ALLIED GOLD CORP LIMITED

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND SIX-MONTH PERIODS ENDED JUNE 30, 2023 AND JUNE 30, 2022

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Expressed in thousands of United States Dollars, unless stated otherwise

		Three-month period ended		Six-month period ended	
		June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	Note	$	$	$	$
Revenue	17	**145,012**	205,446	299,332	333,021
Cost of sales	18	**(119,537)**	(149,239)	(251,567)	(252,657)
Gross profit		**25,475**	**56,207**	**47,765**	**80,364**
Administrative expenses		**(12,622)**	(7,466)	(23,456)	(17,741)
Modification of the equity put options	15	**-**	-	(10,000)	-
Revaluation of a preferred shareholder put option instrument liability	15	**4,560**	(2,982)	4,560	(5,965)
Revaluation of contingent consideration	16	**(567)**	-	(1,538)	-
Remeasurement of option asset	20	**(106)**	-	(106)	-
(Loss) / gain on derivative financial instrument		**(100)**	(395)	(275)	(611)
Other income		**342**	375	387	387
Net profit /(loss) before finance costs and income tax		**16,982**	**45,739**	**17,337**	**56,434**
Finance costs	19	**(5,424)**	(8,252)	(11,154)	(15,045)
Net profit /(loss) before income tax		**11,558**	**37,487**	**6,183**	**41,389**
Income tax expense	21	**(7,620)**	(15,728)	(21,606)	(25,852)
Net profit / (loss) and total comprehensive income / (expenditure) for the period		**3,938**	**21,759**	**(15,423)**	**15,537**
Profit / (loss) and total comprehensive income / (expenditure) attributable to:					
Owners of the Company		**1,147**	16,415	(19,286)	8,803
Non-controlling interests	23	**2,791**	5,344	3,863	6,734
		3,938	**21,759**	**(15,423)**	**15,537**
Earnings per share (expressed in USD)					
Basic	22	**0.00**	**0.04**	**(0.05)**	**0.02**
Diluted	22	**0.00**	**0.04**	**(0.05)**	**0.02**

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Expressed in thousands of United States Dollars, unless stated otherwise

	Note	As at June 30, 2023 $	As at December 31, 2022 $
ASSETS			
Non-current assets			
Mining interests	4	**147,525**	153,985
Property, plant and equipment	7	**229,268**	205,609
Exploration and evaluation assets	5	**97,674**	86,321
Inventories non-current	6	**9,097**	10,102
Due from related party	25	**7,130**	7,454
Trade receivables, prepayments and other receivables	8	**8,803**	18,863
Deferred tax assets	21	**7,614**	8,156
Restricted cash		**6,700**	6,656
Derivative financial asset	20	**834**	940
Total non-current assets		**514,645**	**498,086**
Current assets			
Inventories current	6	**70,702**	63,344
Due from related party	25	**12,230**	14,135
Trade receivables, prepayments, and other receivables	8	**37,868**	38,270
Cash and cash equivalents		**15,838**	45,163
Total current assets		**136,638**	**160,912**
TOTAL ASSETS		**651,283**	**658,998**

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Expressed in thousands of United States Dollars, unless stated otherwise

	Note	As at June 30, 2023 $	As at December 31, 2022 $
Equity and liabilities			
Equity			
Stated capital	13	**93,000**	93,000
Retained earnings/(losses)		**(50,373)**	(31,087)
Other reserves		**(79,678)**	(79,678)
Corporate reorganisation reserve		**33,572**	33,572
Share-based payments reserve	14	**31,804**	29,506
Total equity attributable to owners of the parent company		**28,325**	**45,313**
Non-controlling interests	23	**69,915**	**66,052**
Total equity		**98,240**	**111,365**
Non-current liabilities			
Preferred shareholder put option liability	15	**113,838**	118,398
Provision for reclamation and closure costs	12	**86,841**	85,111
Deferred tax liability		**13,300**	12,125
Deferred and contingent consideration	16	**45,571**	43,384
Deferred revenue	9	**16,867**	18,150
Borrowings	10	**21,414**	32,119
Total non-current liabilities		**297,831**	**309,287**
Current liabilities			
Trade and other payables	11	**119,275**	129,938
Provisions		**8,747**	7,760
Deferred and contingent consideration	16	**4,922**	3,922
Borrowings, current	10	**38,242**	21,415
Income tax payable		**30,253**	32,926
Cash settled stock-based compensation liabilities	14	**3,773**	2,385
Equity put options	15	**50,000**	40,000
Total current liabilities		**255,212**	**238,346**
Total liabilities		**553,043**	**547,633**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**651,283**	**658,998**

The condensed financial statements were approved by the Board of Directors and authorised for issue on August 21, 2023. They were signed on its behalf by:

Stephanus Theron, Director

ALLIED GOLD CORP LIMITED

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Expressed in thousands of United States Dollars, unless stated otherwise

	Stated capital	Other reserves	Corporate reorganisation reserve	Share based payment reserve	Retained Earnings	Total	Non-controlling interests	Total
Balance at December 31, 2022	**93,000**	**(79,678)**	**33,572**	**29,506**	**(31,087)**	**45,313**	**66,052**	**111,365**
(Loss) / profit for the period	-	-	-	-	(19,286)	(19,286)	3,863	(15,423)
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**(19,286)**	(19,826)	**3,863**	**(15,423)**
Share-based payment expense (note 14)	-	-	-	2,298	-	2,298	-	2,298
Balance at June 30, 2023	**93,000**	**(79,678)**	**33,572**	**31,804**	**(50,373)**	**28,325**	**69,915**	**98,240**

	Stated capital	Other reserves	Corporate reorganisation reserve	Share based payment reserve	Retained Earnings	Total	Non-controlling interests	Total
Balance at 31 December 2021	93,000	(79,678)	33,572	23,453	(23,667)	46,680	54,996	101,676
Profit / (loss) for the period	-	-	-	-	8,803	8,803	6,734	15,537
Total comprehensive income for the period	-	-	-	-	8,803	8,803	6,734	15,537
Share-based payment expense	-	-	-	2,284	-	2,284	-	2,284
Balance at June 30, 2022	**93,000**	**(79,678)**	**33,572**	**25,737**	**14,864**	**57,767**	**61,730**	**119,497**

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Expressed in thousands of United States Dollars, unless stated otherwise

		Three-month period ended		Six-month period ended	
		June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	Note	$	$	$	$
Cash flows from operating activities					
Net profit / (loss) after taxation		3,938	21,759	(15,423)	15,537
Tax charge / (credit)	21	7,620	15,728	21,606	25,852
Adjustments for:					
Share-based payment charges	14	1,084	1,336	2,298	2,284
Depreciation on property, plant and equipment	7	5,278	10,311	11,301	20,691
Loss on disposal of property, plant and equipment		-	-	397	-
Amortisation of mining interests	4	3,321	5,430	6,460	10,381
Modification of the equity put options	15	-	-	10,000	-
Revaluation of a preferred shareholder put option	15	(4,560)	2,982	(4,560)	5,965
Remeasurement of option asset	15	106	-	106	-
Loss on derivative financial instruments		100	395	275	611
Non-cash revenue from stream arrangements	9	(2,059)	(1,535)	(4,525)	(2,991)
(Decrease) / increase in provisions, deferred and contingent consideration		(7,164)	(4,361)	(5,506)	5,266
Finance costs	19	5,424	8,252	11,154	15,045
Net foreign exchange loss (gain)		1,171	(425)	1,513	2,011
Proceeds from streaming arrangements	9	533	479	1,091	933
Income tax paid	21	(18,784)	(14,996)	(18,784)	(25,257)
Operating cash flows before movements in working capital		**(3,992)**	**45,355**	**17,403**	**76,328**
(Increase) / decrease in trade and other receivables		11,542	(3,275)	10,462	(7,135)
(Increase) / decrease in inventories		(16,163)	10,952	(7,823)	(10,418)
Increase / (decrease) in trade and other payables		18,052	(3,741)	(2,448)	(6,330)
Net cash generated from operating activities		**9,439**	**49,291**	**17,594**	**52,445**
Investing activities					
Payment of contingent consideration		(798)	-	(798)	-
Purchase of property, plant and equipment	7	(16,941)	(15,466)	(35,357)	(28,451)
Exploration and evaluation expenditure	5	(5,395)	(7,223)	(11,353)	(14,106)
Received from / (paid to) related parties	25	(646)	3,558	1,106	(515)
Transfer from /(to) restricted cash		(77)	33,319	(44)	33,436
Net cash generated from / (used in) investing activities		**(23,857)**	**14,188**	**(46,446)**	**(9,636)**
Financing activities					
Proceeds from loans	10	9,880	-	9,880	-
Repayment of loans	10	(2,258)	(34,751)	(3,758)	(34,751)
Finance costs paid	19	(1,726)	(2,786)	(3,567)	(2,967)
Other finance costs	19	(301)	(739)	(763)	(1,335)
Net cash (used by) / generated from financing activities		**5,595**	**(38,276)**	**1,792**	**(39,053)**
Net (decrease) / increase in cash and cash equivalents		**(8,823)**	**25,203**	**(27,060)**	**3,756**
Cash and cash equivalents at beginning of period		**25,559**	**34,363**	**45,163**	**56,603**
Effect of foreign exchange rate changes /difference		(898)	(2,792)	(2,265)	(3,585)
Cash and cash equivalents at end of year		**15,838**	**56,774**	**15,838**	**56,774**

1 GENERAL INFORMATION

1.1 Allied Gold Corp Limited ("the Company") and its subsidiaries (together, "the Group") is a gold producer and explorer in Africa, focused on acquiring and developing assets with existing reserves and resources.

1.2 The Group is the operator and majority owner (through its subsidiaries) of the following producing gold mines as at June 30, 2023:

- the Bonikro & Hiré Mines (located in Côte d'Ivoire) (the "Bonikro Mine" and the "Hiré Mine");
- the Sadiola Mine (located in Mali) (the "Sadiola Mine"); and
- the Agbaou Mine (located in Côte d'Ivoire) (the "Agbaou Mine")

1.3 The Group also holds gold exploration project assets in Ethiopia (through a 64.46% interest in APM Ethiopia Limited), and Egypt (through a contingent 92.5% interest in SMW Gold Limited).

1.4 The principal activity of the Company is that of a holding company for the Group, as well as performing all administrative, corporate finance, strategic and governance functions of the Group.

1.5 The Company was incorporated on 2 October 2019 and is a private limited company. The Company is domiciled in Jersey and incorporated and registered in Jersey. The address of its registered office is 13-14 Esplanade St, Helier, Jersey, JE4 5UR. The registered number of the Company is 130012. As at June 30, 2023, the shareholders of the Company are Allied Gold Corp "AGC", a corporation existing under the laws of the Seychelles, Orion Mine Finance (OMF Fund III), a limited liability partnership existing under the laws of the Cayman Islands and Endeavour Mining plc, a corporation existing under the laws of the United Kingdom.

Expressed in thousands of United States Dollars, unless stated otherwise

1.6 Subsidiaries of the Group

The principal subsidiaries of the Group, all of which are private companies limited by shares, as at June 30, 2023, are as follows:

Company	Country of Registration or Incorporation	Principal Activity	Percentage of ordinary shares controlled by the Company	
			June 30, 2023	Dec. 31, 2022
Bonikro Gold Mine CI SA	Côte d'Ivoire	Gold mining in Côte d'Ivoire	89.89%	89.89%
Hiré Gold Mine CI SA	Côte d'Ivoire	Gold mining in Côte d'Ivoire	89.89%	89.89%
Agbaou Gold Operations S.A.	Côte d'Ivoire	Gold Exploration in Côte d'Ivoire	85.00%	85.00%
Société d'Exploitation des Mines d'Or de Sadiola S.A.	Mali	Gold mining in Mali	80.00%	80.00%
ARL Gold Tanzania Limited	Tanzania	Gold Exploration in Tanzania	99.00%	99.00%
Hire Holding Pte Ltd	Singapore	Holding company	100.00%	100.00%
Afrique Gold (Mauritius)	Mauritius	Holding company	100.00%	100.00%
Allied Gold Canadian Acquisition Corp	Canada	Holding company	100.00%	100.00%
Allied Gold Cayman	Cayman Islands	Holding company	100.00%	100.00%
Allied Gold EG Corp	Seychelles	Holding company	100.00%	100.00%
Allied Gold Exchange Corp	Canada	Holding company	100.00%	100.00%
Allied Gold ML Corp	Seychelles	Holding company	100.00%	100.00%
Allied Gold South Africa	South Africa	Holding company	100.00%	100.00%
F & M Gold Resources Ltd.	Canada	Holding company	100.00%	100.00%
Allied Gold ET 2 Corp	Seychelles	Holding company	100.00%	100.00%

The principal places of business of the non-controlling interests are the same in all cases as the country of registration or incorporation of the subsidiary itself.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

The Unaudited Interim Condensed Consolidated Financial Statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" (IAS 34) as issued by the International Accounting Standards Board ("IASB"). Other than as noted below, the accounting policies applied by the Group in these interim condensed financial statements are the same as those set out in the Group's audited financial statements for the year ended December 31, 2022. These financial statements cover the three and six-month period to June 30, 2023.

These condensed financial statements do not include all of the information required for a complete set of International Financial Reporting Standards ("IFRS") financial statements and should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2022. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the financial statements for the year ended December 31, 2022.

The Unaudited Interim Condensed Consolidated Financial Statements have been prepared under the historical cost convention, as modified for any financial assets which are stated at fair value through profit or loss.

The Unaudited Interim Condensed Consolidated Financial Statements are presented in United States dollars ("United States Dollars" or "US Dollars" or "$"), which is the Group's presentation currency. The functional and presentation currency of Allied Gold Corp Limited is US Dollars. The functional currency of its subsidiaries is US Dollars.

The condensed interim financial statements are unaudited but have been reviewed by the auditors and were approved by the Board of Directors on August 21, 2023.

2.2 Basis of consolidation

The interim condensed consolidated financial statements comprise the financial statements of Allied Gold Corp Limited and its subsidiaries as at June 30, 2023. Subsidiaries are entities controlled by the Group. Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has all of the following:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. When the Group has less than a majority of the voting, or similar, rights of an investee, it considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangements with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights

The relevant activities are those which significantly affect the subsidiary's returns. The ability to approve the operating and capital budget of a subsidiary and the ability to appoint key management personnel are decisions that demonstrate that the Group has the existing rights to direct the relevant activities of a subsidiary.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of profit or loss and other comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

2.2 Basis of consolidation (continued)

Where the Group's interest is less than 100 percent, the interest attributable to outside shareholders is reflected in non-controlling interests (NCIs).

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the NCIs, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

Business combinations other than those arising between entities under common control which are accounted for using predecessor value method accounting principles are accounted for under the acquisition method.

Under the acquisition method, the results of the subsidiaries acquired or disposed of are included from the date of acquisition or up to the date of disposal. At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are reflected in the Consolidated Financial Statements. The cost of acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination, and directly expensed. Any excess of the purchase consideration of the business combination over the fair value of the identifiable assets and liabilities acquired is recognised as goodwill. Goodwill, if any, is not amortised but reviewed for impairment at least annually.

If the difference above is negative, the resulting gain is recognised as a bargain purchase in profit or loss. However, before any bargain purchase gain is recognised in profit or loss, the Company undertakes a review to ensure the identification of assets and liabilities is complete, and that measurements appropriately reflect consideration of all available information.

Acquisition-related costs are expensed as incurred.

Intra-group transactions, balances and unrealised gains on transactions are eliminated; unrealised losses are also eliminated unless the cost cannot be recovered. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

The total comprehensive income of non-wholly owned subsidiaries is attributed to owners of the parent and to the non-controlling interests in proportion to their relative ownership interests.

2.3 Going concern

The directors have performed an assessment of whether the Group would be able to continue as a going concern for the period to December 2024. In their assessment, the Group has taken into account its financial position, its cash flows, liquidity position, borrowing facilities and related covenants, capital expenditure commitments and future funding requirements.

As at June 30, 2023, the Group had unrestricted cash and cash equivalents of US$15.8 million and total borrowings of US$59.7 million, excluding the redemption value of the preferred shareholder put option.

2.3 Going concern (continued)

Based on a detailed cash flow forecast prepared by management, the Directors have a reasonable expectation that the group will have adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months from the date of approval of the financial statements. Key assumptions underpinning this forecast include planned levels of production, future consensus gold prices, operating costs and capital expenditure commitments. As part of their assessment, the directors have considered reasonable and plausible downturn scenarios including; a reduction in average gold prices of US$100 per ounce; a 1.5% decrease in throughput in the 12-month period; a 0.05g / tonne decrease in grade in the 12-month period; and a combination of each of these sensitivities. In each scenario, sufficient liquidity was demonstrated.

In performing their assessment, the directors have assessed the historic and future forecast compliance with the Group's non-financial and financial covenants on the borrowing facilities. The Group has forecasted that there will not be any breaches under current forecast assumptions or within the reasonable downturn scenarios.

The Company is a holding entity and as such the Group supports the transactions within the Company.

As described in note 16, the Company has two outstanding put liabilities under which it could be required to pay significant sums to repurchase its own shares from third-parties for cash:

- A put option held by Endeavour Gold Corporation allowing it to require the Group to repurchase the ordinary shares issued on the acquisition of Endeavour Resources Inc. for cash consideration of $50m on behalf of the Parent Company. This option is exercisable in the absence of a liquidity event between October 1 and December 31, 2023.
- A put option held by Orion Mine Finance and exercisable in the absence of a liquidity event prior to December 31, 2023, allowing it to require the Group to repurchase its preferred shares for the higher of fair value and such amount that guarantees a minimum return on investment to the holder. Refer to note 15 for further details on this put option.

While the Group has the ability to direct some of the factors which will determine whether or not the Orion option becomes exercisable or ultimately lapses, other factors, such as market factors and regulatory approvals are beyond the control of the Group. In the event of an absence of a liquidity event, Management considers the likelihood of the Orion put option being exercised to be very low, as the holder of the option is a significant shareholder in the Company.

The Group on behalf of the Company would be required to raise funds in the event of the crystallisation of the put option liabilities ("the Potential Liabilities"). The Group is in the process of securing additional funding from third parties in order to further fund its expansion, and also to satisfy the Potential Liabilities if they were to fall due within the going concern period.

As disclosed in Note 27, the Group is in advanced stages of a $250M financing and concurrent listing on the Toronto Stock Exchange. The completion of this transaction would result in the discharge of the Potential Liabilities on a cash-free basis under the terms of the agreements. The financing and listing event are subject to conditions and events which because they are not in the control of the Group, indicate the existence of a material uncertainty that may cast significant doubt upon the Group's ability to continue as a going concern and the Group may therefore be unable to realise its assets and discharge its liabilities in the ordinary course of business. The Directors, however, remain confident in the ability to raise this finance, and that the Group will continue as a going concern.

As part of the going concern review, the Board also considered the sensitivity of going concern to this transaction both proceeding and terminating.

These Consolidated Financial Statements do not include the adjustments that would result if the Group were unable to continue as a going concern.

2.4 Foreign currency transactions and translation

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 New standards, interpretations and amendments adopted from 1 January 2023

The Group has applied the same accounting policies and methods of computation in its interim condensed consolidated financial statements as in its 2022 annual consolidated financial statements, except for the following amendments which apply for the first time in 2023. However, not all are expected to impact the Group as they are either not relevant to the Group's activities or require accounting which is consistent with the Group's current accounting policies.

The following new standards and amendments are effective for the period beginning 1 January 2023:

3.1.1 Disclosure of Accounting Policies (Amendments to IAS 1 *Presentation of Financial Statements* and IFRS Practice Statement 2)

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 *Making Materiality Judgements*, providing guidance to help entities meet the accounting policy disclosure requirements. The amendments aim to make accounting policy disclosures more informative by replacing the requirement to disclose "significant accounting policies" with "material accounting policy information". The amendments also provide guidance under what circumstance, the accounting policy information is likely to be considered material and therefore requiring disclosure. These amendments had no effect on the interim condensed consolidated financial statements of the Group as they relate to disclosures of accounting policies in complete financial statements rather than interim financial statements. The amendments are expected to be applicable for the accounting policy disclosures in the annual consolidated financial statements of the Group.

3.1.2 Definition of Accounting Estimates (Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors)

The amendment to IAS 8, which added the definition of accounting estimates, clarifies that the effects of a change in an input or measurement technique are changes in accounting estimates, unless resulting from the correction of prior period errors. These amendments clarify how entities make the distinction between changes in accounting estimate, changes in accounting policy and prior period errors. These amendments had no effect on the interim condensed consolidated financial statements of the Group.

3.1.3 Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 *Income Taxes*)

In May 2021, the IASB issued amendments to IAS 12, which clarify whether the initial recognition exemption applies to certain transactions that result in both an asset and a liability being recognised simultaneously (e.g. a lease in the scope of IFRS 16). The amendments introduce an additional criterion for the initial recognition exemption, whereby the exemption does not apply to the initial recognition of an asset or liability which at the time of the transaction, gives rise to equal taxable and deductible temporary differences. These amendments had no effect on the interim condensed consolidated financial statements of the Group.

Expressed in thousands of United States Dollars, unless stated otherwise

3.1.4 Deferred tax assets and liabilities related to pillar two income taxes (Amendments to IAS 12 *Income Taxes*)

In May 2023 the IASB issued "International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12)" to provide a temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes implemented by the OECD.

The amendments in International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12) are:

- An exception to the requirements in IAS 12 that an entity does not recognise and does not disclose information about deferred tax assets and liabilities related to the OECD pillar two income taxes. An entity has to disclose that it has applied the exception.
- A disclosure requirement that an entity has to disclose separately its current tax expense (income) related to pillar two income taxes.
- A disclosure requirement that states that in periods in which pillar two legislation is enacted or substantively enacted, but not yet in effect, an entity discloses known or reasonably estimable information that helps users of financial statements understand the entity's exposure to pillar two income taxes arising from that legislation.
- The requirement that an entity applies the exception and the requirement to disclose that it has applied the exception immediately upon issuance of the amendments and retrospectively in accordance with IAS 8. The remaining disclosure requirements are required for annual reporting periods beginning on or after January 1, 2023.

The Group has applied the exception to the requirements in IAS 12 to not recognise or disclose deferred tax assets and liabilities related to the OECD pillar two income taxes retrospectively to these interim condensed consolidated financial statements, without impact.

3.2 New standards, interpretations and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early. The following amendments are effective for the period beginning 1 January 2024:

- IFRS 16 Leases (Amendment – Liability in a Sale and Leaseback)
- IAS 1 Presentation of Financial Statements (Amendment – Classification of Liabilities as Current or Non-current)
- IAS 1 Presentation of Financial Statements (Amendment – Non-current Liabilities with Covenants)

The Group is currently assessing the impact of these new accounting standards and amendments. The Group does not expect any of the standards issued by the IASB, but not yet effective, to have a material impact on the Group.

4 MINING INTERESTS

Six-month period ended June 30, 2023 **$**	**Bonikro & Hiré mines**	**Agbaou mine**	**Sadiola mine**	**Total**
Opening balance	**57,887**	**10,113**	**85,985**	**153,985**
Less: amortisation of mining interests	**(4,070)**	**(1,037)**	**(1,353)**	(6,460)
Closing balance	**53,817**	**9,076**	**84,632**	147,525

Twelve-month period ended December 31, 2022 **$**	**Bonikro & Hiré mines**	**Agbaou mine**	**Sadiola mine**	**Total**
Opening balance	66,049	19,265	88,948	174,262
Less: amortisation of mining interests	(8,162)	(9,152)	(2,963)	(20,277)
Closing balance	57,887	10,113	85,985	153,985

Mining interest represents the fair value of acquired mines and is amortised on a unit of production basis.

Expressed in thousands of United States Dollars, unless stated otherwise

5 EXPLORATION AND EVALUATION ASSETS

	June 30, 2023 $	December 31, 2022 $
Côte d'Ivoire (Bonikro)	**3,066**	1,461
Ethiopia	**75,825**	68,233
Egypt	**18,783**	16,627
Carrying value	**97,674**	86,321

The costs of exploration and evaluation assets are not subject to amortisation until they are included in the life-of-the-mine plan and production has commenced.

Reconciliation of exploration assets

	Opening balance	Additions	Closing balance
Six-month period ended June 30, 2023			
Capitalised exploration costs	**86,321**	**11,353**	**97,674**

The Group is currently in the process of renewing certain of its exploration licences, in particular the licence related to its Egyptian exploration asset which currently expires in September 2023. The extension has been supported by Egyptian Mineral Resources Authority (EMRA) which is in process of applying for approval by the Egyptian parliament. Management is confident in the judgement that these will be renewed in due course.

In Tanzania, the Group holds gold and mineral exploration rights in Busolwa which form part of the Rwama Project. The entity has ceased to operate and the Group wrote off the amount capitalised under exploration and evaluation asset in 2019.

6 INVENTORIES

Current	June 30, 2023 $	December 31, 2022 $
Dore bars and gold in circuit	**22,220**	11,523
Ore stockpiles	**8,867**	14,333
Material and supplies	**39,615**	37,488
Total current inventories	**70,702**	63,344

Non-current	June 30, 2023 $	December 31, 2022 $
Ore stockpiles	**9,097**	10,102
Total non-current inventories	**9,097**	10,102

Inventories were held at lower of cost or net realizable value.

In the six-month period ended June 30, 2023 inventories recognised as an expense within cost of sales amounted to $222,049 (2022: $221,383).

Expressed in thousands of United States Dollars, unless stated otherwise

7 PROPERTY, PLANT AND EQUIPMENT

$ Cost or valuation:-	Plant and machinery	Buildings & infrastructure	Site improvements	Construction in progress	Deferred stripping	Mine closure and rehabilitation costs	Total
As at December 31, 2022	**69,294**	**51,631**	**23,827**	**49,346**	**73,745**	**7,522**	**275,365**
Additions during the period	46	-	-	13,006	22,306	-	35,358
Disposals	-	(447)	-	-	-	-	(447)
Impairment	-	-	-	-	-	-	-
Transfers	2,959	1,082	309	(4,350)	-	-	-
As at June 30, 2023	**72,299**	**52,266**	**24,136**	**58,002**	**96,051**	**7,522**	**310,276**
Accumulated depreciation:							
As at December 31, 2022	**26,980**	**38,811**	**3,422**	**-**	**543**	**-**	**69,756**
Charge for the period	4,487	738	4,867	-	881	328	11,301
Disposals	-	(49)	-	-	-	-	(49)
As at June 30, 2023	**31,467**	**39,500**	**8,289**	**-**	**1,424**	**328**	**81,008**
Carrying value as at June 30, 2023	**40,832**	**12,766**	**15,847**	**58,002**	**94,627**	**7,194**	**229,268**
Carrying value at December 31, 2022	42,314	12,820	20,405	49,346	73,202	7,522	205,609

	Six-month period ended	
Depreciation charged is attributed as follows	**June 30, 2023 $**	**June 30, 2022 $**
Cost of sales (note 19)	**11,253**	20,691
Administrative expenses	**48**	8
Total	**11,301**	20,699

Expressed in thousands of United States Dollars, unless stated otherwise

8 TRADE RECEIVABLES, PREPAYMENTS, AND OTHER RECEIVABLES

Current	June 30, 2023	December 31, 2022
	$	$
Other receivables-net of allowance	**2,593**	6,425
VAT receivable-net	**17,526**	17,501
Prepayments	**17,749**	14,344
Prepayments, deposits and other receivables	**37,868**	38,270

Non-current	June 30, 2023	December 31, 2022
	$	$
VAT receivable-net	**8,803**	18,863
Prepayments, deposits and other receivables	**8,803**	18,863

Fair value of trade and other receivables

The carrying value of trade and other receivables approximate their fair value.

9 DEFERRED REVENUE

	June 30, 2023	December 31, 2022
	$	$
Opening as at December 31, 2022	**18,150**	20,679
Cash received	**1,091**	2,146
Amount recognized as revenue	**(4,525)**	(9,379)
Accrued interest	**2,151**	4,704
Carrying value as at June 30, 2023	**16,867**	18,150

The Group has entered into a streaming agreement, currently held by Sandstorm Gold Ltd ("Sandstorm"). Under this agreement, the counterparty has the right to purchase certain quantities of gold at a fixed price of US$400/oz. Sandstorm has the right to purchase 6% of the first 650,000 oz of production at the Bonikro mines (39,000 oz). Subsequently, they may purchase up to 3.5% of each lot between 650,000 oz and 1,300,000 oz of refined gold (a further 22,750oz and 61,750oz inclusive), up to 2% of each lot thereafter. This has been treated as deferred revenue, as the upfront payment pertains to future production. As such, revenue is recognized as the services are performed for Sandstorm, reducing the unearned deferred revenue balance. The stream contains an intrinsic financing component, which has been valued as part of the subsequent measurement of the deferred revenue stream. There were no changes to the estimation of quantity of metal to be delivered under the streaming agreement through the period ended June 30, 2023.

An accrued interest component has been calculated for the period of $2,151, and amount of revenue recognized is $4,525, out of which $1,091 is on a cash basis (at US$400 per oz) while the remainder is non-cash (amortisation of deferred revenue).

Cumulative ounces delivered against the Stream amount to 19,975 oz (December 31, 2022: 17,247 oz).

Expressed in thousands of United States Dollars, unless stated otherwise

10 BORROWINGS

	June 30, 2023 $	December 31, 2022 $
Balance at the beginning of the period / year	**53,534**	89,474
New borrowings in the period	**9,880**	-
Accrued interest	**3,567**	9,005
Repayments (principal and interest)	**(7,325)**	(44,945)
Balance at end of the period / year	**59,656**	53,534

On April 25, 2023, the Company entered into an agreement with Auramet International Inc. ("Auramet") for a $10,000 gold prepayment loan. The gold prepayment loan is repayable on or before July 25, 2023 for an amount equal to the market value of a fixed number of ounces of gold on the date of repayment. At that same date and as part of the consideration for the gold prepayment loan, the Company also granted Auramet out-of-the-money call options to purchase up to a total of 5,000 oz of gold at a fixed price at specified future dates.

Together, the loan and call option have been recognized as a financial instrument at fair-value through profit and loss with interest accreting at the effective interest rate for the period based on forward prices for gold. At inception, the value of the call options was insignificant and the combined value of the loan and call option, net of fees paid was recorded at $9,880.

	June 30, 2023 $	December 31, 2022 $
Current portion of borrowings	**38,242**	21,415
Non-current portion of borrowings	**21,414**	32,119
Balance at end of the period / year	**59,656**	53,534

11 TRADE AND OTHER PAYABLES

	June 30, 2023 $	December 31, 2022 $
Trade payables	**79,976**	70,510
Other payables	**9,629**	16,614
Accrued expenses	**22,689**	32,987
Royalties	**6,981**	9,827
Total	**119,275**	129,938

Fair value of trade and other payables

Trade and other payables are carried at amortised cost, with their fair value being approximated by the carrying value.

Expressed in thousands of United States Dollars, unless stated otherwise

12 PROVISIONS FOR RECLAMATION AND CLOSURE COSTS

	Six-month period ended June 30, 2023 $	Year ended December 31, 2022 $
Opening balance	**85,111**	96,874
Changes in estimates	**-**	(15,013)
Accretion for the period	**1,730**	3,250
Closing balance	**86,841**	85,111

The Company's mining operations are subject to various environmental protection laws and regulations. These laws and regulations are continually changing and are generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment. The Company has recorded the asset retirement obligations of its mining site on the basis of management's best estimates of future costs, based on information available on the reporting date. Best estimates of future costs are the amount the Company would reasonably pay to settle its obligation on the site closing date. Future costs are discounted using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the liability. Such estimates are subject to change based on amendments to laws and regulations, or as new events occur, in accordance with industry practice. The above provisions are to be settled between 2027 and 2043.

The key judgements and estimates when determining the provision are:

- The timing in terms of when the rehabilitation will take place;
- The cost of the rehabilitation upon the end of the life of the mine; and
- The discount rate used which is the US Risk-Free Treasury Rate for the applicable time range.

The Group's environmental liabilities relate to the restoration of soil and other related mining works cash outflows, which are due upon the closures of mines and production facilities. The full provision is classified as a non-current liability as the provision is expected to be utilized in at the end of the life of the mine. The present value of expected cash outflows were estimated using existing technology and discounted using the real discount rates is as follows:

	June 30, 2023	December 31, 2022
Bonikro & Hiré mines	**3.96%**	**3.96%**
Agbaou mine	**3.99%**	**3.99%**
Sadiola mine	**4.14%**	**4.14%**

Expressed in thousands of United States Dollars, unless stated otherwise

13 STATED CAPITAL

The Company was incorporated on 2 October 2019 with an issued Stated capital of nil (one ordinary share of no-par value).

The Company is a no-par value company and there is no limit on the number of shares of any class which the Company is authorised to issue. All shares are authorized, issued and fully paid.

Save as otherwise provided, the Ordinary Shares and the Preferred Shares shall rank pari passu in all respects, including the right to attend and vote in general meetings, to receive dividends and any return of capital.

The issue of shares is summarised in the following table:

	Number of Ordinary Shares	**Number of Preferred Shares**	**Stated Capital $**	**Total $**
As at December 31, 2022	333,079,107	75,993,484	93,000	93,000
Issued during the period	-	-	-	-
As at June 30, 2023	**333,079,107**	**75,993,484**	**93,000**	**93,000**

At June 30, 2023, the Group has committed to the issuance of an additional 1,752,667 ordinary shares under participation rights described in note 14 and in relation to a transaction with a Director as described in note 25.

14 SHARE-BASED PAYMENT RESERVE

Share-based payments reserve	**June 30, 2023 $**	December 31, 2022, $
Opening balance	**29,506**	23,453
Charge for the period / year	**2,298**	6,053
Closing balance	**31,804**	29,506

Expressed in thousands of United States Dollars, unless stated otherwise

14 SHARE-BASED PAYMENT RESERVE (continued)

Long-Term Incentive Plan

Allied Gold Corp (Seychelles) ("AGC") operates a Long-Term Incentive Plan ("LTIP") for executives, senior employees and certain contractors of the Group. In accordance with the provisions of the plan, participants may be granted a conditional right to shares ("Performance Rights") and/or a share option to purchase a parcel of ordinary shares ("Options") at an exercise price determined by the Board. The objectives of the LTIP are to:

a) Assist in the reward, retention and motivation of eligible employees;

b) Link the reward of eligible employees to performance and the creation of shareholder value;

c) Align the interests of eligible employees more closely with the interests of shareholders by providing an opportunity for eligible employees to receive an equity interest in the form of shares and/or options;

d) Provide eligible employees/contractors with the opportunity to share in any future growth in value of the Company; and

e) Provide greater incentive for eligible employees to focus on the Group's longer-term goals.

Both the Performance Rights and Options are accounted for as an equity settled share-based payment transaction.

Performance Rights

No Performance Rights over ordinary shares were granted by the Company to employees/directors of Allied Gold Corp Limited in the six months ended June 30, 2023.

Performance Rights normally vest in three annual tranches covering separate service period subject to the participant remaining in the Company's service through to the vesting date of each tranche of the Performance Rights. Performance Rights are not subject to performance conditions. Each Performance Right will be converted into one ordinary share of Allied Gold Corp upon vesting conditions being met.

Details of the Performance Rights outstanding during the year are as follows:

	Six-month period ended June 30, 2023		Year ended December 31, 2022	
	Number of Performance Rights	Weighted average exercise price ($)	Number of Performance Rights	Weighted average exercise price ($)
Outstanding at beginning of period	4,880,409	0.00	7,275,721	0.00
Granted during the period	-	0.00	3,397,500	0.00
Forfeited during the period	(336,667)	0.00	(253,969)	0.00
Exercised during the period	(2,522,820)	0.00	(5,232,900)	0.00
Expired during the period	-	0.00	(305,943)	0.00
Outstanding at the end of the period	**2,020,922**	**0.00**	**4,880,409**	**0.00**

The fair value of the Performance Rights granted in 2023 were calculated based on the share price at the date of grant. Details of the share prices used are set out below under Option Rights.

As the Performance Rights convert into ordinary shares automatically on vesting, there are no outstanding and exercisable Performance Rights at the end of the year.

The sum of $1,397 has been recognised as a share-based payment and charged to the Income Statement in the period to June 30, 2023 (2022: $1,897).

Options Rights

No Options were granted in the period ended June 30, 2023 (year ended December 31, 2022: nil). The Options normally vest annually in three tranches and lapse after a maximum term of five years. The vesting of the Options is subject to the participants remaining in the Company's service until the vesting date. The Options are not subject to the achievement of any performance conditions.

Expressed in thousands of United States Dollars, unless stated otherwise

14 SHARE-BASED PAYMENT RESERVE (Continued)

Details of the Options outstanding during the year are as follows:

	Six-month period ended June 30, 2023		Year ended December 31, 2022	
	Number of Options	Weighted average exercise price ($)	Number of Options	Weighted average exercise price ($)
Outstanding at beginning of period	2,058,151	0.51	3,163,674	0.48
Granted during the period	-	-	-	-
Forfeited during the period	(326,822)	0.51	(142,857)	0.17
Exercised during the period	(183,399)	0.51	(962,666)	0.42
Outstanding at the end of the period	1,547,930	0.51	**2,058,151**	**0.51**
Outstanding and exercisable	**1,547,930**	**0.51**	**1,930,156**	**0.51**

The weighted average remaining life of the Options at June 30, 2023 was 0.4 years (December 31, 2022: 0.5 years) and the exercise prices of the Options were between $0.42 and $0.67 per share.

Participation rights

Certain employees of the Company have earned participation rights, each of which entitles them to receive one share of the Company, vesting in semi-annual tranches spanning a 40-month period from the date of grant.

No participation rights over ordinary shares of Allied Gold Corp Limited were granted in the six-month period June 30, 2023 (six-months ended June 30, 2022: 5,625,000) with an exercise price of nil. Of the participation rights outstanding, 3,000,000 participation rights are subject to a contractual put option whereby the holder of the shares issued upon vesting may require the Company to repurchase the shares at a fixed price of US$2 per share if there is no liquidity event prior to a specified date.

Participation rights subject to put options are cash-settled stock-based compensation and are accrued in liabilities at their fair value over the vesting period, with a corresponding expense recorded in profit or loss. An expense of $1,388 was recorded in the six-month period ended June 30, 2023 related to cash-settled participation rights (six-months ended June 30, 2022: $596).

Participation rights for which no put option has been granted are treated as equity-settled stock-based compensation, with the fair value at the date of grant recorded as an expense over the vesting period with a corresponding credit to share based payment reserve within equity. Stock-based compensation expense of $901 was recorded during the six-month period ended June 30, 2023 (six-months ended June 30, 2022: $387) related to the equity-settled participation rights.

Expressed in thousands of United States Dollars, unless stated otherwise

15 PUT OPTION LIABILITIES

Preferred shareholder put option

In October 2019, the Group entered into a shareholder agreement, including a put option over 42,844,230 preferred shares of the Company issued on that date which permit the Company's preferred shareholder to put their shares in the Company back to the Group. A similar put option was written over 33,149,254 shares issued in October 2020.

In particular, if the Company fails to achieve a Liquidity Event on or prior to December 31, 2023 (the "Liquidity Date"), or the Board determines that the initiation of a Liquidity Event is not in the best interests of the Company and its Shareholders, the Preferred Shareholder shall be entitled to require within one year following the Liquidity Date (such period to be extended at the option of the Preferred Shareholder by periods of six months if the Company is engaged in an IPO process at the time any such period expires) that the Company purchase its Shares (which may be effectuated by a nominee of the Company), for as long as the Preferred Shareholder or an Affiliate of the Preferred Shareholder holds Preferred Shares. The Put shall be exercisable by written notice from the Preferred Shareholder to the Company. The Company's majority shareholder, Allied Gold Corp also holds a call option on the same 75,993,484 preferred shares, entitling it to require that the Preferred Shareholder sells all of its Shares to Allied Gold Corp for as long as the Preferred Shareholder or an Affiliate of the Preferred Shareholder holds Preferred Shares. The Call shall be exercisable after 18 months following the Completion Date of each issuance by written notice from Allied Gold Corp to the Preferred Shareholder which notice, to be valid, shall set forth in reasonable detail the purchase price and its calculation (including the assumptions utilized in such calculation and information supporting such assumptions) ("Call Notice"), with such Call Notice containing a period of not less than 30 days whereby the Preferred Shareholder can elect to convert all of its Preferred Shares to Ordinary Shares ("Conversion Period").

If during the Conversion Period the Preferred Shareholder converts its Preferred Shares to Ordinary Shares, the Call Option will lapse. If the Conversion Period expires and the Preferred Shareholder has not converted its Preferred Shares to Ordinary Shares, then, unless otherwise agreed between the parties, completion of the sale pursuant to the Call will occur on that date that is 30 days of the date the Conversion Period expired.

If either the put or the call options are exercised, the Company shall repurchase the preferred shares for the higher of:

a) the fair price of such Shares; and

b) the price for such shares as shall result in the Preferred Shareholder achieving a set Preferred Shareholder IRR; and

c) at any other time, the fair price of such Shares.

The preferred shareholder put option represents a put option on the entity's own shares. As such the liability to be recorded is the present value of the redemption amount, subsequently remeasured at each reporting date with the change in estimates of the present value recognized as a gain or loss in the period. Upon settlement or expiration of the option, the liability will be derecognised with a corresponding adjustment to equity.

A summary of the inputs used to determine the fair price of the Shares can be found in Note 20 to the 2022 Non-Statutory Consolidated Financial Statements.

The redemption amount for the put liability was calculated as the higher of the fair market value of the preferred share and the cash flows needed to achieve the minimum IRR using a discounted cash flow valuation approach taking into consideration the returns on the aggregate of the Preferred Shareholder's investments in the Group.

At June 30, 2023, the value of the put liability is based on the future share value, which requires management to make assumptions on the share price growth rate and the discount rate.

A summary of the preferred shareholder put option liability is as follows:

	Fair value ($)
Preferred shareholder put option liability at December 31, 2022	**118,398**
Revaluation of preferred shareholder put option liability	(4,560)
Preferred shareholder put option liability at June 30, 2023	**113,838**

Expressed in thousands of United States Dollars, unless stated otherwise

Equity option granted to Endeavour Gold Corporation

The Company granted to Endeavour Gold Corporation a put option entitling it (at its absolute discretion) to require the Company to purchase any of the Company's consideration shares at a price of $1.50 per consideration share, a total of $40,000. The put option was originally due to lapse if it was not duly exercised on the first to occur of (a) an IPO, and (b) December 31, 2022 (or such later date as the Company and Endeavour Gold Corporation may agree (at their absolute discretion)). The option was extended to February 28, 2023.

In February 2023, the Group and the minority put option holder agreed to defer the exercise and expiration dates of the put option and increased the redemption value of the puttable shares from $40,000 to $50,000. As a result of this agreement, the put option is now exercisable from October 1, 2023 and expires if not exercised by December 31, 2023. The option also lapses if not exercised prior to the company undertaking an Initial Public Offering.

16 DEFERRED AND CONTINGENT CONSIDERATION

As part of previously completed business combinations, the Group has recorded deferred and contingent consideration payable to the various sellers in post-acquisition years as follows:

Six-month period ended June 30, 2023			
$	**Agbaou mine**	**Sadiola mine**	**Total**
Opening balance	**13,641**	**33,665**	**47,306**
Accretion	**-**	**3,249**	**3,249**
Revaluation	**1,538**	**-**	**1,538**
Payments *	**(1,600)**	**-**	**(1,600)**
Closing balance	**13,579**	**36,914**	**50,493**

*Payments includes $802 accrued for and not yet paid in respect of the net smelter royalty on crystalized production from the mine.

Agbaou mine – Acquisition of Endeavour Resources Inc on March 1, 2021

The contingent consideration recorded on the acquisition of Agbaou relates to a royalty on future production from the Agbaou mine applicable to ore that is mined in excess of 320,611 oz. The contingent consideration was valued using a discounted cash flow approach at each reporting date.

Sadiola mine – Acquisition of Société d'Exploitation des Mines d'Or de Sadiola S.A on December 30, 2020

Deferred consideration recorded on the acquisition of Sadiola includes:

- Deferred consideration of $24.9 million ($12.45 million each to AGA and IMG) upon the production of the first 250,000 ounces from the Sadiola Sulphides Project ("SSP"); and
- Further deferred consideration of $24.9 million ($12.45 million each to AGA and IMG) upon the production of a further 250,000 ounces from the SSP.

The deferred consideration was valued using the discounted cash flow approach at the date of acquisition.

17 REVENUE

	Three-month periods ended		**Six-month periods ended**	
	June 30, 2023	**June 30, 2022**	**June 30, 2023**	**June 30, 2022**
	$	**$**	**$**	**$**
Gold	**144,713**	205,302	298,886	332,705
Silver	**299**	144	446	316
Total sales revenue	**145,012**	205,446	299,332	333,021

Expressed in thousands of United States Dollars, unless stated otherwise

18 COST OF SALES

	Three-month periods ended		Six-month periods ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	$	$	$	$
Mine production costs	**101,651**	120,990	214,398	200,692
Royalties	**8,795**	11,874	18,389	19,593
Refining	**516**	635	1,066	1,301
	107,353	133,499	230,244	221,586
Depreciation	**5,253**	10,311	11,253	20,691
Amortization of mining interests	**3,322**	5,429	6,460	10,380
Total cost of sales	**119,537**	149,239	251,567	252,657

19 FINANCE COSTS

	Three-month periods ended		Six-month periods ended	
Interest expenses from financial liabilities	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	$	$	$	$
Interest expenses from financial liabilities				
Borrowings	**1,726**	2,786	3,567	5,486
Accretion on deferred and contingent consideration (note 16)	**1,533**	2,908	3,249	4,479
Other finance costs				
Provisions	**865**	597	1,730	1,625
Financing component of streaming arrangement (note 9)	**1,077**	1,319	2,151	2,618
Other interest expense	**223**	642	457	837
Total finance costs	**5,424**	8,252	11,154	15,045

20 FINANCIAL INSTRUMENTS

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in Note 5 to the financial statements.

The accounting policies for financial instruments have been applied to the line items below:

Financial assets at amortised cost

	June 30, 2023	December 31, 2022
	$	$
Cash and bank balances	**15,838**	45,163
Restricted cash	**6,700**	6,656
Loan to related party	**19,360**	21,589
Other receivables	**2,593**	6,422
	44,491	79,830

Expressed in thousands of United States Dollars, unless stated otherwise

20 FINANCIAL INSTRUMENTS (continued)

Financial liabilities at amortised cost

	June 30, 2023 $	December 31, 2022 $
Borrowings	**59,656**	53,534
Trade and other payables	**119,275**	129,938
	178,931	183,472

Financial liabilities at fair value through profit or loss

	FV Hierarchy Level	June 30, 2023 $	December 31, 2022 $
Contingent consideration – Agbaou	**3**	**13,579**	13,640
Deferred consideration - Sadiola	**3**	**36,914**	33,665
Preferred shareholder put option liability	**3**	**113,838**	118,398
Minority shareholder put option liability	**3**	**50,000**	40,000
		214,331	**205,703**

Derivative financial instrument - call option over Ethiopian joint venture

Pursuant to the 2017 agreement to acquire a 64.46% interest in the gold exploration assets of APM Ethiopia Limited ("APM") in Ethiopia, the Group was also granted a call option to acquire an additional 5.54% interest in the asset, which if exercised would take the Group's interest in APM Ethiopia to 70%.

The Company has prepared a valuation of its Option adopting a mixture of the income and/or market approach to value the project assets depending on the stage of development. For each project valuation date and stage, the Company considered a range of enterprise values (EVs) and net asset values (NAVs) with a midpoint estimate used to estimate the value of each of the assets. The premise of value for each of the projects is fair market value. The fair value of the Group's Option was estimated using the risked-NAV and the Black-Scholes-Merton (BSM) Option valuation model.

On the basis of these methodologies, as at June 30, 2023, the Group derived a fair market valuation of the Option of $834 (December 31, 2022: $940).

Derivatives are recognised initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately. At June 30, 2023, the fair value re-measurement has been reflected in profit and loss as a loss of $nil (year ended December 31, 2022: loss of $520).

The movement in the fair market value of the Option is summarised below:

	Six-month period ended June 30, 2023 $	Year ended December 31, 2022 $
Option value at beginning of year / period	**940**	1,460
Re-measurement at fair value through profit or loss	**(106)**	(520)
Derivative carried at fair value	**834**	940

Expressed in thousands of United States Dollars, unless stated otherwise

21 TAXATION

Income tax expense

Tax expense for the six-month period ended June 30, 2023 was $21.6 million (six-month period ended June 30, 2022: $25.6 million). The charge for the period can be reconciled to the profit / (loss) before tax as follows:

	Three-month periods ended		Six-month periods ended	
	June 30, 2023 $	June 30, 2022 $	June 30, 2023 $	June 30, 2022 $
Current tax:				
• Current year	**5,251**	17,155	**18,787**	28,158
• Adjustment in respect of prior years	**1,136**	-	**1,136**	-
Deferred tax				
• Origination and reversal of temporary differences	**1,233**	(1,427)	**1,683**	(2,306)
Income tax expense	**7,620**	15,728	**21,606**	25,852

	Three-month periods ended		Six-month periods ended	
	June 30, 2023 $	June 30, 2022 $	June 30, 2023 $	June 30, 2022 $
Net profit / (loss) before tax	**11,558**	**37,487**	**6,183**	**41,389**
Tax at the Côte D'Ivoire corporation tax rate of 25% (2022: 25%)	**2,890**	9,372	**1,546**	10,347
Adjusting items:				
Non-assessable (income)/expenses	**1,248**	4,041	**5,467**	6,539
Non-deductible expenses	**2,596**	3,715	**9,892**	8,065
Impact of differences in foreign tax rates	**626**	1,336	**2,354**	2,166
Recognition of prior year tax charges	**1,136**	-	**1,136**	-
Others	**(876)**	(2,736)	**1,211**	(1,265)
	7,620	15,728	**21,606**	25,852

No income tax is levied on the results of Allied Gold Corp Limited in Jersey. Côte d'Ivoire income is taxable at a rate of 25%. However, the Hire mine has benefitted from a tax holiday up to the period ended December 31, 2020. The Bonikro mine did not generate taxable profits in the period. In Mali, the corporate of tax is 30%.

No amounts relating to tax credit have been recognised in other comprehensive income or directly in equity.

Expressed in thousands of United States Dollars, unless stated otherwise

22 EARNINGS / (LOSS) PER SHARE

Basic and diluted earnings (loss) per share and the reconciliation of the number of shares used to calculate basic and diluted earnings (loss) per share are as follows:

	Three-month periods ended		Six-month periods ended	
	June 30, 2023	**June 30, 2022**	**June 30, 2023**	**June 30, 2022**
	$	**$**	**$**	**$**
Net profit / (loss) attributable to owners of the Company	**1,147**	16,415	**(19,286)**	8,803
Weighted average shares issued and outstanding	**409,072,591**	409,072,591	**409,072,591**	409,072,591
Weighted-average shares to be issued under participation rights (note 14)	**1,752,667**	-	**1,752,667**	-
Weighted-average shares outstanding – basic	**410,825,258**	409,072,591	**410,825,258**	409,072,591
Effect of dilutive share-based payment arrangements	**167,557**	-	-	-
Weighted-average shares outstanding – diluted	**410,992,815**	409,072,591	**410,825,258**	409,072,591
Basic earnings / (loss) per share ($)	**0.00**	0.04	**(0.05)**	0.02
Diluted earnings / (loss) per share ($)	**0.00**	0.04	**(0.05)**	0.02

For the three-month period ended June 30, 2023, the unvested participation rights and the put options written over shares of the Company were anti-dilutive. There were no potential dilutive instruments during the three-month period ended June 30, 2022.

Expressed in thousands of United States Dollars, unless stated otherwise

23 NON-CONTROLLING INTERESTS

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

	June 30, 2023 $	December 31, 2022 $
Bonikro Gold Mine CI SA & Hiré Gold Mine CI SA		
Current assets	**36,073**	42,909
Non-current assets	**121,192**	109,748
Current liabilities	**93,935**	100,649
Non-current liabilities	**2,471**	4,437
Equity attributable to owners of the Company	**55,294**	36,132
Non-controlling interests	**5,565**	4,212
Profit attributable to non-controlling interests	**1,353**	2,385
Dividends paid to non-controlling interests	**-**	213

	June 30, 2023 $	December 31, 2022 $
Société d'Exploitation des Mines d'Or de Sadiola S.A.		
Current assets	**92,361**	70,304
Non-current assets	**189,290**	194,862
Current liabilities	**107,592**	108,029
Non-current liabilities	**44,608**	43,703
Equity attributable to owners of the Company	**76,260**	67,754
Non-controlling interests	**53,191**	49,988
Profit attributable to non-controlling interests	**3,203**	7,972
Dividends paid to non-controlling interests	**-**	-

Expressed in thousands of United States Dollars, unless stated otherwise

23 NON-CONTROLLING INTERESTS (continued)

	June 30, 2023 $	December 31, 2022 $
Agbaou Gold Operation S.A		
Current assets	**87,923**	95,738
Non-current assets	**13,239**	12,532
Current liabilities	**50,288**	57,180
Non-current liabilities	**24,569**	33,805
Equity attributable to owners of the Company	**15,146**	5,611
Non-controlling interests	**11,159**	11,674
Profit / (loss)attributable to non-controlling interests	**(693)**	2,269
Dividends paid to non-controlling interests	-	1,357

The movement in the non-controlling interests balance for the six-month period ended June 30, 2023 are as follows:

	$
Balance at December 31, 2022	66,052
Share of profit for the period	3,863
Balance at June 30, 2023	**69,915**

Expressed in thousands of United States Dollars, unless stated otherwise

24 RECONCILIATION OF FINANCING CASH FLOWS

Six-month period ended June 30, 2023	Opening balances $	Cash receipts $	Accrued interest $	Revaluation to fair value $	Cash payments $	Closing balance $
Borrowings	53,534	9,880	3,567	-	(7,325)	59,656
Preferred shareholder put option liability	118,398	-	-	(4,560)	-	113,838
Minority shareholder put option liability	50,000	-	-	-	-	50,000
Totals	221,932	9,880	3,567	(4,560)	(7,325)	223,494

Six-month period ended June 30, 2022	Opening balances $	Cash receipts $	Accrued interest $	Revaluation to fair value $	Cash payments $	Closing balance $
Borrowings	91,993	-	5,486	-	(37,717)	59,762
Preferred shareholder put option liability	109,450	-	-	5,965	-	115,415
Minority shareholder put option liability	40,000	-	-	-	-	40,000
Totals	**241,443**	**-**	**5,486**	**5,965**	**(37,717)**	**215,177**

Expressed in thousands of United States Dollars, unless stated otherwise

25 RELATED PARTIES BALANCES AND TRANSACTIONS

The Group enters into transactions with other entities that fall within the definition of a related party as contained in IAS 24, Related Party Disclosures. Such transactions are in the normal course of business and at terms that correspond to those on normal arms-length transactions (except revenue related transactions) with third parties. Related parties comprise entities under common ownership and/or common management and control; their partners and key management personnel.

Other than as disclosed herein, related party transactions have been entered into and disclosed separately within these financial statements in respect of the following:

- Note 10: Orion Mine Finance's interests in loans made to the Group
- Note 14: The operation of a Long-term Incentive Plan by the majority shareholder
- Note 15: The preferred shareholder put option held by Orion Mine Finance

a) Key management personnel and Directors' compensation

	Six-month periods ended	
	June 30, 2023	**June 30, 2022**
	$	$
Salaries and bonuses	1,235	783
Share-based payment expense	2,598	1,535

No compensation for key management personnel and Directors is in the form of post-employment benefits, long-term benefits or termination benefits.

In addition, an amount of $118 (six months ended June 30, 2022: $42) was paid to TheSiger Pty Limited in respect of services provided to the Group. The amounts outstanding and payable to TheSiger Pty Limited as at June 30, 2023 were $20 (December 31, 2022: $7). These services were entered into on terms equivalent to those that prevail in arm's length transactions and the amounts owing are to be settled in cash.

During the three months ended June 30, 2023, the Group's CEO transferred 350,000 shares of AGC to two former employees/ contractors of the Group to settle liabilities on behalf of the group. The shares of the Company to be issued to the CEO in compensation for the transfer have been approved for issuance but have not yet been issued as of the balance sheet date. The aggregate value of the liabilities extinguished by this transaction was of $700.

b) Owed to related parties

	Relationship	June 30, 2023	December 31, 2022
		$	**$**
Loan from related parties	Preferred shareholder: Orion Mine Finance (OMF Fund III - Note 10)	**49,931**	53,534
		49,931	53,534

c) Due from related party

	Relationship	June 30, 2023	December 31, 2022
		$	**$**
Due from related party	Majority shareholder (AGC)	**19,360**	21,264
Due from related party	Endeavour Mining Corporation	**-**	325
		19,360	21,589

The amounts due from AGC are split into a current loan account which is non-interest bearing unsecured and repayable on demand; and a non-current portion which arose in connection with the acquisition of F&M in 2019 which is non-interest bearing, unsecured and has no fixed repayment date but the Directors do not consider it will be recovered within 12 months and have therefore classified this portion as non-current. The Group applied the General Approach in order to estimate the expected credit losses on the amounts due from related party and concluded that no material credit losses are expected.

Expressed in thousands of United States Dollars, unless stated otherwise

26 OPERATING SEGMENTS

The Group operates in two countries, Côte d'Ivoire (Bonikro & Hiré mines and Agbaou mine) and Mali (Sadiola mine). The following table provides the Group's results by operating segment in the way information is provided to and used by the Company's Board of Directors as the chief operating decision maker to make decisions about the allocation of resources to the segments and assess their performance. The Group considers each of its operational mines to be a separate segment, with the exception of the Bonikro and Hiré mines which form a single segment due to the interrelationships in the operations of the mines. Corporate legal entities are aggregated and presented together as part of the "other" segment on the basis of them sharing similar economic characteristics at June 30, 2023.

Three-month period ended June 30, 2023	**Bonikro & Hiré mines**	**Agbaou mine**	**Sadiola mine**	**Other**	**Total**
Revenue	**42,028**	**34,138**	**68,846**	**-**	145,012
Cost of sales	(29,251)	(35,646)	(54,640)	-	(119,537)
Gross profit	**12,777**	**(1,508)**	**14,206**	**-**	**25,475**

Six-month period ended June 30, 2023	**Bonikro & Hiré mines**	**Agbaou mine**	**Sadiola mine**	**Other**	**Total**
Revenue	**84,060**	**68,139**	**147,133**	**-**	299,332
Cost of sales	(62,948)	(72,464)	(116,155)	-	(251,567)
Gross profit	**21,112**	**(4,326)**	**30,978**	**-**	**47,765**

Three-month period ended June 30, 2022	**Bonikro & Hiré mines**	**Agbaou mine**	**Sadiola mine**	**Other**	**Total**
Revenue	**38,042**	**64,548**	**102,856**	**-**	205,446
Cost of sales	(21,180)	(45,134)	(82,925)	-	(149,239)
Gross profit	**16,862**	**19,414**	**19,931**	**-**	**56,207**

Six-month period ended June 30, 2022	**Bonikro & Hiré mines**	**Agbaou mine**	**Sadiola mine**	**Other**	**Total**
Revenue	**72,524**	**111,489**	**149,008**	**-**	333,021
Cost of sales	(52,955)	(79,960)	(119,742)	-	(252,657)
Gross profit	**19,569**	**31,528**	**29,266**	**-**	**80,364**

Balances at June 30, 2023	**Bonikro & Hiré mines**	**Agbaou mine**	**Sadiola mine**	**Other**	**Total**
Current assets	23,392	27,480	66,430	26,467	143,769
Mining interests	53,817	9,076	84,631	-	147,525
Other non-current assets	138,898	20,690	104,679	95,724	359,991
Total assets	**216,107**	**57,246**	**255,740**	**122,191**	**651,284**
Current liabilities	77,790	44,168	58,002	75,254	255,214
Non-current liabilities	52,379	33,226	81,522	130,705	297,831
Total liabilities	**130,169**	**77,394**	**139,524**	**205,959**	**553,045**

Expressed in thousands of United States Dollars, unless stated otherwise

Balances at December 31, 2022	Bonikro & Hiré mines	Agbaou mine	Sadiola mine	Other	Total
Current assets	42,387	38,221	70,448	9,856	160,912
Mining interests	57,887	10,113	85,985	-	153,985
Other non-current assets	122,720	18,946	108,904	93,531	344,101
Total assets	**222,994**	**67,280**	**265,337**	**103,387**	**658,998**
Current liabilities	55,527	86,696	58,278	37,845	238,346
Non-current liabilities	44,545	33,805	77,368	153,569	309,287
Total liabilities	**100,072**	**120,501**	**135,646**	**191,414**	**547,633**

27 SUBSEQUENT EVENTS

Capital raise and public listing of the Group

In April 2023, the Group announced the potential to merge with an issuer in Canada (“Listco”), which will then be traded on a North American market by August 31, 2023.

In May 2023 the Group entered into an agreement with Listco and other parties, which Allied may terminate at any time at its discretion, which could result in the Reverse Take-Over (“RTO”) of Listco.

In July 2023 the Group announced the achievement of a capital raise of approximately US$250 million through the issuance of common shares and convertible debentures of Listco. The closing of the Going Public Event and the listing of the Listco shares and the Listco debentures on the Toronto Stock Exchange (“TSX”) are anticipated to take place Iin the second half of August, subject to obtaining all necessary regulatory, corporate, shareholder, and third-party approvals and consents, including approval from the TSX. The common shares of Listco will be issued at a price of US$1.97 (CAD$2.62). In connection with the Going Public Event, the Common Shares will be consolidated on a 1:2.2585 basis prior to the issuance of the Resulting Issuer Shares, which are expected to trade in Canadian Dollars reflecting an effective price of approximately C$5.92 per Resulting Issuer Share. The convertible debentures, maturing five years from the date of issuance and bearing interest at 8.75% per annum will be issued for US$1,000 units, with a maximum of US$100 million issued, inclusive of the agents’ option. The debentures will be convertible at the holder’s option into Listco shares at any time following the issuance thereof at a price of US$5.79 (C$7.71) per share, representing a 30% conversion premium on a reference price of US$4.45 (C$5.92).

Although this proposed transaction continues to proceed, its completion remains subject to conditions that have not yet been met at the date of approving these financial statements, and so the outcome of this potential transaction is not certain.

Acquisition of the Diba Project

In July 2023, the Group announced 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 “Diba Project”) from Elemental Altus Royalties Corp, subject to regulatory approvals.

The agreed purchase price consists of cash payments and a Net Smelter Returns (“NSR”) royalty:

- Cash Payments totalling up to $6m, with an initial amount of $1m payable on closing, followed by deferred amounts of up to $5m payable upon the attainment of defined production milestones of up to 200,000 ounces produced from Korali-Sud; and
- 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.