

Allied Gold Corporation Commences Trading on TSX, Announces Strategic Ownership Consolidation of the Kurmuk Development Project, and Board Approvals to Advance Its Growth Projects

Toronto, Ontario--(Newsfile Corp. - September 11, 2023) - Allied Gold Corporation (the "Company") is pleased to announce that its common shares and convertible debentures will commence trading on the Toronto Stock Exchange (the "TSX") at the opening of the market on Monday, September 11, 2023, with the common shares trading in Canadian dollars under the symbol "AAUC" and the convertible debentures trading in U.S. dollars under the symbol "AAUC.DB.U."

As previously announced, the Company recently completed a US\$267 million financing, including a significant investment from incoming management in the amount of US\$40 million. Net proceeds from the financing will be used by the Company to carry out its planned growth strategy, including ongoing optimization and development work, as well as for general corporate purposes. Further details on the advancement of the Company's development projects follow below.

As of the date hereof, the Company has an aggregate of 250,724,253 common shares and US\$107,279,000 principal amount of debentures issued and outstanding. The aggregate ownership of management and board members in the Company, totaling 22.2%, includes 5.7% owned by Peter Marrone, Chairman and Chief Executive Officer, who anchored the significant investment of incoming management referred to above, and 10.9% owned by Justin Dibb, founder of Allied Gold Corp Limited and Vice Chairman of the Company. This demonstrates strong alignment with shareholders and a firm commitment to value creation.

"Following the closing of our previously announced business combination by way of a reverse take-over transaction, and concurrent financing, the commencement of trading on the TSX marks the final step as we complete our transition to a public company and embark on our next phase of growth," said Peter Marrone, Chairman and Chief Executive Officer of the Company. "We are excited to have been part of this foundational event for the Company and are now positioned to execute our strategic vision, with a renewed commitment to delivering on our high-quality, organic growth profile and generating substantial value for our shareholders. Our goal is to evolve into a significant mid-tier next-generation gold producer and ultimately become a leading senior global gold producer."

Accretive Strategic Ownership Consolidation - Kurmuk Project

The Company's commitment to growth and value creation is further underscored by the consolidation of the ownership of the high-quality, permitted, shovel-ready Kurmuk development project in Ethiopia. On September 7, 2023, the Company successfully completed the accretive acquisition (the "Acquisition") of the minority interest previously held in the project by APM Investment Holdings Ltd ("APM"), consolidating the Company's ownership to 93% with the remaining 7% held by the Ethiopian government.

The initial consideration consisted of 11,797,753 common shares at a price of US\$4.45 per share, being the issue price of the recently completed financing referred to above, totalling US\$52.5 million, with further payments structured over time, payable in cash or cash and shares at the option of the Company (as further detailed in the Company's current Annual Information Form available under the Company's profile at www.sedarplus.ca (<https://api.newsfilecorp.com/redirect/wW1WvSQvrz>)). Notably, there was no upfront cash consideration, highlighting the mutually beneficial nature of the transaction and underscoring APM's confidence in the Company's operational and execution capabilities, both broadly and specifically in relation to Kurmuk. The shares issued as part of the initial consideration for the Acquisition are already included in the aggregate number of shares outstanding in the Company mentioned above.

This consolidation of ownership interest positions the Company to be able to advance the Kurmuk Project efficiently through construction and development. The Acquisition, which is immediately accretive to net asset value per share, simplifies Kurmuk's management structure, de-risks the project execution, and improves the Company's leverage to project optimizations and its exploration upside.

Board Approval of Key Growth Projects

In addition to the foregoing, at the inaugural board meeting of the Company, the board of directors approved the advancement of the expanded Kurmuk project through a two-phase development plan for a total capital requirement of US\$500 million. Designed as a two-phase development plan, with a capital commitment for the first phase of US\$185 million to be spent through 2023 and 2024, the Company will have the flexibility to assess at the end of the first phase to determine if any further optimizations and improvements can and should be implemented before spending the balance of the required capital for Kurmuk. Upon completion of the initial phase, the Company will have significantly progressed Kurmuk's development, achieving milestones such as early works, major equipment procurement, civil infrastructure progression, camp establishment, mining contractor mobilization, and pre-stripping at Ashashire. Equally important, the Company's exploration efforts at Kurmuk will allow for an assessment of options to exploit the anticipated increase in total mineral inventory, potentially leading to higher annual production. Of the total capital allocated for project development, US\$21 million is designated for deployment in 2023 for early works, with the remaining funds set to be allocated in 2024 for the initial capital commitment and extending through mid-2026 for the balance of the required capital. Funding for Kurmuk's development will come from the proceeds of the just-completed financing, in addition to robust and increasing (see below) cash flows expected from the Company's operating mines during the Kurmuk development period.

During its review of the Kurmuk development plan, the Company's board approved an expanded project that involves upgrading the processing plant's capacity from 4.4Mt/a to 5.4Mt/a - 5.7Mt/a. This expansion utilizes major equipment already owned by the Company, resulting in reduced implementation risks and lower capital intensity. The expanded project aims to achieve average annual gold production of nearly 275,000 ounces for the first four years and an average of over 240,000 ounces per year over a 10-year mine life, based solely on Mineral Reserves. This compares favourably to the original project, which would have averaged annual gold production of 200,000 ounces with similar capital costs. By capitalizing on the deployment of existing major equipment owned by the Company and relying on contractor mining, thus avoiding the need to purchase an owner fleet, the expanded project will be developed with the same capital requirements as initially planned. This approach is expected to result in only a modest increase in all-in sustaining costs⁽¹⁾ ("AISC"), which are projected to remain below US\$950 per gold ounce over the life of the mine.

Progress in engineering and early works activities is proceeding alongside exploration drilling efforts aimed at expanding the mineral inventory. These drilling activities are presently focused on the near-mine targets around Dish Mountain and Ashashire, which are designated as the two initial open pits housing all current Mineral Reserves. Additionally, drilling activities have commenced at the 8km-long Tsenge area targets. Tsenge is one of four areas prioritized for drilling and Mineral Resource expansion, where multiple drill rigs are actively engaged. These efforts are expected to increase the Company's Mineral Resource base significantly. For more detailed information on Tsenge and the other targeted areas for Mineral Resource expansion, please refer to the 2023 NI 43-101 Technical Report for the Kurmuk Gold Project and the Company's Annual Information Form for the year ended December 31, 2022, which have been filed under the Company's profile on SEDAR+ at www.sedarplus.ca (<https://api.newsfilecorp.com/redirect/gOPOntm0NX>).

Kurmuk is now planned as a plus 240,000-ounce-per-year gold mine with AISC costs targeted below US\$950 per gold ounce, with a strategic mine life extending for an initial 15 years. The project requires development capital of approximately US\$500 million to be spent from 2023 to 2026, funded by available cash on hand and cash flows from producing mines, with the first gold pour expected in Q2 2026.

The board has also approved an allocation for the advancement of the Diba Project, located 15 kilometres south of the processing plant at the Company's flagship Sadiola Gold Mine and adjacent to the Sadiola Large Scale Mining License. The Company previously announced that it entered into an agreement to acquire the Diba Project from Elemental Altus Royalty Corp. ("Elemental Altus") with the aim of providing higher-grade and lower-cost oxide ore feed to the Sadiola Gold Mine, particularly in 2024 and 2025, to maximize EBITDA⁽²⁾ and cash flows during Kurmuk's development

period. The Company plans to progress with delineation drilling, road, and infrastructure upgrades throughout 2023 and intends to confirm Mineral Reserves, and commence ore processing at Diba in the first half of 2024. The total development costs approved by the board, including expenses for an access road to transport ore to the Sadiola plant, are expected to be US\$12 million in 2023 and 2024. Elemental Altus' Mineral Resource Estimate (the "EA Resource Estimate") issued in August 2022 confirmed Total Indicated Mineral Resources of 312,000 ounces of gold with a grade of 1.24 g/t, including 199,000 ounces of gold in Oxides with an average grade of 1.52 g/t, as well as Inferred Mineral Resources of 362,000 ounces at 0.88 g/t of gold.⁽³⁾ In its due diligence process, the Company validated the EA Resource Estimate and identified a potential of approximately 200,000 ounces of gold readily available in the oxide and transitional categories which are the focus of the drilling and conversion to Mineral Reserves noted above. The additional production from Diba is anticipated to reduce AISC, and increase revenue and cash flows at Sadiola in 2024 and 2025, substantially supporting the Company's development plans for those years.

Finally, regarding Sadiola, the board has approved the Phase 1 Expansion, with a total capital expenditure of approximately US\$61.6 million, scheduled for execution in 2024. This expansion is part of a broader plan for Sadiola, transitioning the mine from producing gold from oxide ore to fresh rock. In this initial phase, the existing plant, originally designed for oxide ore processing, will be upgraded to handle up to 60% of the total ore feed as fresh rock. As a result of this upgrade, Sadiola is expected to increase its annual gold production from 175,000 ounces per year to an average level of approximately 200,000 ounces per year between 2024 and 2028 based on Mineral Reserves only. Meaningful improvements in production are targeted in the short term as a result of the contribution from Diba high grade oxide ore mentioned above, with the objective to support production levels averaging over 230,000 ounces per year in the next two years.

The Phase 2 Expansion, planned as a new processing plant to be built beginning in 2027 and dedicated to processing fresh rock starting in 2029, is expected to increase production to an average of 400,000 ounces per year for the first 4 years and 300,000 ounces per year on average for the mine's 19-year life, with AISC expected to decrease to below US\$1,000 per gold ounce.

In addition to these developments, the board has approved an optimization plan encompassing a series of enhancements at existing mines. These enhancements include upgraded and improved power generation facilities, instrumentation upgrades, improved procurement and supply chain processes and management, enhanced contractor interaction for improved mine production and operational right-sizing to improve efficiency and costs across all of the Company's mines.

These efforts complement ongoing exploration initiatives aimed at extending mine life, primarily at our mines in Côte d'Ivoire. More details on the Company's exploration efforts and results will be provided in Q4 this year.

The Company anticipates producing over 360,000 ounces of gold this year, comparable to last year, with site level AISC below US\$1,550 per gold ounce. Production is expected to be weighted towards the second half of the year with production of 195,000 ounces of gold at an AISC below US\$1,540 per gold ounce. Production is expected to increase next year and in the years to follow while AISC decreases.

About Allied Gold Corporation

Allied Gold is a Canadian-based gold producer with a significant growth profile and mineral endowment which operates a portfolio of three producing assets and development projects located in Côte d'Ivoire, Mali, Ethiopia and Egypt. Led by a team of mining executives with operational and development experience and proven success in creating value, Allied Gold aspires to become a mid-tier next generation gold producer in Africa and ultimately a leading senior global gold producer.

For further information, please contact:

Allied Gold Corporation
Bay Adelaide Centre - North Tower
40 Temperance St., Suite 3200
Toronto, Ontario M5H 0B4 Canada

Tel: +1 (647) 526-4258

Email: investor@alliedgold.com (mailto:investor@alliedgold.com)

Qualified Person

Scientific and technical information contained in this news release has been reviewed and approved by Matthew McInnes, Senior Vice President, Studies of the Company. Mr. McInnes is an employee of the Company. and a "qualified person" as defined by Canadian Securities Administrators' National Instrument 43-101 - Standards of Disclosure for Mineral Projects.

Cautionary Statement Regarding Forward-Looking Information

This news release contains certain "forward-looking information" within the meaning of applicable Canadian securities legislation. Except for statements of historical fact relating to the Company, information contained herein constitutes forward-looking information, including, but not limited to, any information as to the Company's strategy, objectives, plans or future financial or operating performance. Forward-looking statements are characterized by words such as "plan", "expect", "budget", "target", "project", "intend", "believe", "anticipate", "estimate" and other similar words or negative versions thereof, or statements that certain events or conditions "may", "will", "should", "would" or "could" occur. In particular, forward-looking information included herein includes, without limitation, statements with respect to: the commencement of trading of the Company's common shares and convertible debentures on the TSX at the opening of the market on September 11, 2023; the use of net proceeds from the financing by the Company to carry out its planned growth strategy, including ongoing optimization and development work, as well as for general corporate purposes; the Company's strategic vision, commitment to delivering on our high-quality, organic growth profile and generating substantial value for our shareholders; our goal is to evolve into a significant mid-tier next-generation gold producer and ultimately become a leading senior global gold producer; the consolidation of ownership interest in the Kurmuk project positions the Company to be able to advance the Kurmuk Project efficiently through construction and development; statements with respect to the Company's plans in relation to key growth projects, including all anticipated costs, timing, impacts and goals associated therewith, as well as ongoing exploration initiatives and goals in connection therewith, including anticipated timing for the release of additional details on the Company's exploration efforts and results in Q4 of this year. Forward-looking information is based on the opinions, assumptions and estimates of management considered reasonable at the date the statements are made, and is inherently subject to a variety of risks and uncertainties and other known and unknown factors that could cause actual events or results to differ materially from those projected in the forward-looking information. These factors include the Company's plans not being achieved on the timelines and at the thresholds disclosed herein, or at all; fluctuating price of gold; risks relating to the exploration, development and operation of mineral properties, including but not limited to adverse environmental and climatic conditions, unusual and unexpected geologic conditions and equipment failures; risks relating to operating in emerging markets, particularly Africa, including risk of government expropriation or nationalization of mining operations; health, safety and environmental risks and hazards to which the Company's operations are subject; the Company's ability to maintain or increase present level of gold production; nature and climatic condition risks; counterparty, credit, liquidity and interest rate risks and access to financing; cost and availability of commodities; increases in costs of production, such as fuel, steel, power, labour and other consumables; risks associated with infectious diseases; uncertainty in the estimation of Mineral Reserves and Mineral Resources; the Company's ability to replace and expand Mineral Reserves at its mines; factors that may affect the Company's future production estimates, including but not limited to the quality of ore, production costs, infrastructure and availability of workforce and equipment; risks relating to the partial ownerships and/or joint ventures at the Company's operations; reliance on the Company's existing infrastructure and supply chains at the Company's operating mines; risks relating to the acquisition, holding and renewal of title to mining rights and permits, and changes to the mining legislative and regulatory regimes in the Company's operating jurisdictions; limitations on insurance coverage; risks relating to illegal and artisanal mining; the Company's compliance with anti-corruption laws; risks relating to the development, construction and start-up of new mines, including but not limited to the availability and performance of contractors and suppliers, the receipt of required governmental approvals and permits, and cost overruns; risks relating to acquisitions and divestitures; title disputes or claims; risks relating to the termination of mining rights; risks relating to security and human rights; risks associated with processing and metallurgical recoveries; risks related to enforcing legal rights in foreign jurisdictions; competition in the precious metals mining industry; risks related to the Company's

ability to service its debt obligations; fluctuating currency exchange rates (including the United States Dollar, Euro, West African CFA Franc, Ethiopian Birr and Egyptian Pound exchange rates); the values of assets and liabilities based on projected future conditions and potential impairment charges; risks related to shareholder activism; timing and possible outcome of pending and outstanding litigation and labour disputes; risks related to the Company's investments and use of derivatives; taxation risks; scrutiny from non-governmental organizations; labour and employment relations; risks related to third-party contractor arrangements; repatriation of funds from foreign subsidiaries; community relations; the impact of global financial, economic and political conditions, global liquidity, interest rates, inflation and other factors on the Company's results of operations and market price of the common shares; risks associated with financial projections; force majeure events; the Company's dependence on key management personnel and executives; vulnerability of information systems including cyber attacks; as well as those other risk factors discussed in the Company's current annual information form available under its profile on SEDAR+ at www.sedarplus.ca (<https://api.newsfilecorp.com/redirect/pEoEXCj23K>).

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 information, there may be other factors that could cause actions, events or results to not be as anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The Company undertakes no obligation to update forward-looking information if circumstances or management's estimates, assumptions or opinions should change, except as required by applicable Canadian securities law. The reader is cautioned not to place undue reliance on forward-looking information. The forward-looking information contained herein is presented for the purpose of assisting investors in understanding the Company's expected financial and operational performance and results as at and for the periods and dates presented in the Company's plans and objectives and may not be appropriate for other purposes.

Endnotes

(1) All references herein to AISC are to a non-GAAP financial measure and ratio, for which the closest IFRS financial measure is cost of sales. See "Non-GAAP Financial Performance Measures" contained herein, and the applicable definition and reconciliation of historical AISC to cost of sales, contained in Section 11: Non-GAAP Financial Performance Measures in the Allied Gold Corp Limited's (the RTO acquirer) MD&A for the year, which is incorporated by reference herein.

(2) The reference herein to EBITDA is to a non-GAAP financial measure, for which the closest IFRS financial measure is net profit. EBITDA represents net profit before impairment charges, interest, taxes, depreciation and amortization. EBITDA is an indicator of the Company's ability to generate liquidity by producing operating cash flows to fund working capital needs, service debt obligations, and fund capital expenditures. See "Non-GAAP Financial Performance Measures" contained herein.

(3) Readers are referred to the full statement of Mineral Resources and notes thereto contained in Altus Strategies 2022 NI 43-101 report: "Altus Strategies: Diba & Lakanfla Project Heap Leach Preliminary Economic Assessment, Mali" dated 1 August, 2022, effective as at 1 August 2022; available under Elemental Altus' profile on SEDAR+ at www.sedarplus.com (<https://api.newsfilecorp.com/redirect/YY5YBIXjxZ>).

Non-GAAP Financial Performance Measures

The Company refers to certain non-GAAP financial performance measures and non-GAAP ratios in this news release, including AISC per ounce of gold sold and EBITDA.

The Company believes that these measures and ratios, together with measures determined in accordance with IFRS, provide investors with an improved ability to evaluate the underlying performance of the Company. Non-GAAP financial performance measures and ratios do not have any standardized meaning prescribed under IFRS, and therefore they may not be comparable to similar measures employed by other companies. The data 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. Management's determination of the components of non-GAAP financial performance measures and other financial measures are evaluated on a periodic basis influenced by new

items and transactions, a review of investor uses and new regulations as applicable. Readers are referred to Section 11: Non-GAAP Financial Performance Measures in the Allied Gold Corp Limited's (the RTO acquirer) MD&A for the year, which is incorporated by reference herein, for further information.

To view the source version of this press release, please visit <https://www.newsfilecorp.com/release/180172>
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