).

8. Investment in joint venture (continued)

Operating and financial results of the JV for the years ended December 31, 2020 and 2019

Summarized financial information for the Company's investment in the JV is outlined in the table below.

All disclosures in this note 8 are on a 100% JV basis, unless otherwise indicated. The JV applies the same accounting policies as the Company.

Statement of Income for the years ended December 31, 2020 and 2019

	Note	2020 $	2019 $
Revenues	(i)	418,130	340,969
Production costs	(ii)	(198,347)	(199,234)
Depreciation and depletion	(vi)	(50,934)	(95,418)
Royalties	(ii)	(20,907)	(17,159)
Income from mine operations		147,942	29,158
Exploration and evaluation expenditures		(9,681)	(6,092)
General and administrative expenses		(7,434)	(6,549)
Income from operations		130,827	16,517
Impairment	(xi)	-	(289,589)
Finance expense	(xii)	(3,165)	(8,905)
Finance income		285	283
Foreign exchange gain		3,572	1,171
Net income (loss) after tax for the year		**131,519**	**(280,523)**
Company's share of net income (loss) of the JV for the year		**59,159**	**(126,264)**

8. Investment in joint venture (continued)

The assets and liabilities of the Asanko Gold Mine JV, on a 100% basis, as at December 31, 2020 and 2019 were as follows:

	Note	December 31, 2020 $	December 31, 2019 $
Assets			
Current assets			
Cash and cash equivalents	(xiii)	64,254	40,758
Restricted cash		-	3,000
Receivables		10,820	9,516
Inventories	(iii)	81,675	49,968
Prepaid expenses and deposits		4,841	2,031
Financial assets		68	-
VAT receivable		8,911	10,556
		170,569	115,829
Non-current assets	(iii),(iv),(v),(vi)	280,769	238,781
Total assets		**451,338**	**354,610**
Liabilties			
Current liabilities			
Accounts payable and accrued liabilities		73,102	62,153
Revolving credit facility	(vii)	30,000	-
Lease liability	(viii)	5,608	18,142
Asset retirement provisions	(ix)	1,025	-
		109,735	80,295
Non-current liabilities			
Lease liability	(viii)	113	5,063
Long-term incentive plan liability		596	402
Asset retirement provisions	(ix)	71,668	56,148
		72,377	61,613
Total liabilities		182,112	141,908
Equity	(x)	269,226	212,702
Total liabilities and equity		**451,338**	**354,610**

The Company has provided the following incremental disclosures for stakeholders to evaluate the financial performance and financial condition of the AGM. All amounts in the following tables and descriptions are on a 100% basis.

8. Investment in joint venture (continued)

(i) Revenues

AGGL has an offtake agreement with a special purpose vehicle of RK Mine Finance Trust I ("Red Kite") with the following details (the "Offtake Agreement"):

- sale of 100% of the future gold production from the AGM up to a maximum of 2.2 million ounces to Red Kite;
- Red Kite to pay for 100% of the value of the gold ten business days after shipment;
- a provisional payment of 90% of the estimated value will be made one business day after delivery;
- the gold sale price will be a spot price selected during a nine-day quotational period following shipment of gold from the mine;
- performance obligations of the AGM are satisfied once the refining outturn report is provided to Red Kite; and
- should AGGL wish to terminate the Offtake Agreement, a termination fee will be payable according to a schedule dependent upon the amount of gold delivered under the Offtake Agreement at the time of termination.

During the year ended December 31, 2020, the AGM sold 243,807 ounces of gold to Red Kite in accordance with the Offtake Agreement (December 31, 2019 - 248,862 ounces).

As of December 31, 2020, the AGM has delivered 1,083,180 ounces to Red Kite under the Offtake Agreement. The Offtake Agreement was not affected by the JV Transaction and will remain in effect until all contracted ounces have been delivered to Red Kite or AGGL elects to terminate the Offtake Agreement and pay the associated fee.

Included in revenue of the AGM is $0.9 million relating to by-product silver sales for the year ended December 31, 2020 (year ended December 31, 2019 - $0.8 million). During the year ended December 31, 2019, $2.2 million of gold sales related to pre-production activities at Esaase were capitalized to mineral properties, plant and equipment ("MPP&E") of the AGM.

(ii) Production costs and royalties

The following is a summary of production costs by nature, on a 100% basis, incurred during the years ended December 31, 2020 and 2019:

	December 31, 2020 $	December 31, 2019 $
Raw materials and consumables	(54,588)	(49,560)
Salary and employee benefits	(35,204)	(33,015)
Contractors (net of deferred stripping costs)	(119,337)	(97,443)
Change in stockpile, gold-in-process and gold dore inventories	28,970	(3,056)
Insurance, government fees, permits and other	(17,161)	(15,749)
Share-based payments	(1,027)	(411)
Total production costs	**(198,347)**	**(199,234)**

During the year ended December 31, 2020, the AGM recognized a $16.6 million reversal of previously recorded net realizable value adjustments on its stockpile inventory primarily due to an increase in gold prices during the year, of which $7.7 million was credited against production costs and $8.9 million credited against depreciation expense.

8. Investment in joint venture (continued)

During the year ended December 31, 2019, the AGM recognized a $19.1 million downward adjustment to the carrying value of its stockpile inventory to reflect the net realizable value of lower grade ore that had been added to stock during the year, of which $7.9 million was recorded as production costs and $11.2 million as depreciation expense.

All of the AGM's concessions are subject to a 5% gross revenue royalty payable to the Government of Ghana. The AGM's Akwasiso mining concession is also subject to an additional 2% net smelter return royalty payable to the previous owner of the mineral tenement, and the AGM's Esaase mining concession is also subject to an additional 0.5% net smelter return royalty payable to the Bonte Liquidation Committee.

(iii) Inventories

The following is a summary of inventories held by the AGM, on a 100% basis, as at December 31, 2020 and 2019:

	December 31, 2020 $	December 31, 2019 $
Gold dore on hand	8,197	2,804
Gold-in-process	1,814	1,726
Ore stockpiles	54,701	29,410
Materials and spare parts	22,152	18,679
Total inventories	**86,864**	**52,619**
Less non-current inventories:		
Ore stockpiles	(5,189)	(2,651)
Total current inventories	**81,675**	**49,968**

As at December 31, 2019, $29.2 million of the impairment adjustment recognized as part of the AGM's LOM plan update was allocated to long-term stockpiled ore.

(iv) Reclamation deposit

The AGM is required to provide security to the Environmental Protection Agency of Ghana ("EPA") for the performance by the AGM of its reclamation obligations in respect of the Abriem, Abore and Adubea mining leases. The initial security totaled $8.5 million and comprised a reclamation deposit in the amount of $1.7 million and a bank guarantee of $6.8 million. The reclamation deposit accrues interest and is carried at $1.9 million at December 31, 2020 (December 31, 2019 - $1.9 million).

The AGM deposited the reclamation deposit in a Ghanaian Bank in the joint names of the AGM and the EPA. The reclamation deposit matures annually, but the AGM is required to reinstate the deposit until receiving a final reclamation completion certificate from the EPA. The AGM is expected to be released from this requirement 45 days following the third anniversary of the date that the AGM receives a final completion certificate.

During the fourth quarter, the AGM finalized its reclamation bond for the Esaase deposit. The security provided to the EPA totaled $1.1 million and comprised a reclamation deposit of $0.2 million and a bank guarantee of $0.9 million, 50% of which was provided by the Company (note 12). The cash reclamation deposit of $0.2 million is expected to be paid in the first quarter of 2021.

8. Investment in joint venture (continued)

Also, during the fourth quarter, the AGM updated its reclamation bond for the Obotan deposit. Total security expected to be provided to the EPA totals $15.6 million and comprises a reclamation deposit of $4.7 million (including the $1.9 million mentioned above) and a bank guarantee of $10.9 million, 50% of which was provided by the Company (note 12). The additional cash reclamation deposit of $2.8 million is expected to be paid in the first quarter of 2021.

(v) Right-of-use assets

The following table shows the movement in the right-of-use asset related to the service and lease agreements of the AGM for the years ended December 31, 2020 and 2019:

	December 31, 2020	December 31, 2019
	$	$
Balance, beginning of year	9,429	-
Initial recognition of right-of-use assets upon adoption of IFRS 16	-	36,616
Recognition of mining contractor services agreements entered into during the year	5,604	10,502
Depreciation expense	(9,407)	(17,255)
Derecognition associated with termination of contractor services agreement	(2,753)	(10,343)
Allocation of impairment	-	(10,091)
Balance, end of year	**2,873**	**9,429**

(vi) Mineral properties, plant and equipment

Additions to mineral properties, plant and equipment

During the year ended December 31, 2020, the AGM capitalized $54.1 million in expenditures related to mineral properties, plant and equipment, not including capitalized deferred stripping costs, asset retirement costs and right-of-use assets (year ended December 31, 2019 - $25.0 million).

Of the $54.1 million capitalized to MPP&E during the year ended December 31, 2020, $8.9 million was capitalized property acquisition costs and exploration costs relating to properties with existing defined mineral reserves (year ended December 31, 2019 - $3.3 million of capitalized explorations costs).

Deferred stripping

During the year ended December 31, 2020, the AGM deferred a total of $18.7 million of stripping costs to depletable mineral interests (year ended December 31, 2019 - $34.0 million) while depletion expense of $19.6 million was charged on deferred stripping assets and recorded as depreciation and depletion expense (year ended December 31, 2019 - $39.0 million).

8. Investment in joint venture (continued)

Depreciation and depletion

During the year ended December 31, 2020, the AGM recognized depreciation and depletion expense of $52.7 million (including $19.6 million depreciation and depletion on deferred stripping assets), of which $1.8 million was allocated to the cost of inventories (year ended December 31, 2019 - depreciation and depletion expense of $100.6 million, of which $5.2 million was allocated to the cost of inventories).

(vii) Revolving credit facility

In October 2019, the JV entered into a $30.0 million revolving credit facility (the "RCF") with Rand Merchant Bank ("RMB"). The term of the RCF is three years, maturing in September 2022 and bears interest on a sliding scale of between LIBOR plus a margin of 4% and LIBOR plus a margin of 3.8%, depending on the security granted to RMB. Commitment fees in respect of any undrawn portion of the RCF will accrue on a similar sliding scale of between 1.33% and 1.40%. The JV utilized the full value of the RCF on March 30, 2020 and the balance of the RCF as of December 31, 2020 was $30.0 million (December 31, 2019 - $nil). During the year ended December 31, 2020, the AGM recognized interest expense and other fees associated with the RCF of $1.2 million (year ended December 31, 2019 - interest expense of $nil and other fees of $1.7 million).

(viii) Lease liability

The following table shows the movement in the lease liability related to the service and lease agreements of the AGM for the years ended December 31, 2020 and 2019:

	December 31, 2020 $	December 31, 2019 $
Balance, beginning of year	23,205	-
Initial recognition of lease liability upon adoption of IFRS 16	-	36,616
Recognition of lease agreements entered into during the year	5,604	10,502
Lease payments made during the year	(17,160)	(15,386)
Interest expense	732	1,817
Derecognition associated with termination of contractor services agreement	(6,660)	(10,344)
Total lease liability, end of year	**5,721**	**23,205**
Less: current lease liability	(5,608)	(18,142)
Total non-current lease liability, end of year	**113**	**5,063**

During the year ended December 31, 2019, the AGM provided a notice of termination to one of its mining contractors and derecognized the lease liability and right-of-use asset associated with this lease agreement. A termination fee was accrued for at December 31, 2019 and was included in production costs during the year ended December 31, 2019.

8. Investment in joint venture (continued)

(ix) Asset retirement provisions

The following table shows the movement in the asset retirement provisions of the AGM as at December 31, 2020 and 2019:

	December 31, 2020	December 31, 2019
	$	$
Balance, beginning of year	56,148	34,036
Accretion expense	550	903
Change in estimate	16,149	21,309
Reclamation undertaken during the year	(154)	(100)
Total asset retirement provisions, end of year	**72,693**	**56,148**
Less: current portion of asset retirement provisions	(1,025)	-
Total non-current portion of asset retirement provisions	**71,668**	**56,148**

The asset retirement provisions consist of reclamation and closure costs for the JV's Ghanaian mining properties. Reclamation and closure activities include land rehabilitation, dismantling of buildings and mine facilities, ongoing care and maintenance and other costs.

As at December 31, 2020, the AGM's reclamation cost estimates were discounted using a long-term risk-free discount rate of 1.0% (December 31, 2019 - 2.0%). The increase in the carrying value of the asset retirement provisions was primarily due to an increase in closure cost estimates during the year as a result of additional disturbances from ongoing mining operations and a decrease in the discount rate.

(x) Preferred shares

The following table shows the movement in the JV partners' preferred share investments in the JV for the years ended December 31, 2020 and 2019:

	December 31, 2020	December 31, 2019
	$	$
Balance, beginning of year	349,880	369,880
Investment in JV by Gold Fields	-	20,000
Distributions to partners during the year	(75,000)	(40,000)
Balance, end of year	**274,880**	**349,880**

8. **Investment in joint venture (continued)**

(xi) Impairment

During the year ended December 31, 2019, the Company and its JV partners announced that the scope of the ongoing work associated with the AGM's life of mine (the "AGM LOM") plan would:

- target a remaining mine life of 8-10 years with gold production of 225,000 to 250,000 ounces per year;
- contemplate resources based on Localized Uniform Conditioning methodology;
- be based on NI43-101 standards and consistent with Gold Field's operating practices;
- be based on Measured and Indicated Mineral Resources using Datamine Mine Stope Optimization software;
- not include any major development capital investments such as further processing plant expansions or Esaase ore transportation infrastructure; and
- be based on metallurgical recovery estimates for Esaase fresh ore based on an updated metallurgical model, which would in turn be based on a test-work program currently underway at that time.

The Company previously prepared its Amended and Restated Definitive Feasibility Study related to the AGM on June 5, 2017 (and amended and restated on December 20, 2017, the "12/17 DFS"). The 12/17 DFS previously estimated the AGM's remaining life of mine to be between 14 and 21 years (ending 2030 - 2037) with gold production ranging from 108,000 ounces to 497,000 ounces.

Given that the target mine life and production was expected to result in the extraction of materially less than the total previously estimated reserves and resources of the AGM, the Company considered this to represent an indicator of possible impairment. Accordingly, the Company assessed the recoverable amount of the AGM, which was based on management's estimate of the fair value less cost of disposal of the AGM. The fair value less cost of disposal of the AGM (on a 100% basis) was estimated to be $211.8 million as at December 31, 2019 and included life of mine cash flow projections, on the basis of the updated scope. The projected cash flows were discounted using a post-tax discount rate of 8.4% which represented the weighted-average cost of capital commensurate with the risks associated with the AGM's cash flows. The Company's estimated gold price considered analysts' consensus pricing for the estimated duration of the AGM LOM plan. The gold price assumptions were as follows:

Gold price assumption	2020	2021	2022 to 2024	Long-term	Weighted Average
Gold price (per ounce)	$1,500	$1,425	$1,400	$1,350	$1,373

During the year ended December 31, 2019, the Company determined that an impairment of $289.6 million was required at the AGM based on its estimate of the recoverable amount of the AGM. Management's estimate of the fair value of the AGM was classified as Level 3 in the fair value hierarchy.

As at December 31, 2020, the Company did not identify any further indicators of impairment of the AGM CGU based on information available to management at the time of preparing these audited consolidated financial statements, nor had the indicators of impairment identified in 2019, which gave rise to the above-mentioned impairment, reversed suggesting a possible reversal of previously recorded impairments.

8. Investment in joint venture (continued)

(xii) Finance expense

The following is a summary of finance expense incurred by the JV during the years ended December 31, 2020 and 2019:

	December 31, 2020	December 31, 2019
	$	$
Realized and unrealized losses on hedging instruments	(366)	(4,440)
Interest on lease liabilities (note viii)	(732)	(1,817)
Fees and expenses associated with RCF (note vii)	(1,198)	(1,670)
Accretion charges on asset retirement provisions (note ix)	(550)	(903)
Other	(319)	(75)
Total finance expense	**(3,165)**	**(8,905)**

(xiii) The cash flows of the AGM, on a 100% basis, were as follows for the years ended December 31, 2020 and 2019:

	December 31, 2020	December 31, 2019
	$	$
Cash provided by (used in):		
Operating cash flow before working capital changes	183,065	109,785
Operating activities	152,322	120,375
Investing activities	(69,108)	(62,672)
Financing activities	(62,590)	(35,272)
Impact of foreign exchange on cash and cash equivalents	(128)	(321)
Increase in cash and cash equivalents during the year	20,496	22,110
Cash and cash equivalents and restricted cash, beginning of year	43,758	21,648
Cash and cash equivalents and restricted cash, end of year	**64,254**	**43,758**

9. Right-of-use asset and lease liability

During the year ended December 31, 2019, the Company entered into a lease agreement for corporate office space with an effective date of September 1, 2019. Upon obtaining the contractual right to use the new office space, the Company recognized a right-of-use asset and corresponding lease liability for the office space lease agreement in accordance with IFRS 16, amounting to $0.6 million. The following table shows the movement in the right-of-use asset related to a corporate office space lease agreement for the years ended December 31, 2020 and 2019.

	December 31, 2020	December 31, 2019
	$	$
Balance, beginning of year	589	-
Recognition of office space lease agreement entered into during the year	-	624
Depreciation expense for the year	(104)	(35)
Balance, end of year	**485**	**589**

The following table shows the movement in the lease liability related to a corporate office space lease agreement for the years ended December 31, 2020 and 2019:

	December 31, 2020	December 31, 2019
	$	$
Balance, beginning of year	597	-
Recognition of office space lease agreement entered into during the year	-	624
Lease payments made during the year	(117)	(39)
Interest expense	35	12
Total lease liability	**515**	**597**
Less: current lease liability	(94)	(83)
Total non-current lease liability	**421**	**514**

10. Share capital

(a) Authorized:

Unlimited common shares without par value or restrictions.

The Company was previously authorized to issue unlimited preferred shares without par value or restrictions. At the Company's Annual General and Special Meeting of Shareholders held on April 30, 2020, the Company's Notice of Articles was updated to remove preferred shares from the Company's capital structure.

(b) Issued and outstanding common shares

	Number of shares	Amount $
Balance, December 31, 2018	225,804,614	578,853
Issued pursuant to exercise of share-based options (note 11(a))	403,116	490
Shares repurchased and cancelled under normal course issuer bid (note 10(c))	(1,108,920)	(958)
Balance, December 31, 2019	225,098,810	578,385
Issued pursuant to exercise of share-based options (note 11(a))	1,912,775	2,661
Shares repurchased and cancelled under normal course issuer bid (note 10(c))	(2,758,063)	(2,296)
Balance, December 31, 2020	**224,253,522**	**578,750**

(c) Normal course issuer bid

The Company received approval from the TSX to commence a normal course issuer bid ("NCIB") on November 15, 2019 to purchase up to 11,310,386 common shares, representing 5% of the Company's issued and outstanding common shares. Purchases pursuant to the NCIB are made on the open market through the facilities of the TSX and NYSE American.

All common shares purchased by the Company under the NCIB were purchased at the market price at the time of acquisition in accordance with the rules and policies of the TSX and NYSE American and applicable securities laws. All common shares acquired by the Company under the NCIB were cancelled and purchases were funded out of the Company's working capital. The NCIB had a term of one-year and was terminated on November 14, 2020.

During the year ended December 31, 2020, the Company repurchased for cancellation a total of 2,758,063 common shares under the NCIB program for $2.3 million (year ended December 31, 2019 - repurchased and cancelled 1,108,920 common shares for $1.0 million). For the year ended December 31, 2020, the weighted average acquisition price was $0.83 per share (year ended December 31, 2019 - $0.86 per share). Over the term of the NCIB, the Company repurchased and cancelled a total of 3,866,983 common shares for $3.3 million, at a weighted average price of $0.84 per share.

10. Share capital (continued)

(d) At-the-Market Offering ("ATM")

On June 25, 2020, the Company entered into an ATM agreement with H.C. Wainwright & Co. and Cormark Securities (the "Agents"). Under the ATM agreement, the Company may, at its discretion and from time-to-time during the term of the ATM agreement, sell through the Agents common shares of the Company for aggregate gross proceeds to the Company of up to $50.0 million (the "Offering"). The Company expects to use any net proceeds of the Offering for general corporate and working capital requirements, including, but not limited to, funding ongoing exploration and operations at the Asanko Gold Mine, funding the Company's working capital requirements, repaying indebtedness outstanding from time to time, completing future acquisitions and/or for other corporate purposes.

Sales of common shares will be made through "at-the-market distributions" as defined in the Canadian Securities Administrators' National Instrument 44-102 - Shelf Distributions, including sales made directly on the NYSE American, or any other recognized marketplace upon which the Company's common shares are listed or quoted or where the common shares are traded in the United States. No offers or sales of common shares will be made in Canada on the Toronto Stock Exchange or other trading markets in Canada. The Company will pay the Agents a commission of 3.0% of the aggregate gross proceeds from each sale of common shares. The Company will determine, in its sole discretion, the date, price and number of common shares to be sold under the Offering, if any. Any common shares sold in the Offering will be distributed at market prices or prices related to prevailing market prices from time to time. The Company is not required to sell any common shares under the Offering at any time.

The Offering was made by way of a prospectus supplement dated June 25, 2020 (the "Prospectus Supplement") to the Company's existing U.S. registration statement on Form F-10 (the "Registration Statement") and Canadian short form base shelf prospectus (the "Base Shelf Prospectus") each dated June 11, 2020. The Prospectus Supplement relating to the Offering has been filed with the securities commissions in each of the provinces and territories of Canada (other than Québec) and with the U.S. Securities and Exchange Commission (the "SEC"). The Prospectus Supplement and the Registration Statement are available on the SEC's website and the Prospectus Supplement (together with the related Base Shelf Prospectus) is available on the SEDAR website maintained by the Canadian Securities Administrators.

In addition, in connection with Gold Fields existing pre-emptive right to maintain its 9.9% pro rata ownership interest in the Company, the Company has agreed to sell to Gold Fields, from time to time during the term of the Offering at Gold Fields' election, on a private basis, such number of common shares as represent 9.9% of the common shares issued under the Offering, if any.

During the year ended December 31, 2020, the Company did not issue any common shares under the Offering.

11. Equity reserves

At the Company's Annual General and Special Meeting of shareholders on April 30, 2020, the shareholders approved the Company's amended and restated Share Unit Plan dated April 30, 2020 (the "Share Unit Plan"). Under the Share Unit Plan, the Company is able to issue a combination of equity-settled RSUs, performance share units ("PSUs") and deferred share units ("DSUs") up to 5% of the outstanding common shares of the Company, provided that the total number of stock options and equity-settled RSUs, PSUs and DSUs do not exceed 9% of the Company's outstanding common shares. The Company's Board (at its sole discretion) may designate future grants of RSUs, PSUs and DSUs to be settled in either cash, equity or a combination thereof.

Prior to the approval of the amended and restated Share Unit Plan, the Company had an approved Restricted and Performance Share Unit Cash Plan (the "RSU Plan"). Under the RSU Plan, the Company granted share units from time to time to its directors, officers and employees. RSUs are awards for service which upon vesting and settlement entitled the recipient to receive a cash payment equal to the fair market value of a common share at the vesting date. The Board, at its sole discretion, determined any and all vesting conditions of granted RSUs. All RSUs granted in 2020 were under this RSU Plan.

(a) Stock options

The Company maintains a rolling stock option plan providing for the issuance of stock options to its directors, officers, employees and other service providers. Options granted vest 33% every twelve months following the grant date for a total vesting period of three years.

During the year ended December 31, 2020, the Company recognized share-based payments expense relating to stock options of $0.7 million (year ended December 31, 2019 - share-based payments expense relating to stock options of $1.0 million).

Additionally, during the year ended December 31, 2020, 1,912,775 stock options with a weighted average exercise price of C$1.33 were exercised by directors, officers and/or employees of the Company for total aggregate proceeds of $1.9 million (year ended December 31, 2019 - 403,116 stock options exercised with a weighted average exercise price of C$1.09 for total aggregate proceeds of $0.3 million)

The following table is a reconciliation of the movement in share-based options for the year:

	Number of Options	Weighted average exercise price C$
Balance, December 31, 2018	13,482,427	2.22
Granted	3,803,700	0.99
Exercised	(403,116)	1.09
Cancelled/Expired	(4,314,649)	2.07
Balance, December 31, 2019	12,568,362	1.93
Granted	4,676,000	1.39
Exercised	(1,912,775)	1.33
Cancelled/Expired/Forfeited	(7,000,767)	1.88
Balance, December 31, 2020	**8,330,820**	**1.81**

The fair value of the share-based options granted is determined using the Black Scholes pricing model. For all grants during the year ended December 31, 2020, the weighted average expected life, dividend yield and forfeiture rate were 3.86 years, nil and 10.68%, respectively. For all grants during the year ended 2019, the weighted average expected life, dividend yield and forfeiture rate were 3.79 years, nil and 3.10%, respectively.

11. Equity reserves (continued)

Other conditions and assumptions used in the Black Scholes models were as follows:

	Number of options granted	Weighted average exercise price C$	Weighted average risk-free interest rate	Weighted average volatility	Weighted average Black-Scholes value assigned C$
Year ended December 31, 2019	3,803,700	0.99	2.38%	66.93%	0.50
Year ended December 31, 2020	**4,676,000**	**1.39**	**0.72%**	**62.92%**	**0.59**

The following table summarizes the share-based options outstanding and exercisable as at December 31, 2020:

	Total options outstanding			**Total options exercisable**		
Range of exercise price	Number	Weighted average contractual life (years)	Weighted average exercise price C$	Number	Weighted average contractual life (years)	Weighted average exercise price C$
C$0.00-C$1.00	1,629,336	3.16	0.96	435,000	3.17	0.95
C$1.01-C$2.00	4,878,484	3.41	1.38	969,632	0.91	1.65
C$2.01-C$3.00	323,000	4.33	2.27	30,000	1.36	3.00
C$3.01-C$4.00	1,430,000	1.16	3.96	1,430,000	1.16	3.96
C$4.01-C$5.00	70,000	0.86	4.77	70,000	0.86	4.77
	8,330,820	**2.99**	**1.81**	**2,934,632**	**1.37**	**2.76**

(b) Restricted share units

The following table is a reconciliation of the movement in RSUs for the years presented:

	Number of RSUs	
	December 31, 2020	**December 31, 2019**
Balance, beginning of year	2,243,255	1,455,180
Granted	2,371,700	2,024,553
Settled in cash	(844,361)	(481,622)
Cancelled/Forfeited	(1,349,394)	(754,856)
Balance, end of year	**2,421,200**	**2,243,255**

For all RSUs granted during the year ended December 31, 2020, the awards vest in three equal tranches over a service period of three years and had an estimated forfeiture rate of 4.22% (December 31, 2019 - 2.56%).

The RSUs granted are cash-settled awards and, therefore, represent a financial liability which is required to be marked-to-market at each reporting period-end with changes in fair value recognized in the Statement of Operations and Comprehensive Income (Loss). For the year ended December 31, 2020, the Company recognized share-based compensation expense in relation to RSUs of $1.5 million (year ended December 31, 2019 - $0.8 million).

11. Equity reserves (continued)

As at December 31, 2020, the Company recognized a financial liability for cash-settled RSUs of $1.7 million (December 31, 2019 - $1.0 million). The financial liability associated with the cash-settled awards is recorded in accounts payable and accrued liabilities, for amounts expected to be settled within one year, and a separate non-current liability for amounts to be settled in excess of one year. The following table is a reconciliation of the movement in the RSU liability for the years presented:

	December 31, 2020 $	December 31, 2019 $
Balance, beginning of year	1,001	541
Awards vested during the year, net of cancelled/forfeited awards	1,460	819
Settled in cash during the year	(803)	(359)
Total RSU liability, end of year	**1,658**	**1,001**
Less: current portion of RSU liability	(1,046)	(585)
Total non-current RSU liability, end of year	**612**	**416**

(c) Phantom share units

On November 6, 2020, the Company granted 1,000,000 cash-settled phantom share units to the Chair of the Board. The units will vest three years from the grant date, but will only become payable upon the Chair's departure from the Board or upon a change of control of the Company, in a cash settlement amount equal to the value of 1,000,000 common shares (in C$) as at the Chair's departure date or date of change of control.

Similar to the Company's RSUs, the phantom share units represent a financial liability, as they will be settled in cash, and will be marked-to-market at each reporting period end and presented in the Statement of Financial Position as a long-term incentive plan liability. For the year ended December 31, 2020, the Company recognized share-based compensation expense of $0.1 million (year ended December 31, 2019 - nil) in relation to the phantom share units and a corresponding liability is included in the long-term incentive plan liability as at December 31, 2020 (December 31, 2019 - nil).

12. Commitments and contingencies

Commitments

As at December 31, 2020, the Company had contractual obligations totaling $4.8 million (December 31, 2019 - $3.5 million).

The following table reflects the Company's contractual obligations as they fall due, excluding commitments and liabilities of the JV, as at December 31, 2020 and 2019:

	Less than 1 year	1 - 5 years	Over 5 years	At December 31, 2020	At December 31, 2019
Accounts payable and accrued liabilities	2,478	-	-	**2,478**	1,649
Long-term incentive plan (cash-settled awards)	1,046	668	-	**1,714**	1,001
Corporate office leases	126	501	-	**627**	823
Total	**3,650**	**1,169**	**-**	**4,819**	**3,473**

In addition to the above commitments, the Company has provided various parent company guarantees related to the unfunded portion of the AGM's reclamation bond in the amount of $5.9 million.

12. Commitments and contingencies (continued)

Contingencies

Due to the nature of its business, the Company may be subject to regulatory investigations, claims, lawsuits and other proceedings in the ordinary course of its business. While the Company cannot reasonably predict the ultimate outcome of these actions, and inherent uncertainties exist in predicting such outcomes, the Company believes that the ultimate resolution of these actions is not reasonably likely to have a material adverse effect on the Company's financial condition or future results of operations.

13. General and administrative expenses

The following is a summary of general and administrative expenses incurred by the Company during the years ended December 31, 2020 and 2019. The general and administrative expenses for the period presented include, but are not limited to, those expenses incurred in order to earn the service fee as operators of the JV (note 6).

	Year ended December 31,	
	2020	2019
	$	$
Wages, benefits and consulting	(9,200)	(7,723)
Office, rent and administration	(907)	(800)
Professional and legal	(1,001)	(452)
Share-based payments	(2,168)	(1,789)
Travel, marketing, investor relations and regulatory	(1,317)	(966)
Other	(164)	(98)
Total	**(14,757)**	**(11,828)**

14. Finance income

The following is a summary of finance income earned by the Company during the years ended December 31, 2020 and 2019.

	Year ended December 31,	
	2020	2019
	$	$
Fair value adjustment on redeemable preference shares (note 7(a))	7,774	-
Accretion income on redeemable preference shares (note 7(b))	-	516
Interest income and other	551	355
Total finance income	**8,325**	**871**

15. Finance expense

The following is a summary of finance expenses incurred by the Company during the years ended December 31, 2020 and 2019.

	Year ended December 31, 2020	2019
	$	$
Fair value adjustment on redeemable preference shares (note 7(a))	-	(35,626)
Interest on lease liability (note 9)	(35)	(12)
Other	(10)	(12)
Total finance expense	**(45)**	**(35,650)**

16. Income tax

a) Tax expense

Income tax expense differs from the amount that would result from applying the Canadian federal and provincial income tax rates to earnings from continuing operations before taxes. These differences result from the following items:

	Year ended December 31, 2020	2019
	$	$
Average statutory tax rate	27%	27%
Income (loss) before income taxes	57,376	(167,928)
Expected income tax expense (recovery)	15,492	(45,341)
Increase in income tax expense (recovery) resulting from:		
Permanent differences:		
Share of net (income) loss related to joint venture	(15,974)	34,091
Fair value adjustment and accretion on redeemable preferences shares	(2,099)	9,480
Share-based payments	176	483
Withholding taxes	-	292
Other	145	(46)
True-up prior year balances	261	-
Effect of differences in tax rate in foreign jurisdictions	8	8
Change in unrecognized tax assets	1,984	1,033
Foreign exchange and other	7	-
Income tax expense	-	-

16. Income tax (continued)

b) Deferred tax liabilities and assets

The significant components of the Company's deferred tax assets and liabilities were as follows:

	Year ended December 31,	
	2020	**2019**
	$	**$**
Lease liability	139	159
Right-of-use asset	(139)	(159)
Total	**-**	**-**

As at December 31, 2020, the Company has tax losses of $64.0 million (December 31, 2019 - $55.6 million) in Canada which expire between 2029 and 2040.

Deductible temporary differences and unused tax losses for which no deferred tax assets have been recognized are attributable to the following:

	Year ended December 31,	
	2020	**2019**
	$	$
Property, plant and equipment	48	66
Share issuance costs	18	26
Investment in associate	275	275
Accounts payable and accrued liabilities	467	4
Lease liability	8	2
Capital losses	2,476	2,476
Non-capital losses carried forward	17,299	15,035
Foreign tax credits	-	724
Total	**20,591**	**18,608**

The aggregate amount of deductible temporary differences associated with investments in subsidiaries for which deferred taxes have not been recognized as at December 31, 2020 was $242.1 million (December 31, 2019 - deductible temporary differences of $175.1 million).

17. Income (loss) per share

For the years ended December 31, 2020 and 2019, the calculation of basic and diluted earnings per share is based on the following data:

	Year ended December 31, 2020	2019
Earnings ($)		
Net income (loss) for the year	57,376	(167,928)
Number of shares		
Weighted average number of ordinary shares - basic	223,655,880	225,867,169
Effect of dilutive share options	1,263,594	-
Weighted average number of ordinary shares - diluted	**224,919,474**	**225,867,169**

For the year ended December 31, 2020, excluded from the calculation of diluted weighted average shares outstanding were 5,978,748 share-based options that were determined to be anti-dilutive.

For the year ended December 31, 2019, the effect of all potentially dilutive securities was anti-dilutive, given that the Company reported a net loss for the year.

18. Supplemental cash flow information

The following table summarizes the changes in non-cash working capital for the years ended December 31, 2020 and 2019:

	Year ended December 31, 2020	2019
	$	$
Receivables and receivable due from related party	1,600	(1,864)
Prepaid expenses and deposits	(144)	(176)
Accounts payable and accrued liabilities	69	(1,720)
Change in non-cash working capital	1,525	(3,760)

19. Segmented information

Geographic Information

As at December 31, 2020, the Company has only one reportable operating segment being the corporate function with its head office in Canada. Total assets in Ghana include the Company's 45% interest in the Asanko Gold Mine JV.

Geographic allocation of total assets and liabilities

December 31, 2020	Canada $	Ghana $	Total $
Current assets	65,541	-	**65,541**
Property, plant and equipment and right-of-use assets	591	-	**591**
Other non-current assets	-	137,458	**137,458**
Total assets	**66,132**	**137,458**	**203,590**
Current liabilities	3,618	-	**3,618**
Non-current liabilities	1,089	-	**1,089**
Total liabilities	**4,707**	**-**	**4,707**

December 31, 2019	Canada $	Ghana $	Total $
Current assets	35,800	-	**35,800**
Property, plant and equipment and right-of-use assets	679	-	**679**
Other non-current assets	-	108,025	**108,025**
Total assets	**36,479**	**108,025**	**144,504**
Current liabilities	2,317	-	**2,317**
Non-current liabilities	930	-	**930**
Total liabilities	**3,247**	**-**	**3,247**

19. Segmented information (continued)

Geographic allocation of the Statement of Operations and Comprehensive Income (loss)

For the year ended December 31, 2020:

	Canada $	Ghana $	Total $
Share of net earnings related to joint venture	-	59,159	**59,159**
Service fee earned as operators of joint venture	4,917	-	**4,917**
General and administrative expenses	(14,757)	-	**(14,757)**
(Loss) income from operations and joint venture	(9,840)	59,159	**49,319**
Finance income	551	7,774	**8,325**
Finance expense	(45)	-	**(45)**
Foreign exchange loss	(223)	-	**(223)**
Net (loss) income and comprehensive (loss) income for the year	(9,557)	66,933	**57,376**

For the year ended December 31, 2019:

	Canada $	Ghana $	Total $
Share of net loss related to joint venture	-	(126,264)	**(126,264)**
Service fee earned as operators of joint venture	4,963	-	**4,963**
General and administrative expenses	(11,828)	-	**(11,828)**
Loss from operations and joint venture	(6,865)	(126,264)	**(133,129)**
Finance income	355	516	**871**
Finance expense	(24)	(35,626)	**(35,650)**
Foreign exchange loss	(20)	-	**(20)**
Net loss and comprehensive loss for the year	(6,554)	(161,374)	**(167,928)**

20. Capital management

The Company's objectives in managing capital are to ensure that the Company has the financial capacity to support its operations with sufficient capability to manage unforeseen operational or industry developments, ensure the Company has the capital and capacity to support the long-term growth strategies of the JV, and to provide returns for shareholders and benefits for other stakeholders. The Company defines capital that it manages as total shareholders' equity, being a total of $198.9 million as at December 31, 2020 (December 31, 2019 - $141.3 million).

The Company is not subject to externally imposed capital requirements or covenants.

20. Capital management (continued)

The Company manages its capital structure and makes adjustments to it in light of general economic conditions, the risk characteristics of the underlying assets and the Company's working capital requirements associated with ongoing operations and corporate development plans. In order to maintain or adjust its capital structure, the Company entered into an ATM agreement (note 10(d)) under which the Company may, at its discretion and from time-to-time during the term of the ATM agreement, sell through the Agents common shares of the Company for aggregate gross proceeds to the Company of up to $50.0 million. As of December 31, 2020, no common shares have been issued under the Offering. The Company does not currently pay out dividends, however an NCIB program was initiated in November 2019 (see note 10(c)) and was terminated in November 2020. The Board of Directors reviews and approves any material transactions out of the ordinary course of business, including proposals on acquisitions or other major investments or divestitures, as well as capital and operating budgets. The Company's investment policy is to invest its cash in highly liquid short-term interest-bearing investments with maturities of 180 days or less from the original date of acquisition.

The Company has not made any changes to its policies and processes for managing capital during the year.

21. Financial instruments

As at December 31, 2020, the Company's financial instruments consist of cash and cash equivalents, receivable due from related party, preferred shares in the JV, accounts payable and accrued liabilities and long-term incentive plan liabilities. The Company classifies cash and cash equivalents and the related party receivable as financial assets measured at amortized cost, while accounts payable and accrued liabilities are classified as other financial liabilities and measured at amortized cost. The long-term incentive plan liabilities are a financial liability measured at fair value through profit or loss and falls within Level 3 of the fair value hierarchy as discussed below.

Refer to note 7 for the classification and measurement of the preferred share financial assets.

The fair value hierarchy comprises:

Level 1 - fair values based on unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 - fair values based on inputs that are observable for the asset or liability, either directly or indirectly; and

Level 3 - fair values based on inputs for the asset or liability that are not based on observable market data.

The Company's policy for determining when a transfer occurs between levels in the fair value hierarchy is to assess the impact at the date of the event or the change in circumstances that could result in a transfer. There were no transfers between the levels during the years ended December 31, 2020 or 2019.

The fair values of all financial assets and liabilities measured at amortized cost approximate their carrying values given their short-term to maturity.

The risk exposure arising from these financial instruments is summarized as follows:

(a) Credit risk

Credit risk is the risk of an unexpected loss if a customer or the issuer of a financial instrument fails to meet its contractual obligations. The Company is subject to credit risk on the cash and cash equivalent balances held at banks in Canada, South Africa, and Barbados. The risk of loss associated with cash investments is considered to be low as the Company's cash and cash equivalents are held with highly rated banking institutions.

21. Financial instruments (continued)

As at December 31, 2020, the Company had a receivable due from the JV of $2.7 million (December 31, 2019 - $4.2 million) and interest receivable of $0.2 million (December 31, 2019 - $0.1 million). Credit risk associated with the related party receivable is considered to be low based on the liquidity of available funds of the JV. Additionally, credit risk associated with the interest receivable is also low given the amount is due from a highly rated banking institution in Canada. The Company expects to receive GST refunds on a regular basis from the Canada Revenue Agency and makes monthly GST filings (as required by law). The Company does not consider there to be a significant credit risk related to the GST receivable balance as at December 31, 2020.

In addition, the Company is exposed to credit risk on its preferred share investments in the JV (note 7). With respect to the 137.4 million preference shares, credit risk is mitigated by monitoring the financial condition of the JV on a regular basis. The Company's maximum exposure to credit risk in relation to the preferred shares at the reporting date is the carrying value of the financial asset totaling $78.3 million.

(b) Liquidity risk

Liquidity risk encompasses the risk that the Company cannot meet its financial obligations as they fall due. The Company manages liquidity risk through a rigorous planning and budgeting process, which is reviewed and updated on a regular basis, to help determine the funding requirements to support current operations, expansion and development plans, and by managing the Company's capital structure (note 20). By managing liquidity risk, the Company aims to ensure that it will have sufficient liquidity to settle obligations and liabilities as they fall due. Subsequent to the JV Transaction, the Company has no current direct sources of revenue and any free cash flows generated by AGM are no longer within the Company's exclusive control as the disposition of cash from the JV is governed by the JVA (note 8). However, through a combination of the Company's cash balance, cash flows from its investment in the JV, and the ongoing management fee receipts from the JV (note 6), the Company believes it is in a position to meet all working capital requirements, contractual obligations and commitments as they fall due. The Company's cash flows, however, and its ability to meet working capital requirements and contractual obligations are significantly influenced by the price of gold and the performance of the AGM. The Company aims to manage its liquidity by ensuring that, even in a low gold price environment, it can manage spending and provide adequate cash flow to meet all commitments.

As at December 31, 2020, the Company had a cash and cash equivalents balance of $62.2 million (December 31, 2019 - $31.1 million) allowing it to settle current liabilities of $3.6 million (December 31, 2019 - $2.3 million) as they become due.

(c) Market risk

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As disclosed in note 7, the Company holds preferred shares in the JV which are carried at fair value through profit or loss with fair value determined by reference to a discounted cash flow model. Changes in interest rates would impact the discount rate applied to forecast future cash flows and accordingly the fair value of the preferred shares; however, changes in interest rates would not impact the amount or timing of forecast future cash flows.

With other variables, unchanged, a 1% decrease (increase) in the annualized interest rate would have resulted in a $3.6 million increase and $3.4 million decrease, respectively, to the Company's after-tax net income for the year ended December 31, 2020 (year ended December 31, 2019 - $3.9 million increase and $3.6 million decrease, respectively).

21. Financial instruments (continued)

The Company's cash and cash equivalents earn interest income at variable rates and accordingly future interest income is subject to fluctuations in short-term interest rates. A +/-1% change in short-term interest rates would have resulted in a $0.6 million increase or decrease on the Company's interest income for the year ended December 31, 2020 (year ended December 31, 2019 - immaterial change to interest income earned).

(ii) Foreign currency risk

As at December 31, 2020 and 2019, the Company's exposure to foreign currency risk was limited to the following balances:

December 31, 2020	Foreign currency amount		USD Equivalent
	C$ (000s)	ZAR (000s)	$
Cash and cash equivalents	280	6,954	696
Receivables	37	43	32
Accounts payable and accrued liabilities	(1,769)	(436)	(1,417)
Long-term incentive plan liabilities	(2,187)	-	(1,715)
Lease liability	(657)	-	(515)
Net exposure to foreign currency	**(4,296)**	**6,561**	**(2,919)**

December 31, 2019	Foreign currency amount		USD Equivalent
	C$ (000s)	ZAR (000s)	$
Cash and cash equivalents	195	2,588	330
Receivables	31	34	26
Accounts payable and accrued liabilities	(1,511)	(826)	(1,209)
Long-term incentive plan liabilities	(1,315)	-	(1,001)
Lease liability	(784)	-	(597)
Net exposure to foreign currency	**(3,384)**	**1,796**	**(2,451)**

A +/-10% change in the prevailing exchange rates as at December 31, 2020, with all other variables held constant, would have resulted in a $0.3 million decrease (increase) to the Company's after-tax net income for the year ended December 31, 2020 (year ended December 31, 2019 - $0.2 million decrease (increase) to after-tax net loss).

(iii) Price risk

Price risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from currency risk or interest rate risk. Future cash flows from the JV are expected to be received as redemptions of the Company’s preference shares in the JV (note 7). During the year, the JV entered into hedging programs to manage the AGM’s exposure to gold price risk with an objective of margin protection. The fair value of the preference shares would not be materially impacted by a 10% increase (decrease) in the gold price as there would be no change to the estimated timing of distributions made to the JV partners.

22. Related party transactions

In addition to the service fee earned as operator of the JV (note 6), the Company's related party transactions included compensation paid to key management personnel (being directors and executive officers of the Company), which was as follows for the years presented:

	Year ended December 31,	
	2020	2019
	$	$
Salaries and benefits	3,291	3,251
Share-based payments	1,096	1,041
Total compensation	4,387	4,292

Key management personnel consist of directors and officers of the Company.

23. Subsequent event

On March 10, 2021, the Board of Directors approved for granting to directors, officers and employees of the Company a total of 4.5 million stock options, 0.9 million PSUs, 0.8 million DSUs and 0.2 million RSUs.

GALIANO GOLD INC.
(formerly Asanko Gold Inc.[1])

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the years ended December 31, 2020 and 2019

(Expressed in United States dollars)

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[1] The Company's name was changed from "Asanko Gold Inc." to "Galiano Gold Inc." effective April 30, 2020.

This Management's Discussion and Analysis ("MD&A") of Galiano Gold Inc. ("Galiano" or the "Company") has been prepared by management as of March 10, 2021 and should be read in conjunction with the Company's consolidated annual financial statements for the years ended December 31, 2020 and 2019 and the notes related thereto.

Galiano was incorporated on September 23, 1999 under the Business Corporations Act of British Columbia, Canada. The Company changed its name from Asanko Gold Inc. to Galiano Gold Inc., following approval of the name change by the Company's shareholders at its Annual General and Special Meeting on April 30, 2020.

Additional information on the Company, including its most recent Annual Information Form ("AIF"), is available under the Company's profile at www.sedar.com and the Company's website: www.galianogold.com.

Unless otherwise specified, all financial information has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. All dollar amounts herein are expressed in United States dollars ("US dollars") unless stated otherwise. References to $ means US dollars and C$ are to Canadian dollars.

This MD&A contains forward-looking statements and should be read in conjunction with the risk factors described in sections **"12. Risks and uncertainties"** and **"15. Cautionary statements"** at the end of this MD&A.

1. Fourth quarter and full year 2020 Highlights

Highlights of the Asanko Gold Mine (on a 100% basis)

- **Exceeded annual production guidance:** Annual gold production of 249,904 ounces, exceeding the upper end of 2020 production guidance of 225,000 - 245,000 ounces, with 65,571 ounces produced in the fourth quarter.
- **Record milling performance:** The processing plant delivered a record annual milling performance with throughput of 5.9Mt, at an average plant feed grade of 1.4 g/t. The processing facility continued to deliver metallurgical recovery well above design achieving 94% recovery.
- **Strong financial performance:** Reported record net income of $131.5 million and Adjusted EBITDA [2] of $169.0 million in 2020 compared to adjusted net income[2] of $9.1 million and Adjusted EBITDA [2] of $99.4 million in 2019.
- **Significant cash generation:** Generated $152.3 million of cash flows from operating activities (after taking into account unfavourable working capital changes of $30.7 million) and free cash flow[2] of $66.9 million during 2020.
- **Return of capital:** Returned $75.0m to joint venture participants through cash distributions in 2020.
- **Consistent cost performance:** For the year ended December 31, 2020, total cash costs per ounce [2] of $889 and all-in sustaining costs [2] ("AISC") of $1,115/oz, below revised guidance (as of Q3 2020) of $1,150/oz.
- **Exploration success:** Completed a drilling program at the Nkran pit designed to confirm and improve confidence in the Mineral Reserve estimate for the third phase of mining and tested the extent of mineralization below the proposed Cut 3 pit shell with positive results, while initial drilling programs at Akwasiso and Abore demonstrated positive results showing extension of mineralization in both pits.
- **Safety culture maintained:** There were two lost-time injuries ("LTI") and 10 total recordable injuries ("TRI") reported during the year. LTI frequency rate ("LTIFR") and TRI frequency rate ("TRIFR") per million employee hours worked were 0.20 and 1.01, respectively, for the year.
- **Local recognition:** The AGM received the "Best Company in Exploration" award from the Ghana Chamber of Mines for a third year in a row.

Highlights of the Company

- **Improved liquidity:** Received distributions from the Asanko Gold Mine joint venture of $37.5 million during the year.
- **Stable balance sheet:** Cash on hand of $62.2 million and $2.9 million in receivables as at December 31, 2020, while remaining debt free.
- **Record earnings:** Generated net income after tax for the year of $57.4 million or $0.26 per share.
- **New management:** During the year, appointed a new Chair of the Board of Directors (the "Board") and augmented the Vancouver-based management team with the appointment of a Chief Operating Officer and various other senior management positions.

[2] See "**8. Non-GAAP measures"**

2. Business overview

Galiano holds a 45% economic interest in the Asanko Gold Mine (the "AGM") and gold exploration tenements (collectively the "joint venture" or "JV") on both the Asankrangwa and Sefwi Gold Belts in the Republic of Ghana ("Ghana"), West Africa. Galiano is the operator of the joint venture and receives an annual service fee from the JV. Gold Fields Limited ("Gold Fields") owns a 45% economic interest in the AGM JV, with the Government of Ghana owning a 10% free-carried interest.

In addition to its interest in the AGM, the Company's interest in the JV also includes a 50% interest in a portfolio of other Ghanaian gold concessions in various stages of exploration.

The AGM is a multi-deposit complex, with two main deposits, Nkran and Esaase, multiple satellite deposits and a carbon-in-leach ("CIL") processing plant, with a current nameplate capacity of 5.4 million tonnes per annum ("Mtpa").

Galiano's vision is to build a sustainable business capable of long-term value creation for its stakeholders through a combination of exploration, accretive M&A activities and the disciplined deployment of its financial resources. The Company's shares are listed on the Toronto Stock Exchange ("TSX") and the NYSE American Exchange ("NYSE American") under the symbol "GAU".

Key business developments in 2020

Name change

The Company changed its name from Asanko Gold Inc. to Galiano Gold Inc., following approval of the name change by the Company's shareholders at its Annual General and Special Meeting on April 30, 2020.

Changes to the Board of Directors and Management

During the year, Paul Wright was appointed Chair of the Board and Judith Mosely was appointed to the Board. In addition, the Company completed a corporate restructuring closing its Johannesburg office and centralizing all its corporate and support activities in its Vancouver office. Newly appointed technical and financial personnel include:

- Matt Badylak, Executive Vice President and Chief Operating Officer. Mr. Badylak is a seasoned mining professional with 20 years of operations experience including a number of senior management roles with Eldorado Gold. In his most recent role as General Manager Kisladag Mine, Mr. Badylak was responsible for multiple cost saving initiatives and optimization of the heap leaching operations, allowing the company to avoid construction of a capital-intensive milling facility and extend the operation of the heap leach.
- Matt Freeman, Senior Vice President Finance. Mr. Freeman will be involved with all aspects of the Company's financial reporting and forecasting. He has over 20 years of experience, most recently with Energold Drilling and SSR mining.
- Eric Chen, Vice President Resources. In this role, he will be responsible for mineral resource modelling and geostatistical studies. Mr. Chen has over 30 years of experience most recently with Newmont Goldcorp.
- Alberto Chang, Vice President Mining. Alberto will lead the Company's mine planning, production optimization and mine process improvement. Mr. Chang is a mining engineer with over 35 years of hands-on experience in the mining industry through management, design and development in both open pit and underground mining. He has been working as a Mining Consultant for the past several years and before that, he worked in various management and technical positions within Goldcorp Inc., NovaGold Resources Inc., Newmont-Buenaventura JV and Placer Dome Inc., in Canada, Mexico, USA, Peru and Chile.
- Greg Collins, Vice President Exploration. In this role, he will lead the Company's exploration efforts on the large land package associated with the AGM. Mr. Collins has over 25 years of experience with companies such as North Limited, Anglogold Ashanti and Eldorado Gold.
- Peter Lekich, Vice President Investor Relations. Mr. Lekich will lead the Company's investor outreach and external communications. He has over 10 years of experience, most recently with Eldorado Gold.

Updated Technical Report

In conjunction with the Company's filing of a base shelf prospectus in Q2 2020, the Company filed an updated Life of Mine ("LOM") plan entitled National Instrument 43-101 Technical Report for the Asanko Gold Mine, Ghana (Amended and Restated) dated June 9, 2020 with information as of February 15, 2020 (the "2020 LOM Plan"). The report can be found on SEDAR, www.sedar.com, and on the Company's website at www.galianogold.com.

Normal Course Issuer Bid ("NCIB") and At-the-Market ("ATM") Offering

During the year, the Company repurchased 2.8 million shares for $2.3 million (average acquisition price of $0.83 per share) under the NCIB program that was initiated in 2019. Additionally, the Company entered into an ATM agreement, under which, the Company may, at its discretion and from time-to-time during the term of the ATM agreement, sell through the Agents common shares of the Company for aggregate gross proceeds to the Company of up to $50.0 million (the "Offering"). As of December 31, 2020, the Company had not issued any common shares under the Offering. Refer to section ***"7. Liquidity and capital resources"***.

COVID-19 Update

The JV continues to operate in all material respects with strict hygiene, deep cleaning, restriction of personnel movement, ongoing monitoring and physical distancing protocols in place in accordance with the Ghanaian Ministry of Health Guidelines. The AGM has established additional protocols and procedures to manage any confirmed cases of COVID-19, including contact tracing, rapid testing and isolation of affected persons. The AGM has procured a polymerase chain reaction ("PCR") testing machine capable of processing up to 40 samples per day which is in the process of being certified by the Ghana health authorities. Additionally, on-site accommodations have been modified to isolate infected and suspected-to-be-infected individuals, limiting on-site cross contamination and expediting return to work timelines. As a result, though there have been several confirmed cases of COVID-19 among the operational personnel at the AGM (mostly asymptomatic), to date the AGM's operations have been able to continue uninterrupted in all material respects with the majority of confirmed cases cleared and those employees resuming normal duties after completing a two-week regulatory isolation. The Company's offices in Vancouver and Accra are observing local regulations and open with restrictions and protocols in place. The Company's Johannesburg office is in the process of being wound up.

The AGM has stockpiled key reagents, consumables, critical spares and diesel supply. The AGM's primary refiner, based in South Africa, continues to receive shipments and refine gold doré from the AGM.

Financial and operating highlights

	Three months ended December 31,		Year ended December 31,	
	2020	2019	2020	2019
Galiano Gold Inc.				
Net income (loss) after tax	**17,671**	(21,205)	**57,376**	(167,928)
Adjusted EBITDA[2]	**20,389**	12,584	**68,313**	35,958
Asanko Gold Mine (100% basis)				
Financial results				
Revenue	**111,104**	97,075	**418,130**	340,969
Income from mine operations	**46,267**	9,062	**147,942**	29,158
Net income (loss) after tax	**41,547**	(285,138)	**131,519**	(280,523)
Adjusted EBITDA[2]	**48,733**	31,755	**168,989**	99,401
Free cash flow[2]	**21,490**	28,897	**66,870**	43,998
AISC margin[2]	**39,365**	32,783	**145,309**	65,700
Key mine performance data				
Gold produced (ounces)	**65,571**	66,112	**249,904**	251,044
Gold sold (ounces)	**60,655**	66,095	**243,807**	248,862
Average realized gold price ($/oz)	**1,828**	1,465	**1,711**	1,376
Operating cash costs ($ per gold ounce) [2]	**801**	790	**803**	776
Total cash costs ($ per gold ounce) [2]	**892**	863	**889**	845
All-in sustaining costs ($ per gold ounce) [2]	**1,179**	969	**1,115**	1,112

3. Results of the AGM

All results of the AGM in this section are on a 100% basis, unless otherwise noted. The Company's attributable economic interest in the AGM is 45%.

3.1 Operating performance

The following table and subsequent discussion provide a summary of the operating performance of the AGM (on a 100% basis) for the three months and years ended December 31, 2020 and 2019, unless otherwise noted.

	Three months ended December 31,		Year ended December 31,	
	2020	2019	2020	2019
Key mine performance data of the AGM (100% basis)				
Ore tonnes mined (000 t)	**1,964**	1,405	**6,193**	5,071
Waste tonnes mined (000 t)	**11,773**	4,956	**38,272**	25,719
Total tonnes mined (000 t)	**13,737**	6,361	**44,465**	30,790
Strip ratio (W:O)	**6.0**	3.5	**6.2**	5.1
Average gold grade mined (g/t)	**1.4**	1.6	**1.5**	1.5
Mining cost ($/t mined) [3]	**3.20**	4.86	**3.40**	4.52
Ore transportation from Esaase (000 t)	**622**	357	**2,133**	1,464
Ore transportation cost ($/t trucked)	**7.15**	8.62	**7.65**	8.83
Ore tonnes milled (000 t)	**1,438**	1,460	**5,943**	5,498
Average mill head grade (g/t)	**1.5**	1.5	**1.4**	1.5
Average recovery rate (%)	**95%**	94%	**94%**	94%
Processing cost ($/t treated)	**10.46**	10.83	**10.51**	10.91

[3]For the year ended December 31, 2019, mining cost per tonne excludes a provision for a one-time contract termination fee.

a) Health and Safety

There was one LTI and three TRIs reported during the quarter. The AGM's LTIFR and TRIFR for the three months ended December 31, 2020 were 0.37 and 1.10 per million employee hours worked, respectively.

b) Mining

During Q4 2020, the AGM sourced ore from the Akwasiso and Esaase Main pits, collectively delivering 2.0Mt of ore at an average gold grade of 1.4g/t and a strip ratio of 6.0:1.

Mining activities at Esaase expanded to include night shift operations in April 2020. Esaase material is being trucked to the processing plant at Obotan using 30-tonne road trucks. Esaase ore currently makes up approximately 50% of the mill feed.

In 2021, the mine will source ore primarily from Esaase and Akwasiso, while mill feed will be augmented, where necessary, with run-of-mine stockpile material.

Mining cost per tonne for Q4 2020 was $3.20 compared to $4.86 during Q4 2019, a decrease of 34%. The lower mining cost per tonne in Q4 2020 was predominantly due to volume differences as higher total tonnes were mined during Q4 2020 which had the effect of decreasing certain fixed mining costs on a per unit basis and a reduction in fuel and other supply surcharges from mining contractors. As well, a higher proportion of mined tonnes were sourced from Esaase (as opposed to Nkran in Q4 2019), which attracts a lower relative unit cost for load and haul and drill and blast costs. These factors were offset by an increase in grade control drilling costs in Q4 2020.

At Esaase, intensive grade control drilling was complemented by rigorous pit mapping, drill hole relogging and reprocessing of previous geophysical data in an effort to derive a more nuanced appreciation of the geological controls on mineralization and to better define the higher-grade variability observed in the areas mined during the two years of operations at the Esaase pits. In Q4 2020, the AGM continued to advance a study to refine the structural, geological and mineralization models for Esaase augmented with a targeted infill drilling program. In addition, investigations are underway to examine the modeling methodologies and most appropriate data density required to further understand the grade distribution within the Esaase deposit. This work will continue through H1 2021 with the goal to improve reconciliation between the Mineral Resource Estimate and the grade control model culminating in an updated Mineral Resource and Reserve Estimate with an anticipated effective date of June 30, 2021 which the Company expects to release in Q3 2021 (refer to section ***"6. Guidance and outlook"***).

c) Processing

The AGM produced 65,571 ounces of gold during Q4 2020, as the processing plant achieved milling throughput of 1.4Mt of ore processed at a grade of 1.5g/t and metallurgical recovery averaging 95%. The gold feed grade processed through the mill was marginally higher than that mined during the quarter as the AGM employs a differential stockpiling and feed arrangement process, in line with the AGM LOM plan.

Processing cost per tonne for Q4 2020 was $10.46 compared to $10.83 during Q4 2019, a decrease of 3%. The decrease in processing cost per tonne from Q4 2019 to Q4 2020 was primarily due to temporary reductions in electricity rates provided by the Government of Ghana in response to the COVID-19 pandemic, which reduced the AGM's per unit power costs for the quarter. Additionally, grinding media and cyanide consumption was lower in Q4 2020 compared to Q4 2019 due to processing a higher blend of oxide ore from Esaase. Partly offsetting these factors were higher maintenance costs and consumables consumption (including replacement of conveyor belt liners).

d) Total cash costs and AISC

For the three months and the year ended December 31, 2020, total cash costs per ounce [2] was $892/oz and $889/oz, respectively, compared to total cash costs per ounce during the three months and year ended December 31, 2019 of $863/oz and $845/oz, respectively. Total cash costs were 3% higher in Q4 2020 relative to Q4 2019 primarily due to the impact of lower gold sales volumes which had the effect of increasing fixed production costs on a per unit basis and an increase in ore transportation costs associated with trucking ore from Esaase to the process plant as a higher proportion of ore was sourced from Esaase ($26/oz increase for the quarter). Total cash costs per ounce[2] was also impacted by a higher royalty expense arising from improvement in the gold price during Q4 2020 compared to Q4 2019. Partly offsetting these factors was a positive NRV adjustment to stockpile inventory in Q4 2020, the cash cost component of which represented a decrease in production costs of $7.1 million, compared to a positive NRV adjustment in Q4 2019 where $0.6 million was recorded as a reduction to production costs.

Relative to Q3 2020, total cash costs per ounce [2] were lower in Q4 2020, decreasing by 28% from $1,244/oz to $892/oz. The decrease in total cash costs per ounce[2] from Q3 2020 was primarily due to a positive NRV adjustment to stockpile inventory in Q4 2020, of which $7.1 million was credited to production costs, whereas in Q3 2020 a negative NRV adjustment of $5.9 million was recorded in production costs (net $214/oz decrease). Higher gold sales volumes also had the effect of decreasing fixed production costs on a per ounce basis.

For the three months and year ended December 31, 2020, AISC [2] for the AGM amounted to $1,179/oz and $1,115/oz, respectively, compared to AISC[2] of $969/oz and $1,112/oz for the three months and year ended December 31, 2019, respectively. The increase in AISC [2] from Q4 2019 to Q4 2020 was predominantly due to a $29/oz increase in total cash costs as discussed above and a $98/oz increase in capitalized stripping costs. Capitalized stripping costs were higher in Q4 2020 due to waste stripping activities on Cut 2 at the Esaase Main pit, while in Q4 2019 stripping costs were relatively lower due to the completion of the Cut 2 pushback at Nkran. AISC[2] was also higher in Q4 2020 due to $21/oz increase in sustaining capital expenditures (relating to raising the height of the tailings storage facility ("TSF"), and the impact of lower gold sales volumes in Q4 2020 had the effect of increasing fixed costs on a per ounce basis. Payments made on the AGM's service and mining contractor lease agreements were also $64/oz higher in Q4 2020 due to timing of payments.

Relative to Q3 2020, AISC[2] for Q4 2020 decreased from $1,488/oz to $1,179/oz, a decrease of 21%. Total cash costs per ounce [2] were $352/oz lower in Q4 2020, while the AGM's G&A expense decreased by $19/oz and sustaining capital decreased by $26/oz as the raising of the TSF neared completion in Q4 2020. AISC[2] was also positively impacted by higher gold sales volumes in Q4 2020 which had the effect of decreasing fixed costs on a per ounce basis. Partly offsetting these factors was an $87/oz increase in capitalized stripping costs in Q4 2020 due to the advancement of waste mining activities on Cut 2 at Esaase Main pit.

For the three months and year ended December 31, 2020, the AGM incurred non-sustaining capital and exploration expenditures of $14.0 million and $48.4 million, respectively, compared to $15.9 million and $25.5 million during the comparative periods in 2019, respectively. Non-sustaining expenditures during Q4 2020 were comprised primarily of $3.2 million of exploration expenditures associated with the AGM's drilling program (refer to section **3.2 "*Development and exploration update*")** and mineral rights fee accruals, as well as $10.7 million of development capital, which included costs associated with the resettlement of the Tetrem village near Esaase.

e) Environmental, Social and Corporate Governance

The Company published its 2019 annual sustainability report on July 17, 2020. This report summarized the JV's performance highlights in the areas of health and safety, environmental stewardship, climate change adaptation, governance, human rights, contributing to community, our people, and stakeholder engagement. The report outlines the JV's sustainability goals at the AGM for 2020, some of which were impacted by COVID-19. The report is available on the Company's website at www.galianogold.com and has also been distributed electronically to local and national stakeholders in Ghana.

The JV supports a number of socio-economic development programs in its stakeholder communities. Some the initiatives undertaken in FY 2020 included:

- Completion of training and the development of an operational manual for the Board of Trustees overseeing a local foundation which will complement existing community investment programs.
- Completion of a new hospital at Esaase with donations of medicine and supplies.
- A proactive approach to support stakeholder communities as the COVID-19 pandemic evolved. This included working closely with the regional health care providers and donating hygiene and personal protective equipment.

The Company has various feedback mechanisms in place at the AGM and the stakeholder communities which enable the JV's workforce, local residents, other groups and individuals to come forward to raise issues of concern. These concerns are then fully investigated by the JV and subsequently addressed.

The AGM became a signatory to the International Cyanide Management Code for the Manufacture, Transport and Use of Cyanide in the Production of Gold during Q2 2020 and expects to complete the external certification process in Q1 2021. The JV has commenced its community plastic recycling program and waste segregation on-site has commenced. A greenhouse gas baseline audit was completed during the year, allowing the JV to continuously strive to improve energy efficiency at the AGM.

3.2 Development and exploration update

The following discussion relates to the AGM's current and planned development activities (on a 100% basis), as well as the exploration work performed during the period on tenements held within the JV's land package.

a) Tetrem Village Relocation

During the quarter, work associated with the resettlement of the Tetrem village continued and the relocation project is expected to be handed over to the community and completed in Q2 2021.

b) Production Geology

Grade control drilling for the Akwasiso pit in Q4 2020 recorded a total of 17,939m from 991 holes using reverse circulation ("RC") rigs yielding 14,835 samples for analysis.

For the Esaase operation, grade control drilling focused on the Main Pit and included 130,374m from 5,210 holes yielding 108,498 samples for analysis. The grade control drilling was complemented by rigorous in-pit mapping.

In support of geological modeling and Resource Estimation, a rigorous mapping program has been undertaken at each of Esaase, Akwasiso and Nkran pits as well as at Miradani North.

c) Exploration

The JV holds a district-scale land package of 21,300 hectares on the Asankragwa Gold Belt. During Q2 2020, Galiano announced the exploration strategy for the JV that was developed in collaboration with the JV partner with the three main focus objectives being:

i) Near term - to replace depletion from mining activity in 2020 and 2021.

ii) Medium term - to improve the business plan for 2023 to 2026 by delineating Mineral Reserves by the end of 2022 that have superior overall economics to Cut 3 at Nkran.

iii) To advance exploration targets with +1 million ounce potential to be in production to replace Esaase.

The following exploration programs were undertaken during the fiscal year to evaluate the current and potential expanded mineralization of each project to improve the mineral resource estimate and to assess the broader potential of each project.

- Abore - located 13km north of the processing plant along the Esaase haul road. Drill holes were designed to upgrade existing resources and extensions to the ore body to the north and south. The JV drilled 5,663 meters of RC drilling and diamond drilling ("DD") over 32 holes during Q2 2020 (refer to the Company's news release dated July 6, 2020 for additional details on the drilling results) and reported the following drilling highlights:
    - Hole 029: 28 meters @ 4.9 g/t gold (from 75m to 103m)
    - Hole 024: 6 meters @ 24.3 g/t gold (from 70m to 76m)
    - Hole 018: 3 meters @ 11.3 g/t gold (from 48m to 51m)
    - Hole 005: 9 meters @ 3.6 g/t gold (from 106m to 115m)
    - Hole 013: 16 meters @ 1.9 g/t gold (from 84m to 100m)

  This drill program appears to have successfully provided infill drilling in the main pit area, targeting an upgrade from Inferred to Indicated categories of Mineral Resources and improved confidence in existing Indicated Mineral Resources. In addition, hole 024 delineated an extension of the mineralization to the north end of the main pit with 6 meters at 24.3 g/t gold intercepted and hole 029 also defined an extension of the mineralization in the north pit with 28 meters at 4.9 g/t gold intercepted. Mineralization is open along strike to the north-east of the north pit and a follow up drill program is currently underway to test for mineralization to the north-east.

- Nkran Cut 3 - The Nkran pit is located immediately adjacent to the 5.4Mtpa processing plant and has been the main source of ore at the AGM since commercial production commenced in 2016. Cut 2 of the open pit operations was depleted at the end of Q2 2020 and in-pit drilling commenced in early July. The JV completed a 33-hole in-pit drilling program during Q3 2020. The program was designed to both confirm and improve confidence in the Mineral Reserve Estimate for the third phase of mining at Nkran as well as test the extent of mineralization below the proposed Cut 3 pit shell. In total, 4,649m of RC and DD were completed with key intercepts noted below.

  A second drill program consisting of 26 RC drill holes was initiated and completed in Q3 2020. Drilling was designed to test for mineralization in push-back zones, if any, for the proposed Cut 3 waste material, with a potential to improve cash flows during a period of heavy capital investment in the stripping of Cut 3. Minor multi-gram, multi-meter intercepts were encountered in the holes drilled to date. A follow-up drill program is currently being evaluated.

  In addition, a geotechnical drilling and engineering campaign has been initiated targeting the proposed new west wall location for Cut 3. Upon completion of the current drilling and geotechnical work, it is expected that the design of Cut 3 will be finalized and a definitive mine plan and capital cost estimate completed in 2021. For additional details on drilling results, refer to the Company's news release dated September 8, 2020.

  Highlights of the drilling results for the Nkran in-pit program include:

    - Drilling highlights:
        - Hole 012: 79 meters @ 4.7 g/t gold (from 1m to 80m) and 80 meters @ 3.9 g/t gold (from 84m to 164m)
        - Hole 021: 43 meters @ 3.3 g/t gold (from 1m to 44m)

- Hole 022: 44 meters @ 3.2 g/t gold (from 14m to 58m)
- Hole 023: 62 meters @ 6.1 g/t gold (from 65m to 127m)
- Hole 025: 30 meters @ 21.5 g/t gold (from 128m to 158m)
- Hole 026: 27 meters @ 4.9 g/t gold (from 137m to 164m)
- Hole 028: 27 meters @ 3.7 g/t gold (from 93m to 120m)

- Improved confidence in estimated Indicated Mineral Resources for Cut 3 mine planning.
- Identification of mineralization continuing below the currently planned Cut 3 reserve shell.

- Akwasiso - located 5km north east of the processing plant and is currently being mined. Drilling has targeted extensions of the ore body to the north and south as well as upgrading of inferred resources. The JV drilled 4,535m of RC drilling and DD which was completed in Q2 2020. For additional details on drilling results, refer to the Company's news release dated June 25, 2020. Results are currently being incorporated into new modeling and resource estimation programs with anticipated completion in H1 2021.

  An in-pit drill program consisting of 10 holes and 1,655m RC and DD was completed in Q4 2020 to support and add confidence to the understanding of mineralization at depth and improve resource estimation for further planned mining and Cut 3 development.

- Miradani North (formerly referred to as Tontokrom) - this target is located 10km south-west of the processing plant and was drilled in 2019 with no stated resources. Prior small-scale mining operations have left a shallow pit, approximately 400m x 150m with known mineralization extending at depth and along strike. Following resolution of a previously disclosed boundary dispute with a local miner, a Phase 2 12-hole drill program totaling 3,758m of DD and RC drilling commenced in Q3 and Q4 2020. This drill program aimed to provide a nominal 80 x 80m appraisal of potential mineralization along strike and down dip from previous 2019 drilling. For additional details on Phase 2 drilling results, refer to the Company's news release dated November 30, 2020.

  Highlights of the drilling results for the Phase 2 program include:

  - Drilling highlights:
    - Hole TTPC20-024 intersected 40m at 2.1 g/t gold (from 86m to 126m)
    - Hole TTPC20-026 intersected 9m at 2.5 g/t gold (from 19m to 28m)
    - Hole TTPC20-028 intersected 19m at 2.2 g/t gold (from 287m to 306m)

  A Phase 3 program consisting of 50-holes of in-fill drilling to a 40 x 40m spacing is currently underway with 33 holes completed consisting of 9,285m of DD and RC drilling. This program has been designed to confirm and expand knowledge of intercepts identified in the 2019 drill program and to provide sufficient information and confidence for undertaking a maiden resource estimate anticipated to be completed in Q3 2021. For additional details on Phase 3 drilling results, refer to the Company's news releases dated February 1, 2021 and February 25, 2021.

  Highlights of the drilling results for the Phase 3 program include:

  - Drilling highlights:
    - Hole TTDD20-032 intersected 17m at 6.3 g/t gold (from 342m to 359m)
    - Hole TTPC20-034 intersected 16m at 3.0 g/t gold (from 175m to 191m)
    - Hole TTPC20-039 intersected 35m at 2.1 g/t gold (from 85m to 120m)
    - Hole TTPC20-041 intersected 36m at 1.9 g/t gold (from 71m to 107m)
    - Hole TTPC20-044 intersected 22m at 2.3 g/t gold (from 207m to 229m)
    - Hole TTDD20-044 intersected 13m at 3.2 g/t gold (from 190m to 202m)

3.3 Financial results of the AGM

The following tables present excerpts of the financial results of the JV for the three months and years ended December 31, 2020 and 2019. These results are presented on a 100% basis.

Three months and years ended December 31, 2020 and 2019

(in thousands of US dollars)	Three months ended December 31, 2020 $	2019 $	Year ended December 31, 2020 $	2019 $
Revenue	**111,104**	97,075	**418,130**	340,969
Cost of sales:				
Production costs	**(48,833)**	(52,582)	**(198,347)**	(199,234)
Depreciation and depletion	**(10,448)**	(30,578)	**(50,934)**	(95,418)
Royalties	**(5,556)**	(4,853)	**(20,907)**	(17,159)
Income from mine operations	**46,267**	9,062	**147,942**	29,158
Exploration and evaluation expenditures	**(3,246)**	(2,219)	**(9,681)**	(6,092)
General and administrative expenses	**(1,429)**	(1,411)	**(7,434)**	(6,549)
Income from operations	**41,592**	5,432	**130,827**	16,517
Impairment	**-**	(289,589)	**-**	(289,589)
Finance expense	**(1,053)**	(1,095)	**(3,165)**	(8,905)
Finance income	**62**	68	**285**	283
Foreign exchange gain	**946**	46	**3,572**	1,171
Net income (loss) after tax for the period	**41,547**	(285,138)	**131,519**	(280,523)
Adjusted net income (loss) after tax for the period [2]	**41,547**	4,451	**131,519**	9,066
Average realized price per gold ounce sold ($)	**1,828**	1,465	**1,711**	1,376
Average London PM fix ($)	**1,874**	1,481	**1,770**	1,393
All-in sustaining costs ($ per gold ounce) [2]	**1,179**	969	**1,115**	1,112
All-in sustaining margin ($ per gold ounce) [2]	**649**	496	**596**	264
All-in sustaining margin ($'000) [2]	**39,365**	32,783	**145,309**	65,700

[2] **Non-GAAP measure**. Adjusted net income (loss) as presented in the table was derived by adjusting net income (loss) of the AGM by the amount of the impairment associated with the AGM LOM plan update in 2019.

Revenue

During Q4 2020, the AGM sold 60,655 ounces of gold at an average realized gold price of $1,828/oz for a quarterly record total revenue of $111.1 million (including $0.2 million of by-product silver revenue). During Q4 2019, the AGM sold 66,095 ounces of gold at an average realized gold price of $1,465/oz for total revenue of $97.1 million (including $0.2 million of by-product silver revenue). The increase in revenue quarter-on-quarter was therefore a function of a 25% improvement in average realized gold prices, partly offset by an 8% decrease in sales volumes in Q4 2020.

During the year ended December 31, 2020, the AGM sold 243,807 ounces of gold at an average realized gold price of $1,711/oz for total revenue of $418.1 million (including $0.9 million of by-product silver revenue). In the comparative period of 2019, the AGM sold 248,862 ounces of gold at an average realized gold price of $1,376/oz for total revenue of $341.0 million (including $0.8 million of by-product silver revenue and presented net of $2.2 million of gold sales related to pre-production activities at Esaase that were capitalized to mineral properties, plant and equipment ("MPP&E")). The increase in revenue during 2020 was therefore a function of a 24% improvement in average realized gold prices, partly offset by a 2% decrease in sales volumes.

The AGM continues to sell all the gold it produces to Red Kite under an offtake agreement. The terms of the offtake agreement require the AGM to sell 100% of its gold production up to a maximum of 2.2 million ounces to Red Kite. As of December 31, 2020, 1,083,180 gold ounces have been delivered to Red Kite under the offtake agreement (December 31, 2019 - 839,373 ounces).

Production costs and royalties

During Q4 2020, the AGM incurred production costs of $48.8 million, compared to $52.6 million in Q4 2019. Production costs were lower in Q4 2020 primarily due to the reversal of previously recorded NRV adjustments on stockpile inventory, of which $7.1 million was credited to production costs, and that a higher proportion of mined tonnes were sourced from Esaase (as opposed to Nkran in Q4 2019) which attracts a lower relative unit cost for load and haul and drill and blast costs. This factor was partly offset by lower sales volumes in Q4 2020 and an increase in ore transportation costs associated with trucking ore from Esaase to the process plant as a higher proportion of ore was sourced from Esaase.

During the year ended December 31, 2020, the AGM incurred production costs of $198.3 million, compared to $199.2 million for the year ended December 31, 2019. Production costs in 2020 were largely in line with 2019. Impacting production costs in 2020 relative to 2019 were higher operating cash costs per ounce[2] resulting from an increase in total tonnes mined and higher labour and doré transportation costs due to COVID-19. Firstly, labour costs increased as the AGM requested employees to stay on-site for the majority of Q2 2020 in an attempt to prevent the spread of COVID-19 through restricted travel, resulting in an increase in overtime pay and pay in lieu of leave. Secondly, the AGM incurred increased costs transporting its bullion to the JV's primary refiner in South Africa during a time that Ghana restricted cross-border commercial travel. These factors were partly offset by the recording of a one-time $3.7 million gain in Q2 2020 on the derecognition of a mining contractor services lease agreement and a reversal of previously recorded net realizable value adjustments on stockpile inventory, of which $7.7 million was credited to production costs. In the comparative period of 2019, a downward net realizable value adjustment on stockpile inventory was recorded, of which $7.9 million was recorded as production costs. Additionally, production costs in 2019 included a one-time contract termination fee accrual relating to one of the JV's mining contractors.

Production costs for the three months and year ended December 31, 2020 were reported net of stripping costs of $4.4 million and $18.7 million (three months and year ended December 31, 2019 - $0.3 million and $34.0 million, respectively). Stripping costs are capitalized to mineral properties in accordance with the AGM's accounting policy for stripping costs. To the extent that excess waste is mined during the period in an identified component of the mine, as compared to the expected waste (based on the component-specific stripping ratio), a portion of costs are deferred to mineral properties.

The Ghanaian government charges a 5% royalty on revenues earned through sales of minerals from the AGM concessions. The AGM's Akwasiso mining concession is also subject to a 2% net smelter return royalty payable to the previous owner of the mineral tenement; additionally, the AGM's Esaase concession is also subject to a 0.5% net smelter return royalty payable to the Bonte Liquidation Committee. Royalties are presented as a component of cost of sales and amounted to $5.6 million and $20.9 million for the three months and year ended December 31, 2020 (three months and year ended December 31, 2019 - $4.9 million and $17.2 million, respectively). Royalty expense was higher in Q4 2020 and FY 2020 due to higher earned revenues.

Depletion and depreciation

Depreciation and depletion expense for Q4 2020 amounted to $12.7 million (including $2.8 million of depletion associated with previously capitalized deferred stripping cost) as a result of 2.0Mt of ore mined during the quarter. Of the total depreciation and depletion expense, $2.3 million was allocated to the cost of inventories. This compares to depreciation and depletion of $30.6 million for Q4 2019 (which included $16.1 million of depletion associated with previously capitalized deferred stripping costs) when 1.4Mt of ore was mined during the comparative period. Depreciation and depletion expense decreased from Q4 2019 to Q4 2020 due to the recording of a $289.6 million impairment as at December 31, 2019 (associated with the AGM's LOM plan update), of which $260.4 million was allocated to MPP&E and had the effect of reducing the depreciable asset cost base. This was partly offset by a reduction in the global gold mineral reserves of the AGM (related to the LOM update that resulted in the 2019 impairment), resulting in a decrease in the total gold mineral reserves over which the MPP&E asset cost base is depreciated. Additionally, the 40% increase in ore tonnes mined from Q4 2019 to Q4 2020 resulted in higher depreciation.

Depreciation and depletion expense for the year ended December 31, 2020 amounted to $52.7 million (including $19.6 million of depletion associated with previously capitalized deferred stripping costs) as a result of 6.2Mt of ore mined during the year. Of the total depreciation and depletion expense, $1.8 million was allocated to the cost of inventories. This compares to depreciation and depletion of $95.4 million for the year ended December 31, 2019 (which included $39.0 million of depletion associated with previously capitalized deferred stripping costs) when 5.1Mt of ore was mined during the comparative year. The decrease in depreciation expense from 2019 to 2020 was primarily due to the recording of the 2019 impairment, partly offset by a reduction in the global gold mineral reserves of the AGM (as discussed above) and a 22% increase in ore tonnes mined from 2019 to 2020 which resulted in higher depreciation.

Exploration and evaluation expenditures

During Q4 2020, the AGM incurred exploration expenditure of $4.0 million, $3.2 million of which was expensed through the P&L as exploration and evaluation ("E&E") expenditures, compared to $2.2 million of E&E expenditures expensed in Q4 2019. For the year ended December 31, 2020, the AGM incurred exploration expenditures of $18.6 million, $9.7 million of which was expensed as E&E expenditures, compared to $6.1 million expensed in the comparative year.

The increase in E&E expenditures for both periods was primarily related to drilling programs in line with the Company's exploration strategy and expanded exploration program (see **3.2 "*Development and exploration update*"**).

General and administrative expenses

G&A expenses in Q4 2020 were comparable to Q4 2019, totaling $1.4 million in each period.

For the year ended December 31, 2020, the AGM's G&A expenses were $0.9 million higher than the 2019 comparative year due to higher share-based compensation expense and legal fees, as well as regulatory costs related to registration of the Joint Venture Agreement ("JVA") with Ghanaian tax authorities.

2019 Impairment

During the year ended December 31, 2019, the Company and its JV partners announced that the scope of the ongoing work associated with the AGM's LOM plan would:

- target a remaining mine life of 8-10 years with gold production of 225,000 to 250,000 ounces per year;
- contemplate resources based on Localized Uniform Conditioning methodology;
- be based on NI43-101 standards and consistent with Gold Field's operating practices;
- be based on Measured and Indicated Mineral Resources using Datamine Mine Stope Optimization software;
- not include any major development capital investments such as further processing plant expansions or Esaase ore transportation infrastructure; and
- be based on metallurgical recovery estimates for Esaase fresh ore based on an updated metallurgical model, which would in turn be based on a test-work program currently underway.

The Company previously prepared its Amended and Restated Definitive Feasibility Study related to the AGM on June 5, 2017 (and amended and restated on December 20, 2017, the "12/17 DFS"). The 12/17 DFS previously estimated the AGM's remaining life of mine to be between 14 and 21 years (ending 2030 - 2037) with gold production ranging from 108,000 ounces to 497,000 ounces.

Given that the target mine life and production was expected to result in the extraction of materially less than the total previously estimated reserves and resources of the AGM, the Company considered this to represent an indicator of possible impairment. Accordingly, the Company assessed the recoverable amount of the AGM, which was based on management's estimate of the fair value less cost of disposal of the AGM. The fair value less cost of disposal of the AGM (on a 100% basis) was estimated to be $211.8 million as at December 31, 2019 and included life of mine cash flow projections, on the basis of the updated scope. The projected cash flows were discounted using a post-tax discount rate of 8.4% which represented the weighted-average cost of capital commensurate with the risks associated with the AGM's cash flows. The Company's estimated gold price considered analysts' consensus pricing for the estimated duration of the AGM LOM plan. The gold price assumptions were as follows:

Gold price assumption	2020	2021	2022 to 2024	Long-term	Weighted Average
Gold price (per ounce)	$1,500	$1,425	$1,400	$1,350	$1,373

During the year ended December 31, 2019, the Company determined that an impairment of $289.6 million was required at the AGM based on its estimate of the recoverable amount of the AGM. Management's estimate of the fair value of the AGM was classified as Level 3 in the fair value hierarchy.

As at December 31, 2020, the Company did not identify any further indicators of impairment of the AGM cash-generating unit based on information available to management at the time of preparing the annual audited consolidated financial statements for the year ended December 31, 2020, nor had the indicators of impairment identified in 2019, which gave rise to the above-mentioned impairment, reversed suggesting a possible reversal of previously recorded impairments.

The Company and its JV partner are completing their work associated with a new LOM plan for the AGM, including an updated Mineral Resource and Reserve Estimate with an expected effective date of June 30, 2021, which is expected to be released in Q3 2021. The results of this ongoing work may impact the projected life of mine cash flows of the AGM.

Finance expense

The following is a summary of finance expense incurred by the AGM JV during the three months and years ended December 31, 2020 and 2019:

	Three months ended December 31,		Year ended December 31,	
(in thousands of US dollars)	**2020**	**2019**	**2020**	**2019**
(Loss) gain on gold hedging instruments	**(366)**	1,174	**(366)**	(4,440)
Interest on lease liabilities	**(96)**	(307)	**(732)**	(1,817)
Interest and fees associated with revolving credit facility	**(357)**	(1,670)	**(1,198)**	(1,670)
Accretion charges on asset retirement provisions	**(174)**	(272)	**(550)**	(903)
Other	**(60)**	(20)	**(319)**	(75)
Total finance expense	**(1,053)**	(1,095)	**(3,165)**	(8,905)

Q4 2020 finance expense included a $0.4 million loss ($0.2 million realized and $0.2 million unrealized) on hedging instruments compared to a $1.2 million realized gain in Q4 2019. This was partly offset by a $1.3 million decrease in interest and fees associated with the RCF as the comparative period included legal fees and standby charges associated with entering into the RCF.

For the year ended December 31, 2020, the reduction in finance expense compared to 2019 was primarily due to the 2019 year including a $4.4 million realized loss on gold hedging instruments. Interest expense on lease liabilities also reduced by $1.1 million due to the unwinding of interest over the lease term and accretion charges on asset retirement provisions reduced by $0.4 million due to lower discount rates. Fees associated with the RCF were also lower in 2020 by $0.5 million for the reasons stated above.

The JV continues to manage the AGM's exposure to gold price risk, with an objective of margin protection, by periodically entering into hedging programs.

3.4 Cash flow results of the AGM

The following table provides a summary of cash flows for the AGM on a 100% basis for the three months and years ended December 31, 2020 and 2019:

AGM 100% Basis (in thousands of US dollars)	Three months ended December 31, 2020	2019	Year ended December 31, 2020	2019
Cash provided by (used in):				
Operating cash flows before working capital changes	**53,856**	33,808	**183,065**	109,785
Operating activities	**47,997**	45,440	**152,322**	120,375
Investing activities	**(22,254)**	(12,242)	**(69,108)**	(62,672)
Financing activities	**(4,712)**	(25,866)	**(62,590)**	(35,272)
Impact of foreign exchange on cash and cash equivalents	**(66)**	(142)	**(128)**	(321)
Increase in cash and cash equivalents during the period	**20,965**	7,190	**20,496**	22,110
Cash and cash equivalents and restricted cash, beginning of period	**43,289**	36,568	**43,758**	21,648
Cash and cash equivalents and restricted cash, end of period	**64,254**	43,758	**64,254**	43,758

Cash flows from operating activities

During Q4 2020, the AGM generated cash flows from operations of $48.0 million, comprising cash inflows before working capital changes of $53.9 million and cash outflows from non-cash working capital changes of $5.9 million. Cash outflows from non-cash working capital changes were primarily the result of a $14.5 million increase in inventories and $3.2 million decrease in accounts payable and accrued liabilities. These factors were partly offset by an $11.3 million decrease in trade and VAT receivables.

The increase in operating cash flows in Q4 2020 compared to Q4 2019 was primarily the result of an increase in the JV's revenues and operating margins.

During the year ended December 31, 2020, the AGM generated cash flows from operations of $152.3 million, comprising cash flows before working capital changes of $183.1 million and outflows from non-cash working capital changes of $30.7 million. Cash outflows from non-cash working capital changes were primarily the result of a $32.6 million increase in inventories and a $2.8 million increase in prepaid expenses and deposits (partly associated with securing supplies of the JV's critical consumables in response to COVID-19). These factors were partly offset by a $2.0 million increase in accounts payable and accrued liabilities and a $2.7 million decrease in trade and VAT receivables.

The increase in operating cash flows for the year ended December 31, 2020 compared to the year ended December 31, 2019 was primarily a result of an increase in the JV's revenues and operating margins.

Cash used in investing activities

During Q4 2020, the AGM invested $22.3 million in additions to MPP&E. The total cash expenditure on MPP&E during the quarter included $9.1 million relating to the capitalization of deferred stripping costs, $2.4 million in sustaining capital related primarily to raise the height of the TSF and $8.6 million in development capital related primarily to the Tetrem village relocation adjacent to the Esaase deposit and $2.2 million in exploration costs relating to tenements with defined mineral reserves.

The increase in cash flows invested in MPP&E from Q4 2019 to Q4 2020 was primarily due to higher capitalized stripping costs ($5.7 million increase) as Q4 2020 included capitalized stripping costs associated with Esaase Cut 2, higher sustaining capital on raising the TSF ($1.1 million increase) and higher development capital primarily related to the Tetrem village relocation ($3.2 million increase).

During the year ended December 31, 2020, the AGM invested $69.3 million in additions to MPP&E. The total cash expenditure on MPP&E during the year included $16.6 million relating to the capitalization of deferred stripping costs, $14.0 million in sustaining capital, $38.8 million in development capital, property acquisition costs and exploration costs relating to tenements with defined mineral reserves (Nkran, Abore, Adubiaso and Akwasiso). Sustaining capital related primarily to raising the height of the TSF, while development capital related primarily to the Tetrem village relocation near Esaase.

The increase in cash flows invested in MPP&E for the year ended December 31, 2020 compared to the year ended December 31, 2019 was primarily due to higher development capital primarily related to the Tetrem village relocation ($11.5 million increase), higher sustaining capital expenditures primarily relating to raising the height of the tailings storage facility ($7.6 million increase) and exploration drill programs on Nkran, Abore, Adubiaso and Akwasiso ($5.6 million increase). This was partly offset by lower capitalized stripping costs ($20.5 million decrease) as the western portion of the Cut 2 pushback at Nkran began in Q1 2019 (and completed in Q4 2019).

Cash used in financing activities

During the three months ended December 31, 2020, $4.7 million of cash used in financing activities related primarily to lease payments of $4.3 million on the JV's services and mining contractor lease agreements.

The decrease in cash flows used in financing activities from Q4 2019 to Q4 2020 related to preferred share distributions to the JV partners in Q4 2019 totaling $20.0 million.

During the year ended December 31, 2020, $62.6 million of cash used in financing activities related primarily to distributions totaling $75.0 million to the JV partners and lease payments of $16.3 million on the JV's services and mining contractor lease agreements. Cash used in financing activities was partly offset by the utilization of the $30.0 million RCF.

During the first quarter of 2020, the joint venture undertook the proactive step to drawdown the RCF in light of the economic uncertainty surrounding the COVID-19 pandemic and its effect on US dollar liquidity. While the JV's healthy liquidity position did not necessitate the utilization of the credit facility, the Company determined that this was a prudent step to further strengthen the robust cash position during these uncertain times. During the year ended December 31, 2020, financing activities included cash outflows of $1.2 million relating to the payment of interest and standby fees on the RCF. The JV expects to repay the RCF in full within twelve months of the balance sheet date.

The increase in cash flows used in financing activities during the year ended December 31, 2020 compared to December 31, 2019 related primarily to the preferred share distributions to the JV partners totaling $75.0 million in 2020 (distributions in 2019 totaled $20.0 million), partly offset by the $30.0 million drawdown on the JV's debt facility.

Liquidity position

In October 2019, the JV entered into a $30.0 million RCF with RMB. The term of the RCF is three years, maturing in September 2022 and bears interest on a sliding scale of between LIBOR plus a margin of 4% and LIBOR plus a margin of 3.8%, depending on security granted to RMB. Commitment fees in respect of the undrawn portion of the RCF are on a similar sliding scale of between 1.40% and 1.33%. As at December 31, 2020, the balance drawn under the RCF was $30.0 million (December 31, 2019 - $nil). The JV expects to repay the RCF in full within twelve months of the balance sheet date.

As at December 31, 2020, the JV held cash and cash equivalents of $64.3 million (including the above-mentioned $30.0 million fully drawn RCF), $10.9 million in receivables from gold sales and $8.2 million in gold on hand. This compares to December 31, 2019 when the JV held $43.8 million in cash and cash equivalents ($3.0 million of which was restricted in favour of a gold hedging counterparty and released on January 3, 2020), $9.1 million in receivables from gold sales and $2.8 million in gold on hand.

The Company does not control the funds of the JV. The liquidity of the Company is further discussed in section ***"7. Liquidity and capital resources"***.

4. Financial results of the Company

The following table is a summary of the Consolidated Statements of Operations and Comprehensive Income (Loss) of the Company for the three months ended December 31, 2020 and 2019 and the years ended December 31, 2020, 2019 and 2018. Note that the table below includes 100% of the results for the AGM for the periods January 1, 2018 to July 31, 2018, being the period during which the Company controlled the AGM. For the three months and years ended December 31, 2020 and 2019 and the period from August 1, 2018 to December 31, 2018, the Company has recognized its share of the net income (loss) of the JV. As a result, most of the variances from 2018 in the table below are attributable to the deconsolidation of the AGM due to the closing of the JV Transaction.

	Three months ended December 31,		Year ended December 31,		
	2020	2019	2020	2019	2018
(in thousands of US dollars, except per share amounts)	$	$	$	$	$
Revenue	-	-	-	-	161,918
Cost of sales:					
Production costs	**-**	-	**-**	-	(79,008)
Depreciation and depletion	**-**	-	**-**	-	(41,944)
Royalties	**-**	-	**-**	-	(8,096)
Total cost of sales	**-**	-	**-**	-	(129,048)
Income from mine operations	**-**	-	**-**	-	32,870
Share of net earnings (loss) related to joint venture	**18,691**	-	**59,159**	(126,264)	(1,050)
Service fee earned as operators of joint venture	**1,240**	1,223	**4,917**	4,963	1,892
Exploration and evaluation expenditures	**-**	-	**-**	-	(2,333)
General and administrative expenses	**(3,342)**	(2,368)	**(14,757)**	(11,828)	(11,660)
Income (loss) from operations and joint venture	**16,589**	(1,145)	**49,319**	(133,129)	19,719
Loss due to loss of control of subsidiaries	**-**	-	**-**	-	(143,261)
Finance income	**1,263**	135	**8,325**	871	5,555
Finance expense	**(10)**	(20,180)	**(45)**	(35,650)	(10,737)
Foreign exchange (loss) gain	**(171)**	(15)	**(223)**	(20)	20
Income (loss) before income taxes	**17,671**	(21,205)	**57,376**	(167,928)	(128,704)
Current income tax expense	**-**	-	**-**	-	(1,079)
Deferred income tax expense	**-**	-	**-**	-	(11,430)
Net income (loss) and comprehensive income (loss) for the period	**17,671**	(21,205)	**57,376**	(167,928)	(141,213)
Net income (loss) attributable to:					
Common shareholders of the Company	**17,671**	(21,205)	**57,376**	(167,928)	(141,372)
Non-controlling interest	**-**	-	**-**	-	159
	17,671	(21,205)	**57,376**	(167,928)	(141,213)
Income (loss) per share attributable to common shareholders:					
Basic	**0.08**	(0.09)	**0.26**	(0.74)	(0.64)
Diluted	**0.08**	(0.09)	**0.26**	(0.74)	(0.64)
Weighted average number of shares outstanding:					
Basic	**224,197,308**	225,948,601	**223,655,880**	225,867,169	220,108,770
Diluted	**225,216,468**	225,948,601	**224,919,474**	225,867,169	220,108,770

Share of net earnings (loss) related to joint venture

As the Company equity accounts for its interest in the JV, the Company recognized its 45% interest in the net earnings of the JV in the amounts of $18.7 million and $59.2 million for the three months and year ended December 31, 2020, respectively (three months ended and year ended December 31, 2019 - share of net earnings of $nil and share of net loss of $126.3 million, respectively, with the 2019 year including the Company's share of the 2019 impairment recorded by the JV).

Service fee earned as operators of the joint venture

In accordance with the JVA, the Company is the operator of the AGM and, in consideration for managing the operations of the mine, receives a gross annual service fee from the JV of $6.2 million (originally $6.0 million per annum, but adjusted annually for inflation). For the three months and year ended December 31, 2020, the Company earned a gross service fee of $1.5 million (less withholding taxes of $0.3 million) and $6.1 million (less withholding taxes of $1.2 million), respectively.

During the three months and year ended December 31, 2019, the Company earned a gross service fee of $1.5 million (less withholding taxes of $0.2 million) and $6.0 million (less withholding taxes of $1.0 million), respectively.

General and administrative expenses

G&A expenses for the three months and years ended December 31, 2020 and 2019 comprised:

	Three months ended December 31,		Year ended December 31,	
	2020	2019	2020	2019
(in thousands of US dollars)	$	$	$	$
Wages, benefits and consulting	**(1,652)**	(1,249)	**(9,200)**	(7,723)
Office, rent and administration	**(350)**	(238)	**(907)**	(800)
Professional and legal	**(166)**	(123)	**(1,001)**	(452)
Share-based payments	**(692)**	(506)	**(2,168)**	(1,789)
Travel, marketing, investor relations and regulatory	**(441)**	(212)	**(1,317)**	(966)
Other	**(41)**	(40)	**(164)**	(98)
Total G&A expense	**(3,342)**	(2,368)	**(14,757)**	(11,828)

G&A expenses in Q4 2020 were $1.0 million higher than Q4 2019 primarily due to costs associated with the transition of a technical services management team from the Company's Johannesburg office to the corporate head office. In addition, share-based compensation expense was $0.2 million higher due to appreciation of the Company's share price, while travel, marketing, investor relations and regulatory costs also increased by $0.2 million and office, rent and administration costs increased by $0.1 million.

G&A expenses for the year ended December 31, 2020 were $2.9 million higher than the during the year ended December 31, 2019, predominantly due to non-recurring costs associated with the intended closure of Company's Johannesburg office. In addition, legal and professional fees were $0.5 million higher in 2020 due to costs associated with filing the Base Shelf Prospectus and ATM offering in Q2 2020 (see section ***"7. Liquidity and capital resources"***), while share-based payments expense ($0.4 million increase) was higher due to the reason stated above. Marketing and investor relations costs ($0.4 million increase) were also higher in 2020 compared to 2019.

Finance income

Finance income includes changes in the fair value of the Company's preferred share investment in the JV (which has no fixed redemption date) and interest earned on cash balances. For the three months and year ended December 31, 2020, the Company recognized a positive fair value adjustment of $1.2 million and $7.8 million, respectively, on changes in the fair value of the Company's preferred share investment in the JV.

During the three months and year ended December 31, 2019, the Company recognized $0.1 million and $0.5 million of finance income, respectively, which was primarily related to changes in carrying values of the Company's preferred share investments in the JV.

Finance expense

Finance expense for the three months and year ended December 31, 2020 includes interest on lease liabilities and banking fees.

During the three months and year ended December 31, 2019, the Company recognized a downward fair value adjustment of $20.1 million and $35.6 million in finance expense, respectively, on changes in the fair value of the Company's preferred share investment in the JV. The downward fair value adjustment was a result of a change in the estimated amount and timing of the cash flows expected to be distributed by JV associated with the AGM LOM plan update. There was no change to the face value of the preferred shares.

5. Selected quarterly financial data

The following table provides summary unaudited financial data for the last eight quarters. Except for basic and diluted income (loss) per share and adjusted basic and diluted income (loss) per share[1], the totals in the following table are presented in thousands of US dollars.

	2020				2019			
	Q4 $	Q3 $	Q2 $	Q1 $	Q4 $	Q3 $	Q2 $	Q1 $
Share of net earnings (loss) related to joint venture	**18,691**	5,587	14,347	20,534	-	(126,047)	6,135	(6,352)
Service fee earned as operators of joint venture	**1,240**	1,234	1,221	1,222	1,223	1,488	1,126	1,126
General and administrative expenses	**(3,342)**	(5,183)	(3,558)	(2,674)	(2,368)	(3,199)	(3,456)	(2,805)
Income (loss) from operations and joint venture	**16,589**	1,638	12,010	19,082	(1,145)	(127,758)	3,805	(8,031)
Other income (expenses)	**1,082**	1,567	2,684	2,724	(20,060)	(19,758)	2,302	2,717
Net income (loss) for the period	**17,671**	3,205	14,694	21,806	(21,205)	(147,516)	6,107	(5,314)
Basic and diluted income (loss) per share	**0.08**	0.01	0.07	0.10	($0.09)	($0.65)	0.03	($0.02)
Adjusted net income (loss) for the period[2]	**17,671**	3,205	14,694	21,806	941	793	6,107	(5,314)
Adjusted basic and diluted income (loss) per share[2]	**0.08**	0.01	0.07	0.10	0.00	0.00	0.03	($0.02)
EBITDA[2]	**16,458**	1,686	12,069	19,046	(1,200)	(127,777)	3,847	(8,049)
Adjusted EBITDA[2]	**20,389**	7,552	18,489	21,883	12,584	9,441	12,357	1,244

Since Q1 2019, other income has included fair value adjustments on the Company's preferred share investments in the JV.

In Q3 2019, the Company recognized an impairment on its equity investment in the AGM JV totaling $128.3 million which was presented as part of the Company's share of the net loss related to the JV. Additionally, in Q3 2019, the Company recognized a $20.0 million downward fair value adjustment on its preferred share investment in the JV which was presented as finance expense.

In Q4 2019, the Company recognized a $20.1 million downward fair value adjustment on its preferred share investment in the JV resulting from the finalization of its work over the AGM LOM plan which was presented as finance expense.

The increase in net earnings related to the JV during 2020 was primarily due to higher realized gold prices.

The increase in EBITDA and Adjusted EBITDA [2] during 2020 was primarily a result of the increase in the Company's interest in the AGM's net income.

6. Guidance and outlook

2020 Production and cost guidance (100% basis)

In 2020, the AGM produced 249,904 ounces of gold, exceeding the upper end of its production guidance, while AISC [2] for the year was $1,115/oz which was below revised guidance (as of Q3 2020) of $1,150/oz. During 2020, certain factors put pressure on costs performance including higher royalty expense associated with higher realized gold prices, higher sustaining capital expenditures associated with design changes to the raise of the tailings dam as well as additional costs associated with the JV's COVID-19 mitigation measures.

Budgeted sustaining capital for 2020 was estimated at $11.0 million with actual spend of $14.0 million. The higher-than-budget expenditure on sustaining capital was due to the above-mentioned design changes associated with raising the height of the TSF.

Budgeted development capital for 2020 was estimated at $24.0 million with actual spend of $31.0 million. The higher-than-budget expenditure on development capital was primarily due to advancing the Tetrem village relocation, which was 97% complete as of December 31, 2020.

The AGM expanded its exploration program in 2020, mainly around the underexplored Miradani mineralized trend, and incurred $18.6 million in exploration expenditures (budget of $17.1 million). Exploration spend was higher than budget due to expanding the drilling programs at Abore and Miradani.

2021 Guidance for the Asanko Gold Mine (100% basis)

In 2021, the AGM is targeting 225,000 to 245,000 ounces of gold production at AISC [2] of $1,100 to $1,300/oz. AISC [2] includes budgeted sustaining capital expenditures of $20 million, with approximately $13 million for a TSF lift.

The mine plan for 2021 plans to source ore primarily from Akwasiso and Esaase. These ore sources are expected to be augmented where necessary with run-of-mine stockpile material. Accordingly, budgeted AISC[2] for 2021 includes approximately $60 to $80/oz of non-cash charges associated with processing stockpiled ore.

Development capital is forecast at $18 million, primarily for completion of the Tetrem village relocation and work on the Obotan and Esaase water treatment plants. In addition, $20 million is budgeted for exploration, mainly around the Miradani mineralized trend.

Mineral Resource and Reserve Update

An updated Mineral Resource and Reserve Estimate with an anticipated effective date of June 30, 2021 is expected to be released in Q3 2021 for the AGM. The Mineral Resource and Reserve Estimate is expected to incorporate new exploration and infill drilling, reduced operational costs, higher commodity price assumptions, in-pit mapping information and refined grade estimations which the Company believes will result in a further improvement of the understanding of the ore bodies within the AGM's mineral concessions. The resulting Mineral Resource and Reserve Estimate will reflect the ongoing efforts by the Company and its JV partner to achieve the best value from the AGM in the context of the current operating and metal price environment.

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[2] See "**8. Non-GAAP measures"**

7. Liquidity and capital resources

A key financial objective of the Company is to actively manage its own cash balance and liquidity in order to meet the Company's strategic plans, as well as those of the JV in accordance with the JV agreement. The Company shares control of the JV and aims to manage the JV in such a manner as to generate positive cash flows from the AGM's operating activities in order to fund its operating, capital and project development requirements. A summary of the Company's net assets and key financial ratios related to liquidity are as follows. Note that the December 31, 2020 and December 31, 2019 balances below, unless otherwise noted, do not include any assets or liabilities of the JV.

(in thousands of US dollars, except outstanding shares and options)	December 31, 2020 $	December 31, 2019 $
Cash and cash equivalents	**62,151**	31,109
Other current assets	**3,390**	4,691
Non-current assets	**138,049**	108,704
Total assets	**203,590**	144,504
Current liabilities	**3,618**	2,317
Non-current liabilities	**1,089**	930
Total liabilities	**4,707**	3,247
Working capital	**61,923**	33,483
Total equity	**198,883**	141,257
Total common shares outstanding	**224,253,522**	225,098,810
Total options outstanding	**8,330,820**	12,568,362
Key financial ratios		
Current ratio	**18.12**	15.45
Total liabilities-to-equity	**0.02**	0.02

The Company held cash and cash equivalents of $62.2 million and $2.9 million in receivables as at December 31, 2020.

Subsequent to the JV transaction with Gold Fields ("JV Transaction"), other than the JV service fee, the Company has no current direct sources of revenue and any free cash flows generated by the AGM are no longer within the Company's exclusive control as the disposition of cash from the JV is governed by the JVA. The JVA provides that "Distributable Cash" will be calculated and distributed quarterly, if available. Further information regarding the definition of "Distributable Cash" is included in section "**8.3 EBITDA and Adjusted EBITDA**". However, given the Company's cash balance and ongoing service fee receipts from the JV, the Company believes it is in a position to meet all working capital requirements, contractual obligations and commitments as they fall due (see "Commitments" below) during the next 24 months.

Normal course issuer bid

On November 12, 2019, the Company received approval from the TSX to commence the NCIB on November 15, 2019 to purchase up to 11,310,386 common shares, representing 5% of the Company's issued and outstanding common shares on that date. Purchases pursuant to the NCIB are made on the open market through the facilities of the TSX and NYSE American.

All common shares purchased by the Company under the NCIB were purchased at the market price at the time of acquisition in accordance with the rules and policies of the TSX and NYSE American and applicable securities laws. All common shares acquired by the Company under the NCIB were cancelled and purchases were funded out of the Company's working capital. The NCIB had a term of one-year and such was terminated on November 14, 2020.

During the three months ended December 31, 2020, the Company did not repurchase any common shares under the NCIB program. During the year ended December 31, 2020, the Company repurchased and cancelled a total of 2,758,063 common shares under the NCIB program for $2.3 million (average acquisition price of $0.83 per share). Since inception of the NCIB in Q3 2019, the Company has repurchased and cancelled a total of 3,866,983 common shares for $3.3 million (average acquisition price of $0.84 per share).

ATM Offering

On June 25, 2020, the Company entered into an ATM agreement with H.C. Wainwright & Co. and Cormark Securities (the "Agents"). Under the ATM agreement, the Company may, at its discretion and from time-to-time during the term of the ATM agreement, sell through the Agents common shares of the Company for aggregate gross proceeds to the Company of up to $50.0 million. The Company expects to use any net proceeds of the Offering for general corporate and working capital requirements, including, but not limited to, funding ongoing exploration and operations at the Asanko Gold Mine, funding the Company's working capital requirements, repaying indebtedness outstanding from time to time, completing future acquisitions and/or for other corporate purposes.

No offers or sales of common shares will be made in Canada on the TSX or other trading markets in Canada. The Company will pay the Agents a commission of 3.0% of the aggregate gross proceeds from each sale of common shares. The Company will determine, in its sole discretion, the date, price and number of common shares to be sold under the Offering, if any. Any common shares sold in the Offering will be distributed at market prices or prices related to prevailing market prices from time to time.

The Offering was made by way of a prospectus supplement dated June 25, 2020 (the "Prospectus Supplement") to the Company's existing U.S. registration statement on Form F-10 (the "Registration Statement") and Canadian short form base shelf prospectus (the "Base Shelf Prospectus") each dated June 11, 2020. The Prospectus Supplement and the Registration Statement are available on the SEC's website and the Prospectus Supplement (together with the related Base Shelf Prospectus) is available on the SEDAR website maintained by the Canadian Securities Administrators.

In addition, in connection with the Gold Fields Limited's ("GF") existing pre-emptive right to maintain its 9.9% pro rata ownership interest in the Company, the Company has agreed to sell to GF, from time to time during the term of the Offering at GF's election, on a private basis, such number of common shares as to represent 9.9% of the common shares issued under the Offering, if any.

As of December 31, 2020, the Company had not issued any common shares under the Offering.

Equity

The Company is financially stable with a total liabilities-to-equity ratio of 0.02 as at December 31, 2020.

Commitments

The following table summarizes the Company's contractual obligations as at December 31, 2020 and December 31, 2019. Note the following table excludes commitments and liabilities of the JV for both years presented.

(in thousands of US dollars)	Less than 1 year	1 -3 years	4 -5 years	Over 5 years	Total December 31, 2020	Total December 31, 2019
Accounts payable and accrued liabilities	2,478	-	-	-	**2,478**	1,649
Long-term incentive plan (cash-settled awards)	1,046	668	-	-	**1,714**	1,001
Corporate office leases	126	267	234	-	**627**	823
Total	**3,650**	**935**	**234**	**-**	**4,819**	**3,473**

In addition to the above commitments, the Company has provided various parent company guarantees related to the unfunded portion of the AGM's reclamation bonds in the amount of $5.9 million.

Contingencies

Due to the nature of its business, the Company may from time to time be subject to regulatory investigations, claims, lawsuits and other proceedings in the ordinary course of its business. While the Company cannot reasonably predict the ultimate outcome of any such actions, and inherent uncertainties exist in predicting such outcomes, the Company believes that the ultimate resolution of these actions is not reasonably likely to have a material adverse effect on the Company's financial condition or future results of operations.

Cash flows

The following table provides a summary of cash flows for the three months and year ended December 31, 2020 and 2019:

(in thousands of US dollars)	Three months ended December 31, 2020	2019	Year ended December 31, 2020	2019
Cash provided by (used in):				
Operating cash flows before working capital changes	**(1,645)**	(560)	**(7,929)**	(4,988)
Operating activities	**(1,559)**	(1,589)	**(6,404)**	(8,748)
Investing activities	**28**	20,061	**37,930**	30,171
Financing activities	**130**	(987)	**(520)**	(665)
Impact of foreign exchange on cash and cash equivalents	**63**	(11)	**36**	(7)
(Decrease) increase in cash and cash equivalents during the period	**(1,338)**	17,474	**31,042**	20,751
Cash and cash equivalents, beginning of period	**63,489**	13,635	**31,109**	10,358
Cash and cash equivalents, end of period	**62,151**	31,109	**62,151**	31,109

Cash provided by operating activities

During Q4 2020, the Company utilized cash flows in operations of $1.6 million, net of cash inflows in working capital of $0.1 million (Q4 2019 - utilized cash flows in operations of $1.6 million, net of cash outflows in working capital of $1.0 million).

During the year ended December 31, 2020, the Company utilized cash flows from operations of $6.4 million, net of cash inflows in working capital of $1.5 million (year ended December 31, 2019 - operating cash flows utilized of $8.7 million, net of cash outflows in working capital of $3.8 million). For the year ended December 31, 2020, cash inflows of $1.5 million from non-cash working capital were primarily the result of a $1.6 million decrease in receivables, partly offset by a $0.1 million increase in prepaid expenses.

The change in cash flows used in operating activities from 2019 to 2020 was primarily due to a reduction in the receivable due from the JV related to the Company's service fee earned as operators of the JV, partly offset by an increase in corporate G&A expenses.

Cash from (used in) investing activities

During the three months ended December 31, 2020, cash flows from investing activities related to interest earned on cash balances.

During Q4 2019, the Company generated cash of $20.1 million as a result of a $10.0 million payment received from Gold Fields in connection with the JV Transaction, a $10.0 million preferred share redemption payment from the JV and $0.1 million of interest earned on cash balances.

During the year ended December 31, 2020, the Company generated cash of $37.9 million through investing activities as the Company received $37.5 million in distributions from the JV in the form of preference share redemptions while earning $0.5 million of interest on cash balances. The cash generated through investing activities was partially offset by property, plant and equipment additions of $0.1 million.

During the year ended December 31, 2019, the Company generated cash of $30.2 million as a result of $20.0 million in payments received from Gold Fields in connection with the JV Transaction, a $10.0 million preferred share redemption payment from the JV and $0.2 million in interest earned on cash balances.

Cash used in financing activities

During Q4 2020, cash provided by financing activities of $0.1 million related to proceeds received upon exercise of share-based options which was partly offset by lease payments on corporate office space. Whereas during Q4 2019, cash used in investing activities related to share repurchases under the NCIB of $1.0 million and office lease payments.

During the year ended December 31, 2020, cash used in financing activities of $0.5 million related to $2.3 million of share repurchases under the NCIB and $0.1 million in lease payments on corporate office space. These factors were partly offset by $1.9 million of proceeds received upon exercise of share-based options. During the 2019, cash used in investing activities related to share repurchases under the NCIB totaling $1.0 million and office lease payments, which were partly offset by proceeds received upon exercise of share-based options of $0.3 million.

8. Non-GAAP measures

The Company has included certain non-GAAP performance measures throughout this MD&A. These performance measures are employed by management to assess the Company's operating and financial performance and to assist in business decision-making. The Company believes that, in addition to conventional measures prepared in accordance with GAAP, certain investors and other stakeholders use this information to evaluate the Company's operating and financial performance; however, as explained elsewhere herein, these non-GAAP 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 GAAP.

The JV does not calculate this information for use by both JV partners, rather it is calculated by the Company solely for the Company's own disclosure purposes.

8.1 Operating cash costs per ounce and total cash costs per ounce

The Company has included the non-GAAP performance measures of operating cash costs per ounce and total cash costs per ounce on a by-product basis throughout this MD&A. In the gold mining industry, this is a common performance measure but does not have any standardized meaning. The Company follows the recommendations of the Gold Institute Production Cost Standard. The Gold Institute, which ceased operations in 2002, was a non-regulatory body and represented a global group of suppliers of gold and gold products. The production cost standard developed by the Gold Institute remains the generally accepted standard of reporting cash costs of production by many gold mining companies. Management uses operating cash costs per ounce and total cash costs per ounce to monitor the operating performance of the JV. The Company believes that, in addition to conventional measures prepared in accordance with GAAP, some investors use this information to evaluate the Company's performance and ability to generate cash flow. Other companies may calculate operating cash costs and total cash costs per ounce differently.

The following tables provide reconciliations of operating and total cash costs per gold ounce of the AGM to production costs of the AGM on a 100% basis (the nearest GAAP measure) as presented in the notes to the consolidated annual financial statements of the Company for the years ended December 31, 2020 and 2019.

(in thousands of US dollars, except per ounce amounts)	Three months ended December 31, 2020 $	2019 $	Year ended December 31, 2020 $	2019 $
Production costs[3][4][5]	**49,014**	52,582	**197,706**	194,476
Share-based payment expense included in production costs	**(198)**	(152)	**(1,027)**	(411)
By-product revenue	**(244)**	(239)	**(930)**	(832)
Total operating cash costs	**48,572**	52,191	**195,749**	193,233
Royalties and production taxes	**5,556**	4,853	**20,907**	17,159
Total cash costs	**54,128**	57,044	**216,656**	210,392
Gold ounces sold	**60,655**	66,095	**243,807**	248,862
Operating cash costs per gold ounce sold ($/ounce)	**801**	790	**803**	776
Total cash costs per gold ounce sold ($/ounce)	**892**	863	**889**	845

[3] For the year ended December 31, 2019, total production costs exclude a provision for a one-time contract termination fee.

[4] For the year ended December 31, 2020, total production costs include a gain recognized on the derecognition of a mining contractor services agreement.

[5] For the year ended December 31, 2020, total production costs exclude one-time severance charges.

8.2 All-in sustaining costs per gold ounce

In June 2013, the World Gold Council, a non-regulatory association of many of the world's leading gold mining companies established to promote the use of gold to industry, provided guidance for the calculation of "all-in sustaining costs per gold ounce" in an effort to encourage improved understanding and comparability of the total costs associated with mining an ounce of gold. The Company has adopted the reporting of "all-in sustaining costs per gold ounce", which is a non-GAAP performance measure. The Company believes that the all-in sustaining costs per gold ounce measure provides additional insight into the costs of producing gold by capturing all of the expenditures required for the discovery, development and sustaining of gold production and allows the Company to assess its ability to support capital expenditures to sustain future production from the generation of operating cash flows. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, some investors use this information to evaluate the JV's performance and ability to generate cash flow, disposition of which is subject to the terms of the JVA. Other companies may calculate all-in sustaining costs per ounce differently.

All-in sustaining costs adjust "Total cash costs" for G&A expenses, reclamation cost accretion, sustaining capitalized stripping costs (excludes operating pits which have not achieved steady-state operations) and sustaining capital expenditures. Sustaining capital expenditures, capitalized stripping costs and reclamation cost accretion are not line items on the AGM's financial statements. Sustaining capital expenditures are defined as those capital expenditures which do not materially benefit annual or life of mine gold ounce production at a mine site. A material benefit to a mine site is considered to be at least a 10% increase in annual or life of mine production, net present value, or reserves compared to the remaining life of mine of the operation. As such, sustaining costs exclude all expenditures at the AGM's 'new projects' and certain expenditures at the AGM's operating sites which are deemed expansionary in nature. Capitalized stripping costs represent costs incurred at steady-state operations during the period; these costs are not considered expansionary in nature as they relate to currently identified reserves and resources. Reclamation cost accretion represents the growth in the AGM's decommissioning provision due to the passage of time. This amount does not reflect cash outflows, but it is considered to be representative of the periodic costs of reclamation and remediation. Reclamation cost accretion is included in finance expense in the AGM's results as disclosed in the consolidated annual financial statements of the Company for the years ended December 31, 2020 and 2019.

The following table provides a reconciliation of AISC of the AGM to production costs and various operating expenses of the AGM on a 100% basis (the nearest GAAP measure), as presented in the notes to the consolidated annual financial statements of the Company for the years ended December 31, 2020 and 2019.

(in thousands of US dollars except per ounce amounts)	Three months ended December 31, 2020 $	2019 $	Year ended December 31, 2020 $	2019 $
Total cash costs (as reconciled above)	**54,128**	57,044	**216,656**	210,392
General and administrative expenses - JV	**1,345**	1,333	**7,072**	6,341
Sustaining capital expenditures	**2,427**	1,253	**13,971**	6,442
Sustaining capitalized stripping costs	**9,091**	3,405	**16,546**	37,075
Reclamation cost accretion	**174**	272	**550**	903
Sustaining lease payments	**4,253**	436	**16,344**	13,705
Interest on lease liabilities	**96**	307	**732**	1,817
All-in sustaining cost	**71,514**	64,050	**271,871**	276,675
Gold ounces sold	**60,655**	66,095	**243,807**	248,862
All-in sustaining cost per gold ounce sold ($/ounce) - JV	**1,179**	969	**1,115**	1,112
Average realized price per gold ounce sold ($/ounce)	**1,828**	1,465	**1,711**	1,376
All-in sustaining margin ($/ounce)	**649**	496	**596**	264
All-in sustaining margin	**39,365**	32,783	**145,309**	65,700

Excluded from the G&A costs of the AGM is non-cash share-based compensation expense of $0.1 million and $0.4 million for the three months and year ended December 31, 2020, respectively (three months and year ended December 31, 2019 - $0.1 million and $0.2 million, respectively).

For the three months and year ended December 31, 2020, the Company incurred corporate G&A expenses, net of the JV service fee, of $1.4 million and $5.3 million, respectively, which exclude non-cash share-based compensation expense, depreciation expense and one-time severance charges totaling $0.7 million and $4.6 million, respectively (three months and year ended December 31, 2019 - G&A expenses, net of the JV service fee, of $0.5 million and $4.8 million which exclude non-cash share-based compensation expense of $0.5 million and $1.8 million, respectively).

The Company's attributable gold ounces sold for the three months and year ended December 31, 2020 was 27,295 and 109,713, respectively (three months and year ended December 31, 2019 - 29,743 and 111,988 ounces, respectively), resulting in additional all-in sustaining cost for the Company of $50/oz and $48/oz for these periods, respectively, in addition to the AGM's all-in sustaining cost presented in the above table (three months and year ended December 31, 2019 - $15/oz and $43/oz, respectively).

The following table reconciles sustaining capital expenditures on a 100% basis for the AGM to the total capital expenditures of the AGM, as presented in the notes to the consolidated annual financial statements of the Company for the years ended December 31, 2020 and 2019.

(in thousands of US dollars)	Three months ended December 31, 2020 $	2019 $	Year ended December 31, 2020 $	2019 $
Investing cash flows of the AGM	**22,254**	12,242	**69,108**	62,672
Less:				
Sustaining capitalized stripping costs	**(9,091)**	(3,405)	**(16,546)**	(37,075)
Non-sustaining capital expenditures	**(11,680)**	(5,160)	**(40,140)**	(18,528)
Change in AP related to capital expenditures not included in AISC	**945**	(2,493)	**1,336**	(912)
Interest income received	**(1)**	69	**213**	285
Total sustaining capital expenditures	**2,427**	1,253	**13,971**	6,442

The majority of the non-sustaining capital expenditures during the three months and year ended December 31, 2020 related to the relocation of a village near the Esaase deposit and E&E expenditures on the Abore, Adubiaso and Akwasiso tenements.

8.3 Adjusted Net Income (Loss)

The Company has included the non-GAAP performance measures of adjusted net income and adjusted net income per share throughout this MD&A. 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 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 and its ability to generate cash flows. The Company believes that the presentation of adjusted net income is appropriate to provide additional information to investors regarding items that we do not expect to continue at the same level in the future or that management does not believe to reflect the Company's ongoing operating performance. The Company further believes that its presentation of this non-GAAP financial measure provides information that is useful to investors because it is an important indicator of the strength of our operations and the performance of our core business. The following table provides a reconciliation of adjusted net income to net income (loss) (the nearest GAAP measure) per the consolidated annual financial statements for the years ended December 31, 2020 and 2019. All adjustments are shown net of estimated tax.

	Three months ended December 31,		Year ended December 31,	
	2020	**2019**	**2020**	**2019**
(in thousands of US dollars, except per share amounts)	**$**	**$**	**$**	**$**
Net income (loss) for the period	**17,671**	(21,205)	**57,376**	(167,928)
Interest in impairment of AGM	**-**	1,977	**-**	130,315
Change in fair value of preferred shares related to updated 2019 LOM plan	**-**	20,169	**-**	40,140
Adjusted net income for the period	**17,671**	941	**57,376**	2,527
Basic weighted average number of common share outstanding	**224,197,308**	225,948,601	**223,655,880**	225,867,169
Diluted weighted average number of common share outstanding	**225,216,468**	225,948,601	**224,919,474**	225,867,169
Adjusted net income per share - basic and diluted	$ **0.08**	$ 0.00	$ **0.26**	$ 0.01

8.4 EBITDA and Adjusted EBITDA

EBITDA provides an indication of the Company's continuing capacity to generate income from operations before considering 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 non-cash items and includes the calculated Adjusted EBITDA of the JV. Other companies may calculate EBITDA and Adjusted EBITDA differently. The JV does not calculate this information for use by both JV partners, rather it is calculated by the Company solely for the Company's own disclosure purposes.

The following table provides a reconciliation of EBITDA and Adjusted EBITDA attributable to the Company based on its economic interest in the JV to net income (loss) (the nearest GAAP measure) of the Company and the JV, respectively, per the consolidated annual financial statements of the Company for the years ended December 31, 2020 and 2019. All adjustments are shown net of estimated income tax.

(in thousands of US dollars)	Three months ended December 31, 2020 $	2019 $	Year ended December 31, 2020 $	2019 $
Net income (loss) for the period	**17,671**	(21,205)	**57,376**	(167,928)
Add back:				
Depreciation and depletion	**40**	(40)	**163**	(98)
Finance income	**(1,263)**	(135)	**(8,325)**	(871)
Finance expense	**10**	20,180	**45**	35,650
EBITDA for the period	**16,458**	**(1,200)**	**49,259**	**(133,247)**
Add back (deduct):				
Non-cash share based compensation	**692**	(506)	**2,168**	(1,789)
Share of net (earnings) loss related to joint venture	**(18,691)**	-	**(59,159)**	126,264
Galiano's attributable interest in JV Adjusted EBITDA (below)	**21,930**	14,290	**76,045**	44,730
Adjusted EBITDA for the period	**20,389**	**12,584**	**68,313**	**35,958**

The following table reconciles the JV's EBITDA and Adjusted EBITDA for the three months and years ended December 31, 2020 and 2019 to the results of the JV as disclosed in note 8 to the Company's consolidated annual financial statements for the years ended December 31, 2020 and 2019.

(in thousands of US dollars)	Three months ended December 31, 2020 $	2019 $	Year ended December 31, 2020 $	2019 $
JV net income (loss) for the period	**41,547**	(285,138)	**131,519**	(280,523)
Add back:				
JV depreciation and depletion	**10,448**	30,578	**50,934**	95,418
JV Finance income	**(62)**	(68)	**(285)**	(283)
JV Finance expense	**1,053**	1,095	**3,165**	8,905
JV EBITDA for the period	**52,986**	(253,533)	**185,333**	(176,483)
Add back (deduct):				
Impairment associated with AGM LOM plan	**-**	289,589	**-**	289,589
JV Mining contractor lease payments (capitalized leases)	**(4,253)**	(4,301)	**(16,344)**	(13,705)
JV Adjusted EBITDA for the period	**48,733**	31,755	**168,989**	99,401
Galiano's attributable interest in JV Adjusted EBITDA for the period	**21,930**	14,290	**76,045**	44,730

While the above figure reflects an estimate of the Company's "attributable interest" in Adjusted EBITDA generated from the AGM, these funds are not within the Company's exclusive control as the disposition of cash from the JV is governed by the JVA. The JVA provides that "Distributable Cash" will be calculated and distributed quarterly, if available. "Distributable Cash" means an amount to be calculated at each calendar quarter-end, as being the lesser of (i) cash and cash equivalents which are projected at that time to be surplus to all the JV companies taken together, after providing for all amounts anticipated to be required to be paid during a period of at least the ensuing two calendar quarters in order to pay the net obligations (net of anticipated revenues during such two subsequent quarters) which will arise out of the operations contemplated by the current approved program and budget while also providing for retention of a reasonable amount of cash and cash equivalents for working capital, contingencies and reserves, all of which factors shall be considered by the management committee; and (ii) the maximum amount permissible for distributions to shareholders of a particular JV company at that time in accordance with applicable law and the terms of any third party loan or other agreement in effect which limits distributions from the JV companies. Distributable cash is to be paid out by the JV in certain priority generally to interest and principal of loans, redemption of the preferred shares issued by Shika Group Finance (of which shares each partner holds 137.4 million preferred shares as at December 31, 2020, after redemptions paid by the JV in 2019 and 2020) and finally as dividends on common shares of the JV companies (which the JV partners own 45% each with the Government of Ghana holding 10%).

8.5 Free Cash Flow

The Company uses the financial measure Free Cash Flow, which is a non-GAAP financial measure, to supplement information in its consolidated annual financial statements. Free Cash Flow does not have any standardized meaning prescribed under IFRS, and therefore it may not be comparable to similar measures employed by other companies. The Company believes that in addition to conventional measures prepared in accordance with IFRS, the Company and certain investors and analysts use this information 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 contractors for leases capitalized under IFRS 16.

The following table provides a reconciliation of Free Cash Flow of the AGM to its cash flows from operating activities on a 100% basis (the nearest GAAP measures), as presented in the notes to the consolidated annual financial statements of the Company for the years ended December 31, 2020 and 2019.

	Three months ended December 31,		Year ended December 31,	
	2020	2019	2020	2019
(in thousands of US dollars)	$	$	$	$
Cash flows from operating activities before working capital changes	**53,856**	33,808	**183,065**	109,785
Net change in working capital	**(5,859)**	11,632	**(30,743)**	10,590
Cash flows from operating activtities	**47,997**	45,440	**152,322**	120,375
Less:				
Cash flows used in investing activities	**(22,254)**	(12,242)	**(69,108)**	(62,672)
Mining contractor lease payments (capitalized leases)	**(4,253)**	(4,301)	**(16,344)**	(13,705)
Free Cash Flow for the period	**21,490**	28,897	**66,870**	43,998

9. Summary of outstanding share data

As of the date of this MD&A, there were 224,405,222 common shares of the Company issued and outstanding and 7,434,535 share purchase options outstanding (with exercise prices ranging between C$0.86 and C$4.77 per share). The fully diluted outstanding share count at the date of this MD&A is 231,839,757.

During the Q4 2020, the Company granted 1,000,000 cash-settled phantom share units to the Chair of the Board. The units will vest three years from the grant date, but will only become payable upon the Chair's departure from the Board or upon a change of control of the Company, in an amount equal to the value of 1,000,000 common shares (in $C) as at the Chair's departure date or date of change of control.

10. Related party transactions

As at December 31, 2020, the Company's related parties are its subsidiaries and the JV, its JV partners, and key management personnel (being directors and executive officers of the Company). During normal course of operations, the Company enters into transactions with its related parties. During the three months and year ended December 31, 2020, all related party transactions were in the normal course of business including compensation payments to key management personnel.

As at December 31, 2020, the Company had a $2.7 million receivable owing from the JV in relation to the Company's service fee earned for being the operator of the JV (December 31, 2019 - $4.2 million).

In addition to the service fee earned as operator of the JV, the Company's related party transactions included compensation paid to key management personnel, which was as follows for the years presented:

	Year ended December 31, 2020 $	2019 $
Salaries and benefits	**3,291**	3,251
Share-based payments	**1,096**	1,041
Total compensation	**4,387**	4,292

11. Critical accounting policies and estimates

11.1 Estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Management believes the estimates and assumptions used in the consolidated annual financial statements are reasonable; however, actual results could differ from those estimates and could impact future results of operations and cash flows. The Company's significant accounting judgments and estimates are presented in note 5 of the consolidated annual financial statements for the years ended December 31, 2020 and 2019.

The Company considered the impact of the COVID-19 pandemic on the significant judgments and estimates made in the consolidated annual financial statements for the years ended December 31, 2020 and 2019 and determined that the effects of COVID-19 did not have a material impact on the estimates and judgments applied.

11.2 Changes in Accounting Policies including Initial Adoption

(a) Accounting standards adopted January 1, 2020

There were no new standards effective January 1, 2020 that had an impact on the consolidated annual financial statements or are expected to have a material effect in the future.

(b) Accounting standards and amendments issued but not yet adopted

The following standards and interpretations, which may be applicable to the Company or the JV, have been issued but are not yet effective as of December 31, 2020:

Amendment to IAS 16

On May 14, 2020, the IASB amended IAS 16 "Property, Plant and Equipment" to prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss. The amendments are effective for annual periods beginning on or after January 1, 2022 with early adoption permitted. The Company does not expect the amendments to IAS 16 to have a significant impact on its or the JV's accounting policies.

12. Risks and uncertainties

12.1 Financial instruments & risk

The Company's business, operations and future prospects are subject to significant risks. For details of these risks, refer to the risk factors set forth in the Company's most recently filed AIF, which can be found under the Company's corporate profile on SEDAR at www.sedar.com, and the Company's most recently filed Form 40-F Annual Report, which can be found on EDGAR at www.sec.gov.

Other than as disclosed below, management is not aware of any significant changes to the risks identified in the Company's most recently filed AIF nor has the Company's mitigation of those risks changed significantly during the year ended December 31, 2020. These risks, and the risk factors disclosed below, could materially affect the Company's business, operations, prospects and share price and could cause actual events to differ materially from those described in forward-looking statements relating to the Company. Additional risks and uncertainties not presently known to the Company or that the Company currently considers immaterial may also impair the business, operations, prospects and share price of the Company. If any of the risks actually occur, the business of the Company may be harmed, and its financial condition and results of operations may suffer significantly.

Mine Plan

The Company and its JV partner are currently in the process of preparing a new LOM plan and undertaking other technical work at the AGM, which it expects will be included in an updated Mineral Resource and Reserve Estimate with an anticipated effective date of June 30, 2021. The JV has not yet finalized this technical work or the new LOM plan and, once finalized, the LOM plan (and the updated Mineral Resource and Reserve Estimate) may include changes to the assumptions, estimates, parameters and plans reflected in the AGM's current LOM plan including, but not limited to, changes to the current estimates of in-situ ounces, ore tonnes to be mined in future periods, strip ratios, head grades, recovery rates, gold price assumptions, mining costs, processing costs, trucking costs, capital and closure costs, as well as discount rates. Changes to any of these factors may result in negative impacts on the project economics of the AGM, which may impact the Company's equity investment in the JV and the valuation of its preferred shares in the JV. Changes in the new LOM plan from the current LOM plan in a manner that reduces the economic benefit to the Company of its interest in the AGM, including reductions in net present values and internal rates of return, could materially impact the Company's future financial performance.

Financial instruments

As at December 31, 2020, the Company's financial instruments consist of cash and cash equivalents, receivable due from related party, preferred shares in the JV, accounts payable and accrued liabilities and long-term incentive plan liabilities. The Company classifies cash and cash equivalents and the related party receivable as financial assets measured at amortized cost, while accounts payable and accrued liabilities are classified as other financial liabilities and measured at amortized cost. The long-term incentive plan liabilities are a financial liability measured at fair value through profit or loss and falls within Level 3 of the fair value hierarchy.

The credit risk, liquidity risk and market risk associated with the Company's financial instruments are disclosed in note 21 of the consolidated annual financial statements for the years ended December 31, 2020 and 2019.

Coronavirus

The recent outbreak of COVID-19 has had a negative impact on global financial conditions. COVID-19 emerged in Wuhan, China and has spread globally, including Canada and the US. These markets are a significant source of global demand for commodities, including gold. A sustained slowdown in economic growth or demand in these markets, in either case, that is not offset by reduced supply or increased demand from other regions, could have an adverse effect on the price and/or demand for gold.

In addition, outbreaks or the threat of outbreaks of viruses or other infectious diseases or similar health threats, such as COVID-19, could also cause operational and supply chain delays and disruptions (including as a result of governmental regulation and prevention measures), labour shortages and shutdowns or the inability to sell precious metals. On March 22, 2020, Ghana closed all borders for travel by all persons, and on March 27, 2020, announced restricted movements of people within the major centers of Accra and Kumasi. On August 30, 2020, the President of Ghana announced the reopening of the Kotoka International Airport to passenger travel effective September 1, 2020. To date, mining, power supply and fuel supply operators were exempted from the lockdown and the AGM's operations have not been materially impacted. In the event that the prevalence and impacts of COVID-19 continue to increase, governments, including Ghana's government, may increase regulations and restrictions regarding the flow of labour or products, and the Company's and the JV's operations, suppliers, customers and distribution channels could be severely impacted.

At this time, the Company cannot accurately predict what effects COVID-19 will have on mining operations or financial results, including as a result of uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of the travel restrictions and business closures that have been or may be imposed by the governments of impacted countries. The widespread health crisis caused by COVID-19, and its adverse economic and financial impacts, could adversely affect the Company's business, financial condition and results of operations and the market price of the Company's common shares.

13. Internal control

13.1 Disclosure Controls and Procedures

Evaluation of Disclosure Controls and Procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), on a timely basis so that appropriate decisions can be made regarding public disclosure. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Management of the Company, with the participation of the CEO and the CFO, have evaluated the design and operating effectiveness of the Company's disclosure controls and procedures and the design as required by Canadian and United States securities legislation, and have concluded that, as of December 31, 2020, such disclosure controls and procedures were effective.

13.2 Internal Control over Financial Reporting

The Company's management, with the participation of its CEO and CFO, is responsible for establishing and maintaining adequate internal control over financial reporting. Under the supervision of the CEO and CFO, the Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company's internal control over financial reporting includes policies and procedures that:

- pertain to the maintenance of records that accurately and fairly reflect, in reasonable detail, the transactions and dispositions of assets of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS and that the Company's receipts and expenditures are made only in accordance with authorizations of management and the Company's Directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Company's consolidated financial statements.

The Company's management, with the participation of its CEO and CFO, assessed the effectiveness of the Company's internal control over financial reporting. In making this assessment, management used the criteria set forth in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this assessment, management and the CEO and CFO have concluded that, as of December 31, 2020, the Company's internal control over financial reporting was effective.

13.3 Changes in Internal Control over Financial Reporting

There has been no change in the Company's internal control over financial reporting during the three months ended December 31, 2020 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

13.4 Limitations of controls and procedures

The Company's management, including the CEO and CFO, believes that any disclosure controls and procedures or internal control over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any control system also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

14. Qualified person

The exploration information in this MD&A has been reviewed and approved by Dr. Paul Klipfel, CPG, Senior Vice President Exploration of Galiano Gold Inc. For further information regarding the exploration information in this MD&A, including the Quality Control and Quality Assurance and data verification measures taken with respect to such exploration information, please see the Company's news releases dated June 25, 2020, July 6, 2020, September 8, 2020, November 30, 2020, February 1, 2021 and February 25, 2021, and filed on the Company's SEDAR profile at www.sedar.com. All other technical content in this MD&A has been approved by Mr. Mike Begg, Pr.Sci.Nat., former Senior Vice President Technical Services of Galiano Gold Inc. Both Dr. Klipfel and Mr. Begg are "Qualified Persons" as defined by Canadian National Instrument 43-101 (Standards of Mineral Disclosure).

15. Cautionary statements

15.1 Cautionary statement on forward-looking information

The Company cautions readers regarding forward-looking statements found in this MD&A and in any other statement made by, or on the behalf of the Company. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects", "estimates", "anticipates", or variations of such words and phrases or statements that certain actions, events or results "may", "could", or "might" occur. Forward-looking statements are made based on management's beliefs, estimates and opinions and are given only as of the date of this MD&A. Such statements may constitute "forward-looking information" within the meaning of the United States Private Securities Litigation Reform Act of 1995 and applicable Canadian securities legislation.

Forward-looking statements are statements not based on historical information and which relate to future operations, strategies, financial results or other developments. Forward-looking statements reflect the Company's current views with respect to expectations, beliefs, assumptions, estimates and forecasts about the business of the JV and the Company and the industry and markets in which the JV and the Company operate. Forward-looking statements include, but are not limited to, statements with respect to:

- the future price of gold;
- the operating plans for the AGM under the JV between the Company and Gold Fields;
- the estimation of Mineral Reserves (as defined below) and Mineral Resources (as defined below);
- the realization of Mineral Reserve estimates;
- the timing and amount of estimated future production from the AGM, including production rates and gold recovery;
- operating costs with respect to the operation of the AGM;
- capital expenditures that are required to sustain and expand mining activities;
- the timing, costs and project economics associated with the JV's development plans for the AGM;
- the availability of capital to fund the JV's expansion plans and to fund the Company's contributions to the JV's development plans;
- estimates regarding the AGM's consumption of key reagents, consumables, critical spares and diesel fuel; the ability of the AGM to maintain current inventory levels;
- the ability of the AGM to continue to operate during the COVID-19 pandemic;
- gold production and other activities and that they will not be curtailed as a result of the COVID-19 pandemic;
- the AGM's ability to continue to ship doré from the AGM site to be refined; that the doré produced by the AGM will continue to be able to be refined at similar rates and costs to the AGM, or at all;
- the other current or potential future effects of the COVID-19 pandemic on the Company's business, operations and financial position, including restrictions on the movement of persons (and in particular, the AGM's workforce), restrictions on business activities, including access to the AGM, restrictions on the transport of goods, trade restrictions, increases in the cost of necessary inputs, reductions in the availability of necessary inputs and productivity and operational constraints, will not impact its 2021 production and cost guidance;

- the Company's continued work to advance a study to refine the structural, geological and mineralization models for Esaase augmented with a targeted infill drilling program and the further investigations to examine the modeling methodologies and data density;
- the Company's and the AGM's responses to the COVID-19 pandemic and that it will be effective in continuing their operations in the ordinary course;
- the timing of the development of new deposits;
- success of exploration activities;
- permitting timelines;
- hedging practices;
- currency exchange rate fluctuations;
- requirements for additional capital;
- government regulation of mining operations;
- environmental risks and remediation measures;
- unanticipated reclamation expenses;
- title disputes or claims; and
- limitations on insurance coverage.

Forward-looking statements are not guarantees of future performance and involve risks, uncertainties and assumptions, which are difficult to predict. These uncertainties and contingencies can affect actual results and could cause actual results to differ materially from those expressed in any forward-looking statements made by or on behalf of the Company. The JV and Company's actual future results or performance are subject to certain risks and uncertainties including but not limited to:

- the recent outbreak of COVID-19 has had 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 Company's common shares;
- the mineral reserve and resource estimates may change and may prove to be inaccurate;
- life of mine estimates are based on a number of factors and assumptions and may prove to be incorrect;
- 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;
- 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 Company's operations may encounter delays in or losses of production due to equipment delays or the availability of equipment;
- 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;
- 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;
- the Company's exploration programs may not successfully expand its current mineral reserves or replace them with new reserves;
- risks associated with establishing new mining operations;
- 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 growth, future profitability and ability to obtain financing may be impacted by global financial conditions;
- there may be adverse Canadian tax consequences for a foreign controlled Canadian company that acquires the securities of the Company;
- the Company may be a "passive foreign investment company" in its current and future tax years, which may have adverse U.S. federal income tax consequences for U.S. investors;
- as a foreign private issuer, the Company is subject to different U.S. securities laws and rules than a U.S. domestic issuer, which may limit the information publicly available to U.S. investors;
- the Company may lose its foreign private issuer status in the future, which could result in significant additional costs and expenses to the Company;
- shareholders of the Company 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 their common shares, or at all;
- the exercise of stock options or the settlement of the share units and the subsequent resale of such common shares in the public market could adversely affect the prevailing market price and the Company's ability to raise equity capital in the future at a time and price which it deems appropriate;
- 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;
- Company shareholders may be subject to future dilution;
- risks related to the control of AGM cashflows and operation through a joint venture;
- the results of the Company's ongoing work on the new LOM plan for the AGM may have an impact on the projected life of mine cash flows of the AGM;
- risks related to the market price of common shares;
- 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;
- the carrying value of the Company's assets may change and these assets may be subject to impairment charges;
- non-compliance with public disclosure obligations could have an adverse effect on the Company's stock price;
- 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 Galiano'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;
- risks related to information systems security threats;
- it may not be possible to enforce actions against certain directors and officers of the Company or the experts named in this prospectus under U.S. federal securities laws; and
- the risk factors described under the heading "Risk Factors" in the Company's annual information form.

Forward-looking statements are necessarily based upon estimates and assumptions, which are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the Company's control and many of which, regarding future business decisions, are subject to change. Assumptions underlying the Company's expectations regarding forward-looking statements or information contained in this MD&A include, among others:

- the ability of the AGM to continue to operate, produce and ship doré from the AGM site to be refined during the COVID-19 pandemic;
- that the other current or potential future effects of the COVID-19 pandemic on the Company's business, operations and financial position, including restrictions on the movement of persons (and in particular, the AGM's workforce), restrictions on business activities, including access to the AGM, restrictions on the transport of goods, trade restrictions, increases in the cost of necessary inputs, reductions in the availability of necessary inputs and productivity and operational constraints, will not impact its 2020 production and cost guidance;
- the Company and Gold Fields will agree on the manner in which the JV will operate the AGM, including agreement on development plans and capital expenditures;
- the price of gold will not decline significantly or for a protracted period of time;
- 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 AGM will not experience any significant uninsured production disruptions that would materially affect revenues;
- 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.

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 MD&A if these beliefs, estimates and opinions or other circumstances should change, except as otherwise required by applicable law.

Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations. Historically, the Company's operations have been primarily funded from debt and share issuances, as well as the exercise of share-based options. The Company has had and may have future capital requirements in excess of its currently available resources. In the event the Company's plans change, its assumptions change or prove inaccurate, or its capital resources in addition to projected cash flow, if any, prove to be insufficient to fund its future operations, the Company may be required to seek additional financing.

Although the Company has to-date been able to raise capital, there can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future.

15.2 Cautionary note for United States investors

As a British Columbia corporation and a "reporting issuer" under Canadian securities laws, the Company is required to provide disclosure regarding its mineral properties, including the AGM, in accordance with Canadian National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101"). NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. In accordance with NI 43-101, the Company uses the terms mineral reserves and resources as they are defined in accordance with the CIM Definition Standards on mineral reserves and resources (the "CIM Definition Standards") adopted by the Canadian Institute of Mining, Metallurgy and Petroleum (the "CIM Council").

The SEC has adopted amendments to its disclosure rules to modernize the mineral property disclosure requirements for issuers whose securities are registered with the United States Securities and Exchange Commission (the "SEC") under the U.S. Exchange Act. All SEC reporting companies, other than those who file under the Canada-U.S. Multijurisdictional Disclosure System ("MJDS"), will be required to comply with the new rules for their first fiscal year beginning on or after January 1, 2021 (the "SEC Modernization Rules"). The SEC Modernization Rules will replace the historical property disclosure requirements for mining registrants that were included in SEC Industry Guide 7 ("Guide 7"), which will be rescinded. The Company is not required to provide disclosure on its mineral properties, including the AGM, under the SEC Modernization Rules as the Company is presently a "foreign private issuer" under the U.S. Exchange Act that files annual reports or registration statements with the SEC under the MJDS Disclosure System between Canada and the United States.

The SEC Modernization Rules include the adoption of terms describing mineral reserves and mineral resources that are "substantially similar" to the corresponding terms under the CIM Definition Standards. As a result of the adoption of the SEC Modernization Rules, SEC will now recognize estimates of "measured mineral resources", "indicated mineral resources" and "inferred mineral resources". In addition, the SEC has amended its definitions of "proven mineral reserves" and "probable mineral reserves" to be "substantially similar" to the corresponding CIM Definitions.

United States investors are cautioned that while the above terms are "substantially similar" to CIM Definitions, there are differences in the definitions under the SEC Modernization Rules and the CIM Definition Standards. Accordingly, there is no assurance any mineral reserves or mineral resources that the Company may report as "proven reserves", "probable reserves", "measured mineral resources", "indicated mineral resources" and "inferred mineral resources" under NI 43-101 would be the same had the Company prepared the reserve or resource estimates under the standards adopted under the SEC Modernization Rules.

United States investors are also cautioned that while the SEC will now recognize "measured mineral resources", "indicated mineral resources" and "inferred mineral resources", investors should not assume that any part or all of the mineralization in these categories will ever be converted into a higher category of mineral resources or into mineral reserves. Mineralization described using these terms has a greater amount of uncertainty as to their existence and feasibility than mineralization that has been characterized as reserves. Accordingly, investors are cautioned not to assume that any "measured mineral resources", "indicated mineral resources", or "inferred mineral resources" that the Company reports are or will be economically or legally mineable. Further, "inferred resources" have a greater amount of uncertainty as to their existence and as to whether they can be mined legally or economically. Therefore, United States investors are also cautioned not to assume that all or any part of the inferred resources exist. In accordance with Canadian rules, estimates of "inferred mineral resources" cannot form the basis of feasibility or other economic studies, except in limited circumstances where permitted under NI 43-101.

United States investors are also cautioned that disclosure of exploration potential is conceptual in nature by definition and there is no assurance that exploration of the mineral potential identified will result in any category of NI 43-101 mineral resources being identified.

Exhibit 99.8

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the use of our report, dated March 10, 2021, with respect to the consolidated financial statements of Galiano Gold Inc. (the "**Company**"), which report has been included in Exhibit 99.6 to the Company's annual report on Form 40-F dated March 26, 2021 filed with the United States Securities and Exchange Commission.

We also consent to the incorporation by reference of such report in the Registration Statement (No. 333-239109) on Form F-10 of the Company.

/s/ KPMG LLP

Chartered Professional Accountants

March 26, 2021
Vancouver, Canada

Exhibit 99.9

CONSENT OF JONATHAN HUDSON

To: United States Securities and Exchange Commission

Re: Galiano Gold Inc. (the "Company")
Annual Report on Form 40-F
Consent of Expert

This consent is provided in connection with the Company's annual report on Form 40-F for the year ended December 31, 2020 to be filed by the Company with the United States Securities and Exchange Commission (the "**SEC**") and any amendments thereto (the "**Annual Report**"). The Annual Report incorporates by reference, among other things, the Company's Annual Information Form for the year ended December 31, 2020 (the "**AIF**"), and the Company's Management Discussion and Analysis for the years ended December 31, 2020 and 2019 (the " **MD&A**").

I hereby consent to the use of my name in connection with reference to my involvement in the preparation of the following technical report (the "**Technical Report**"):

- *"Asanko Gold Inc., National Instrument 43-101 Technical Report for the Asanko Gold Mine, Ghana* (Amended and Restated)" information as of February 15, 2020, effective December 31, 2019

and to references to the Technical Report, or portions thereof, in the Annual Report, the AIF and the MD&A and to the inclusion and incorporation by reference of the information derived from the Technical Report in the Annual Report, the AIF and the MD&A.

Dated the 26th day of March, 2021.

Sincerely,

/s/ Jonathan Hudson

_____
Jonathan Hudson, B.Eng. (Hons),
FSAIMM

Exhibit 99.10

CONSENT OF GLENN BEZUIDENHOUT

To: United States Securities and Exchange Commission

Re: Galiano Gold Inc. (the "Company")
Annual Report on Form 40-F
Consent of Expert

This consent is provided in connection with the Company's annual report on Form 40-F for the year ended December 31, 2020 to be filed by the Company with the United States Securities and Exchange Commission (the "**SEC**") and any amendments thereto (the "**Annual Report**"). The Annual Report incorporates by reference, among other things, the Company's Annual Information Form for the year ended December 31, 2020 (the "**AIF**"), and the Company's Management Discussion and Analysis for the years ended December 31, 2020 and 2019 (the " **MD&A**").

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and to references to the Technical Report, or portions thereof, in the Annual Report, the AIF and the MD&A and to the inclusion and incorporation by reference of the information derived from the Technical Report in the Annual Report, the AIF and the MD&A.

Dated the 26th day of March, 2021.

Sincerely,

/s/ Glenn Bezuidenhout

_____
Glenn Bezuidenhout,
National Diploma (Extractive Metallurgy),
FSIAMM

Exhibit 99.11

CONSENT OF JEFFREY COFFIN

To: United States Securities and Exchange Commission

Re: Galiano Gold Inc. (the "Company")
Annual Report on Form 40-F
Consent of Expert

This consent is provided in connection with the Company's annual report on Form 40-F for the year ended December 31, 2020 to be filed by the Company with the United States Securities and Exchange Commission (the "**SEC**") and any amendments thereto (the "**Annual Report**"). The Annual Report incorporates by reference, among other things, the Company's Annual Information Form for the year ended December 31, 2020 (the "**AIF**"), and the Company's Management Discussion and Analysis for the years ended December 31, 2020 and 2019 (the " **MD&A**").

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and to references to the Technical Report, or portions thereof, in the Annual Report, the AIF and the MD&A and to the inclusion and incorporation by reference of the information derived from the Technical Report in the Annual Report, the AIF and the MD&A.

Dated the 26th day of March, 2021.

Sincerely,

/s/ Jeffrey Coffin

_____
Jeffrey Coffin,
Ph.D., P.E.

Exhibit 99.12

CONSENT OF DESMOND MOSSOP

To: United States Securities and Exchange Commission

Re: Galiano Gold Inc. (the "Company")
Annual Report on Form 40-F
Consent of Expert

This consent is provided in connection with the Company's annual report on Form 40-F for the year ended December 31, 2020 to be filed by the Company with the United States Securities and Exchange Commission (the "**SEC**") and any amendments thereto (the "**Annual Report**"). The Annual Report incorporates by reference, among other things, the Company's Annual Information Form for the year ended December 31, 2020 (the "**AIF**"), and the Company's Management Discussion and Analysis for the years ended December 31, 2020 and 2019 (the " **MD&A**").

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and to references to the Technical Report, or portions thereof, in the Annual Report, the AIF and the MD&A and to the inclusion and incorporation by reference of the information derived from the Technical Report in the Annual Report, the AIF and the MD&A.

Dated the 26th day of March, 2021.

Sincerely,

/s/ Desmond Mossop

_____
Desmond Mossop,
Pr. Sci Nat, COMREC

Exhibit 99.13

CONSENT OF JEFFREY STEVENS

To: United States Securities and Exchange Commission

Re: Galiano Gold Inc. (the "Company")
Annual Report on Form 40-F
Consent of Expert

This consent is provided in connection with the Company's annual report on Form 40-F for the year ended December 31, 2020 to be filed by the Company with the United States Securities and Exchange Commission (the "**SEC**") and any amendments thereto (the "**Annual Report**"). The Annual Report incorporates by reference, among other things, the Company's Annual Information Form for the year ended December 31, 2020 (the "**AIF**"), and the Company's Management Discussion and Analysis for the years ended December 31, 2020 and 2019 (the " **MD&A**").

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and to references to the Technical Report, or portions thereof, in the Annual Report, the AIF and the MD&A and to the inclusion and incorporation by reference of the information derived from the Technical Report in the Annual Report, the AIF and the MD&A.

Dated the 26th day of March, 2021.

Sincerely,

/s/ Jeffrey Stevens

_____
Jeffrey Stevens, Pr. Eng.

Exhibit 99.14

CONSENT OF GODKNOWS NJOWA

To: United States Securities and Exchange Commission

Re: Galiano Gold Inc. (the "Company")
Annual Report on Form 40-F
Consent of Expert

This consent is provided in connection with the Company's annual report on Form 40-F for the year ended December 31, 2020 to be filed by the Company with the United States Securities and Exchange Commission (the "**SEC**") and any amendments thereto (the "**Annual Report**"). The Annual Report incorporates by reference, among other things, the Company's Annual Information Form for the year ended December 31, 2020 (the "**AIF**"), and the Company's Management Discussion and Analysis for the years ended December 31, 2020 and 2019 (the " **MD&A**").

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and to references to the Technical Report, or portions thereof, in the Annual Report, the AIF and the MD&A and to the inclusion and incorporation by reference of the information derived from the Technical Report in the Annual Report, the AIF and the MD&A.

Dated the 26th day of March, 2021.

Sincerely,

/s/ Godknows Njowa

_____
Dr. Godknows Njowa, M.Sc Eng (Mining), PrEng

Exhibit 99.15

CONSENT OF MALCOLM TITLEY

To: United States Securities and Exchange Commission

Re: Galiano Gold Inc. (the "Company")
Annual Report on Form 40-F
Consent of Expert

This consent is provided in connection with the Company's annual report on Form 40-F for the year ended December 31, 2019 to be filed by the Company with the United States Securities and Exchange Commission (the "**SEC**") and any amendments thereto (the "**Annual Report**"). The Annual Report incorporates by reference, among other things, the Company's Annual Information Form for the year ended December 31, 2020 (the "**AIF**"), and the Company's Management Discussion and Analysis for the years ended December 31, 2020 and 2019 (the " **MD&A**").

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and to references to the Technical Report, or portions thereof, in the Annual Report, the AIF and the MD&A and to the inclusion and incorporation by reference of the information derived from the Technical Report in the Annual Report, the AIF and the MD&A.

Dated the 26th day of March, 2021.

Sincerely,

/s/ Malcolm Titley

_____
Malcolm Titley,
BSc (Geology and Chemistry),
MAIG; MAusIMM

Exhibit 99.16

CONSENT OF FANIE COETZEE

To: United States Securities and Exchange Commission

Re: Galiano Gold Inc. (the "Company")
Annual Report on Form 40-F
Consent of Expert

This consent is provided in connection with the Company's annual report on Form 40-F for the year ended December 31, 2020 to be filed by the Company with the United States Securities and Exchange Commission (the "**SEC**") and any amendments thereto (the "**Annual Report**"). The Annual Report incorporates by reference, among other things, the Company's Annual Information Form for the year ended December 31, 2020 (the "**AIF**"), and the Company's Management Discussion and Analysis for the years ended December 31, 2020 and 2019 (the " **MD&A**").

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Dated the 26th day of March, 2021.

Sincerely,

/s/ Fanie Coetzee

_____
Fanie Coetzee, B.Sc. (Hons), Pr. Sci. Nat.

Exhibit 99.17

CONSENT OF DAVID MICHAEL BEGG

To: United States Securities and Exchange Commission

Re: Galiano Gold Inc. (the "Company")
Annual Report on Form 40-F
Consent of Expert

This consent is provided in connection with the Company's annual report on Form 40-F for the year ended December 31, 2020 to be filed by the Company with the United States Securities and Exchange Commission (the "**SEC**") and any amendments thereto (the "**Annual Report**"). The Annual Report incorporates by reference, among other things, the Company's Annual Information Form for the year ended December 31, 2020 (the "**AIF**"), and the Company's Management Discussion and Analysis for the years ended December 31, 2020 and 2019 (the "**MD&A**").

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and to references to the Technical Report, or portions thereof, in the Annual Report, the AIF and the MD&A and to the inclusion and incorporation by reference of the information derived from the Technical Report in the Annual Report, the AIF and the MD&A.

Dated the 26th day of March, 2021.

Sincerely,

/s/ David Michael Begg

_____
David Michael Begg, BSc (Hons) Geology,
GSSA, SACNASP