



ANNUAL INFORMATION FORM
FOR THE YEAR ENDED JUNE 30, 2009

November 11, 2009

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Annual Information Form contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to as “forward-looking statements”). Forward-looking statements include possible events, statements with respect to possible events, the future price of gold, the estimation of mineral reserves and resources, the realization of mineral reserve and resource estimates, the timing and amount of estimated future production, costs of production, expected capital expenditures, costs and timing of the development of new deposits, success of exploration, development and mining activities, permitting time lines, currency fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims, and limitations on insurance coverage. The words “plans,” “expects,” “is expected,” “scheduled,” “estimates,” “forecasts,” “intends,” “anticipates,” or “believes,” or variations of such words and phrases or statements that certain actions, events or results “may,” “could,” “would,” “might,” or “will be taken,” “occur” and similar expressions identify forward-looking statements.

Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by Allied Gold as at the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The estimates and assumptions of Allied Gold contained in this Annual Information Form which may prove to be incorrect, include, but are not limited to, the various assumptions set forth herein and incorporated by reference as well.

Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to, fluctuations in the currency markets; fluctuations in the spot and forward price of gold or certain other commodities (such as diesel fuel and electricity); changes in interest rates or gold lease rates that could impact the mark-to-market value of outstanding derivative instruments and ongoing payments/receipts under any interest rate swaps and variable rate debt obligations; risks arising from holding derivative instruments (such as credit risk, market liquidity risk and mark-to-market risk); changes in national and local government legislation, taxation, controls, regulations and political or economic developments; business opportunities that may be presented to, or pursued by, Allied Gold; Allied Gold’s ability to successfully integrate acquisitions; operating or technical difficulties in connection with mining or development activities; employee relations; the speculative nature of gold exploration and development, including the risks of obtaining necessary licenses and permits; diminishing quantities or grades of reserves; adverse changes in Allied Gold’s credit rating; and contests over title to properties, particularly title to undeveloped properties. In addition, there are risks and hazards associated with the business of gold exploration, development and mining, including environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins, flooding and gold bullion losses (and the risk of inadequate insurance, or inability to obtain insurance, to cover these risks). All of the forward-looking statements made in this Annual Information Form are qualified by these cautionary statements and those made in the section of this Annual Information Form entitled “Risk Factors”. These factors are not intended to represent a complete list of the factors that could affect Allied Gold. Accordingly, undue reliance should not be placed on forward-looking statements. Allied Gold undertakes no obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of assumptions or factors, whether as a result of new information or future events or otherwise, except as may be required in connection with a material change in the information disclosed in this Annual Information Form or as otherwise required by law.

REPORTING CURRENCIES AND ACCOUNTING PRINCIPLES

Unless otherwise indicated, all references to “\$” in this Annual Information Form refer to Australian dollars and all references to “C\$” in this Annual Information Form refer to Canadian dollars.

Allied Gold’s financial statements are reported in Australian dollars and are prepared in accordance with Australian IFRS.

CURRENCY AND EXCHANGE RATE INFORMATION

The following table sets forth the high and low exchange rates for one Australian dollar expressed in Canadian dollars for each period indicated, the average of the exchange rates for each period indicated and the exchange rate at the end of each such period, based upon the noon buying rates provided by the Bank of Canada:

	Six Months Ended June 30			Year Ended December 31	
	2009	2008	2008	2007	2006
High	0.9363	0.9782	0.9822	0.9474	0.9187
Low	0.7838	0.8736	0.7524	0.8389	0.8137
Rate at end of period.....	0.9363	0.9740	0.8550	0.8670	0.9187
Average rate for period.....	0.8570	0.9311	0.9002	0.8982	0.8543

On November 10, 2009, the exchange rate for one Australian dollar expressed in Canadian dollars based upon the noon buying rates provided by the Bank of Canada was C\$0.9758.

CORPORATE STRUCTURE

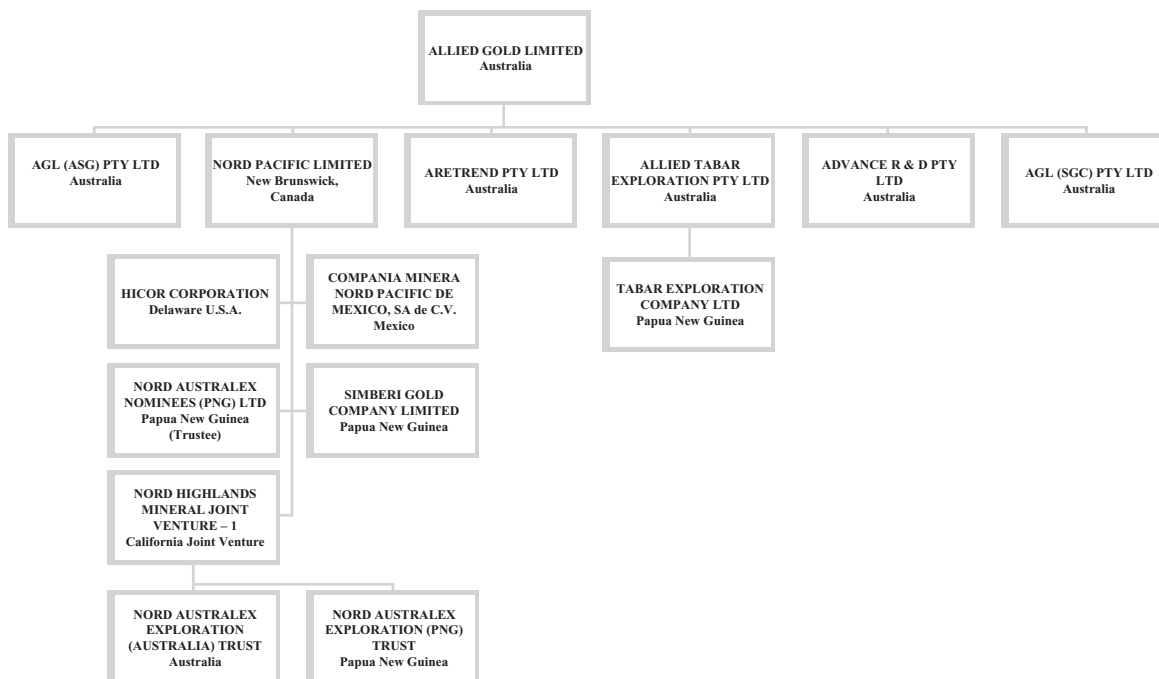
Name, Address and Incorporation

Allied Gold Limited (“**Allied Gold**” or the “**Company**”) was incorporated under the *Corporations Act 2001* (Commonwealth of Australia) (the “**Australian Corporations Act**”) as a public company limited by shares on May 26, 2003. The Company listed on the Australian Securities Exchange (the “**ASX**”) on December 8, 2003. Allied Gold was admitted for trading on AIM, a market operated by the London Stock Exchange plc (“**AIM**”) on May 2, 2006. The Company received conditional approval for listing on the Toronto Stock Exchange (the “**TSX**”) on November 5, 2009. The Company anticipates that trading on the TSX will commence on or about November 16, 2009.

Allied Gold’s registered office is located at Unit B9, 431 Roberts Road, Subiaco, Western Australia, 6008, Australia. The Company’s head office is located at 34 Douglas Street, PO Box 2019, Milton, Queensland, 4064, Australia. Allied Gold also maintains an office in Papua New Guinea.

Intercorporate Relationships

Set out below is the corporate structure of Allied Gold and its subsidiaries as at the date of this Annual Information Form. The structure below does not reflect the recent acquisition of shares of Australian Solomons Gold Limited, for which the Company has made an offer to purchase. See “General Development of the Business – Recent Developments – ASG Acquisition”. Allied Gold controls, directly or indirectly, 100% of the voting capital of all entities presented in the structure (which are incorporated or organized under the laws of the jurisdictions noted below).



Unless the context otherwise requires, all references in this Annual Information Form to Allied Gold or the Company include Allied Gold and its subsidiaries, together.

GENERAL DEVELOPMENT OF THE BUSINESS

Overview

Allied Gold is a gold production company which has its ordinary shares listed on the ASX under the symbol “ALD” and on the AIM under the symbol “AGLD”. The Company received conditional approval for the listing of its ordinary shares on the TSX on November 5, 2009. The ordinary shares of the Company will trade on the TSX under the symbol “ALG”. The Company anticipates that trading on the TSX will commence on or about November 16, 2009.

Allied Gold’s major asset is its 100% owned Simberi gold project (the “**Simberi Project**”), which is located on Simberi Island, the northernmost island of the Tabar Islands Group, in the New Ireland Province of eastern Papua New Guinea (“**PNG**”). The Simberi Project is located approximately 60 kilometres northwest of the Lihir Gold Project held by Lihir Gold Limited, which hosts an approximate 40 million ounce gold resource, and is well placed in the Pacific Rim of Fire, one of the world’s proven and most prospective gold jurisdictions. In addition, Allied Gold owns 100% of an exploration license on Tatau and Big Tabar Islands, which are located in close proximity to Simberi Island.

The Simberi Project is comprised of: (i) an open-pit mining operation with an associated gold processing plant, located within PNG mining lease 136 (“**ML 136**”), which covers 2,560 ha on the eastern side of Simberi Island; and (ii) a larger 69 sub-block/233 km² area under PNG exploration license 609 (“**EL 609**”), which covers the remainder of Simberi Island and most of the adjacent Tatau and Big Tabar Islands to the south. The Simberi Project is based on seven separate prospects on the eastern portion of Simberi Island (Sorowar, Samat North, Samat South, Samat East, Pigiput, Pigibo and Botlu South). Sorowar in the north is by far the largest resource. Samat North, South and East lie to the south and while relatively small are also relatively high grade. Pigiput, Pigibo and Botlu South lie between the Sorowar and Samat areas and are of intermediate tonnage but at a grade similar to Sorowar. All prospects lie within 2 to 3 km of each other. The project area also includes other less well defined prospects and anomalies.

History

Allied Gold first acquired an interest in the Simberi Project in October 2004 through the acquisition of Nord Pacific Limited (“**Nord Pacific**”), a corporation incorporated under the laws of the Province of New Brunswick, Canada, pursuant to a plan of arrangement under the *Business Corporations Act* (New Brunswick) (the “**Plan of Arrangement**”). Prior to that time, Nord Pacific was a reporting issuer in the provinces of British Columbia, Alberta, Ontario, New Brunswick and the Yukon Territory. Nord Pacific’s principal assets were a 50% interest in the Simberi Mining Joint Venture (“**SMJV**”) and a 99% interest in the Tabar Exploration Joint Venture (“**TEJV**”). Each of these joint ventures had been established with Simberi Gold Corporation (“**Simberi**”), a company then listed on the TSX, to pursue exploration and development of gold prospects in the Tabar Islands Group in the New Ireland Archipelago in eastern PNG. The SMJV held ML 136, which then hosted identified gold resources of 1.49 million ounces. The TEJV held EL 609. As a result of the Plan of Arrangement, Nord Pacific became a wholly-owned subsidiary of Allied Gold and Allied Gold acquired Nord Pacific’s interests in the SMJV and the TEJV.

In November 2004, the Company entered into an agreement with Simberi to acquire a further 37.5% interest in the SMJV and the remaining 1% of the TEJV. This transaction closed in April 2005, at which point both the SMJV and TEJV were formally terminated and Simberi continued with a 12.5% free carried interest in the Simberi Project until the earlier of a decision to mine at the Simberi Project or December 31, 2009.

As a result of successful drilling programs in 2004 and 2005 that delineated broad areas of previously unknown mineralization outside and below a pit design for the Simberi Project that had been completed in 2003, Allied Gold engaged Golder Associates Pty Ltd. (“**Golder Associates**”) in mid-2005 to construct an updated resource block model and carry out a resource estimate incorporating all of the new drilling data from these programs. Golder Associates then used the resource block model for open-pit optimization and reserve estimates, as well as preparation of the mining section for an October 2005 update to a feasibility study on the Simberi Project that had been prepared in 2003, to include higher reserves and to investigate a higher process plant throughput. The updated study, known as the “Optimized Feasibility Study”, resulted in a project that was expected to mine and process 15.4

Mt of ore over a 9.4 year mine life and recover an estimated 585,000 ounces of gold. The study investigated the development of a 1.65 Mt per annum mining and process operation, along with an ore delivery system consisting of screening and slurring of ore from deposits located in the hills surrounding the proposed process plant, which would be located on the coast of Simberi Island. The results of the study indicated that the development of a gold mine at the Simberi Project site was technically feasible and economically viable.

The Company subsequently commissioned a study by Internet Engineering at the start of 2006 to investigate a larger process plant and mine plan that would be expected to process 2.2 Mt per annum. As part of this study, the proposed ore delivery system was also re-evaluated. This focused on an aerial conveying system that would have the feed end located at the largest deposit at Sorowar, and the discharge end near the proposed process plant in Pigiput Plantation. The study, known as the “Amendment to the OFS”, showed that a larger process plant with 2 Mt per annum nameplate capacity and ore delivery by way of an aerial conveying system, known as Ropecon[®], was technically and economically feasible. The Amendment to the OFS study was subsequently presented to the PNG Department of Mining and applications were made for a variation of the project scope. Simultaneously, amendments to the Company’s environment permits were made through, and approved by, the PNG Department of Environment and Conservation to accommodate a higher process rate. Capital and operating costs were re-estimated as part of the Amendment of the OFS and indicated a total cost of US\$60 million and a cash operating cost of US\$306 per ounce.

In July 2006, the Company received updated reserves and in-pit resource estimates from Golder Associates which provided that the Simberi Project contained 17.7 Mt of ore grading 1.37 g/t Au and containing approximately 785,000 ounces of gold.

With the Optimized Feasibility Study and the Amendment to the OFS confirming that an economic and technically viable gold oxide mining project could be developed on Simberi Island, the Company decided to proceed with mine development in 2006 and awarded contracts for the design and construction of a process plant capable of processing 2.2 Mt of ore per annum, associated ancillaries including power, water, tailings disposal and infrastructure including a wharf and a camp.

As a result of proceeding with its decision to mine, the Company concluded an agreement with Simberi in 2006 pursuant to which it purchased Simberi’s outstanding 12.5% free carried interest in the Simberi Project.

In March 2007, the Company commenced the operation of its landing barge “LCT Lady Geraldine”, minimizing delivery times for the delivery of materials to Simberi Island.

In May 2007, Allied Gold received approval from the PNG Mineral Resources Authority to extend the term of ML 136 for an additional term of 10 years ending on December 2, 2018.

Dry commissioning activities of the Company’s process plant commenced in December 2007. The Simberi Project commenced production in February 2008. In May 2008, the Company successfully commissioned its state of the art Ropecon[®] aerial rope conveyor.

In March 2008, the Company signed a letter of intent (the “**Barrick Letter of Intent**”) with Barrick (PNG) Exploration Ltd., a subsidiary of Barrick Gold Corporation (“**Barrick**”), to enter into a \$20.0 million farm-in agreement with respect to Allied Gold’s exploration licence on Tatau and Big Tabar Islands. The key terms of this Barrick Letter of Intent are as follows:

- (a) Barrick must incur a minimum of \$2.0 million on exploration within 24 months of the commencement date of March 2008. If Barrick withdraws at any time after it has met this minimum expenditure but before it earns 51% equity in the joint venture, it will not retain any interest in the exploration licence.
- (b) Barrick may earn a 51% interest in the exploration licence by sole funding \$8.0 million in exploration expenses within 4 years of the commencement date. If Barrick withdraws prior to obtaining this interest it will not retain any interest in the exploration licence.

- (c) After earning a 51% interest in the exploration licence in the manner described in (b) above, Barrick has the option of increasing its interest from 51% to 70% by sole funding a further \$12.0 million in exploration expenditures within 8 years of the commencement date.
- (d) Barrick's rights under (b) and (c) above are conditional on Barrick expending a minimum annual expenditure of \$1.0 million once the condition in (a) above has been met.
- (e) If Barrick earns a 70% interest as described in (c) above, Allied Gold must make an election to either contribute its 30% share of ongoing costs or dilute its equity in the exploration licence using the standard industry formula. If Allied Gold's interest is diluted to less than 5% all of Allied Gold's equity in the exploration licence will be converted into a 1% royalty based on a net smelter return for all metals.

At the time of entering into the Barrick Letter of Intent, Barrick subscribed for and purchased \$15.0 million of fully paid ordinary shares in Allied Gold at a price of \$0.85 per share.

Barrick commenced exploration activities under the Barrick Letter of Intent in August 2008. To date, Barrick has spent approximately \$8.0 million in exploration expenses and has completed: (i) 4 diamond drill holes totalling 1,927 m at the Tupinda prospect, Big Tabar Island; (ii) planned drilling at the Banesa prospect, Big Tabar Island of 6 holes totalling 2,625 m; and (iii) reconnaissance mapping and rock-chip sampling over Tatau Island. Subsequent to these activities, Barrick has completed its 2009 field season and has demobilized its geological staff and suspended activities at its project camp until 2010.

In 2009, Allied Gold announced a 45% increase in total Simberi Island measured, indicated and inferred resources to 4.7 million ounces of gold and 10 million ounces of silver, comprising oxide gold resources of 1.4 million ounces and sulphide gold resources of 3.3 million ounces, as well as an extension of 437,000 ounces to its ore reserve, extending the remaining mine life for the Simberi Project to over ten years.

Allied Gold currently produces approximately 80,000 ounces of gold per year. In 2009, Allied Gold commissioned a study to evaluate the process engineering options for the expansion of the existing Simberi oxide ore processing plant to a capacity of 3 Mt per annum to increase production to 100,000 ounces per year, and also commenced a sulphide pre-feasibility study with a view to underpinning an expansion of its production profile by up to an additional 100,000 ounces per year by December 2011.

In June 2009, Allied Gold produced its 100,000th ounce of gold at the Simberi Project since commencing production.

Allied Gold's strategy is to add to the gold inventory on Simberi Island by defining additional resources and converting these and other known resources into reserves with a view to expanding annualized gold production.

Recent Developments

ASG Acquisition

On September 16, 2009 Allied Gold announced a take-over bid (the "**ASG Offer**") to acquire all of the issued and outstanding ordinary shares of Australian Solomons Gold Limited ("**ASG**"), an Australian-based mining company incorporated under the Australian Corporations Act and listed on the TSX and focused on the exploration and development of the Gold Ridge project in the Solomon Islands, on the basis of 0.85 ordinary shares of Allied Gold for every one ordinary share of ASG. The ASG Offer was made pursuant to a take-over bid implementation agreement (the "**Implementation Agreement**") dated September 16, 2009 between Allied Gold and ASG. In connection with the ASG Offer, Allied Gold also entered into a pre-bid agreement (the "**Pre-Bid Agreement**") dated September 3, 2009 with Resource Capital Fund III LP ("**RCF**"), which beneficially owned or controlled 63,522,358 shares of ASG, representing approximately 49% of the issued and outstanding shares of ASG, pursuant to which RCF agreed, subject to the terms and conditions of the Pre-Bid Agreement, to deposit under the ASG Offer, and not withdraw, subject to certain exceptions, shares of ASG representing, in the aggregate, 19.9% of the issued and outstanding shares of ASG and to publicly announce its intention to accept the Offer in respect of the

remaining shares of ASG it owned. Allied Gold mailed a bidder's statement/take-over bid offer and circular in respect of the ASG Offer (the "**Bidder's Statement/Offer and Circular**") to ASG's shareholders on October 2, 2009. The Implementation Agreement, the Pre-Bid Agreement and the Bidder's Statement/Offer and Circular have been filed on SEDAR and are available under ASG's SEDAR profile at www.sedar.com.

On November 9, 2009, Allied Gold announced that all conditions of the ASG Offer had been satisfied or waived and that it had taken up 63,694,013 ASG ordinary shares deposited under the ASG Offer, representing 49.08% of the issued and outstanding ASG Shares, in consideration for which it issued an aggregate of 54,139,911 ordinary shares to the holders of such ASG ordinary shares. The ASG Offer is scheduled to expire on November 16, 2009. Allied Gold, however, may elect to extend the expiry time for the Offer, subject to the provisions of the Australian Corporations Act and applicable Canadian securities laws.

The Gold Ridge project is located on the island of Guadalcanal, the main island of the five larger islands that comprise the Solomon Islands, approximately 30 km southeast of the capital city Honiara. The Gold Ridge project consists of a mining lease granted March 12, 1997 (No 1/1997) (the "**ASG Mining Lease**") that covers an area of 30 km² and a special prospecting licence (SPL194) that covers an area of 130 km² (the "**ASG SPL**").

The ASG Mining Lease is valid for a period of 25 years with an option to renew for a further 10 years. The ASG SPL is valid for an initial period of three years with the possibility of renewal for two two-year periods as long as the area is reduced by 50% each time. The ASG SPL was renewed to September 21, 2000, for its first extension of two years. ASG has applied for a new special prospecting license, to replace the ASG SPL, over the same area which would allow the time requirements to start again from the date of granting. This process requires agreement with the various landowners which requires extensive consultation. Although this process has commenced, the priority remains the exploration of the current ASG Mining Lease.

The Solomon Islands government has confirmed, under an agreement with ASG and its subsidiaries, that both the ASG Mining Lease and the ASG SPL are in good standing and continue to be subject to *force majeure* provisions due to ethnic tensions which occurred in the Solomon Islands in 2000. The state of *force majeure* will cease when the Gold Ridge project is once again operational, and the duration of the ASG Mining Lease and ASG SPL will be continued for the remaining period which, in the case of the ASG Mining Lease will be approximately 22 years and is eligible for a 10-year renewal thereafter.

The Gold Ridge project consists of four mineralized zones which lie within a diamond shaped zone 2.5 km long by 1.4 km wide. A report prepared by Hellman & Schofield dated August 2009 and entitled "Estimation of Recoverable Gold Resources, Gold Ridge" dated August 2009 and filed on SEDAR under ASG's SEDAR profile at www.sedar.com provides an update on the mineral resource estimate at the Gold Ridge project, which measures approximately 1.6 million ounces.

ASG is currently continuing with plans to refurbish an existing plant with an increase of throughput to 2.5 Mt/a producing on average 135,000 ounces per year of gold for the first three years of operation, and an estimated 124,000 ounces per annum over a current seven year mine life. A review of a possible further increase in throughput will be ongoing as exploration data progressively becomes available, although such an increase would not be likely to affect the initial development throughput design.

In the second half of 2008, ASG selected GR Engineering Services Pty Ltd. ("**GRES**") to carry out engineering, procurement and construction activities for the Gold Ridge project. In December 2008, GRES provided an initial total cost estimate to ASG, as a result of which ASG proceeded to have GRES complete a further review and optimization to produce the estimated cost for use in project financing activities, and the proposed contractual arrangements between ASG and GRES. Pursuant to this estimate, the pre-production capital costs (including owner costs associated with the redevelopment) amount to approximately U.S.\$110.5 million.

TSX Listing

The Company received conditional approval for the listing of its ordinary shares on the TSX on November 5, 2009. The ordinary shares of the Company will trade on the TSX under the symbol "ALG". The Company anticipates that trading on the TSX will commence on or about November 16, 2009.

PAPUA NEW GUINEA

PNG is located in the southwest Pacific near Australia with a land area of approximately 462,000 square kilometres and a population of approximately 5.8 million. English is the official language of government and commerce, although the majority of Papua New Guineans speak Pidgin. Papua New Guinea gained independence from Australia in 1975. Since independence, PNG has engaged in regular general elections, undergoing several democratic changes of government.

Despite its relatively short period of exposure to western influences and the mining industry, PNG has attained credibility as a mineral producer based on the presence of several major mines. Since the early 1980s, mining and petroleum have become a driving force of the PNG economy, contributing significantly to total exports, government revenue and gross domestic product.

Under the PNG *Mining Act* (1992) (the “**Mining Act**”), all minerals existing on, in, or below the surface of any land in PNG are the property of the State. The Mining Act establishes a regulatory regime for the exploration for, and production of, minerals and is administered by the PNG Mineral Resources Authority (the “**MRA**”), a self-funded body which is not a department of the PNG National Public Service. The types of mining tenements that may be granted include exploration licences, special mining leases and mining leases.

Approximately 97% of land in PNG is held by traditional owners under customary principles of land ownership. The specific elements and rules of the system of customary land tenure vary from place to place. However, customary land ownership generally recognises the traditional users of land and their personal and clan arrangements for land use. While it is not possible to purchase or lease customary land from its traditional owners, a mining tenement may be granted over customary land under the Mining Act. The tenement holder is liable to compensate the land owners as required by the Mining Act before entering onto or occupying the land the subject of the tenement, as discussed below. The balance of the land in PNG is known as alienated land. Alienated land is land that has either been acquired from customary owners by the State either for its own use or for private development, or in some rare cases, is held as freehold other than by the State.

A mining lease is issued by the PNG Minister for Mining (the “**Minister**”) after considering a recommendation of the PNG Mining Advisory Council, and after the Minister approves the applicant’s proposals for development. A mining lease entitles the holder to exclusive occupancy of a specified area of land for mining and mining purposes and to ownership of all minerals lawfully mined from that land. A mining lease may have a term of up to 20 years and may be extended for periods of up to 10 years. It is a condition of each mining lease that the holder comply with the proposal for development. A mining lease may also include such other conditions as may be determined by the Minister.

An exploration licence entitles the licensee to exclusive occupation of the land which is the subject of the licence for the purpose of carrying out exploration for minerals on that land in accordance with any conditions to which it may be subject, including that the licensee complies with an exploration program approved by the Minister. In particular, the licensee may extract, remove and dispose of such quantity of rock, earth, soil or minerals as permitted under an approved exploration program (subject to the power of the MRA to require the licensee to deliver to it all cores and drilling samples taken in the licence area). The licensee must also meet minimum annual expenditure requirements in connection with the approved exploration program, and meet certain reporting obligations. An exploration licence is issued for a period of two years, which may be extended for additional two year periods provided that: (i) the licensee has complied with the conditions of the licence, paid compensation as required by the Mining Act, and submitted an exploration program for the proposed extended term to the Mining Advisory Council; and (ii) the Mining Advisory Council has recommended such exploration program for approval. On a renewal application, at least half of the area of the licence, as at the commencement of the previous term, must be relinquished until such time as the area is not more than 30 sub-blocks (approximately 100 square kilometres), after which no further relinquishment is required.

Under the Mining Act, a tenement holder is liable to compensate the owners of the land subject to the tenement, any adjoining land or improvements and land or improvements in the vicinity of the tenement, for its entry onto, or occupation of the land and for loss and damage caused or foreseen to be caused by exploration, mining or related activities. Compensation arrangements, either by way of agreement between the parties or a determination by a

warden, must be finalised and compensation payments must be current before the tenement holder may enter onto, or occupy, the land.

A tenement may be cancelled by the Minister if, after receiving a notice that the holder has breached the Mining Act or a condition of the tenement for which the tenement holder fails to show cause.

As a matter of policy, the State reserves in every exploration licence granted under the Mining Act, the right to elect, at any time prior to the commencement of mining, to make a single purchase of up to a 30% equitable interest in any mineral discovery arising from the exploration licence at a price pro rata to the accumulated exploration expenditures and then to contribute to further exploration and development in relation to the lease on a pro rata basis, unless otherwise agreed. The Company is not aware of the State ever having exercised its right to acquire the entire 30% equity interest although on occasion the State has exercised its right and acquired a 20% equity interest in a project.

Activities that have an impact on the environment of PNG are regulated by specific environmental legislation which is administered by the PNG Department of Environment and Conservation. All mine developments require an environment permit issued pursuant to the *Environment Act* (2000), which normally must be issued before the relevant tenement is granted.

THE SIMBERI PROJECT

The Simberi Project is the subject of a technical report dated September 25, 2009 and entitled “Simberi Gold Project, Simberi Island, PNG” (the “**Technical Report**”) prepared for Allied Gold by Stephen Godfrey and John Battista of Golder Associates Pty Ltd. (“**Golder Associates**”) and Phil Hearse of Battery Limits Pty Ltd. (“**Battery Limits**”) (such individuals being referred to herein as the “**Authors**”, or any one of them with respect to a particular section for which such individual has responsibility, an “**Author**”), each of whom is an independent “Qualified Person” under National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“**NI 43-101**”). The following is a description of the Simberi Project based on the Technical Report, and in many cases is a direct extract of the disclosure contained in the Technical Report. Portions of the following information are based on assumptions, qualifications and procedures described in the Technical Report but which are not fully described herein. Reference should be made to the full text of the Technical Report, which is incorporated by reference herein. The Technical Report has been filed with certain Canadian securities regulatory authorities pursuant to NI 43-101 and is available for review under Allied Gold’s SEDAR profile at www.sedar.com.

Project Description and Location

Location and Area

The Simberi Project is located on Simberi Island in the Tabar Islands Group. The Simberi Project comprises: (i) an open-pit mining operation with an associated gold processing plant, located within ML 136, which covers 2,560 ha on the eastern side of Simberi Island; and (ii) a larger 69 sub-block/233 km² area under EL 609 covering the remainder of Simberi Island and most of the adjacent Tatau and Big Tabar Islands to the south.

The Tabar Islands are situated in the New Ireland Province of PNG at approximately latitude 2.5° south and longitude 152° east. The four sparsely inhabited islands of the Tabar Islands Group are located 130 km east of the capital city of New Ireland Province, Kavieng, and 60 km north-west of the Lihir Island site of the world class Lihir Gold Mine. The southern-most island in the group, Tabar Island, lies approximately 30 km north of mainland New Ireland. Simberi Island is the northern-most island of the Tabar Islands Group and measures approximately 10 km east-west and 8 km north-south.

The Simberi Project is based on seven separate prospects on the eastern portion of Simberi Island (Sorowar, Samat North, Samat South, Samat East, Pigiput, Pigibo and Botlu South). Sorowar in the north is by far the largest resource. Samat North, South and East lie to the south and while relatively small are also relatively high grade. Pigiput, Pigibo and Botlu South lie between the Sorowar and Samat areas and are of intermediate tonnage but at a grade similar to Sorowar. All prospects lie within 2 to 3 km of each other. The project area also includes other less well defined prospects and anomalies.

Title, Rights and Obligations

The Simberi Project is wholly-owned and operated by Allied Gold, through its wholly-owned subsidiaries, Nord Pacific and Simberi Gold Company Limited (“**Simberi Gold**”).

ML 136 was granted to Simberi Gold on December 3, 1996 for a term of 12 years by the MRA. On May 4, 2007 the MRA granted Simberi Gold an extension on ML 136 for an additional term of ten years commencing on December 3, 2008 and ending on December 2, 2018.

Mining leases in PNG are issued by the MRA on behalf of the PNG National Government. Mining lease conditions address surface rights, such as lost land, trees, vegetation and surface water with compensation due to the lease owner. Alluvial gold rights belong to the citizens of PNG and the landowner.

Under the Mining Act, the granting of ML 136 authorizes Simberi Gold, in accordance with the PNG *Mining (Safety) Act* and any conditions to which the mining lease is subject, to: (a) enter and occupy the land over which the mining lease was granted for the purpose of mining the minerals on that land and carry on such operations and undertake such works as may be necessary or expedient for that purpose; (b) construct a treatment plant on that land and treat any mineral derived from mining operations, whether on that land or elsewhere, and construct any other facilities required for treatment including waste dumps and tailings dams; (c) take and remove rock, earth, soil and minerals from the land, with or without treatment; (d) take and divert water situated on or flowing through such land and use it for any purpose necessary for his mining or treatment operations subject to and in accordance with the PNG *Water Resources Act*; and (e) do all other things necessary or expedient for the undertaking of mining or treatment operations on that land.

Subject to the provisions of the Mining Act, Simberi Gold, as the holder of a mining lease, is entitled to the exclusive occupancy for mining and mining purposes of the land in respect of which the mining lease was granted, and owns all minerals lawfully mined from that land.

ML 136 was granted subject to the following conditions:

- Simberi Gold must follow an approved proposal.
- Simberi Gold must comply with the PNG *Mining (Safety) Act*.
- Simberi Gold must comply with conditions imposed by the PNG Department of Environment and Conservation and by conditions set out by the PNG Bureau of Water Resources.
- Simberi Gold must provide the PNG Department of Mining and Petroleum, now the MRA, with six monthly reports on exploration and monthly production figures.
- Simberi Gold may not use the land without the consent of the State for purposes other than for which the lease was granted.
- Simberi Gold must not interfere with the cultural use of the land without permission and will accommodate traditional uses subject to efficient and safe mining practices.
- Simberi Gold shall compensate the owners of private land which is located within the mining lease to a level at least required by the Mining Act.
- Simberi Gold shall provide the PNG Department of Mining and Petroleum with a closure plan and schedule at least one year before shutdown.
- Simberi Gold shall stockpile all topsoil, where practical, to be used for re-vegetation purposes.

- Simberi Gold shall submit the open pit mine plan to the PNG Chief Inspector of Mines six weeks before start of mining operations.
- Simberi Gold shall submit to the PNG Chief Inspector of Mines all mine plant plans and details, for the mine construction phase and later phases as well.

In accordance with these conditions, Simberi Gold filed a proposal that was approved, subject to the following conditions:

- (a) that gold production should have commenced by December 31, 2006 (subsequently extended to December 31, 2008);
- (b) Simberi Gold shall provide an alternative water supply to any village whose normal water supply is impacted by the development. This condition has been addressed by the installation of rainwater tanks, piped spring water and bores installed with hand pumps in a number of the affected areas; and
- (c) Simberi Gold shall maintain all drainage channels from the mining areas to minimize flood impacts on village areas.

Exploration for gold within ML 136 is focused on the replacement of oxide resources, hosted by volcanic rocks and investigation of underlying sulphide mineralization.

Simberi Gold, as the holder of an exploration licence, is entitled to the exclusive occupancy for exploration purposes of the land in respect of which the exploration licence was granted. The granting of an exploration license authorizes the holder, in accordance with any conditions to which it may be subject, to: (a) enter and occupy the land which comprises the exploration licence for the purpose of carrying out exploration for minerals on that land; (b) subject to Section 162 of the Mining Act, extract, remove and dispose of such quantity of rock earth, soil or minerals as may be permitted by the approved program; (c) take and divert water situated on or flowing through such land and use it for any purpose necessary for his exploration activities subject to and in accordance with the provisions of the PNG *Water Resources Act*; and (d) do all other things necessary or expedient for the undertaking of exploration on the land.

Royalties and Encumbrances

Normally the holder of a mining lease must pay the PNG government a 2% royalty on the free-on-board value of the product if exported without smelting or refining. However, under a memorandum of agreement dated November 21, 1996 which details the relationship between the PNG National Government, Provincial Government, Simberi Landowners Association, Tabar Community Government and Simberi Gold (the “**MOA**”), all of the royalty is being returned to the landowners whereby 60% goes to Simberi Island, 15% each goes to Tabar and Tatau islanders and 10% goes to the Central New Ireland Local Level Government. The New Ireland Provincial Government has the right under the MOA to review the royalty distribution if gold production exceeds 100,000 ounces in any one or more years.

Environmental Liabilities

There has been no previous large scale mining on the Simberi Project. Previous alluvial workings have had no significant impact. There are no pre-existing environmental liabilities.

Prior to construction, Simberi Gold was required to implement an Environmental Management and Monitoring Program (“**EMMP**”). Nord Pacific submitted a draft EMMP in May 1999 and an amendment to the EMMP (now known as the “**EMP**”) addressing changes to the previous scope, prepared by Nord Pacific’s consultants, was submitted in July 2003.

A baseline environmental survey was undertaken in June 2003 and two further supplementary environmental baseline studies were completed in March 2004 and December 2004. During the environmental baseline studies, a network of monitoring stations was established to support the ongoing collection of data.

A letter dated February 24, 2004 from the Acting Secretary for the Department of Environment & Conservation confirms that the Environmental Plan Approval for the Simberi Project that was issued on December 30, 1996 under the *Environmental Planning Act 1978* is valid and deemed to be an Environmental (Waste Discharge) Permit for the purposes of the *Environment Act 2000*. It also notes that the Department of Environment Conservation is processing the amendment application which was submitted due to the changes in the mine plan and engineering concept.

The Optimized Feasibility Study conducted on the Simberi Project in 2005 addressed the environmental impacts associated with open cut mining operations and haul roads, ore processing operations, pipeline and power line corridors, deep sea tailings placement and project infrastructure. The mitigating engineering measures incorporated into the designs are also described in the Optimized Feasibility Study.

A further update to the EMP was prepared and submitted in conjunction with the Optimized Feasibility Study and is under consideration by the PNG Department of Environment Conservation.

Location of Mineralization and Mine Workings

All identified mineralization and mine workings on Simberi Island are located within ML 136 on the eastern side of the island (see Figure 6.3 in the Technical Report).

The grade of the mineralization is related to the degree of fracturing of the host rocks, which is greatest in the vicinity of steeply dipping feeder structures interpreted to have been the pathways for both alteration and mineralizing fluids. Gold bearing sulphide (unoxidized) mineralization has been identified at depth beneath oxide mineralization at Sorowar, Pigiput and Pigibo, beneath oxide mineralization and near-surface at Botlu and immediately beneath oxide and transition mineralization at Samat South and Samat North. Primary gold occurs within sulphides and appears to remain very fine grained when released by oxidation.

Gold grades appear to be primarily related to the degree of fracturing of the host rocks and are greatest in the vicinity of steeply dipping feeder structures. These structures are interpreted to have channelled generally upwards moving hydrothermal fluids localizing alteration and mineralization.

Required Permits

To commence mining in PNG, an operator needs a granted mining lease and an environmental permit issued pursuant to the *Environment Act* (2000). Simberi Gold holds ML 136 and has obtained all required environmental permits. In particular, Simberi Gold holds water extraction permit WE-L3(15), issued and commencing December 30, 1996 and expiring December 31, 2053, allowing it to extract water from water sources within ML 136 for mining purposes, as well as Mining Waste Discharge permit WD-L3(36), issued and commencing December 30, 1996 and expiring December 31, 2053.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

Access

The Simberi Project site personnel work rotating rosters but, as Simberi Island is not serviced by regular passenger services, charter flights are used to transport company personnel from various locations in PNG, including Port Moresby, Rabaul and Kavieng. A company-built airstrip, located at the southern end of Simberi Island, can accommodate aircraft up to the size of a Bombardier Dash 8 (18.6t, 56 seat twin turboprop).

The Company also operates a loading barge, the “LCT Lady Geraldine”, which ferries bulk supplies to Simberi Island on a regular schedule from the mainland towns of Lae in Morobe Province and Rabaul in New Britain Province. The LCT Lady Geraldine’s capacity is supplemented, as required, by privately owned barges chartered from Lae and Rabaul.

Wharf, processing plant, offices and camp accommodation for the Simberi Project are located at Pigiput Bay on Simberi Island. Material is brought to the process plant by either 40t articulated dump trucks along the haul road or the Company's Ropecon[®] aerial conveying system. An island ring road provides access to all parts of the island and the many hamlets inhabited by the islanders along the coast.

Climate

The Tabar Islands Group is located approximately 3° south of the equator, making for a generally humid and wet environment. The islands, however, are not affected by tropical cyclones, being well north of the Southern Cyclone Belt that extends from 10° south to 20° south. Rainfall shows no real seasonal pattern and is distributed throughout the year with a not so distinct wetter period from October through to April. Mean annual rainfall is about 3,000 mm, with monthly totals typically varying from about 30 mm to 600 mm. This range is consistent with data collected at Lihir Island, 70 km to the south-east. There is no well defined relationship between elevation, however, rainfall can vary from the coast to the interior. Close to sea level, the winds are generally light, with monthly wind speed usually less than 5 knots. Two wind seasons occur during the year, and vary in duration from year to year. Generally, prevailing winds are from the southeast from May to October, while from November to April, they are mainly from the northwest. Mining operations at the Simberi Project are capable of being conducted year round, although periods of abnormally high rainfall may limit accessibility and therefore production.

Local Resources and Infrastructure

Process plant buildings include the site administration office, mill operations offices and training rooms, site assay laboratory, plant maintenance workshop and stores, and site security buildings. Simberi Island is located in a Category 2 earthquake zone and the engineering design of the process plant and associated buildings and infrastructure has taken this into account. No additional buildings are required for the Company's contemplated process plant expansion.

The existing power station is operated by Aggreko under contract number 183-EC-02. The power station is diesel fired and rated to a maximum demand of 6 MW. The power plant normally operates at a load of between 3 MW and 3.5 MW. The average power load for the Simberi Project for June 2009 was estimated to be 3070 kW. Power output from the power plant was 3250 kW. Up to 10% of the total demand is provided by the aerial rope conveyor which generates power while moving the ore down from Sorowar over a vertical fall of about 230 m. Allied Gold provides diesel fuel, freight for equipment, consumables required for power plant operation and accommodation and messing for the Aggreko power plant attendants.

Water is filtered through a sand and UV filtration system. Raw water supply for the main treatment plant was initially sourced from the ocean via a pump station. In 2009, process water has been sourced from surface water that has ponded in a pit that was formed during construction. This pond is located about 500 m south-west of the process plant and the water is pumped to the process raw water pond and is augmented with sea water when required.

Simberi Gold holds extraction licenses for creek water (Monun and Darum Creeks) and ground water (Pigiput Plantation) and Monun Creek catchment although currently none of these sources are being used. Additional water will be provided from a silt collection pond downstream of the pits and in later years from pit dewatering pumps. Additional water for the expanded 3 Mt/a case will be mainly sea water.

Physiography

The islands of the Tabar Islands Group are fringed by coral reefs and, with the exception of low-lying and sandy Mapua Island, have rugged and hilly interiors typically up to 300 m in elevation on Simberi Island and up to 600 m on Big Tabar Island. Flat coastal areas may extend up to several kilometres inland. Raised paleo-reefs form a 5 km diameter broken ring of bluffs up to 160 m high around the eastern central part of Simberi Island.

The vegetation of the Tabar Islands Group varies greatly. Coconut plantations grow notably on Simberi Island and village gardens are tended along the low-lying coastal fringe. Secondary and tertiary forest growth generally covers the hinterland and dense primary rainforest is more restricted to the interior.

History

There is evidence of very limited alluvial gold workings, probably dating from the 1920s, to the north of Sorowar in Matanabol Creek and at Tugi Tugi on Tatau Island.

Prior to systematic exploration being applied in 1981, earlier exploration consisted of reconnaissance surveys searching for copper by Conzinc Rio Tinto and Broken Hill Propriety Ltd.

Nord Pacific acquired an exploration licence over the Tabar Islands Group in 1981, at which time modern reconnaissance exploration on Simberi Island identified gold mineralization. In 1982 a joint venture was established between Kennecott Explorations Australia Ltd. (“**Kennecott**”), Nord Pacific and Niugini Mining Ltd., with Kennecott as the operator, to explore for gold mineralization in Prospecting Authority PA 609-1, in the Tabar Islands Group.

Reconnaissance geochemical exploration and geological mapping by Kennecott identified anomalous gold over a large area of eastern Simberi Island. Within this area there were several prospects with evidence of higher grade and coherent mineralization. These prospects were systematically aircore and diamond drilled between 1983 and 1990, initially testing both oxidized and sulphidic gold mineralization, but later concentrating on the oxide material with a view to testing the viability of a low-cost open-cut mining operation.

In 1993, Nord Pacific re-acquired the interests of both Kennecott and Niugini Mining Ltd. in the joint venture. Subsequently, Nord Pacific continued exploration and, in 1996, commissioned a feasibility study. The study demonstrated favourable project economics and culminated in the grant of ML 136 to Simberi Gold in December 1996. This feasibility study included a detailed review of deposit geology and mineralization, data acquisition methods, data validation and mineral resource estimation methodology. Resource estimates of the Sorowar, Pigiput, Samat South, Samat North and Samat East deposits were reported. The Simberi Project became uneconomic with the decline in the gold price in early 1997.

In 1997, an extensive drilling program tested extensions to Sorowar and two additional deposits, Botlu and Pigibo. In 1998, the oxide resources at Sorowar were re-estimated using the larger drill database and new estimates were made for the Botlu and Pigibo deposits. The program was successful in almost doubling known resources but a desktop update of the feasibility study carried out in 1999 indicated that the low gold price still precluded development.

In 2002, Nord Pacific entered into two joint ventures with PGM Ventures Corporation (“**PGM**”), a Canadian public company then listed on the TSX Venture Exchange. The first venture was the SMJV, which covered development of the gold resources within ML 136. The second was the TEJV, which covered exploration within EL 609 over the remaining areas in the Tabar Islands Group.

In January 2003, PGM announced an agreement to vend its interests in the SMJV and the TEJV into another Canadian public company, Alive International Inc. This transaction was completed in April 2004 and resulted in the creation of Simberi by Alive International Inc. acquiring PGM’s interests in the SMJV and the TEJV, becoming a 60% owned subsidiary of PGM and changing its name to Simberi Gold Corporation.

Allied Gold first acquired its interest in the Simberi Project in October 2004 through the acquisition of Nord Pacific. It then acquired a further interest in the Simberi Project from Simberi in November 2004, which was then a joint venture partner in the Simberi Project. Under those transactions, Allied Gold acquired an 87.5% interest in the SMJV, and a 100% interest in EL 609. Allied Gold subsequently purchased the remaining 12.5% free carried interest in the Simberi Project from Simberi in 2006. Accordingly, Allied Gold now owns and controls a 100% interest in ML 136.

Allied Gold also currently holds title to the 233 km² EL 609, which is comprised of three main blocks A, B and C. EL 609 Block A covers the remainder of Simberi Island not included in ML 136. Blocks B and C cover the islands of Tatar and Tabar, respectively. Under the Mining Act, an exploration licence may be granted for up to two years and is renewable, subject to the holder reporting on and satisfying prescribed expenditure requirements on approved

exploration activities. Documentation for the renewal of EL 609 is currently under review by the PNG Mining Advisory Board.

EL 609 Blocks B and C are currently subject to the Barrick Letter of Intent, signed with Barrick in March 2008. The Barrick Letter of Intent details the terms of a farm-in agreement, whereby Barrick may earn a 51% interest, in those parts of EL 609 covering Tatau and Tabar Islands. To do this, Barrick must solely fund exploration to the value of \$8 million within 4 years of the agreement commencement date. Barrick's interest can be increased to 70% if Barrick elects to sole fund exploration to \$20 million within 8 years of the commencement date. Barrick is currently actively exploring EL 609.

Geological Setting

Simberi Island is the oldest and northernmost island of the Tabar Islands Group. It forms part of a silica-poor, potassium-rich alkaline volcanic Pliocene-Pleistocene island arc to the immediate north of New Ireland, PNG. This island arc includes the Lihir, Feni and Tanga Island groups that lie to the southeast of the Tabar Islands Group.

The island arc was distorted by a complex underlying subduction system causing the islands to form along north-south tension gashes. It is inferred that these deep-seated structures have controlled the location of porphyry intrusives derived from re-melting of the oceanic crust following reversal of subduction coupled with epithermal alteration and associated mineralization.

Simberi Island itself is approximately 9 km in diameter and is the smallest of the three islands forming the Tabar Islands Group. The rugged central part of the island contains volcanic and intrusive rocks in an area about 6 km in diameter, rising to over 300 m elevation. The volcanic edifice is partially encircled by raised bioclastic reefal limestone.

The interpreted geological history of the island is that of a volcano-intrusive centre in an ocean island arc setting in which the alteration and epithermal gold mineralization driven by porphyry intrusives was emplaced in the waning stages of volcanism. This interpretation is supported by results from a high definition airborne magnetic and spectrometer geophysical survey and dipole-dipole Induced Polarization ("IP") geophysical survey carried out in early 2005. The geophysics supports the presence of highly resistive porphyry intrusives at depth. Some of these intrusives are chargeable while conductive and chargeable clay-pyrite alteration zones lie above and trend away from the intrusives. Gold mineralization is often associated with chargeable zones on the margins of intrusives.

The currently known gold prospects on Simberi Island are located in the eastern half of the island, within the central volcanic core and are contained within a sub-cropping epithermal alteration system extending 4km north-south and 2km east-west. The host rocks for the mineralization comprise altered alkaline lava flows or intrusives (porphyries), volcanoclastics and tuffs. Some local fine-grained bedded tuffs with soft-sediment structures may represent lake sediments deposited in maar-like depressions or craters. Gold mineralization, however, does not appear to be closely associated with any particular lithology.

The epithermal system is characterized by widespread surface gold anomalism, a distinctive airborne radiometric and magnetic geophysical signature and ground IP geophysical chargeability and resistivity anomalies. The identified (4km by 2km) epithermal alteration system appears coincident with a broad anomalous >0.2 g/t gold surface geochemical halo. There is no thermal spring activity, though remnants of such activity exist.

Subsequent drilling of higher-grade anomalies within this halo has mostly focused on the definition of seven shallow oxide resources and, potentially open pit mining reserves. Evaluation of deeper sulphide mineralization has concentrated primarily on the Pigiput deposit, with lesser amounts of deeper drilling being undertaken on the Samat, Botlu and Sorowar deposits. All the known oxide deposits, except Samat East, are underlain or proximal to sulphide gold mineralization.

Exploration

Gold mineralization was discovered by modern reconnaissance exploration on Simberi Island in 1981, though there is evidence of very limited alluvial gold workings, probably dating from the 1920s, to the north of Sorowar.

Reconnaissance geochemical exploration and geological mapping by Kennecott identified a large area of eastern Simberi Island as being anomalous in gold, within which there were several prospects with evidence of higher grade and coherent mineralization. These prospects were systematically aircore and diamond drilled between 1983 and 1990, initially testing both oxidized and sulphidic gold mineralization. Later drilling programs focused on oxide material only.

A helicopter borne magnetic and radiometric survey carried out in 1987 was reinterpreted in 1995 to produce composite radiometric and reduced-to-pole magnetic images. The radiometric data highlights the potassic alteration associated with the known mineralization. The aeromagnetic data shows the known mineralization is associated with zones of subdued magnetic response, interpreted as zones of alteration-related magnetite destruction.

Subsequent systematic exploration programs using aircore, reverse circulation (“RC”) and diamond holes by Nord Pacific, PGM and Allied Gold, together with surface geochemistry and IP geophysical surveys have continued to increase resources on Simberi Island.

Recent drilling by Allied Gold has resulted in increased resources and reserves at Sorowar and Pigiput. This drilling includes RC and diamond core holes drilled to verify older holes completed by Kennecott and Nord Pacific in respect to mineralization orientations, grade and metallurgy.

In conjunction with Barrick’s exploration of the Tabar and Tatau Islands, an AEROTEM electromagnetic survey was flown over ML 136 in December 2008 and January 2009. Approximately 530 line km of data was acquired over Simberi Island. Barrick geophysicists interpreted the main features as:

- conductive ring due to seawater;
- central resistive zone that hosts the known mineralization;
- moderately conductive ring, likely to be a stratigraphic unit; and
- weakly conductive cover, possibly volcanic ash, that is considered prospective and under-explored.

Mineralization

Where recognized, the main primary control of gold mineralization is steeply dipping fracture systems, in places associated with milled breccia dykes (diatremes). Particularly high grades are associated with diatreme-country rock contact zones. Gold mineralization is generally associated with sulphides or iron oxides occurring within all variety of hydraulic fractures, such as simple fracture infills, single vein coatings and crackle brecciation. This fracturing can occur in any rock type competent enough to fail under stress, particularly porphyry (either intrusive or extrusive) but also altered diatreme breccias and tuff deposits. Higher gold grades tend to be associated with higher sulphide/iron oxide content and greater degrees of fracturing. Alteration intensity and areal extent do not appear to be correlated with gold mineralization.

In the oxidized zone, the gold is predominantly associated with iron oxides after sulphides, with higher grades being associated with rare vuggy and chalcedonic quartz. The gold in the oxide zone occurs as ‘free’ gold as verified by high gold recoveries during cyanide leach. Gold in mineralized primary rocks includes refractory gold hosted by pyrite or marcasite and scarcer arsenopyrite at depth. Gold sometimes also occurs with carbonates and base metal sulphides at depth, with or without silver. The particle size of the gold in the oxide zone is very fine (the bulk of it is less than 50 microns) and limited testwork has shown that the gold in primary rocks occurs as solid solution within the fresh pyrite and or marcasite and arsenopyrite. Nearer surface, the gold is predominantly associated with iron oxides after sulphides, with higher grades being associated with vuggy and chalcedonic quartz. Fluid inclusion

studies of quartz from Sorowar identified a low temperature of homogenization (207°C). This, along with the fine-grained nature of the quartz and inter-layered clay alteration, is believed indicative of cooler near-surface epithermal levels of a hydrothermal system. A geophysical airborne survey in early 2005 over the Tabar Islands Group yielded magmatic and radiometric data that defined an elevated potassium radiometric response on the ridge tops and flanks on the eastern side of Simberi Island.

Drilling

The Simberi Project has been explored and developed using channel sampling, RC drilling and diamond drilling. A summary of the drilling history is provided in the following table (Table 13-12 from the Technical Report):

Table 13-12: All Deposits — Total Drilling

<u>Deposit</u>	<u>Number of Holes</u>	<u>Total Metres</u>
Adora.....	37	2,367.92
Bekou.....	71	2,889.05
Botlu.....	152	11,844.35
Kekenminda.....	6	621.00
Patan.....	21	1,417.00
Pigibo.....	98	11,460.30
Pigicow.....	141	6,946.00
Pigiput.....	258	37,025.04
Plant.....	29	1,051.30
Samat.....	414	27,298.95
Sorowar.....	663	62,616.65
Grand Total.....	1,890	165,537.56

In addition to drilling, various operators have undertaken surface channel sampling. 14,804 samples each representing approximately five metres of channel have been taken and are stored in the Allied Gold database. The samples have an average grade of 0.52 g/t Au. Some of the channel sampling has been used in the estimation of resources done by Minstat Pty Ltd (Pigibo, Botlu and Samat). No channel samples were used in the estimation of Sorowar, Pigiput, Pigicow or Bekou.

Sampling and Analysis

Sampling Method and Quality Control Measures

Sampling methods and quality control measures by previous owners of the Simberi Project prior to its acquisition by Allied Gold are described in the Technical Report. Sampling methods by Allied Gold have included RC and drill core sampling.

Prior to mid-2008, whole RC samples were collected at 1m intervals. Approximately 100g of chips from each RC sample were washed, dried and retained for reference. The remainder of the samples were dried on galvanized core trays in wood fired copra driers, then jaw-crushed, hammer-milled to -80 mesh and reduced to two approximate 1 kg sub-samples using a riffle splitter. One 1 kg sample was hammer-milled to -30 mesh and the other “reject” split was archived on site for a minimum of 3 months after assays were returned. The 1 kg crushed samples were dispatched to ALS Laboratory Group (“ALS”) and finely pulverized. A 50 g sub-sample was fire assayed for base metal analysis and the remainder for stored at their facility in Garbutt, Queensland. The Simberi processing equipment was flushed with glass before each hole was processed.

In mid-2008, a new core shed and sample preparation facility was constructed with upgraded security and new sample processing equipment to reduce processing risks (e.g. contamination, theft, etc.), allowing a change to the RC sampling and preparation procedures. The RC sample flow chart used since mid-2008 is presented in Figure 14-7 of the Technical Report.

Before mid-2008, drill core samples were processed in a similar way to the RC samples. Core was sampled on 1 m intervals, cut in half using diamond saws and dried in wood fired copra driers on galvanized core trays. One half of each sample was stored on site in the secured core shed, the other half of each sample was crushed with a jaw crusher and split to two approximately 1 kg samples. One 1 kg sample was hammer-milled to -30 mesh and the “reject” sample was archived in the core shed for a minimum period of 3 months after assays were returned. The Simberi processing equipment was flushed with glass before each hole was processed. The 1 kg samples were dispatched to ALS Townsville for pulverizing and a 50 g sub-sample was fire assayed for base metal analysis. ALS forwarded the remainder of the 1 kg samples for storage at their facility in Garbutt, Queensland.

In early-2008, an Almonte automatic core saw was commissioned with the interest of reducing core handling and the advantage of closing core cradles to preserve the integrity of the core during cutting. Also the security of the logging, preparation area and storage facility areas were upgraded with extra fencing, and repairs to damaged doors and windows. Furthermore, core trays were changed from galvanized metal to plastic, to remove the problem of tray deterioration due to sulphides reacting with the metal.

The inauguration of the new logging and sample preparation facility in mid-2008 also allowed a change to the core drill sample sampling and preparation procedures. The drill core sample flow chart used since mid-2008 is presented in Figure 14-9 of the Technical Report.

For the Sorowar resource estimate reported in Lycopodium, 2003 a total of 525 bulk density determinations were made from nine PQ diamond holes. These holes were drilled within a 1995 conceptual pit, between 36 m and 115 m deep and for metallurgical or grade characterization purposes. These determinations showed that there was an increase in dry bulk density and a decrease in water content at depth. Forty bulk density measurements were taken from one diamond hole at Sorowar for a 2005 Feasibility Study update. Results were consistent with the existing data.

Since 2006, Allied Gold has carried out bulk density measurements on Sorowar, Pigicow and Pigiput deposits (see Table 14-1 of the Technical report), bringing the number of measurements taken to over 2,500. From 2008, bulk density measurements were routinely taken from full core before cutting and sampling. In 2009, a program of determining density by tray was used to validate the point density measurements. Statistics for bulk density measurements were carried out and the results are summarized in Tables 14-2, 14-3 and 14-4 of the Technical Report.

All bulk density determinations by Allied Gold since 2008 have been performed using the water displacement method. Samples are approximately 20 cm long and taken on average of 1 sample per tray. After sample weights are recorded wet, the samples are wrapped in cling-film and placed into a cylinder of water, with the volume of displaced water being recorded. The samples are then dried overnight in an electric oven at 106°C. Once dry, the weight is again recorded. Density and moisture content is then calculated. Outliers are invalidated and new readings of weights and volumes are performed when possible.

In 2009, the density data interpretation changed from using depth in hole to a calculate sample depth below the topographic surface to increase accuracy and account for variations derived from angled drilling. The impact of the change in method for the Pigiput data set was minimal, as most of the density samples were derived from vertical drill holes.

Data Verification

The data verification methods by previous owners of the Simberi Project prior to its acquisition by Allied Gold Project are described in the Technical Report.

Allied Gold’s sample preparation and analytical control procedures include the use of blanks to monitor contamination, duplicates to test splitting and milling efficiency and standards to monitor analytical accuracy and precision. From the Feasibility Update in 2003 to 2005, Allied Gold’s QC sample insertion rate remained the same, with one standard or control sample every 50th sample and duplicates every 20th sample. During this period, Au assays for 288 standards showed precision well within the deemed acceptable limits of mean (+/-two standard

deviations). Au assays for 574 duplicates, representing 4.2% of the samples assayed show good agreement with a correlation coefficient of 0.994. In addition, Au assays for 570 samples submitted to a second laboratory, as a cross-laboratory check, also showed good agreement, with a correlation coefficient of 0.996 (Hastings, 2005). Blanks were collected from beach sands some distance from the Pigiput Bay industrial area and expected to contain no trace of any of the elements tested.

Initially, five locally prepared standards were in use at Simberi. These standard samples (179312, 179313, 179314, 179315 and 179316) were collected from the proposed Sorowar pit area. All the standard samples were processed once and separate from all other samples. Each standard sample was then subdivided into a total of 64 splits. The sub-sample standards were packed in large numbered polyethylene bags and stored in the on-site preparation laboratory. The sample preparation crew were instructed to use these samples randomly from the various bags.

From late-2006, QC sample insertion was increased to 10%. Phase 5 (from 2008) saw the switch from in-house standards to commercially produced (Geostats Pty Ltd) CRM materials with a spread of gold grades and sulphur contents. The blank material was changed from carbonate beach sand to crushed local barren intrusive to better approximate the volcanic matrix of the drill hole samples.

After clustering the standards into seven populations, reported values were found to be rarely more than two standard deviations from the population average. The outlier, a “standard” used with samples from hole RC1362, does not fit into any of the populations. Gold contents of all samples from the batch eliminated the possibility of a sample swap and it appears likely the standard belonged for either Pop 2 or Pop 7 with either a spuriously reported gold or copper content.

A statistical analysis of the standards was performed by subscribing to the Horrats method of calculating a residual standard deviation (“RSD”) and comparing it with a predicted RSD. The RSD prescribes to the reproducibility of the standards assay values. The Au has in all instances come in better than the predicted value. The predicted value is 8 and the normal predicted is 16, hence the gold assay values for the standard are no-less than excellent.

Due to the poor initial selection of blank material, the blanks analysis data could not be used to accurately determine the degree of contamination in sample preparation or at the ALS laboratories with any certainty. Seven blanks returned gold values greater than 0.05 g/t. As a result, the use of beach sand as a blank was abandoned and a new local source, Grey Hill (TIG coordinates 43650mE: 208100mN), was selected.

In 2009, round robin checks were included as a routine part of Allied Gold’s QAQC program, with 2-3% of samples selected from each hole. In March 2009, an inter-laboratory round robin check was done on selected samples from 11 holes to check ALS Townsville, the laboratory used for routine analyses. Samples were dispatched to Genalysis (GLS) and SGS Laboratories Townsville and analyzed using 50 g fire assay with AAS finish. Control samples, standards, blanks and duplicates were included at a rate of 1 in 20. The Certified Reference Material passed QC requirements returning within 2 standard deviations of certified Au grade. Also, no anomalous values were obtained for the blank material. While samples near detection limits show some spread, correlation coefficients of greater than 97% were calculated, demonstrating the accuracy of the original ALS results were acceptable.

A limited number of RC holes were twinned by diamond core holes in late-2008. An analysis of the results indicated that while the comparison was good, poor recovery issues can affect the reliability of both RC and core sample assays. The reliability of drill hole data needs to be assessed on a hole-by-hole basis.

The Authors’ representative, John Battista of Golder Associates, visited the Simberi Project between October 28, 2008 and October 31, 2008. The drilling and sampling operations were observed and sample storage facilities visited. The mining operation and plant facilities were also inspected.

For the deposits modelled by Golder Associates, routine internal database validation checks are performed on the drill hole data sets prior to analysis, modelling and estimation. These checks include: cross table checks (holes in collar but not in assay, etc.); collar depth against final assay and geology depth; overlapping intervals or gaps in the assay and geology tables; duplicate hole names and duplicate coordinates; coordinate values of zero; integer coordinate values (indicate of a lack of detailed survey data); and extreme variations ($\geq 10^\circ$) in drill hole azimuth or dip between consecutive down hole survey records. Any anomalies or errors noted were brought to the attention

of Allied Gold and resolved. In all instances, the anomalies or errors noted were minor and the Author considers that they would have made no material difference to the resource if left unresolved.

Maxwell Geoservices were commissioned to audit the full Simberi Project database for the purpose of general data integrity and compliance. The key areas identified as requiring attention were: identifying and updating missing coordinates for 2 drill holes; sourcing and updating missing collar survey dates and methods, drill dates, sample dates, types and methods, down hole survey methods and dates and Local Grid establishment data and implementing procedure change to ensure that this data is collected for all future drilling programs; reviewing codes with no descriptions; reviewing BDL result treatment; reviewing Pb values > 100%; reviewing un-ranked assay data; updating Lab Element mapping; updating Lab Method Priority; and reviewing sample and drilling metadata collection. These recommendations will improve the overall data quality and in some local instances the data integrity, but the Author considers that this would make no material difference to the resource.

Security of Samples

The chain of custody for sample handling and transportation is such that an Allied Gold employee is with the samples at all time until they are locked up in a secure facility. This is common to both RC chip samples and diamond drill core. No samples are left unattended unless locked up. Drilling is on day shift only. The drill rig is visited by an Allied Gold geologist at least once a day.

The core shed and sample preparation facility was examined by the Authors' representative, John Battista of Golder Associates, during his site visit to the Simberi Project in October 2008. The sample handling and management procedures were considered by the Author to provide adequate security to minimize the risk of sample contamination or tampering.

Mineral Resource and Mineral Reserve Estimates

Mineral Resources

The Simberi Project resources have been classified in accordance with the guidelines of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC, 2004) ("**JORC**").

The resource classification was based on data quality, data density, confidence in the geological interpretation and confidence in the estimation.

The resources have been classified as Inferred and Indicated. The JORC classification is comparable with the definitions by the Canadian Institute of Mining, Metallurgy and Petroleum ("**CIM**") for the same categories (see Table 19-1 from the Technical Report).

The Simberi Project resources have been estimated by Minstat Pty Ltd. and Golder Associates. The Sorowar, Pigiput, Bekou and Pigicow resources have been estimated by, or estimated under the direct supervision of, the Author.

The Pigibo and Botlu are historical estimates were undertaken by M. Binns of Minstat Pty Ltd. The Author has reviewed these models and satisfactorily undertaken independent validations of the estimations and believes they are still relevant and reliable.

The following table (Table 19-2 from the Technical Report) details the Simberi Project's resources as last reported by Allied Gold in May 2009. Figures include approximately 2.2 Mt mined between August 2008 and August 2009.

Table 19-2: Simberi Mineral Resources

	Measured			Indicated			Inferred		
	Mt	g/t Au	koz	Mt	g/t Au	koz	Mt	g/t Au	koz
Sorowar⁽¹⁾									
oxide	8.00	1.30	334	9.10	1.08	316	3.70	1.05	125
transitional	0.30	1.29	12	1.10	1.21	43	0.40	1.01	13
sulphide	0.90	0.90	26	6.00	0.93	179	28.90	0.88	818
transitional pods	0.30	1.06	10	0.20	1.01	6	0.10	0.79	3
transitional pods type ⁽²⁾			0	0.10	0.79	3			
sulphide pods	0.40	1.01	13	0.90	0.84	24	1.00	0.72	23
Total	9.90	1.24	396	17.40	1.02	572	34.10	0.90	981
Pigicow⁽²⁾				0.15	1.65	8	0.29	1.30	12
oxide									
transitional							0.11	1.29	4
sulphide							2.00	1.26	81
Total				0.15	1.65	8	2.39	1.26	97
Bekou⁽³⁾									
oxide				0.04	1.74	2	0.06	1.14	2
transitional				0.01	1.17	0	0.05	1.16	2
sulphide				0.02	1.93	1	0.92	1.39	41
Total				0.07	1.75	4	1.02	1.36	45
Pigiput⁽⁴⁾									
oxide	4.10	0.97	128	3.30	0.92	98	0.90	0.94	27
transitional				0.30	1.13	11	1.40	0.83	37
sulphide				10.00	1.67	537	33.70	1.26	1,365
Total	4.10	0.97	128	13.60	1.48	645	36.00	1.24	1,430
Pigibo + Botlu									
Pigibo⁽⁵⁾									
oxide							2.10	1.10	74
transitional							1.40	1.50	68
Botlu									
oxide	1.22	1.14	45	0.45	1.23	18	0.31	1.20	11
transitional							1.50	1.80	87
Total	1.22	1.15	45	0.45	1.24	18	5.31	1.41	240
Simberi Total	15.22	1.16	569	31.60	1.22	1,243	77.80	1.10	2,748

The Samat resource models were estimated by M. Binns of Minstat Pty Ltd. The Author could not satisfactorily reproduce the original resource figures. The oxide material from the Samat deposit, however, has been successfully mined. The resources quoted for Samat are valid for the data available at the time but are considered to be no longer relevant or reliable.

Mineral Reserves

The following table (Table 19-64 from the Technical Report) shows the Mineral Reserves and the Inferred Resources contained within the various design pits. The original mineral reserve estimates are prepared in accordance with JORC standards. The JORC Proven and Probable Ore Reserves categories have been directly transferred to Proven and Probable Mineral Reserves as prescribed by National Instrument 43-101.

Table 19-64: Mineral Reserve and Inferred Resource by Material Type

Classification	Oxide		Transitional		Sulphide		Total	
	Tonnes (Mt)	Au (g/t)	Tonnes (Mt)	Au (g/t)	Tonnes (Mt)	Au (g/t)	Tonnes (Mt)	Au (g/t)
Sorowar								
Proven	7.61	1.23	0.58	1.10	0.38	1.10	8.57	1.22
Probable	5.81	1.17	0.52	1.29	0.74	1.49	7.07	1.21
Sorowar Mineral Reserves	13.42	1.21	1.10	1.19	1.12	1.36	15.64	1.22
Inferred Resource	0.52	0.86	0.00	0.82	0.06	1.39	0.59	0.91
Pigiput								
Proven	2.76	1.07					2.76	1.07
Probable	2.62	0.97	0.15	1.48	0.00	1.89	2.77	1.00
Pigiput Mineral Reserves	5.37	1.02	0.15	1.48	0.00	1.89	5.53	1.03
Inferred Resource	0.10	1.14	0.02	0.98			0.12	1.12
Samat North								
Proven	0.01	2.02					0.01	2.02
Probable	0.01	1.18	0.00	4.03			0.01	1.91

Samat North Mineral Reserves.....	0.01	1.91	0.01	2.02			0.02	1.97
Inferred Resource	0.003	1.23					0.003	1.23
Samat East								
Proven.....								
Probable.....	0.13	1.76					0.13	1.76
Samat East Mineral Reserves	0.13	1.76					0.13	1.76
Inferred Resource	0.004	1.86					0.004	1.86
Samat South								
Proven.....	0.02	3.47					0.02	3.47
Probable.....	0.01	4.05	0.01	4.05			0.02	4.05
Samat South Mineral Reserves.....	0.02	3.61	0.01	4.05			0.03	3.78
Inferred Resource	0.0005	3.18					0.0005	3.18
Botlu South								
Proven.....	0.74	1.35					0.74	1.35
Probable.....	0.12	1.61					0.12	1.61
Botlu South Mineral Reserves	0.86	1.39					0.86	1.39
Inferred Resource	0.02	1.40					0.02	1.40
Pigibo								
Proven.....	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Probable.....	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Pigibo Mineral Reserves	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Inferred Resource	1.22	1.29	0.00	0.00	0.00	0.00	1.22	1.29
Total All Deposits								
Proven.....	11.14	1.20	0.58	1.10	0.38	1.10	12.10	1.20
Probable.....	8.69	1.13	0.69	1.39	0.74	1.49	10.11	1.17
Total Mineral Reserves.....	19.83	1.17	1.26	1.26	1.12	1.36	22.21	1.18
Total Inferred Resource	1.87	1.16	0.02	0.95	0.06	1.39	1.95	1.17

Mineral reserves for the Sorowar deposit are based on a 2009 technical report, with reserves depleted by mining up to the end of July 2009.

Mineral reserves for the Botlu South deposit are based on historical reserves from a 2005 Optimized Feasibility Study, depleted by mining up to the end of May 2009. No further mining occurred at Botlu South between May 2009 and the end of July 2009.

Mineral reserves for the three Samat deposits (Samat East, Samat South and Samat North) are also based on historical reserves from the 2005 Optimized Feasibility Study, depleted by mining up to the end of July 2009.

Mineral reserves for the Pigiput deposit are based on a 2009 technical report. No mining of the Pigiput deposit had taken place up until the end of July 2009.

All technical reports were completed by Golder Associates.

The stated Mineral Reserves are included in the Mineral Resources disclosed in Table 19-2 above.

The pit optimization runs on which the mineral reserves are based did not consider material in the Inferred resource category and hence the pit limits are not driven by any Inferred resources. However, the pit designs resulting from these optimizations do include some Inferred class material and this is reported separately from the mineral reserves.

As part of the mine planning process, the effect of changes in variables such as price and metallurgical recovery were examined. There are no particular factors other than those covered in this report that would have a significant impact upon these estimates.

There are currently no Resources classified as Measured or Indicated for the Pigibo Deposit. This deposit is a large proportion of the Total Inferred Resource. An in-fill drilling program is currently underway at Pigibo with the objective being to upgrade the confidence level in the mineral resources.

The three Samat pits contain a relatively small amount of remnant material. This material has been included in the reserve estimation for completeness.

Mining Operations

Mining Method

The current mine plan consists of the open pit mining of seven oxide deposits. The mining sequence was to commence at the smallest but highest grade deposits at Samat, then start mining at the largest deposit at Sorowar. Mining of Pigiput and Botlu would occur in conjunction with waste removal from Sorowar and finally the Pigibo deposit would be mined last. The Samat oxide pits have been depleted. Ore is currently being extracted from the Sorowar pit.

The Simberi Project mining operations consist of a conventional load and haul operation using a mixed fleet of owner and contractor equipment. Ore from the Sorowar pit is transported to the processing plant by an aerial conveying system. Currently, just over 100,000 t of ore per month is being mined.

The mineralization in all oxide deposits excluding the deeper levels of the Sorowar deposit is disseminated to the point that there is very little internal waste. The limited waste present is still mineralized but at levels below cut-off and is contained in small pockets which would be inefficient to mine separately. For these reasons, all the material extracted from the pits, excluding the deeper levels of the Sorowar deposit and selected zones within the Pigibo deposit, will be treated as ore. Material taken from pits with no waste generation is termed “bulk mining”, while material from pits that will produce waste is termed “selective mining”. The decision to mine some material selectively is based on practicability and economics. Any waste generated will be contained within the mined void, thereby mitigating any potential environmental impacts.

Mining operations commenced at the Samat East deposit in November 2007 to provide a parcel of ore for plant commissioning. In February 2008, after plant commissioning, ore was sourced from the Samat deposits (North, South and East) and the ore was delivered to the process plant via a 1,500 m long haul road. The Samat oxide pits have been depleted.

In May 2008, the Company’s Ropecon[®] aerial conveying system was commissioned and ore was mined from the Sorowar deposit and trucked approximately 400 m from the pit edge to the aerial conveying system dump pocket. The ore at Sorowar is free digging and mined by 45t hydraulic excavators and hauled to the dump pocket by 40t articulated trucks.

The dump pocket at Sorowar consists of a Stammler chain conveyor and hydraulic breaker rated at 600 wet tph. The ore is transferred from the breaker to the rope conveyor via a 49 m long sacrificial conveyor fitted with a metal detector. The rope conveyor consists of a 650 mm wide conveyor belt fitted with side skirts and has a capacity of 600 wet tph. The conveyor length is 2,498 m and falls a vertical distance of 210 m and is supported by 3 pylons placed on intervening ridges. At the bottom end of the rope conveyor, ore is transferred to a conventional overland conveyor over a distance of 359 m before ore is transferred to a radial stacker that can feed directly into the process plant dump pocket or can be discharged onto the run of mill stockpile (“ROM”), which has a capacity of approximately 70,000 wet tonnes of ore. Ore on the ROM is either pushed by D6 dozer or tipped into the dump pocket by a Caterpillar 880 front end loader.

The process plant commissioned in February 2008 was designed to treat a nominal 2 Mt/a of ore and produce approximately 85 000 oz/a of gold. Simberi Gold has commenced a debottlenecking program of work to increase process plant capacity and improve recovery. It is assumed that the expanded plant will commence operations in January 2011. Simberi Gold is investigating the feasibility of increasing the capacity of its operation to treat 3 Mt/a. Sensitivity analysis has been run to test NPV against gold price, head grade, capital cost and operating cost for each throughput case. For the 2 Mt/a case, the NPV is sensitive to gold price and head grade, and to operating costs. If gold grade was 10% lower than estimated, then NPV would drop from \$77 M to \$33 M. If operating costs increase by 10%, then NPV would reduce to \$41 M. For the 3 Mt/a case, if gold grade was 10% lower than estimated, then NPV would drop from \$98 M to \$49 M. If operating costs increase by 10%, then NPV would reduce to \$61 M. Upside potential for gold price to be 10% higher than US\$750/oz would result in NPV increasing to \$146 M for the 3 Mt/a case. The more robust nature of the 3 Mt/a case reduces the impact of an increase in operating costs, reducing project risk. It also offers greater opportunity to benefit from higher gold prices. Both scenarios are insensitive to capital cost.

Metallurgical Process

The current process flowsheet for the Simberi gold mine is summarized as follows:

- Ore is mined at the Sorowar mine site and trucked to the Sorowar feeder. The Sorowar feeder and breaker delivers ore to the rope conveyor that conveys ore to the plant site on the coast. The rope conveyor has capacity to transport 600 wet t/h.
- The rope conveyor discharges onto an overland conveyor and then stacking conveyor both with current carrying capacity of 512 wet t/h. The stacking conveyor discharges as feed to the Pigput feeder and sizer.
- The Pigput feeder/reclaimer feeds a wet scrubber. Water is added to the scrubber to slurry the ore. The capacity of the scrubber is a nominal 330 dry t/h.
- Oversize from the scrubber has been fed to the ball mill but will feed directly to a pebble crushing circuit to be installed to reduce scats from the ball mill.
- Scrubber undersize is pumped to a cyclone circuit. Cyclone underflow gravity flows to a ball mill.
- Cyclone overflow passes to leach tanks. A trash screen is installed on the leach feed to minimize oversize material in the carbon-in-leach (“CIL”) tanks that will potentially block the inter-tank screens.
- The leaching and adsorption circuit at Simberi is comprised of a single leach stage followed by five CIL tanks. Recovery and adsorption efficiency is impacted by low pulp density and reduced residence time. The CIL circuit design includes only five stages of adsorption and does not deliver an acceptable soluble loss.
- The acid wash and elution functions are performed in a single 5 t capacity column. The column is butyl lined carbon steel. The acid wash and rinse are performed at ambient temperature. The elution process is AARL with pregnant liquor stored in a 98 m³ tank in closed circuit with two electrowinning cells. A kiln is used to regenerate the carbon.
- Tailings are discharged using Deep Sea Tailings Placement (“DSTP”). The slurry is diluted with sea water to the ratio of 8:1 sea water to tailings volume. The diluted tailings overflows a central well in the dilution tank and flows by gravity from the outer annulus of the tank to the DSTP pipeline to be discharged 115 m below surface level on a steep submarine slope.
- Quicklime is currently fed dry onto the ball mill feed conveyor from a variable speed screw conveyor from the quicklime storage bin. Coarse granular quicklime is purchased in bulk bags (arriving in sea containers) and manually handled into the storage bin by plant operations personnel.
- Reagent storage volumes and dosing equipment are adequate for the operation.

Production Forecast

Since commencement of production in February 2008, the total ore processed to June 2009 has been 2.2 Mt producing 106,000 oz of gold. In 2009, GR Engineering Services Pty Ltd. (“GRES”) conducted a review of plant downtime and ranked the causes in a prioritized order according to the number of production hours lost. Some of the high ranking downtime issues that were identified in the review had been resolved by plant modifications and work already undertaken by Simberi Gold maintenance and operations teams. There were also advanced plans in place for further modifications by the Simberi Gold team.

A prime cause of downtime is related to materials handling issues. The average plant availability for the period reviewed was 80%. Target plant design availability is 91.3%. Considerable work is being done by Simberi Gold to improve the performance of the process plant. 84-87% availability has been achieved since January 2009.

Battery Limits is of the opinion that the process plant will treat 2 Mt/a and better once the debottlenecking projects have been implemented. A staged increase in throughput has been allowed from 1.95 Mt/a for the 2009/10 year through to 2.1 Mt/a for subsequent years. The following table (Table 25-8 reproduced from the Technical Report) shows Battery Limits' projected production summary on the basis that the debottlenecked projects are implemented, but the oxide expansion does not proceed:

Table 25-8: Projected Production Summary — No Expansion

	<u>Units</u>	<u>July 2009 to June 2010</u>	<u>July 2010 to June 2011</u>	<u>July 2011 On*</u>
Mill Throughput	dry tonnes	1,950,000	2,100,000	2,100,000
Au Head Grade	g/t	1.39	1.43	Varies to Schedule
Au Recovery	%	88.6	89.0	89.0
Au Ounces Poured	oz	77,420	86,206	Varies to Gold Head Grade

In May 2009, Allied Gold commissioned GRES to undertake an evaluation of the process engineering options to expand the process plant capacity to 3 Mt/a and to provide capital cost estimates for the expanded process facilities and construction. Allied Gold instructed that the process design and major equipment selection was to include a throughput allowance of 20%, giving a maximum treatment rate of 3.6 Mt/a for some ores. The expansion design concentrated on the ore handling and reclamation, grinding and classification, and tailings thickening and disposal areas.

Battery Limits is of the opinion that the process plant will treat 3 Mt/a once the debottlenecking projects and the expansion project have been implemented. A staged increase in throughput has been allowed from 1.95 Mt/a for the 2009/10 year to 2.5 Mt/a for 2010/11, on the basis that the expansion project is approved in the fourth quarter of 2009, and is implemented and commissioned within twelve months. Throughput should then be 3 Mt/a for the year 2011/12 and beyond. The following table (Table 25-10 reproduced from the Technical Report) shows Battery Limits' projected production summary on the basis that the oxide expansion project does proceed:

Table 25-10: Projected Production Summary — Expansion

	<u>Units</u>	<u>July 2009 to June 2010</u>	<u>July 2010 to June 2011</u>	<u>July 2011 to June 2012</u>
Mill Throughput	dry tonnes	1,950,000	2,500,000	3,000,000
Au Head Grade	g/t	1.30	1.27	1.23
Au Recovery	%	88.6	89.0	89.0
Au Ounces Poured	oz	71,974	90,947	105,794

Markets

Allied Gold sells its gold in the international commodities markets. Gold available for sale is sold predominantly through either the Company's existing hedge book at a fixed price of U.S.\$700 per ounce or at the prevailing spot price denominated in United States dollars. Historically, the counterparties for spot sales of gold have been an Australian gold refinery or Australian financial institutions of good standing. With the exception of its commitments under its hedge book, Allied Gold does not have any long term contracts in place for the sale of gold.

Contracts for Sale of Products

The following table (Table 25-11 reproduced from the Technical Report) shows relevant hedging contracts by Allied Gold.

Table 25-11: Gold Hedging Position

<u>Quarter</u>	<u>Au oz</u>	<u>A\$/oz</u>
Dec 2009	9,046 (remaining) ⁽¹⁾	700
Mar 2010	9,420	700
Jun 2010	9,646	700
Sep 2010	11,250	700
Dec 2010	8,904	700
Total	48,266	700

Note:

(1) This amount has been reduced by approximately 5,000 Au oz as of the date of this Annual Information Form.

There is no reason to believe that this is outside of industry norms.

Allied Gold has certain foreign exchange hedging contracts in place specifically related to committed outflows of PNG Kina.

Environmental

Currently, the Simberi gold mine is permitted to mine and process oxide ore at a nameplate capacity of 2 Mt/a with a nominal production capacity of 84,000 oz/a. This covers the debottlenecked case and no additional permitting is required for this case. Additional permitting will be required to cover the expanded 3 Mt/a case.

In 2008, Coffey Natural Systems undertook a compliance monitoring audit. This report showed compliance in most areas, with any impacts consistent with predictions made in the Environmental Plan submitted with Simberi Gold's original mining lease application. Coffey recommended focusing attention on controlling erosion and sedimentation upstream in order to reduce the impacts on the nearshore fringing coral reef and on the streams and rivers around Simberi Island.

Taxes

On April 13, 2005, Simberi Gold was granted a zero tax rating status with respect to GST on local purchases, service contracts or at the point of entry of import (excluding cars). Simberi Gold is subject to import duties on certain items, however, this is assessed on a case by case basis. Simberi Gold is also subject to company corporate tax at the rate of 30%, however, it has not as yet been in a tax paying situation. There are no payroll taxes in PNG. There are no material other taxes that are levied on Simberi Gold.

Mine Life

Under the current operational scenario of a 2 Mt/a process plant throughput, the Simberi Project mining reserves will support a 10 year mine life. If the 3 Mt/a process plant upgrade is put in place, then the mining reserves will support a seven year mine life. Given the sulphide ore potential associated with the current mining pits and the potential for further oxide resources in Allied Gold's exploration portfolio, the Author considers the current reserve estimate to be conservative.

Payback

Allied Gold's current process plant and supporting infrastructure have no outstanding debt. If the 3 Mt/a process plant upgrade proceeds under debt project financing, it is anticipated that the capital required would be paid back within 18 months of commencing operation.

Exploration and Development

A sulphide scoping study was completed in April 2009 and in addition to a suite of possible ore oxidation technologies (pressure oxidation, bacterial oxidation including tank and heap, ultra fine grinding, and roasting), the study included sensitivity analysis to concentrate mass pull and recovery, power costs, concentrate shipments to Japan and early expansion of the oxide plant.

The future mining and processing of sulphide ore will require additional grinding capacity and as part of that and the increase in observed scats from the harder oxide ore a scats crushing circuit has been designed and engineered and is currently being installed.

The drilling of five metallurgical diamond drill holes at Pigiput was completed and the samples are currently in freezer storage in Perth. A reserve estimate for the Pigiput deposit was carried out by Golder Associates in the June quarter and resulted in an increase in proven and probable ore reserves. Infill resource drilling at Pigiput which is targeting sulphide mineralization is underway and is being assisted by two additional contractor diamond drill rigs.

The ore reserves for Pigiput announced in June 2009 have resulted in approximately two additional years of gold production from oxide and transitional materials and as a result of this, the potential for an oxide expansion has been brought forward. GRES have commenced a review of the existing plant design with an objective to increase plant capacity from 2.2 Mt/a to 3.0 Mt/a. Plant constrictions so far identified are being redesigned to accommodate higher throughput and new additions to the plant are being engineered.

DIVIDENDS

Allied Gold has not, since the date of its incorporation, declared or paid any dividends on its shares and does not currently have a policy with respect to the payment of dividends. For the foreseeable future, Allied Gold anticipates that it will retain future earnings and other cash resources for the operation and development of its business. The payment of dividends in the future will depend on Allied Gold's earnings, if any, its financial condition and such other factors as the directors of Allied Gold consider appropriate.

DESCRIPTION OF CAPITAL STRUCTURE

General

Since July 1, 1998, share capital in Australian companies does not have a nominal (par) value, and Australian companies do not have authorized share capital. Under the constitution of the Company (the "**Constitution**"), which was adopted on July 17, 2003, the Board of Directors has the power to issue such number of shares as it determines in its absolute discretion, subject to the provisions of the Constitution, the ASX Listing Rules and the Australian Corporations Act. As of the date of this Annual Information Form, the Company has an aggregate of 527,233,187 ordinary shares and 45,124,427 options to acquire ordinary shares issued and outstanding. The issuance of an additional 39,000 options to acquire ordinary shares was approved by the shareholders of Allied Gold at Allied Gold's annual general meeting of shareholders held on November 11, 2009 but such options have not yet been issued. See "Executive Compensation".

The holders of Allied Gold ordinary shares are entitled: (a) subject to any rights or restrictions for the time being attached to any class or classes of shares, to vote at all meetings of shareholders of the Company; (b) to receive (subject to the rights of any holders of preference shares and to the rights of the holders of any shares created or raised under any special arrangement as to dividends) any dividends declared by the Company; and (c) to receive (subject to the rights of holders of shares (if any) with special rights in winding up) all moneys and property that are to be distributed among shareholders on a winding up, to be distributed in proportion to the shares held by them respectively, irrespective of the amount paid up or credited as paid up.

The ASX Listing Rules provide that a company must not, subject to certain exceptions, issue during any 12 month period equity securities or other securities with rights to conversion to equity (such as an option) if the number of those securities exceeds 15% of the total ordinary securities on issue at the commencement of that 12 month period.

Constitution of the Company

The following is a summary of key provisions of the Constitution. A full copy of the Constitution can be found on SEDAR at www.sedar.com.

Meetings. In accordance with Section 250N of the Australian Corporations Act, annual meetings of shareholders must be held at least once in each calendar year and within five months after the end of the Company's financial year. Under Section 250R of the Australian Corporations Act, the business of an annual meeting may include any of the following, even if not referred to in the notice of meeting: the consideration of the annual financial report, directors' report and auditor's report; the election of directors; the appointment of the auditor; and the fixing of the auditor's remuneration. Under the Constitution and Part 2G.2 Division 3 of the Australian Corporations Act, at least 28 days of notice must be given of a meeting of shareholders. No business shall be transacted at an annual meeting unless a quorum is present comprising two (2) shareholders present in person, by proxy, attorney or representative.

Voting. Subject to any rights or restrictions as to voting attached to any class of shares at any annual or general meeting of shareholders:

- (i) each shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and
- (iii) on a poll, every shareholder who is present in person or by proxy, attorney or representative shall, in respect of each fully paid share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the share, but in respect of partly paid shares, shall have such number of votes being equivalent to the proportion which the amount paid (not credited) is of the total amounts paid and payable in respect of those shares (excluding amounts credited).

A poll may be demanded by at least two shareholders present in person or by proxy, attorney or representative, by shareholders with at least 5% of the total voting rights of all shareholders having the right to vote on the resolution, by shareholders holding shares conferring a right to vote at the meeting and on which an aggregate sum has been paid up equal to at least 10% of the total sum paid up on all the shares conferring a right to vote at the meeting, or by the Chairman.

Dividends. The Board of Directors may from time to time declare a dividend to be paid to shareholders entitled to the dividend. No dividend shall be payable except out of profits. Except as otherwise provided by statute, any dividends declared but unclaimed for one year after having been declared may be invested or otherwise used by the Board of Directors for the benefit of the Company until claimed.

Issue of Shares. Subject to the Company's Constitution, the ASX Listing Rules and the Australian Corporations Act, the Board of Directors may at any time issue such number of shares either as ordinary shares or shares of another named class and on such terms as the Board of Directors in its absolute discretion determines.

Foreign Ownership of Shares. Under the Constitution, there is no limit or restriction on the foreign ownership of the Company's securities except where such limits are prescribed or limited by Australian law.

Transfer of Shares. Subject to the Constitution, a shareholder may transfer any shares held by them by any method of transferring or dealing in shares that is permitted by ASX or operated in accordance with the ASX Listing Rules and *Australian Corporations Act*, or by an instrument in writing in any usual or common form or any other form the directors approve. The Board of Directors may refuse to register any transfer of shares where the ASX Listing Rules permit or require the Company to do so; or the transfer is a transfer of Restricted Securities (as defined under the ASX Listing Rules) which is or might be in breach of the ASX Listing Rules or any escrow agreement entered into by the Company in relation to such Restricted Securities under the ASX Listing Rules.

Reduction of Share Capital. The Company may reduce its share capital by any of the means authorized by the Australian Corporations Act, subject to the provisions of that law and, where applicable, the ASX Listing Rules. The Company may reduce its share capital in any way, including, but not limited to, distribution to shareholders securities of any other body corporate and for the shareholder to be bound by the constitution of that body corporate. Any reduction in share capital must be authorized or approved in accordance with Part 2J.1 of the Australian Corporations Act.

Share Buy-Backs. The Company may buy shares in itself by any of the means authorized by the Australian Corporations Act, subject to the provisions of that law and, where applicable, the ASX Listing Rules. Subject to the Australian Corporations Act, the Company may give financial assistance to any person or entity for the purchase of its own shares on such terms and at such times as may be determined by the directors.

Calls on Shares. The Board of Directors may, subject to the requirements of the Australian Corporations Act and the ASX Listing Rules, make calls upon a shareholder in respect of any money unpaid on the shares of that shareholder. Under the Australian Corporations Act, a shareholder who is liable to pay calls on partly-paid shares is liable to do so in accordance with the terms on which the shares are on issue. Subject to the ASX Listing Rules, the Board of Directors may revoke or postpone a call once it has been made. A call is deemed to have been made at the time when the resolution of the Board of Directors authorizing the call was passed and may be required or permitted to be paid by installments. An amount that, by the terms of issue of a share, becomes payable on allotment or at a fixed date is deemed to be a call made and payable. The Board of Directors may accept from a shareholder the whole or any part of the amount unpaid on a share although no part of that amount has been called up, and in that event the Board of Directors shall nominate whether the amount so paid is to be treated as capital or a loan to the Company by the shareholder. Each shareholder must pay to the Company at the time or times and place so specified the amount called on the shares, on receiving such notice as the ASX Listing Rules shall require, except that no call shall be payable earlier than 14 business days from the day of the call or one month from the date fixed for the payment of the last preceding call. The joint holders of a share are jointly and severally liable to pay all calls in respect of the share. If a sum called in respect of a share is not paid before or on the day appointed for payment of the sum, the directors may require the person from whom the sum is due to pay interest on the sum from and including the day for payment to the time of actual payment.

Winding Up. If the Company is wound up, a liquidator may, with the authority of a special resolution of the shareholders, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value for the property to be divided as the liquidator considers fair and may determine how the division is to be carried out as between the shareholders or different classes of them. Under Australian law, a shareholder may only be liable to contribute to the Company's property, in the instance that the Company is being wound up, to the extent of which the shareholder is liable for any amounts unpaid on the shareholder's shares.

Variation of Rights. Under the Constitution and Section 246B of the Australian Corporations Act, if at any time the share capital of the Company is divided into different classes of shares, the rights attached to the shares may be varied with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorized by a special resolution passed at a separate meeting of the holders of the shares of that class. Any variation of rights is subject to the Australian Corporations Act.

Directors. The Company shall at all times have a minimum of three directors, at least two of whom must ordinarily reside in Australia. The maximum number of directors is nine and the Company, may by ordinary resolution, increase or reduce the number of directors. Each director's term of office expires at the later of the third annual general meeting of shareholders of the Company or three years following that director's last election or appointment. One third of the directors must retire at each annual general meeting. Retiring directors are eligible for re-election.

Directors Voting. Under the Constitution, questions arising at any director's meeting shall be decided by a majority of votes. In the case of an equality of votes, the Chairman of the meeting shall have a second or casting vote, but the Chairman shall have no casting vote where only two directors are competent to vote on the question.

Alteration of Constitution. The Constitution can only be amended by a special resolution passed by at least three quarters of the votes cast by shareholders entitled to vote on the resolution.

PRICE RANGE AND TRADING VOLUME OF SHARES

Allied Gold's shares are listed and posted for trading on the ASX under the symbol "ALD" and on AIM under the symbol "AGLD". The following table sets forth the reported high and low sale prices and the daily average trading volume for the shares on the ASX and AIM, respectively, for each of the periods indicated.

<u>ASX</u>	<u>High (\$)</u>	<u>Low (\$)</u>	<u>Daily Average Volume</u>
November 1 — November 11, 2009.....	0.48	0.38	399,239
October 2009.....	0.515	0.39	343,872
September 2009.....	0.545	0.42	664,209
August 2009.....	0.47	0.41	260,903
July 2009.....	0.455	0.38	295,902
June 2009.....	0.55	0.34	553,096
May 2009.....	0.45	0.29	662,453
April 2009.....	0.44	0.32	150,217
March 2009.....	0.46	0.365	340,413
February 2009.....	0.57	0.33	396,867
January 2009.....	0.465	0.30	228,900
December 2008.....	0.43	0.22	212,481
November 2008.....	0.31	0.20	171,948
October 2008.....	0.315	0.185	194,760

<u>AIM</u>	<u>High (pence)</u>	<u>Low (pence)</u>	<u>Daily Average Volume</u>
November 1 — November 11, 2009.....	27.5	22.5	247,837
October 2009.....	29.25	23.5	250,535
September 2009.....	30	22	799,458
August 2009.....	23.5	21.5	224,739
July 2009.....	21.25	19.25	258,941
June 2009.....	26.75	19	369,667
May 2009.....	24.75	15.5	419,460
April 2009.....	20.5	16	112,342
March 2009.....	20	17	154,257
February 2009.....	23	16.25	333,271
January 2009.....	22.63	14.25	121,073
December 2008.....	21	10.25	152,194
November 2008.....	13.75	9.5	98,431
October 2008.....	14.25	8.75	149,253

The Company received conditional approval for listing of its ordinary shares on the TSX on November 5, 2009. The ordinary shares of the Company will trade on the TSX under the symbol "ALG", and the Company anticipates that trading will commence on or about November 16, 2009.

PRIOR SALES OF SHARES

During the 12 month period before the date of this Annual Information Form, Allied Gold issued an aggregate of 116,238,911 ordinary shares as follows:

<u>Date</u>	<u>Price per Share (\$)</u>	<u>Number of Shares</u>	<u>Description of Transaction</u>
February 27, 2009.....	\$0.50	61,649,000	Private placement
October 20, 2009.....	\$0.35	100,000	Exercise of options
November 9, 2009.....	Nil ⁽¹⁾	54,139,911	Take-over bid ⁽¹⁾
November 9, 2009.....	\$0.35	350,000	Exercise of options

Notes:

- (1) These shares were issued in connection with the ASG Offer. The final determination of the purchase consideration for which these shares have been issued has not yet been made but the consideration has been deemed to be \$0.51 per share on a preliminary basis based on the closing price of the Allied Gold shares on the ASX on September 15, 2009, the last day prior to the announcement of the ASG Offer. See "Description of the Business – Recent Developments - ASG Acquisition".

ESCROWED SECURITIES

No securities of Allied Gold are held in escrow, nor have any securities of Allied Gold been held in escrow as of a date within 30 days of the date of this Annual Information Form.

DIRECTORS AND OFFICERS

Directors and Officers

The following table sets out the names and municipalities of residence of the directors and executive officers of the Company, positions held by them with the Company, the date on which they commenced their positions, and the number and percentage of Allied Gold Shares beneficially owned, or controlled and directed, directly or indirectly, by them.

<u>Name and Municipality of Residence</u>	<u>Position</u>	<u>Principal Occupation</u>	<u>Director/ Officer Since</u>	<u>Shares Beneficially Owned or Controlled</u>
Mark V. Caruso Perth, Australia	Executive Chairman and Chief Executive Officer	Executive Chairman and Chief Executive Officer of Allied Gold	May 26, 2003	7,585,193/1.44%
Gregory H. Steemson ^{(2),(3)} Perth, Australia	Non-Executive Director	Chief Executive Officer of Mineral Commodities Limited	June 14, 2005	1,100,000/0.21%
Anthony Lowrie ⁽³⁾ London, United Kingdom	Non-Executive Director	Businessperson and corporate director	March 9, 2007	1,635,460/0.31%
Montague House ^{(2),(3)} Perth, Australia	Non-Executive Director	Businessperson and corporate director	March 4, 2009	10,000/0.002%
Frank Terranova Brisbane, Australia	Executive Director and Chief Financial Officer	Chief Financial Officer of Allied Gold	December 10, 2009	1,000/0.0002%

Notes:

- (1) Each director's term of office expires at the later of the third annual general meeting of shareholders of the Company or three years following that director's last election or appointment. One third of the directors must retire at each annual general meeting. Retiring directors are eligible for re-election.
- (2) Member of the Audit, Compliance and Risk Committee.
- (3) Member of the Remuneration and Nomination Committee.

Biographical information for each member of the Board of Directors, including their principal occupations for the last five years, is set forth below.

Mark V. Caruso, Director and Executive Chairman - Mr. Caruso has served as Executive Chairman and Chief Executive Officer of Allied Gold since May 2003 (with the exception of a period between January 2008 and October 2008, during which Mr. Caruso resigned his position as Chief Executive Officer as Allied Gold appointed another individual to that position; following this individual's resignation in October 2008, Mr. Caruso resumed the position of Chief Executive Officer of the Company). Mr. Caruso has also served as Managing Director of Mine Site Construction Services since February 1991 and as a director and Chief Executive Officer of Mineral Commodities from September 2000 until May 2009. Mr. Caruso is also a director of Simto Australia Pty Ltd. which is involved in mining, earthmoving, and civil engineering construction earthworks. Former directorships of public listed companies in the last 3 years are CI Resources Limited (October 2003 until May 2007) and ORT Limited (August 2003 until August 2005).

Gregory H. Steemson, Non-Executive Director - Mr. Steemson, FAusImm, is a qualified geologist and geophysicist with an extensive background in exploration and the development and management of mining projects. He is Chief Executive Officer of Mineral Commodities Limited (since May 2009), an Australian-based resource company, and a director of Mineral Commodities Limited (since January 2001) and Carbine Resources Limited (since December 2008). Former directorships of public listed companies in the last 3 years include Sandfire Resources NL, for which

he served as Managing Director (June 2003 until August 2007). Mr. Steemson is a member of the Audit, Compliance and Risk Committee and the Remuneration and Nomination Committee.

Anthony Lowrie, Non-Executive Director - Mr. Lowrie has considerable corporate and finance experience. He was Chairman of ABN AMRO Asia Securities Limited having originally been a partner of Hoare Govett Ltd, which he joined in 1973. Mr. Lowrie is currently a director of Kenmare Resources PLC and the Edinburgh Dragon Trust Ltd. His former directorships include JD Wetherspoon PLC, ABN AMRO Bank Limited, Dragon Oil plc, Quadris Fuels International Ltd. and the Thai Euro Fund. Mr. Lowrie is a member of the Remuneration and Nomination Committee.

Montague House, Non-Executive Director - Mr. House is a member of the Australian Institute of Company Directors and was previously a Member of Parliament in Western Australia from February 1986 until February 2005. Mr. House was elected as Deputy Leader of the National Party in 1988. He is also a director of Landgate Western Australia and Latent Petroleum. Mr. House is Chairman of the Audit, Compliance and Risk Committee and a member of the Remuneration and Nomination Committee.

Frank Terranova, Director and Chief Financial Officer - Mr. Terranova has been Chief Financial Officer of Allied Gold since May 2008. He is a chartered accountant with extensive experience in corporate finance and financial risk management predominantly within the mining and manufacturing industries. He has held many positions with various ASX-listed corporations. From November 2007 until April 2008, Mr. Caruso was a self-employed finance consultant. He served as Chief Financial Officer of Queensland Cotton Limited from December 2004 until October 2007. From October 2002 until December 2004, Mr. Terranova served as a consultant to Novabank Pty Ltd., and prior thereto he was treasurer of Normandy Mining/Newmont (Australia) from April 2000 until October 2002.

In connection with the Company's TSX listing, the Company has been investigating the appointment of an independent, North American-based director to the Allied Gold Board of Directors and it anticipates that such appointment will occur in the near future.

Shareholdings of Directors and Officers

As of the date of this Annual Information Form, the directors and executive officers of the Company and its subsidiaries, as a group, beneficially owned, directly or indirectly, or exercised control or direction over an aggregate of 10,331,653 shares, representing approximately 1.96% of the issued and outstanding shares of the Company.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No director or executive officer of the Company is, or within 10 years before the date hereof, has been, a director, chief executive officer or chief financial officer of any company (including Allied Gold) that (i) was subject to a cease trade order or similar order, or an order that denied such company access to any exemption under securities legislation, for a period of more than 30 consecutive days, that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or (ii) was subject to a cease trade order or similar order, or an order that denied such company access to any exemption under securities legislation, for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No director or executive officer of the Company or, to the Company's knowledge, any shareholder holding a sufficient number of securities of Allied Gold to affect materially the control of Allied Gold, is, or within 10 years before the date hereof, has been, a director or executive officer of any company (including Allied Gold) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No director or executive officer of the Company or, to the Company's knowledge, any shareholder holding a sufficient number of securities of Allied Gold to affect materially the control of Allied Gold, has, within 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Conflicts of Interest

The directors and officers of Allied Gold are, or may become, directors or officers of other companies with businesses which may conflict with the business of the Company. Directors are required to act honestly and in good faith with a view to the best interests of the Company. In addition, directors in a conflict of interest position are required to disclose certain conflicts to the Company and to abstain from voting in connection with the matter. To the best of the Company's knowledge, there are no known existing or potential conflicts of interest between the Company or a subsidiary of the Company and a director or officer of the Company or a subsidiary of the Company as a result of their outside business interests at the date hereof. However, certain of the directors and officers serve as directors and/or officers of other companies. Accordingly, conflicts of interest may arise which could influence these persons in evaluating possible acquisitions or in generally acting on behalf of the Company.

Audit Committee Disclosure

Committees of the Board of Directors and Corporate Governance

The Board of Directors has established two board committees: an Audit, Compliance and Risk Management Committee and a Remuneration and Nomination Committee. In addition, the full Board of Directors is responsible for developing the Company's approach to corporate governance issues.

The best practices of the ASX Corporate Governance Council (the "**ASX Corporate Governance Council**"), the AIM Rules for Companies, the Combined Code on Corporate Governance (the "**Combined Code**") have been applied by the Board of Directors. In addition, as a result of Allied Gold's listing on the TSX, the Board of Directors will be considering the best practice recommendations of the TSX and those prescribed under National Policy 58-201 - *Corporate Governance Guidelines*.

The information below sets out the current members of each of the Company's board committees and summarizes the functions of each of the committees in accordance with their mandates.

Audit Committee Disclosure

The Audit, Compliance and Risk Committee has been structured in accordance with the ASX Corporate Governance Council and the Combined Code. The Audit, Compliance and Risk Committee is comprised of Montague House, an unrelated, independent director, Gregory Steemson, a non-independent, non-executive director, and Peter Torre, the Corporate Secretary of the Company. As such, Mr. Torre is not considered independent. Mr. House is the Chairman of the Audit, Compliance and Risk Committee. All of the committee members have the appropriate level of financial understanding and industry specific knowledge to be able to perform the duties of the position.

The Audit, Compliance and Risk Committee does not currently comply with the requirements of National Instrument 52-110 - *Audit Committees* ("**NI 52-110**"). As a result of Allied Gold's listing on the TSX, the Board of Directors is currently in the process of reviewing the Audit, Compliance and Risk Committee and bringing the committee into compliance with the provisions of NI 52-110. In connection with the Company's TSX listing, the Company has been investigating the appointment of an independent, North American-based director to the Allied Gold Board of Directors. It anticipates that such appointment will occur in the near future and that such director would be appointed to the Audit, Compliance and Risk Committee. In the meantime, the Company intends to rely on exemptions from the audit committee composition requirements available to it under NI 52-110.

The purpose of the Audit, Compliance and Risk Committee is to provide assistance to Allied Gold's Board of Directors in fulfilling its legal and fiduciary obligations with respect to matters involving its accounting, auditing,

financial reporting, internal control and legal compliance functions. It is an objective of the Audit, Compliance and Risk Committee to maintain free and open means of communications among the board of directors, the independent directors and financial and executive management.

The main responsibilities of the committee are to:

- consider and make recommendations to the board regarding the appointment of external auditors of the Company, audit fee and other external remuneration of the auditors, and questions of resignation and dismissal;
- ensure the independence and objectivity of the external auditors;
- discuss with the external auditors, before each annual audit commences, the nature and scope of the audit, and other relevant matters;
- consider the half year and annual financial statements before submission to the Board of Directors;
- discuss problems and reservations arising from final audits, interim audits or otherwise, and any matters the external auditors may wish to discuss;
- consider the external auditor's management letter and management's response;
- consider the major findings of any internal investigations and management's response;
- review any internal audit program established by the Company and ensure that it is adequately resourced; and
- consider other topics, as defined by and referred to the Audit, Compliance and Risk Committee by the Board of Directors.

Audit Committee Charter

The entire text of the Charter of the Audit, Compliance and Risk Committee is set forth in Schedule "A".

Composition of the Audit Committee

Messrs. Steemson, House and Torre are the members of the Audit, Compliance and Risk Committee, each being financially literate and Mr. House being an unrelated, non-executive director of Allied Gold. Collectively, the members of the Audit, Compliance and Risk Committee have considerable skill and professional experience in accounting, business and finance. The specific education and experience of each member of the Audit, Compliance and Risk Committee that is relevant to the performance of his responsibilities as a member of the Audit Committee is set out below:

Gregory H. Steemson, Non-Executive Director - Mr. Steemson, FAusImm, is a qualified geologist and geophysicist with an extensive background in exploration and the development and management of mining projects. He is Chief Executive Officer of Mineral Commodities Limited (since May 2009) and a director of Mineral Commodities Limited (since January 2001) and Carbine Resources Limited (since December 2008). Former directorships of public listed companies in the last 3 years include Sandfire Resources NL for which he served as Managing Director (June 2003 until August 2007).

Montague House, Non-Executive Director - Mr. House is a member of the Australian Institute of Company Directors and was previously a Member of Parliament in Western Australia from February 1986 until February 2005. Mr. House was elected as Deputy Leader of the National Party in 1988. He is also a director of Landgate Western Australia and Latent Petroleum.

Peter Torre, Company Secretary - Mr. Torre is the principal of the corporate advisory firm Torre Corporate which provides corporate secretarial services to a range of listed companies. Prior to establishing Torre Corporate in July 2003, Mr. Torre was a partner of an internationally affiliated firm of Chartered Accountants working within its Corporate Services Division for over nine years where he also held the position of Chairman of the National Corporate Services Committee. Mr. Torre holds a Bachelor of Business, is a Chartered Accountant, a Chartered Secretary and is a member of the Institute of Company Directors.

The Charter of the Audit, Compliance and Risk Committee provides that the committee shall be comprised of at least three non-executive directors of Allied Gold. Mr. Torre is not a non-executive director of Allied Gold, and therefore the Audit, Compliance and Risk Committee is not currently composed as contemplated by the Charter. In connection with the Company's TSX listing, the Company anticipates appointing an additional independent, North American-based non-executive director to the Allied Gold Board of Directors who would be appointed to the Audit, Compliance and Risk Committee.

Pre-Approval Policies and Procedures

The Audit, Compliance and Risk Committee must pre-approve all non-audit services to be provided to the Company or its subsidiary entities, unless the Company did not recognize such services as non-audit services at the time of engagement. The pre-approval requirement will be satisfied if such non-audit services are promptly brought to the attention of the Audit, Compliance and Risk Committee prior to the completion of the audit and approved by the Audit, Compliance and Risk Committee, or by one or more of its members to whom authority to grant such approvals has been delegated by the Audit, Compliance and Risk Committee. In addition, the Audit, Compliance and Risk Committee may satisfy the pre-approval requirement by adopting specific and detailed policies and procedures for the engagement of non-audit services, so long as the Audit, Compliance and Risk Committee is informed of each non-audit service and such procedures do not include delegation of the Audit, Compliance and Risk Committee's responsibilities to management.

Audit and all Other Fees

BDO Kendalls Audit & Assurance (WA) have been the auditors of the Company since July 2003. The following table provides detail in respect of audit, audit related, tax and other fees payable by the Company to the external auditors for professional services:

	<u>Audit Fees</u>	<u>Audit-Related Fees</u>	<u>Tax Fees</u>	<u>All Other Fees</u>
Year ended June 30, 2009.....	\$148,911	Nil	Nil	Nil
Year ended June 30, 2008.....	\$84,736	Nil	\$1,414	Nil

Audit Fees — payable for professional services rendered by the auditors for the audit of Allied Gold's annual financial statements as well as services provided in connection with statutory and regulatory filings.

Audit-Related Fees — payable for professional services rendered by the auditors and were comprised primarily of the review of quarterly financial statements and related documents.

Tax Fees — payable for tax compliance, tax advice and tax planning professional services. These services included reviewing tax returns and assisting in responses to government tax authorities.

All Other Fees — payable for professional services which included accounting advice and advice related to relocating employees.

EXECUTIVE COMPENSATION

The following disclosure of compensation earned by certain executive officers and directors of Allied Gold in connection with their office or employment with Allied Gold is made in accordance with the requirements of National Instrument 51-102 - *Continuous Disclosure Obligations*. Disclosure is required to be made in relation to "Named Executive Officers", being those individuals who served as the Chief Executive Officer, Chief Financial Officer and each of the Company's three most highly compensated executive officers, other than the Chief

Executive Officer and Chief Financial Officer, who were serving as executive officers at the end of the most recently completed financial year and whose salary and bonus exceeded C\$150,000.

Compensation Discussion and Analysis

The purpose of the compensation discussion and analysis in this Annual Information Form is to describe and explain the compensation program of Allied Gold for Allied Gold's Named Executive Officers in respect of the financial year ended June 30, 2009.

The objective of Allied Gold's remuneration framework is to attract and retain executives of sufficient calibre to facilitate the efficient and effective management of Allied Gold's operations and to ensure that executive remuneration is competitive and appropriate for the results delivered. The Board of Directors reviews the remuneration packages of the CEO, CFO and all executive officers on an annual basis and makes recommendations regarding the structure and value of those packages.

Remuneration packages are reviewed with due regard to competitiveness, performance, alignment with shareholders' interests, capital management and other relevant factors. The remuneration framework provides a mix of fixed and at-risk compensation.

The remuneration framework is aligned to shareholders' interests through: (i) incentive payments including as a core component growth in shareholder value through growth in share price; (ii) incentive payments focusing on the production of gold; and (iii) attracting and retaining high calibre executives.

The Board of Directors has established a remuneration committee which provides advice on remuneration and incentive policies and practices and specific recommendations on remuneration packages and other terms of employment for executive directors, other senior executives and non-executive directors.

The Executive Chairman is not present for any discussions relating to determination of his own remuneration.

Executive Directors

The current base remuneration for directors was last reviewed with effect from October 1, 2008. There are no additional yearly fees payable to any director who is a member of any board committee. Directors who are also officers of Allied Gold do not receive any additional compensation for acting as a director.

Non-executive directors' fees are determined within an aggregate directors' fee pool limit. The current fee pool limit of \$500,000 was approved by shareholders at Allied Gold's Annual General Meeting on November 28, 2008.

Executive Pay

Executives are offered a competitive base pay that consists of fixed components plus incentive payments that are payable at the discretion of the Board of Directors. Base pay for senior executives is reviewed annually to ensure each executive's pay is competitive with the market.

The executive remuneration framework has three components: (i) base pay and benefits, including superannuation; (ii) short term cash based incentives available to nominated executives; and (iii) long term incentives through participation in the Option Plan (as hereinafter defined).

Base Pay

Total base pay, including superannuation, can be structured as a total employment package which may be delivered as a combination of cash and prescribed non-financial benefits at the individual executive's discretion.

Base pay for executives is reviewed annually to ensure market competitiveness or any change in the executive's role and responsibilities.

There are no guaranteed base pay increases included in any executive remuneration contracts.

Employee Option Plan

The Option Plan was re-approved by Allied Gold's shareholders at Allied Gold's Annual General Meeting held on November 28, 2008. The Option Plan is designed to provide long term incentives for employees and consultants to deliver long-term shareholder returns.

Option-Based Awards

The Board of Directors has the responsibility to administer the compensation policies related to the executive management of Allied Gold, including option-based awards. The Option Plan has been and will be used to provide share purchase options which are granted in consideration of the level of responsibility of executive officers as well as their impact or contribution to the longer-term operating performance of Allied Gold. There is no formal process in place that Allied Gold uses to grant stock options to executive officers. Generally, options are approved and granted by the Board of Directors on the recommendation of the Executive Chairman. In recommending the number of options to be granted to executive officers, the Executive Chairman takes into consideration the efforts and services provided to the Executive Chairman, the amount of options previously granted and the total number of options reserved for issuance under the Option Plan.

Summary Compensation Table

The following table sets forth the details regarding compensation earned by each of the Named Executive Officers in respect of the financial year ended June 30, 2009.

<u>Name and Principal Position</u>	<u>Year</u>	<u>Salary⁽¹⁾ (\$)</u>	<u>Share-Based Awards (\$)</u>	<u>Option-Based Awards (\$)</u>	<u>Non-Equity Incentive Plan Compensation</u>		<u>Pension Value (\$)</u>	<u>All Other Compensation (\$)</u>	<u>Total Compensation (\$)</u>
					<u>Annual Incentive Plans (\$)</u>	<u>Long-Term Incentive Plans (\$)</u>			
Mark Caruso, Executive Chairman and CEO ⁽²⁾	2009	360,600	1,198,555	Nil	Nil	Nil	Nil	Nil	1,539,155
Richard Johnson, Chief Executive Officer ⁽³⁾	2009	137,254	Nil	Nil	Nil	Nil	10,603	Nil	147,857
Frank Terranova, Chief Financial Officer ⁽⁴⁾	2009	261,468	527,616	Nil	Nil	Nil	23,046	Nil	812,130
Ross Hastings, Manager Resource and Development ⁽⁵⁾	2009	200,000	312,146	Nil	Nil	Nil	18,000	Nil	530,146
Peter DuPlessis, Resident Manager Simberi Operations ⁽⁶⁾	2009	175,291	146,700	Nil	Nil	Nil	15,776	Nil	337,767
Tony Bubb, Mining Manager ⁽⁷⁾	2009	160,506	108,020	Nil	Nil	Nil	25,259	Nil	293,785

Notes:

- (1) Salaries, fees and benefits includes gross salary and fees, fringe benefits, professional memberships and subscriptions, allowances and leave entitlements. The Company has also paid insurance premiums in respect of Directors' and Officers' Liability Insurance which is not reflected in the above table as there is no appropriate basis for allocation.
- (2) Mr. Caruso was appointed Chief Executive Officer effective October 3, 2008. He also serves as the Company's Executive Chairman.
- (3) Mr. Johnson resigned as Chief Executive Officer effective October 3, 2008.
- (4) Mr. Terranova was appointed a director on December 10, 2008. He also serves as the Company's Chief Financial Officer. Amounts shown above include all Mr. Terranova's remuneration during the reporting period, whether as a director or as Chief Financial Officer. Amounts received in his capacity as director amounted to \$149,676 consisting of salary of \$137,763, and superannuation of \$11,913.
- (5) Mr. Hastings was appointed Manager, Resource and Development in October 2005.
- (6) Mr. DuPlessis was appointed Resident Manager, Simberi Operations effective September 29, 2008.
- (7) Mr. Bubb resigned as Mining Manager effective June 30, 2009.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth the details regarding all incentive awards outstanding for each Named Executive Officer as of June 30, 2009, including awards granted before the most recently completed financial year.

Name	Option-Based Awards				Share-Based Awards	
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-money Options (\$)	Number of Shares or Units of Shares That Have Not Vested (#)	Market or Payout Value of Share-Based Awards That Have Not Vested (\$)
Mark Caruso, ...	10,000,000	0.35	30/11/2011			
Executive Chairman	3,400,000	0.45	31/12/2009	600,000 ⁽¹⁾	—	—
Richard Johnson, ...	1,000,000	0.80	31/12/2010	Nil ⁽²⁾	—	—
Chief Executive Officer	1,000,000	1.00	31/12/2010			
	1,000,000	1.25	31/12/2010			
	1,000,000	1.50	31/12/2010			
	1,000,000	2.00	31/12/2010			
Frank Terranova, ...	6,250,000	0.35	31/10/2011	375,000 ⁽³⁾	—	—
Chief Financial Officer						
Ross Hastings, ...	3,750,000	0.35	31/10/2011	225,000 ⁽⁴⁾	—	—
Manager Resource and Development						
Peter DuPlessis, ...	1,000,000	0.35	31/10/2011	60,000 ⁽⁵⁾	—	—
Resident Manager Simberi Operations						
Tony Bubb, Mining, ...	750,000	0.35	31/10/2011	45,000 ⁽⁶⁾	—	—
Resident Manager Simberi Operations						

Notes:

- (1) This number includes \$285,000 in respect of vested options and \$315,000 in respect of unvested options held by Mr. Caruso.
- (2) Mr. Johnson's options had all vested as of June 30, 2009.
- (3) This number includes \$210,000 in respect of vested options and \$165,000 in respect of unvested options held by Mr. Terranova.
- (4) This number includes \$105,000 in respect of vested options and \$120,000 in respect of unvested options held by Mr. Hastings.
- (5) This number includes \$21,000 in respect of vested options and \$39,000 in respect of unvested options held by Mr. DuPlessis.
- (6) This number includes \$15,000 in respect of vested option and \$30,000 in respect of unvested options held by Mr. Bubb.
- (7) This number includes \$60,000 in respect of vested options and \$60,000 in respect of unvested options held by Mr. Torre.

At an annual general meeting of Allied Gold's shareholders held on November 11, 2009, Allied Gold's shareholders approved the issuance of 37,500,000 options exercisable to acquire ordinary shares of the Company to Messrs. Caruso and Terranova as follows:

- (i) 25,000,000 options to Mark V. Caruso exercisable at a price of \$0.50 per ordinary share until December 31, 2013 and vesting as to 10,000,000 options on November 11, 2010, 10,000,000 options following the share price for the Allied Gold ordinary shares trading above \$0.70 and 5,000,000 options upon 100,000 ounces of gold being produced from the Simberi Project between October 1, 2009 and December 31, 2010; and
- (ii) 12,500,000 options to Frank Terranova exercisable at a price of \$0.50 per ordinary share until December 31, 2013 and vesting as to 5,000,000 options on November 11, 2010, 5,000,000 options following the share price for the Allied Gold ordinary shares trading above \$0.70 and 2,500,000 options upon 100,000 ounces of gold being produced from the Simberi Project between October 1, 2009 and December 31, 2010.

Incentive Plan Awards — Value Vested or Earned During the Year

The following table sets forth the details regarding the value vested or earned of incentive plan awards for each Named Executive Officer for the financial year ended June 30, 2009.

Name	Option-Based Awards — Value Vested During the Year (\$)(1)	Share-Based Awards — Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation — Value Earned During the Year (\$)
Mark Caruso, Executive Chairman	—	—	—
Richard Johnson, Chief Executive Officer	—	—	—
Frank Terranova, Chief Financial Officer	—	—	—
Ross Hastings, Manager Resource and Development	—	—	—
Peter DuPlessis, Resident Manager Simberi Operations	28,000	—	—
Tony Bubb, Mining Manager	20,000	—	—

Note:

- (1) For this purpose, the options are valued on the date of vesting. The “value vested” represents the aggregate dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date. This is calculated by computing the dollar value that would have been realized by determining the difference between the market price of the underlying securities at exercise and the exercise price of the options under the option-based award on the vesting date

Narrative Discussion

A description of the Company’s Option Plan is set out under the heading “Securities Authorized for Issuance Under Equity Compensation Plans” below.

Management Agreements and Termination Benefits

Allied Gold has entered into formal service agreements with directors and key management personnel. On appointment to the Board of Directors, all non-executive directors enter into a service agreement with Allied Gold, in the form of a letter of appointment. The letter summarises the Board of Directors policies and terms, including compensation, relevant to the particular appointment.

Remuneration and other terms of employment for the Managing Director, Chief Executive Officer, Chief Financial Officer and other key management personnel are also formalised in contracts of employment. Some of these agreements provide for the provision of performance related bonuses as well as participation in the Option Plan. Other major provisions of the agreements relating to remuneration are set out below.

Any contract with an employee may be terminated by either party giving relevant notice.

Mark V. Caruso, Executive Chairman

- No fixed term.
- Base remuneration of \$350,000 per annum inclusive of superannuation effective from October 6, 2008.
- Entitled to an annual bonus of no more than 30% of base remuneration, or as otherwise determined by the Board of Directors, if key performance indicators set by the Board of Directors on an annual basis are achieved. No key performance indicators were established for the year ended June 30, 2009 and as such there was no entitlement to a bonus for the year ended June 30, 2009 under this provision of the service agreement.

- Four weeks notice of termination by Allied Gold. In the event that employment is terminated by Allied Gold, Mr. Caruso is entitled to twelve month's base remuneration plus any amount payable in lieu of notice.
- Eight weeks notice of termination by Executive. In that event that employment is terminated by Mr. Caruso, Mr. Caruso is entitled to three month's base remuneration plus any amount payable in lieu of notice.
- Initially granted 4,750,000 Tranche A options, 2,250,000 Tranche B options and 3,000,000 Tranche C options. Tranche A options vest on grant date, Tranche B options vest upon the 100,000th ounce of gold production between October 1, 2008 and December 31, 2009. Upon production of 75,000 ounces within that timeframe, the directors have the discretion to require the holder to exercise 50% of the Tranche B options in which case the holder will forego the balance of the options. Tranche C options vest when the weighted average price of the Allied Gold Shares is greater than \$0.70 on the ASX for five consecutive days.

Frank Terranova, Chief Financial Officer

- No fixed term.
- Base remuneration of \$285,000, inclusive of superannuation effective from October 6, 2008.
- Entitled to an annual bonus not exceeding 30% of base payments, or as otherwise determined by the Board of Directors, dependent on achievement of specific objectives as determined by the Chief Executive Officer commencing the financial year ending June 30, 2009. No key performance indicators were established for the year ended June 30, 2009 and as such there was no entitlement to a bonus under this provision of the service agreement.
- Eight weeks notice of termination. On termination by Allied Gold, entitled to termination pay of twelve months total fixed remuneration.

Ross Hastings, General Manager Resource and Development

- No fixed term.
- Base remuneration of \$218,000 inclusive of superannuation.
- Entitled to four week's pay on termination by Allied Gold or by Mr. Hastings.

Peter DuPlessis, Resident Manager Simberi Operation

- No fixed term.
- Base remuneration, exclusive of superannuation, of \$220,000 per annum.
- Entitled to a performance bonus of \$22,000 gross based upon the satisfaction of achieving quarterly key performance indicators ("KPI's"). The KPI's are as follows: (a) average cost of gold per ounce sold for the Quarter is AUD \$600 or less, as calculated by the Chief Financial Officer; and (b) the total gold shipped per quarter is a minimum of 21,000 ounces.
- In the event Allied Gold terminates the employment, three month's salary will be paid.

Tony Bubb, Mining Manager (resigned June 30, 2009)

- Base salary, exclusive of superannuation, was \$195,800 per annum.

- Mr. Bubb did not receive any termination payment in relation to his resignation.

Pension Plan Benefits

Allied Gold does not have a pension plan that provides for payments or benefits to the Named Executive Officers at, following, or in connection with retirement. In compliance with certain statutory requirements in Australia, Allied Gold is required to make payments to a superannuation fund nominated by the employee at the rate of 9% of the employee's salary. Allied Gold has no involvement in the management or selection of any such fund, and does not have access to information with respect to any such fund, including principal amounts held by such funds or rates of return of such funds. The salary compensation figures set out herein include such superannuation payments.

Director Compensation

Director Compensation Table

The following table sets forth the details regarding compensation paid to Allied Gold non-executive directors during the financial year ended June 30, 2009. Executive directors do not receive additional compensation for acting in the capacity of director.

Name	Fees Earned (\$)	Share-Based Awards (\$)	Option-Based Awards⁽¹⁾ (\$)	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
Gregory Steemson	74,250	Nil	228,451	Nil	Nil	Nil	302,701
Anthony Lowrie.....	74,250	Nil	228,451	Nil	Nil	Nil	302,701
Montague House.....	25,000	Nil	Nil	Nil	Nil	Nil	25,000

Note:

- (1) Fair values at grant date are independently determined using the binominal option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

Narrative Discussion

Fees payable to non-executive directors reflect the demands which are made on, and the responsibilities of, the individual director. Non-executive directors' fees and payments are reviewed annually by the Board of Directors. During the year certain non-executive directors received share options in accordance with a resolution approved by shareholders at Allied Gold's Annual General Meeting held on November 28, 2008.

The Company has the Option Plan for the granting of incentive stock options to the employees and consultants of the Company. Incentive stock options are issued to the Company's directors by way of separate option grants as approved by the Company's shareholders. The Company did not grant any stock options to the directors during the most recently completed financial year. The purpose of granting such options is to assist the Company in compensating, attracting, retaining and motivating the directors of the Company and to closely align the personal interests of such persons to that of the shareholders.

Gregory Steemson, Non Executive Director

- No fixed term.
- Total fixed remuneration of \$75,000 per annum for services as a non executive director.
- Annual retainer of \$45,000 for geological consulting services.
- Four weeks notice of termination.
- Initially granted 1,000,000 Tranche A options, 500,000 Tranche B options and 500,000 Tranche C options. Tranche A options vest on grant date, Tranche B options vest upon the 100,000th ounce of gold production between October 1, 2008 and December 31, 2009. Upon production of 75,000 ounces within

that timeframe, the directors have the discretion to require the holder to exercise 50% of the Tranche B options in which case the holder will forego the balance of the options. Tranche C options vest when the weighted average price of the Allied Gold Shares is greater than \$0.70 on the ASX for five consecutive days.

Anthony Lowrie, Non Executive Director

- No fixed term.
- Total fixed remuneration of \$75,000 per annum for services as a non executive director.
- Four weeks notice of termination.
- Initially granted 1,000,000 Tranche A options, 500,000 Tranche B options and 500,000 Tranche C options. Tranche A options vest on grant date, Tranche B options vest upon the 100,000th ounce of gold production between October 1, 2008 and December 31, 2009. Upon production of 75,000 ounces within that timeframe, the directors have the discretion to require the holder to exercise 50% of the Tranche B options in which case the holder will forego the balance of the options. Tranche C options vest when the weighted average price of the Allied Gold Shares is greater than \$0.70 on the ASX for five consecutive days.

Montague House, Non Executive Director

- No fixed term.
- Total fixed remuneration of \$75,000 per annum for services as a non executive director.
- Four weeks notice of termination.

Directors Share-Based Awards and Option-Based Awards

The following table sets forth the details regarding the incentive plan awards for each non-executive director of the Company outstanding as of June 30, 2009.

Name	Option-Based Awards				Share-Based Awards	
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-money Options (\$)	Number of Shares or Units of Shares That Have Not Vested (#)	Market or Payout Value of Share-Based Awards That Have Not Vested (\$)
Gregory Steemson	2,000,000	0.35	30/11/2011	120,000 ⁽¹⁾	—	—
Anthony Lowrie.....	2,000,000	0.35	30/11/2011	120,000 ⁽¹⁾	—	—
Montague House.....	—	—	—	—	—	—

Notes:

- (1) This number includes \$60,000 in respect of vested options and \$60,000 in respect of unvested options held by Mr. Steemson and Mr. Lowrie.

At an annual general meeting of Allied Gold's shareholders held on November 11, 2009, Allied Gold's shareholders approved the issuance of 1,500,000 options exercisable to acquire ordinary shares of the Company to Montague House, which will be exercisable at a price of \$0.35 per ordinary share until December 31, 2011 and will vest as to 1,000,000 options immediately upon issuance and 500,000 options following the share price for the Allied Gold ordinary shares trading above \$0.70 for five consecutive trading days.

Directors Incentive Plan Awards — Value Vested or Earned During the Year

The following table sets forth the details regarding the value vested or earned of incentive plan awards for each non-executive director of the Company for the financial year ended June 30, 2009.

Name	Option-Based Awards — Value Vested During the Year (\$)⁽¹⁾	Share-Based Awards — Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation — Value Earned During the Year (\$)
Gregory Steemson	Nil	Nil	Nil
Anthony Lowrie.....	Nil	Nil	Nil
Montague House.....	Nil	Nil	Nil

Note:

- (1) The “value vested” represents the aggregate dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date. This is calculated by computing the dollar value that would have been realized by determining the difference between the market price of the underlying securities at exercise and the exercise price of the options under the option-based award on the vesting date.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out those securities of the Company which have been authorized for issuance under equity compensation plans, including the Plan, as of June 30, 2009:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by the securityholders	45,124,427	A\$0.46	4,460,000 ⁽¹⁾
Equity compensation plans not approved by the securityholders	Nil	Nil	Nil
Total	45,124,427	A\$0.46	4,460,000⁽¹⁾

Note:

- (1) Approximate figure. The Option Plan does not contain express provisions on the number of options that may be issued under the Option Plan. Rather, the Company is subject to the rules of the ASX relating to employee incentive option schemes, which limits the options issuable under such plans to 5% of the issuer’s issued and outstanding shares, subject to various exceptions that will vary according to the circumstances. Directors’ options are not issued under the Option Plan and are subject to separate shareholder approval in accordance with ASX rules.

Allied Gold has established an employee incentive option scheme (the “**Option Plan**”) for, *inter alia*, the employees and consultants of Allied Gold or any related entity (“**Eligible Persons**”). Incentive stock options are issued to the Company’s directors by way of separate option grants as approved by the Company’s shareholders.

The Option Plan was established to advance the interests of Allied Gold by encouraging stock ownership by Eligible Persons and attracting, motivating and retaining Eligible Participants. The Option Plan is administered by the Board of Directors. Under the Option Plan, options to purchase shares may be granted by the Board of Directors to Eligible Persons. The Board of Directors has the authority, subject to the terms of the Option Plan, to determine the terms, including the limitations, restrictions and conditions, if any, upon such grants and shall take into account the skill, experience, length of service with Allied Gold, remuneration level and such other criteria as the directors consider appropriate in the circumstances. The Option Plan provides that directors are not included as Eligible Persons; the Company has a separate plan on substantially similar terms to the Option Plan for members of the Board of Directors, except that shareholders must ratify grants of stock options to directors and that options granted to directors do not generally expire until their original expiry date, regardless as to whether a director resigns or is not re-elected prior to such expiry date.

The Option Plan provides that, subject to any regulatory requirements, the exercise price for any option granted under the Option Plan shall be determined by the Board of Directors and shall be no less than any minimum specified by the listing rules of the ASX. All offers of option grants will be made using an “Offer Document” as prescribed by the Option Plan or by applicable regulation. The terms of each grant will be set out in the Offer Document. Options are not assignable. The terms of grant of options may be varied by the Board of Directors only

in accordance with the rules of the ASX, and requires the consent of the grantee if any such variation would be materially prejudicial to the grantee, other than adjustments to comply with applicable legislation, to correct errors, or to permit Allied Gold to comply with the rules of the ASX or foreign laws or regulatory bodies.

Options are exercisable when the conditions in respect of each grant of options have been satisfied and there is otherwise no prohibition precluding the exercise of such options. Options must be exercised in such minimum numbers as prescribed by the rules of the ASX.

The Board of Directors may determine in its discretion the number of options to be granted to an Eligible Person. Options are exercisable during a period established at the time of their grant, such period to be set out in Offer Document. Any Option not exercised prior to the expiry date will become null and void. Options that are not exercisable at the time an Eligible Person ceases to be an Eligible Person for any reason, including termination of employment for cause or resignation, will be immediately null and void. Options that are exercisable at the time an Eligible Person ceases to be an eligible person for any reason, including termination of employment for cause or resignation, will be exercisable for a period of 60 days after such date of termination or resignation. In the case of death, permanent disability, retirement or redundancy of an Eligible Person, the legal representative of such Eligible Person may exercise any unexercised options which are otherwise eligible to be exercised. In such event, the Board of Directors may, in its discretion, permit the exercise of Options that are not exercisable at such time and have not otherwise lapsed. In all cases, the Board of Directors may determine in its discretion that any options that are not otherwise exercisable, but have not lapsed, may be exercised within any such additional time as determined by the board.

PRINCIPAL SHAREHOLDERS

To the knowledge of the directors and senior officers of Allied Gold, no persons or companies beneficially own, directly or indirectly, or exercise control or direction over, Allied Gold Shares carrying more than 10% of the outstanding voting rights attached to the Allied Gold Shares, other than the following:

<u>Name of Principal Shareholder</u>	<u>Number of Shares</u>	<u>Percentage</u>
M&G Investment Management Ltd.	93,839,177	17.79% ⁽¹⁾
Resource Capital Fund III LP	53,994,004 ⁽²⁾	10.24% ⁽³⁾

Notes:

- (1) Based on an aggregate of 45,124,427 options to acquire Allied Gold shares outstanding as of the date of this Annual Information Form, the percentage ownership on a fully-diluted basis is 16.39%.
- (2) Includes 308,911 shares owned by Resource Capital Fund II LP, a related entity of Resources Capital Fund III LP.
- (3) Based on an aggregate of 45,124,427 options to acquire Allied Gold shares outstanding as of the date of this Annual Information Form, the percentage ownership on a fully-diluted basis is 9.43%.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

To the knowledge of the directors and executive officers of Allied Gold, none of the current or former directors, executive officers or employees of Allied Gold, or associates of the foregoing, are currently, or were during the year ended June 30, 2009, indebted to the Company.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Allied Gold is not the subject of any legal proceedings or regulatory actions material to Allied Gold, to which Allied Gold is a party or to which any of its properties is subject and no such proceedings or actions are known to be contemplated.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed in this Annual Information Form, no director or senior officer of Allied Gold or any shareholder holding, on record or beneficially, directly or indirectly, more than 10% of the issued shares, or any of their respective associates or affiliates, had any material interest, directly or indirectly, in any material transaction

with Allied Gold within the three most recently completed financial years preceding the date of this Annual Information Form or during the current financial year in any proposed transaction which has materially affected or would materially affect Allied Gold.

Mark Caruso, the Executive Chairman and Chief Executive Officer of Allied Gold, is a shareholder and director of Minesite Construction Services Pty Ltd., with which Allied Gold has entered into a dry hire contract dated August 2008 for the lease of mining equipment. The carrying amount as at June 30, 2009 of various mining equipment subject to finance leases with Minesite Construction Services Pty Ltd. Under this agreement was \$3,249,717 (2008: \$Nil, 2007: \$Nil). Under the terms of the agreement, Allied Gold has the option to acquire the leased assets for their agreed fair value on expiry of the leases. The leases also provide for the payment of contingent rentals determined on the basis of a fixed charge per machine hour. The total value of contingent rentals paid during the year ended June 30, 2009 was \$2,216,800 (2008: \$Nil, 2007:\$Nil). The leases under the agreement expire in October 2011.

AUDITORS

The auditors of Allied Gold are BDO Kendalls Audit & Assurance (WA) Pty Ltd., 128 Hay Street, Subiaco, Western Australia, 6008. BDO Kendalls Audit & Assurance (WA) Pty Ltd. have been the auditors of the Company since July 2003.

REGISTRAR AND TRANSFER AGENTS

Allied Gold's registrar and transfer agent in Canada is Computershare Investor Services Inc. at 100 University Ave., 8th Floor, North Tower, Toronto, Ontario M5J 2Y1. The Company's registrar and transfer agent in Australia is Computershare Investor Services Pty Ltd. Level 2, Reserve Bank Building, 45 St. Georges Terrace, Perth, Western Australia, Australia, 6000. Allied Gold's registrar and transfer agent in the United Kingdom is Computershare Investor Services PLC at P.O. Box 82, The Pavillions, Bridgwater Road, Bristol, BS99 7NH, United Kingdom.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business, the Company has not entered into any contracts material to the Company during its most recently completed financial year, or before such financial year and which are still in effect, other than the following:

1. the Pre-Bid Agreement (see "General Development of the Business – Recent Developments – ASG Acquisition");
2. the Implementation Agreement (see "General Development of the Business – Recent Developments – ASG Acquisition");
3. the Barrick Letter of Intent (see "General Development of the Business – Three Year History"); and
4. a dry hire contract dated August 2008 with Minesite Construction Services Pty Ltd. relating to the lease of mining equipment (See "Interest of Management and Others in Material Transactions").

EXPERTS

Information of an economic (including economic analysis), scientific and technical nature regarding the Simberi Project is included in this Annual Information Form based upon the Technical Report dated September 25, 2009 and entitled "Simberi Gold Project, Simberi Island, PNG" which was prepared for Allied Gold by Stephen Godfrey and John Battista of Golder Associates and Phil Hearse of Battery Limits, each of whom is a "Qualified Person" as defined in National Instrument 43-101. Each of Messrs. Godfrey, Battista and Hearse is independent of Allied Gold within the meaning of National Instrument 43-101.

RISK FACTORS

An investment in Allied Gold and the Allied Gold Shares is subject to risks and uncertainties. The occurrence of any one or more of these risks or uncertainties could have a material adverse effect on the value of any investment in Allied Gold and the business, prospects, financial position, financial condition or operating results of the Company. Prospective investors should carefully consider the information presented in this Annual Information Form, including the following risk factors, which are not an exhaustive list of all risk factors associated with an investment in Allied Gold or the Allied Gold Shares or in connection with the operations of the Company:

Allied Gold currently operates a single mineral project

Allied Gold currently has one operating gold mine, the Simberi gold mine. Any event leading to the reduction in production or closure of this mine will have a material adverse effect on the Company's financial performance and results of operations.

The Simberi Project accounts for all of the Company's mineral resources and reserves and the potential for the future generation of revenue. Any adverse development affecting the progress of the Simberi Project may have a material adverse effect on the Company's financial performance and results of operations. These developments include, but are not limited to, unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage, hiring suitable personnel and engineering contractors, or securing supply agreements on commercially suitable terms.

Although Allied Gold has acquired partial ownership of the Gold Ridge project in the Solomons Islands through its acquisition of the Acquired ASG Shares under the ASG Offer, it has not yet acquired all of the ASG Shares and its plans for ASG and the Gold Ridge project are still under review. The Company does, however, intend to use a significant portion of the proceeds of the Offering for the development of the Gold Ridge project. See "General Development of the Business – Recent Developments – ASG Acquisition".

Precious metal exploration projects may not be successful and are highly speculative in nature

The exploration for and development of precious metals involves significant risks which even a combination of careful evaluation, experience and knowledge cannot eliminate. While the discovery of a precious metal deposit may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. Whether a precious metal deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of precious metals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital. There is no certainty that the expenditures made by the Company towards the search and evaluation of precious metal deposits will result in discoveries of commercial quantities of such metals.

Mining operations generally involve a high degree of risk

Mining operations are subject to all the hazards and risks normally encountered in the exploration for and development and production of precious metals, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding, variations in grade, deposit size, density and other geological problems, hydrological conditions, metallurgical and other processing problems, mechanical equipment performance problems, the unavailability of materials and equipment including fuel, labour force disruptions, unanticipated transportation costs, unanticipated regulatory changes, unanticipated or significant changes in the costs of supplies including, but not limited to, petroleum, and adverse weather conditions and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Should any of these risks and hazards affect

any of Allied Gold's proposed mining operations, it may cause the cost of production to increase to a point where it would no longer be economic to produce gold from the Company's mineral reserves, which would have a material and adverse effect on the financial condition, results of operation, and cash flows of the Company.

Gold price volatility may affect the future production, profitability, financial position and financial condition of Allied Gold

The development and success of the Simberi Project will be primarily dependent on the future price of gold. Gold prices are subject to significant fluctuation and are affected by a number of factors which are beyond the control of the Company. Such factors include, but are not limited to, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, global and regional supply and demand, and the political and economic conditions of major gold-producing countries throughout the world. The price of gold and other base and precious metals has fluctuated widely in recent years, and future serious price declines could cause continued development of, and commercial production from, the Company's properties to be impracticable or uneconomic. Depending on the price of gold and other base metals, projected cash flow from planned mining operations may not be sufficient and the Company could be forced to discontinue development and may lose its interest in, or may be forced to sell, some of its properties. Future production from the Company's mining properties is dependent on gold prices that are adequate to make these properties economically viable. Furthermore, reserve calculations and life-of-mine plans using significantly lower gold prices could result in material write-downs of the Company's investment in mining properties and increased amortization, reclamation and closure charges. In addition to adversely affecting the Company's mineral reserve estimates and its financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

Allied Gold's mineral resources and reserves are estimates only

There is no certainty that the mineral resources, or any future mineral reserve, attributable to Allied Gold will be realized. Until mineral reserves or mineral resources are actually mined and processed, the quantity of mineral resources and mineral reserve grades must be considered as estimates only. In addition, the quantity of mineral reserves and mineral resources may vary depending on, among other things, metal prices and currency exchange rates. Any material change in the quantity of mineral reserves, mineral resources, grade or stripping ratio may affect the economic viability of the properties. In addition, there can be no assurance that gold recoveries or other metal recoveries in small scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production. Results of drilling, metallurgical testing and production and the evaluation of mine plans subsequent to the date of any estimate may require revision of such estimate. The volume and grade of reserves mined and processed and recovery rates may not be the same as currently anticipated. Any material reductions in estimates of mineral reserves and mineral resources, or of the Company's ability to extract these mineral reserves, could have a material adverse effect on the Company's results of operations and financial condition. Also, a reduction in estimated reserves could require material write-downs in investment in the affected mining property and increased amortization, reclamation and closure changes.

Foreign investments and operations are subject to numerous risks associated with operating in foreign jurisdictions

Allied Gold conducts mining, development or exploration activities in PNG. Allied Gold's foreign mining investments are subject to the risks normally associated with the conduct of business in foreign countries. The occurrence of one or more of these risks could have a material and adverse effect on Allied Gold's profitability or the viability of its affected foreign operations, which could have a material and adverse effect on Allied Gold's future cash flows, earnings, results of operations and financial condition.

Risks may include, among others, labour disputes, invalidation of governmental orders and permits, corruption, uncertain political and economic environments, sovereign risk, war (including in neighbouring states), civil

disturbances and terrorist actions, arbitrary changes in laws or policies of particular countries, the failure of foreign parties to honour contractual relations, corruption, foreign taxation, delays in obtaining or the inability to obtain necessary governmental permits, opposition to mining from environmental or other non-governmental organizations, limitations on foreign ownership, limitations on the repatriation of earnings, limitations on gold exports, instability due to economic under-development, inadequate infrastructure and increased financing costs. In addition, the enforcement by the Company of its legal rights to exploit its properties may not be recognized by the government of PNG or by its court system. These risks may limit or disrupt Allied Gold's operations, restrict the movement of funds or result in the deprivation of contractual rights or the taking of property by nationalization or expropriation without fair compensation.

The economy and political system of PNG should be considered by investors to be less predictable than those in countries in which the majority of investors are likely to be resident. The possibility that the current, or a future, government may adopt substantially different policies, take arbitrary action which might halt production, extend to the re-nationalization of private assets or the cancellation of contracts, the cancellation of mining and exploration rights and/or changes in taxation treatment cannot be ruled out, the happening of any of which could result in a material and adverse effect on the Company's results of operations and financial condition.

The following are risks more specifically associated with the Company's operations in PNG:

(a) Legal Systems

PNG has a less developed legal system than Australia or Canada, which may result in risks such as: (i) potential difficulties in obtaining effective legal redress in the courts of PNG, whether in respect of a breach of law or regulation, or in an ownership dispute; (ii) a higher degree of discretion on the part of governmental authorities; (iii) the lack of judicial or administrative guidance on interpreting applicable rules and regulations; (iv) inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; or (v) relative inexperience of the judiciary and courts in such matters. The commitments of local business people, government officials and agencies and the judicial system to abide by legal requirements and negotiated agreements may be more uncertain, creating particular concerns with respect to licences and agreements for business. These may be susceptible to revision or cancellation and legal redress may be uncertain or delayed.

(b) Civil Unrest

There have been instances of civil unrest within PNG. Although the Company believes that the risk of civil insurrection on Simberi Island and the Tabar Islands in general is unlikely, there can be no assurance that the people of the region will not disrupt operations at the proposed mine site in the future.

(c) Government Stability

Allied Gold's mining operations are subject to political, economic and other uncertainties, including the risk of civil rebellion, expropriation, nationalization, renegotiation or nullification of existing contracts, mining licenses and permits or other agreements, changes in laws or taxation policies, currency exchange restrictions, changing political conditions and international monetary fluctuations. Future PNG Government actions concerning the economy or the operation and regulation of nationally important facilities such as mines could have a significant effect on the company. No assurances can be given that the Simberi operation will not be adversely affected by future developments in PNG. Fiscal and tax policy in PNG can be uncertain and subject to sudden changes. For example, the PNG Government imposed and later replaced a 4% mining levy and 15% withholding tax on interest in 1998 and 1999. In addition to the national PNG Government, PNG has a system of 19 provincial level governments, which are funded almost entirely by direct grants from the national PNG Government. In the past, there have been disagreements between the PNG Government and the provincial level governments of PNG, primarily in relation to power sharing and revenue arrangements.

(d) PNG Land Policy

Since 1978, the PNG Government has maintained a policy of holding an equity participation option of up to 30% in mining projects located in PNG. This equity has been purchased on a historical or sunk cost basis. In 1992, the

previous PNG Government announced a decision to increase the PNG Government's equity interest in an existing gold project at Porgera and renegotiated that interest from 10% to 25%. Although the other joint venturers in the Porgera project resisted this move, a price was ultimately negotiated and accepted by all parties. The Company is not aware of any current intention on the part of the PNG Government to seek equity participation in its PNG projects. No assurance can be given that the PNG Government will not seek to acquire equity in the Simberi or other Tabar Islands properties in the future. In the past the PNG Government has taken equity only in major mining projects of national significance.

Approximately 97% of land in PNG is held under a land tenure system, the nature and terms of which vary considerably throughout the country. In general, land held under such tenure cannot be alienated and is almost entirely communally owned. Title to most land in PNG has not been recorded or registered and there has been little surveying. As a result, title to land (in Western legal terms) is often unclear. Disputes over land ownership are common, especially in the context of resource developments. Identifying all the affected landowners, and structuring compensation arrangements that are both fair and acceptable to all of them, can be difficult. The Company believes that the satisfactory resolution of local landowner concerns is essential to the development and operation of a mine in PNG and believes that it enjoys sound relationships with the affected landowners. The Company has always been committed to spending considerable time, effort and expense in order to resolve landowner issues relating to the Simberi operation, but there can be no assurance that disruptions arising out of landowner dissatisfaction will not occur.

Allied Gold may experience regulatory, consent or permitting delays

The business of mineral exploration, project development, mining and processing is subject to various national and local laws and plans relating to: permitting and maintenance of title; environmental consents; taxation; employee relations; heritage/historic matters; health and safety; royalties; land acquisition; and other matters.

There is a risk that the necessary permits, consents, authorizations and agreements to implement planned exploration, project development, or mining may not be obtained under conditions or within time frames that make such plans economic, that applicable laws, regulations or the governing authorities will change or that such changes will result in additional material expenditures or time delays.

EL 609 held by the Company, and which is the subject of the Company's joint venture with Barrick, has an expiry date of May 2009 and is currently the subject of an application for renewal for an additional two year term which has not yet been processed, failing which the Company's rights to EL 609 may be forfeited. Although the Company has no reason to believe that EL 609 will not be renewed for an additional two year term, there can be no assurance that will be the case. Any failure to renew EL 609 may have a material adverse effect on the Company's financial condition and results of operations.

There is no assurance as to Allied Gold's ability to sustain and expand mineral reserves and resources

Because mines have limited lives based on proven and probable mineral reserves, the Company will be required to continually replace and expand its mineral reserves as its mines produce gold. The life-of-mine estimates included in this document in respect of the Simberi Project may not be correct. The Company's ability to maintain or increase its annual production of gold in the future will be dependent in significant part on its ability to bring new mines into production and to expand mineral reserves at existing mines. The Simberi Project has a remaining life of over 10 years based only on proven and probable mineral reserves.

Feasibility studies may be used to determine the economic viability of a deposit. Many factors are involved in the determination of the economic viability of a deposit including the achievement of satisfactory mineral reserve estimates, the level of estimated metallurgical recoveries, capital and operating cost estimates and the estimate of future gold prices. Capital and operating cost estimates are based upon many factors, including anticipated tonnage and grades of ore to be mined and processed, the configuration of the ore body, ground and mining conditions, expected recovery rates of the gold from the ore and anticipated environmental and regulatory compliance costs. Each of these factors involves uncertainties and as a result Allied Gold cannot give assurance that its development or

exploration projects will become operating mines. If a mine is developed, actual operating results may differ from those anticipated, thereby impacting on the economic viability of the project.

Allied Gold's current and proposed exploration and mining activities are predominantly in one country

Allied Gold is conducting its exploration and development activities predominantly in PNG. Allied Gold believes that the Government of PNG supports the development of natural resources. There is no assurance that future political and economic conditions in PNG will not result in the Government of PNG adopting different policies respecting foreign development and ownership of mineral resources. Any such change in policy may result in changes in laws affecting ownership of assets, land tenure and mineral concessions, taxation, royalties, rates of exchange, environmental protection, labour relations, repatriation of income and return of capital, which may affect both Allied Gold's ability to undertake exploration and development activities in respect of future properties as well as its ability to continue to explore and develop those properties in respect of which it has obtained mineral exploration rights to date.

Allied Gold's title to mineral rights could be challenged

The acquisition and retention of title to mineral rights is a detailed and time consuming process. Title to, and the area of, mineral resource claims may be disputed or challenged. The Company's right to explore for, mine, produce and sell gold from the Simberi Project is based on the Exploration and Mining License. Should Allied Gold's rights under the Exploration and Mining License not be honoured or be unenforceable for any reason, or if any material term of the Exploration and Mining License is unilaterally changed or not honoured, including the boundaries, Allied Gold's ability to explore and produce gold in the future would be materially and adversely affected, and this would have a material and adverse effect on the Company's financial performance and results of operations.

Allied Gold relies on its management team and outside contractors, and the loss of one or more of these persons may adversely affect Allied Gold

The success of the operations and activities of Allied Gold is dependent to a significant extent on the efforts and abilities of its management and outside contractors. Investors must be willing to rely to a significant extent on management's discretion and judgment, as well as the expertise and competence of outside contractors. Allied Gold does not have in place formal programs for succession of management and training of management, nor does it hold key person insurance on these individuals. The loss of one or more of these key employees or contractors, if not replaced, could adversely affect Allied Gold's profitability, results of operations and financial condition.

Inferred mineral resources are uncertain and their economic viability cannot be assured

Inferred mineral resources cannot be converted into mineral reserves as the ability to assess geological continuity is not sufficient to demonstrate economic viability. Due to the uncertainty which may attach to inferred mineral resources, there is no assurance that inferred mineral resources will be upgraded to resources with sufficient geological continuity to constitute proven and probable mineral reserves as a result of continued exploration.

Allied Gold has a limited history of mining operations

The Company has a limited history of mining operations, and there is no assurance that it will successfully operate profitably or provide a return on investment in the future. The costs, timing and complexities of mine construction and development are increased by the remote location of the Company's mining property. It is common in new mining operations to experience unexpected problems and delays during construction, development, and mine start-up. In addition, delays in the commencement of mineral production often occur. Accordingly, there are no assurances that the Company's activities will result in profitable mining operations or that the Company will profitably produce metals at any of its properties. Other factors mentioned in this section entitled "Risk Factors" may also prevent Allied Gold from successfully operating a mine.

Allied Gold's properties are subject to environmental risks

Mining operations have inherent risks and liabilities associated with pollution of the environment and the disposal of waste products occurring as a result of mineral exploration and production. Laws and regulations involving the protection and remediation of the environment and the governmental policies for implementation of such laws and regulations are constantly changing and are generally becoming more restrictive. Allied Gold cannot give any assurance that, notwithstanding its precautions, breaches of environmental laws (whether inadvertent or not) or environmental pollution will not materially and adversely affect its financial condition and its results from operations.

There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties on which the Company holds interests which are unknown to the Company at present and which have been caused by previous or existing owners or operators of the properties. Reclamation costs are uncertain and planned expenditures may differ from the actual expenditures required.

Land reclamation requirements for exploration properties may be burdensome and may divert funds from the Company's exploration programs

Although variable, depending on location and the governing authority, land reclamation requirements are generally imposed on mineral exploration companies, as well as companies with mining operations, in order to minimize long term effects of land disturbance. Reclamation may include requirements to control dispersion of potentially deleterious effluents and to reasonably re-establish pre-disturbance land forms and vegetation. In order to carry out reclamation obligations imposed on the Company in connection with its mineral exploration, the Company must allocate financial resources that might otherwise be spent on further exploration programs.

Allied Gold's insurance coverage does not cover all of its potential losses, liabilities and damages related to its business and certain risks are uninsured or uninsurable

The Company's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes or slowdowns, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment or laws, and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to the Company's properties or the properties of others, delays in development or mining, monetary losses and possible legal liability.

Although the Company maintains insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with its operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. The Company might also become subject to liability for pollution or other hazards which may not be insured against or which the Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Currency fluctuations may affect the costs that Allied Gold incurs in its operations

The Company's revenue from gold sales is received in United States dollars while a significant portion of its operating expenses will be incurred in the Australian dollars, PNG Kina and other foreign currencies. From time to time, the Company will borrow funds and will incur capital expenditures that are denominated in foreign currency. The appreciation of non-U.S. dollar currencies in those countries where Allied Gold has mining and exploration operations against the U.S. dollar would increase the costs of gold production at such operations which could materially and adversely affect the Company's profitability, results of operation and financial position.

Allied Gold has a history of operating losses and there can be no assurance that Allied Gold will ever be profitable

Allied Gold's operations have sustained operating losses during recent fiscal years.

Allied Gold may require additional capital in the future and no assurance can be given that such capital will be available at all or available on terms acceptable to Allied Gold

In order to finance future operations, the Company may need to raise funds through the issuance of ordinary shares or the issuance of debt instruments or other securities convertible into ordinary shares. There can be no assurance that financing will be available to the Company or, if it is, that it will be offered on acceptable terms. The Company cannot predict the size of future issuances of ordinary shares or the issuance of debt instruments or other securities convertible into Shares or the effect, if any, that future issuances and sales of the Company's securities will have on the market price of the Company's ordinary shares. If additional financing is raised through the issuance of equity or convertible debt securities of the Company, the interests of shareholders in the net assets of the Company may be diluted. Any failure of the Company to obtain required financing on acceptable terms could have a material adverse effect on the Company's financial condition, results of operations and liquidity and require the Company to cancel or postpone planned capital investments.

Increased competition could adversely affect the Company's ability to attract necessary capital funding or acquire suitable producing properties or prospects for mineral exploration in the future

Competition in the mineral exploration and development business is intense and could adversely affect Allied Gold's ability to develop its properties. Allied Gold competes with numerous individuals and companies, including major mining companies, many of which have greater financial and operational resources than the Company. There is a high degree of competition for the discovery and acquisition of properties considered to have commercial potential. The Company competes with other mining companies, for the acquisition of mineral claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel.

Insofar as certain directors of the Company hold similar positions with other mineral resource companies, conflicts may arise between the obligations of these directors to the Company and to such other mineral resource companies

Certain directors and officers of the Company are, and may continue to be, involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnership or joint ventures which are potential competitors of the Company. Situations may arise in connection with potential acquisitions in investments where the other interests of these directors and officers may conflict with the interests of the Company. Directors and officers of the Company with conflicts of interest will be subject to and will follow the procedures set out in applicable corporate and securities legislation, regulations, rules and policies.

Estimates and assumptions used in preparing the Company's consolidated financial statements and actual amounts could differ

Preparation of the consolidated financial statements requires the Company to use estimates and assumptions. Accounting for estimates requires the Company to use its judgment to determine the amount to be recorded on its financial statements in connection with these estimates. Allied Gold's estimates and assumptions used in the valuation of work-in-progress inventories include estimates of gold expected to be recovered and the price expected to be realized when the metals are recovered. If the estimates and assumptions are inaccurate, ASG could be required to write down the recorded value of its work in progress inventory. On an ongoing basis, ASG re-evaluates its estimates and assumptions. However, the actual amounts could differ from those based on estimates and assumptions.

The Company's ordinary shares are publicly traded and are subject to various factors that may make the Company's share price volatile

The market price of the Company's ordinary shares could fluctuate significantly. The market price of the Company's ordinary shares may fluctuate based on a number of factors in addition to those listed in this Annual Information Form, including:

- the Company's operating performance and the performance of competitors and other similar companies;
- the public's reaction to the Company's press releases, other public announcements and the Company's filings with the various securities regulatory authorities;
- changes in earnings estimates or recommendations by research analysts who track the Company's ordinary shares or the shares of other companies in the resource sector;
- changes in general economic conditions;
- the number of the Company's ordinary shares publicly traded;
- the arrival or departure of key personnel;
- acquisitions, strategic alliances or joint ventures involving the Company or its competitors; and
- the factors listed under the heading "Cautionary Statement Regarding Forward-Looking Statements".

In addition, the market price of the Company's ordinary shares are affected by many variables not directly related to the Company's success and are therefore not within the Company's control, including other developments that affect the market for all resource sector shares, the breadth of the public market for the Company's shares, and the attractiveness of alternative investments.

The Company has no dividend payment policy and does not intend to pay any cash dividends in the foreseeable future

Allied Gold has not declared or paid any dividends on its ordinary shares and does not currently have a policy on the payment of dividends. For the foreseeable future, Allied Gold anticipates that it will retain future earnings and other cash resources for the operation and developments of its business. The payment of any future dividends will depend upon earnings and Allied Gold's financial condition, current and anticipated cash needs and such other factors as the directors of Allied Gold consider appropriate.

The Company may be considered a "foreign investment entity" which may have adverse Canadian tax consequences for our Canadian investors

If the Company becomes a "foreign investment entity" within the meaning of the FIE Proposals, there may be certain adverse Canadian tax consequences.

It may be difficult to effect service of process on the Company's directors, officers and others

All of the directors of the Company's reside outside of Canada. Substantially all of the assets of these persons are located outside of Canada. It may not be possible for investors to effect service of process within Canada upon the directors, officers and experts named in this Annual Information Form. It may also not be possible to enforce against the Company, certain of its directors and officers, and certain experts named herein, judgments obtained in Canadian courts predicated upon the civil liability provisions of applicable securities laws in Canada.

The integration of Allied Gold and ASG may not occur as planned

The ASG Offer has been made with the expectation that its successful completion will result in increased gold production and enhanced growth opportunities for Allied Gold. These anticipated benefits will depend in part on whether Allied Gold and ASG's operations can be integrated in an efficient and effective manner. Most operational and strategic decisions and certain staffing decisions with respect to ASG post-acquisition have not yet been made. These decisions and the integration of the two companies will present challenges to management, including the integration of systems and personnel of the two companies, and special risks, including possible unanticipated liabilities, unanticipated costs, and the loss of key employees. The performance of ASG's operations after completion of the ASG Offer could be adversely affected if ASG post-acquisition cannot retain selected key employees to assist in the integration and operation of ASG and Allied Gold.

Change of control provisions in ASG's agreements triggered upon the acquisition of ASG may lead to adverse consequences

ASG may be a party to agreements or arrangements that contain change of control provisions that may be triggered following completion of the ASG Offer, since Allied Gold will hold ASG Shares representing a majority of the voting rights of ASG if the ASG Offer is successful. The operation of these change of control provisions, if triggered, could result in unanticipated expenses and/or cash payments following the consummation of the Offer or adversely affect ASG's results of operations and financial condition. Unless these change of control provisions are waived by the other party, the operation of any of these provisions could adversely affect the business, prospects, assets, results of operations and condition (financial or otherwise) of Allied Gold.

Allied Gold is subject to a broad range of environmental laws and regulations in the jurisdictions in which it operates, and if the business combination is successful, Allied Gold may be exposed to increased environmental costs and liabilities given the operations of ASG

Each of Allied Gold and ASG is subject to a broad range of environmental laws and regulations in the jurisdictions in which it operates. These laws and regulations, as interpreted by relevant agencies and courts, impose increasingly stringent environmental protection standards regarding, among other things, air emissions, wastewater storage, treatment and discharges, the use and handling of hazardous or toxic materials, waste disposal practices and remediation of environmental contamination. The costs of complying with these laws and regulations, including participation in assessments and remediation of sites, could be significant. In addition, these standards can create the risk of substantial environmental liabilities, including liabilities associated with divested assets and past activities. Environmental matters cannot be predicted with certainty, and amounts required to establish and maintain adequate for environmental liabilities may be significant, especially in light of potential changes in environmental conditions or the discovery of previously unknown environmental conditions, the risk of governmental orders to carry out compliance on certain sites not initially included in remediation in progress, and the potential liability of each of Allied Gold and ASG to remediate sites for which provisions have not been previously established. Such future developments could result in increased environmental costs and liabilities that could have a material adverse effect on Allied Gold's business, assets, financial position and results of operations.

Allied Gold may not realize the benefits of the Company's new properties

As part of its strategy, Allied Gold will continue its efforts to explore and develop new properties and will have an expanded portfolio of such properties as a result of the combination with ASG if the ASG Offer is successful. A number of risks and uncertainties are associated with the exploration and development of these types of properties, including exploration, development, political, social, regulatory, design, construction, labour, operating, technical and technological risks, uncertainties relating to capital and other costs and financing risks.

Allied Gold may be subject to significant risks associated with its expanded portfolio of properties

If there are significant delays in the exploration, development and production of the expanded portfolio of properties and/or the properties are determined not to be economically viable and/or their capital costs are significantly higher than estimated, these events could have a significant adverse effect on Allied Gold.

Actual capital costs, operating costs, production and economic returns for the Gold Ridge project may differ significantly from those that Allied Gold has anticipated and there are no assurances that any future development activities will result in profitable mining operations

The capital costs to take the Gold Ridge project into production may be significantly higher than anticipated. The Gold Ridge project does not have an operating history upon which the Company can base estimates of future operating costs. Decisions about the development of this and other mineral properties will ultimately be based upon feasibility studies. Feasibility studies derive estimates of cash operating costs based upon, among other things:

- anticipated tonnage, grades and metallurgical characteristics of the ore to be mined and processed;
- anticipated recovery rates of gold and other metals from the ore;
- cash operating costs of comparable facilities and equipment; and
- anticipated climatic conditions.

Cash operating costs, production and economic returns, and other estimates contained in studies or estimates prepared by or for the Company may differ significantly from those anticipated by Allied Gold's current studies and estimates, and there can be no assurance that the Company's actual operating costs will not be higher than currently anticipated.

ADDITIONAL INFORMATION

Additional information, including the Company's financial statements for its most recently completed financial year ended June 30, 2009 may be found on SEDAR at www.sedar.com.

The Bidder's Statement/Offer and Circular of the Company prepared in connection with the ASG Offer contains the Company's audited financial statements and MD&A for the Company's most recently completed financial year ended June 30, 2009 and may be found on SEDAR at www.sedar.com under the profile for ASG.

SCHEDULE “A”

ALLIED GOLD LIMITED AUDIT, COMPLIANCE AND RISK COMMITTEE CHARTER

1. INTRODUCTION

This charter governs the operations of the Audit, Compliance and Risk Committee (**Committee**) which is established as a standing committee of the Board in accordance with Allied’s constitution.

2. PURPOSE

2.1 Purpose

The purpose of the Committee is to provide assistance to the Board in its review of:

- (a) Allied’s financial reporting, internal control structure, risk management systems;
- (b) the internal and external audit functions; and
- (c) Allied’s compliance with legal and regulatory requirements in relation to the above.

2.2 Power

In discharging its role, the Committee may investigate any matter brought to its attention with full access to all books, records, facilities, and personnel of Allied and may engage advisers as it determines necessary to carry out its duties.

3. DUTIES AND RESPONSIBILITIES

3.1 Understanding the business

The Committee must ensure it understands Allied’s structure, controls, and types of transactions in order to adequately assess the significant risks faced by the Company in the current environment.

3.2 Financial reporting

The primary responsibility of the Committee is to oversee the Company’s financial reporting process on behalf of the Board and report the results of its activities to the Board.

While the Committee has the responsibilities and powers set forth in this charter, it is not the duty of the Committee to plan or conduct audits.

The Board is responsible for Allied’s financial reports including the appropriateness of the accounting policies and principles that are used by Allied.

The external auditors are responsible for auditing Allied’s financial reports and for reviewing Allied’s unaudited interim financial reports.

The Committee has the responsibilities set out below.

3.3 Assessment of accounting, financial and internal controls

The Committee will discuss with management and the external auditors the adequacy and effectiveness of the accounting and financial controls, including Allied’s policies and procedures to assess, monitor, and manage business risk, and legal and ethical compliance programs.

Any opinion obtained from the internal or external auditors on Allied's choice of accounting policies or methods should include an opinion on the appropriateness and not just the acceptability of that choice or method.

The Committee will meet separately with management and the external auditor to discuss issues and concerns, including, but not limited to, their assessments of the effectiveness of internal controls and the process for improvement. The Committee will provide sufficient opportunity each year for the external auditor to meet privately with the members of the Committee without management being present. The Committee will review with the external auditor any audit problems or difficulties and management's response.

The Committee will receive regular reports from the external auditor on the critical policies and practices of the Company, and all alternative treatments of financial information (within generally accepted accounting principles) that have been discussed with management.

3.4 Appointment of external auditors

The Committee will be directly responsible for making recommendations to the Board on the appointment, reappointment or replacement (subject, if applicable, to member approval), remuneration, monitoring of the effectiveness, and independence of the external auditor, including the resolution of disagreements between management and the auditor regarding financial reporting.

The Committee will pre-approve all audit and non-audit services provided by the external auditor and will not engage the external auditor to perform any non-audit/assurance services that may impair or appear to impair the external auditor's judgment or independence in respect of Allied. The Committee may delegate pre-approval authority to a member of the Committee. The decisions of any Committee member to whom pre-approval authority is delegated must be presented to the full Committee at its next scheduled meeting.

3.5 Assessment of the external audit

At least annually, the Committee will obtain and review a report by the external auditor describing (or meet, discuss and document the following with them):

- (a) the audit firm's internal quality control procedures;
- (b) any material issues raised by the most recent internal quality control review, or peer review, of the audit firm, or by any inquiry or investigation by governmental or professional authorities, within the last 5 years, in respect to one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and
- (c) all relationships between the external auditor and Allied (to assess the auditor's independence).

In addition, the Committee will set clear hiring policies for employees or former employees of the external auditor in order to prevent the impairment or perceived impairment of the external auditor's judgment or independence in respect of Allied, consistent with the standards of auditor independence contained in the *Corporations Act 2001* (Cth).

3.6 Independence of the external auditors

The Committee will review and assess the independence of the external auditor, including, but not limited to, any relationships with Allied or any other entity that may impair or appear to impair the external auditor's judgment or independence in respect of Allied. The Committee will also advise the Board annually whether the Committee is satisfied the provision of non-audit services is compatible with external auditor independence standards, as required by the *Corporations Act 2001* (Cth).

3.7 Scope of the external audit

The Committee will discuss with the external auditor the overall scope of the external audit, including identified risk areas and any additional agreed-upon procedures. In addition, the Committee will also review the external auditor's compensation to ensure that an effective, comprehensive and complete audit can be conducted for the agreed compensation level.

The Committee will consider the financial reports and other information required by the ASX or AIM Listing Rules prior to the filing of these with ASX and AIM. Also, the Committee will discuss the results of the half-year review and any other matters required to be communicated to the Committee by the external auditor under generally accepted auditing standards. The Chair of the Committee may represent the entire Committee for the purposes of this review.

The Committee will consider all representation letters signed by management. Also, the Committee will discuss the results of the annual audit and any other matters required to be communicated to the Committee by the external auditors under generally accepted auditing standards.

The Committee will oversee the procedures for the receipt, retention, and treatment of complaints received by Allied regarding accounting, internal accounting controls, or auditing matters, and the confidential, anonymous submission by employees of Allied of concerns regarding questionable accounting or auditing matters.

4. MEMBERSHIP

The members of the Committee will be members of, and appointed by, the Board and will comprise at least 3 non-executive directors that have diverse, complementary backgrounds, with 2 directors who are assessed to be independent. The Chairman of the Committee will be an independent non-executive director.

All Committee members will be financially literate, or become financially literate within a reasonable period of time of appointment. At least one member will have accounting and/or related financial management expertise as determined by the Board.

5. MEETINGS

The Committee will meet at least 4 times each year.

6. MINUTES

Minutes of meetings of the Committee will be kept by the Company secretary and, once those minutes have been approved by the Chairman of the Committee, will be distributed to all members of the Board for noting at the next Board meeting.

7. EVALUATION

The Committee will annually assess the performance of the Committee as a whole, as well as the effectiveness of this Committee charter.