

Allied Gold to Acquire Neighboring Diba Property, Expanding the Footprint and Strengthening the Economics of Its Flagship Sadiola Gold Project

Dubai, United Arab Emirates--(Newsfile Corp. - July 20, 2023) - Allied Gold Corp Ltd ("Allied") is pleased to announce that it has agreed to acquire the permitted Korali-Sud Small Scale Mining License as well as the highly prospective Lakanfla Exploration License (together, the "Project" or "Diba") from Elemental Altus Royalties Corp (TSXV: ELE) (OTCQX: ELEM) ("Elemental Altus"), subject to regulatory approvals (the "Acquisition") for a consideration comprised of a modest upfront cash payment, deferred payments based on the achievement of performance, production and operational milestones and a Net Smelter Returns ("NSR") royalty.

Highlights of the Acquisition

Addition of the Diba Project significantly enhances Sadiola's footprint, value and growth strategy

- The Diba Project is located 15 kilometres south of the processing plant at Allied's flagship Sadiola Gold Mine ("Sadiola") and is adjacent to the Sadiola Large Scale Mining License, creating the opportunity to capture significant synergies and create substantial value.
- The Project covers a surface area of approximately 107 square kilometers in the same geological district as Sadiola, providing meaningful near and long term opportunities for production and financial growth.
- The Diba orebody shows extensive oxidation at depths of up to 70 m and it presents continuous, higher grade, mineralization near surface, making it amenable to simple, productive, and cost efficient open pit mining methods and agitated leaching at the Sadiola plant.
- Elemental Altus' Mineral Resource Estimate (the "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.
- In its due diligence process, Allied validated the Resource Estimate and identified a potential of approximately 200,000 ounces of gold readily available in the oxide and transitional categories at the shovel-ready Korali-Sud project, which are targeted to be added to the near-term Sadiola mine plan.
- Allied expects that a significant tonnage will be processed from this higher grade, oxidized inventory in 2024 and 2025, both displacing and supplementing lower grade and hard ore from Sadiola. This will result in increased production above the current plan, reducing costs and improving margins and EBITDA during the construction of Kurmuk, thereby ensuring more secure cash flows and liquidity.

Location, geology and mineralization well-suited to Allied's expertise

- The highly experienced Allied and Sadiola management teams have a demonstrated ability to maximize value to stakeholders through disciplined and responsible execution and strategic investments in exploration and project development.
- The Diba licenses are located in the Keniebandi Formation on the northern portion of the Kédougou - Kéniéba Inlier, on the western side of the Senegal-Mali Shear Zone, which also host the Sadiola Mine. As such, the geological characteristics of the Project suggest it can be mined via Open Pit with the same equipment profile than Sadiola as well as processed at its existing CIP plant.
- Building off the work completed to date by Elemental Altus, Allied plans to commence an infill drilling campaign and other confirmatory studies to refine and expand upon the opportunity of Diba and its expected contributions to the near term production profile, which are expected to be realized as early as 2024.
- The operating plan consists of mining and trucking the high grade oxides up to a throughput of 1.8 million tonnes per year. These high grade oxides are expected to increase the average throughput at Sadiola given their

soft ore characteristics and have meaningful positive impact on Sadiola's production and cash flows.

Purchase Price

The agreed purchase price consists of cash payments and an NSR royalty.

- Cash Payments totalling up to \$6 million USD, with an initial amount of \$1 million payable on closing, followed by deferred amounts of up to \$5 million payable upon the attainment of defined production milestones of up to 200,000 ounces produced from Korali-Sud.
- NSR Royalty: The remainder of the purchase price consists of an NSR royalty at a rate of 3 % for the first 226,000 ounces of gold produced from Korali-Sud, and at a rate of 2 % for ounces from Korali-Sud and Lakanfla thereafter.

Strategic Rationale

The Acquisition provides Allied with a high-quality, bolt-on, permitted project with a significant Mineral Resource and excellent potential for further expansion. Diba is expected to improve production, reduce costs and increase EBITDA and cash flows starting as early as in 2024, further improving on the optimizations and growth strategy defined for Sadiola with its Phased Expansion. Furthermore, the expected contributions from Diba will strengthen Allied's cash flows and liquidity during Kurmuk's construction period.

The Acquisition also increases Allied's footprint in Western Mali, which is consistent with the Company's strategy to build on its existing presence in established mining jurisdictions where it has deep technical, geological, and operational expertise.

About Allied Gold Corp Limited

Allied is a private company focused on gold mining asset transformation in Africa. Allied has three mines and several development and exploration projects in Africa where it has significant operating experience. Operations are located in Côte d'Ivoire, Mali, Ethiopia and Egypt. Led by a team of mine developers with proven success in adding value to tier one assets, AGC aspires to become a mid-tier next generation gold producer in Africa and ultimately a leading senior global gold producer. Allied recently announced its plan to list on the Toronto Stock Exchange and expand its executive team with the addition of the former principals of Yamana Gold.

About Elemental Altus Royalties Corp.

Elemental Altus is an income generating precious metals royalty company with 10 producing royalties and a diversified portfolio of pre-production and discovery stage assets. The Company is focused on acquiring uncapped royalties and streams over producing, or near-producing, mines operated by established counterparties, as well as generating royalties on new discoveries. The vision of Elemental Altus is to build a global gold royalty company, offering investors superior exposure to gold with reduced risk and a strong growth profile.

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CAUTIONARY STATEMENT

The Diba Preliminary Economic Assessment is preliminary in nature and includes Inferred Mineral Resources that are considered too speculative geologically to have economic considerations applied that would enable them to be categorized as Mineral Reserves, and there is no certainty that the preliminary economic assessment will be realized.

Table 3 – Mineral Resource Statement for Diba project.

Mineral Resource Estimate for the Diba Project - April, 2022											
Prospect	Domain	Cut-Off (g/t Au)	Indicated			Inferred			Total Resource (Indicated + Inferred)		
			Tonnes (Mt)	Grade (g/t)	Au koz	Tonnes (Mt)	Grade (g/t)	Au koz	Tonnes (Mt)	Grade (g/t)	Au koz
Diba	Oxide	0.5	4.1	1.52	199	0.1	0.84	3	4.2	1.50	202
Diba NW	Oxide	0.5				0.1	0.63	2	0.1	0.63	2
Lakanfla	Oxide	0.5				2.5	0.87	69	2.5	0.87	69
Total	Oxide	0.5	4.1	1.52	199	2.7	0.86	75	6.7	1.26	271
Diba	Trans	0.5	0.7	1.18	25	0.05	0.78	1	0.7	1.15	26
Diba NW	Trans	0.5				0.4	0.69	9	0.4	0.69	9
Lakanfla	Trans	0.5				0.8	0.90	23	0.8	0.90	23
Total	Trans	0.5	0.7	1.18	25	1.2	0.83	33	1.2	0.83	33
Diba	Fresh	0.5	3.1	0.88	88	4.7	0.90	135	7.8	0.89	223
Diba NW	Fresh	0.5				3.6	0.91	106	3.6	0.91	106
Lakanfla	Fresh	0.5				0.5	0.80	13	0.5	0.80	13
Total	Fresh	0.5	3.1	0.88	88	8.8	0.90	255	11.9	0.89	341
Diba	Total	0.5	7.8	1.24	312	4.8	0.90	139	12.7	1.11	451
Diba NW	Total	0.5				4.1	0.88	118	4.1	0.88	118
Lakanfla	Total	0.5				3.7	0.87	105	3.7	0.87	105
Total	Total	0.5	7.8	1.24	312	12.7	0.87	362	20.6	1.01	673

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Notes on Mineral Reserves and Mineral Resources

Data is reported to significant figures to reflect appropriate precision and may not sum precisely due to rounding.

Mineral Resources are reported within a \$2,150/oz optimum pit at a 0.5 g/t Au cut-off and are quoted on a 100% equity basis.

Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

Scientific and Technical Information

Refer to Altus Strategies: Diba & Lakanfla Project Heap Leach Preliminary Economic Assessment (NI43-101), Mali Technical Report, 27 July 2022 available on Sedar.

(All amounts are in U.S. dollars unless otherwise stated)

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