

30 September 2011

## Allied Gold Mining

Year End	Revenue (US\$m)	PBT* (US\$m)	EPS* (c)	DPS (c)	P/E (x)	Yield (%)
12/09	N/A	N/A	N/A	N/A	N/A	N/A
12/10	N/A	N/A	N/A	N/A	N/A	N/A
12/11e	148.7	(2.9)	(1.5)	0.0	N/A	N/A
12/12e	289.0	79.7	32.3	0.0	9.0	N/A

Note: \*PBT and EPS are normalised, excluding intangible amortisation and exceptional items. Allied Gold Mining has changed its year-end to December, changed its reporting currency from A\$ to US\$, and as yet no full re-stated accounts have been published for 2010.

### Investment summary: 220,000oz in sight

Allied Gold Mining continues to ramp up oxide gold production at Simberi (c 65koz Au forecast for FY11) and Gold Ridge (c 40koz Au by end FY11). This, together with ALD's focus to reduce operating costs (conversion to HFO power at Simberi is underway), provides a strong foundation on which to potentially develop Simberi's large untapped sulphide gold resource and push group level production to c 320,000koz pa by 2015, successful execution of which is not yet reflected in the share price.

### Gold Ridge ramping up

The commissioning phase of Gold Ridge continues with processing of lower-grade stockpiled ore at lower than life of mine average recoveries of 70% to 75%. Steady state production at normal mining parameters should be achieved by end 2011, with recoveries approaching 85%, which, when coupled with completion of Simberi's oxide expansion programme during H112, will then allow Allied to produce at an annualised rate of c 220koz Au per annum from H212. The only remaining project to then be realised will be development of the sulphide gold ore at Simberi (following a positive BFS by end 2011 and investment decision in 2012). This could add a further 100koz Au to Allied's total group production figures from Q115 onwards, for a capex requirement of A\$246m.

### Simberi sulphide development

The Simberi sulphide bankable feasibility study is due by end 2011, following which an investment decision on whether to proceed with development will occur in 2012.

### Valuation: Prospective potential

At its current share price, Allied trades at a c 2.1x multiple to our NPV<sub>10</sub> of £0.87 per share (Simberi oxide and Gold Ridge production only, and based on a long-term gold price of \$1,350/oz), not unusual for the sector. This reduces to a multiple of 1.2x at the current Au price of \$1,650/oz. While Allied is forecast to make a slight loss for FY11 we expect it to move strongly into profit in FY12 (PBT US\$79.7m).

Price 180.5p  
Market Cap £361m

#### Share price graph



#### Share details

Code ALD  
Listing FULL, TSE  
Sector Metals and Mining  
Shares in issue 199.8m

#### Price

52 week High 281.2p Low 157.5p

#### Balance Sheet as at September 2011

Net Debt/Equity (%) N/A  
NAV per share (US\$) 2.23  
Net cash (US\$m) 46.5

#### Business

Allied Gold Mining (ALD) is a gold explorer-producer with its main assets the Simberi Oxide Gold mine in Papua New Guinea and the Gold Ridge mine in the Solomon Islands.

#### Valuation

	2010	2011e	2012e
P/E relative	N/A	N/A	105%
P/CF	N/A	54.8	10.7
EV/Sales	N/A	3.5	2.1
ROE	N/A	N/A	11%

#### Revenues by geography

	UK	Europe	US	Other
N/A	N/A	N/A	N/A	N/A

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## Investment summary: Cementing production

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### Company description: Growing Pacific gold producer

Allied produced c 70,000oz Au during CY10 and is now producing at a group run rate of 150,000oz from both its mines in the Pacific region. The company has already seen a transformation during 2011 by commissioning its Gold Ridge mine (on time and within its, largely spent, A\$150m redevelopment budget), implementing the oxide gold expansion phase at Simberi (the increase from 2.4Mtpa to 3.5Mtpa process plant throughput is to be completed by Q312), as well as moving to the Main board of the LSE mid-year. Allied is looking to build on its achievements by getting Gold Ridge operating at life of mine parameters by end 2011 and total group gold production between 195,000oz and 205,000oz Au per annum by end 2012. In addition, there is the potential development, and additional 100,000oz pa Au output, from the Simberi sulphides.

### Valuation: Compelling on FY12 earnings

On a net present value basis, we value Allied at £0.87 per share. This takes into account oxide gold production at Simberi for FY11 of c 70,000oz increasing to 100,000oz Au by end 2012 as the oxide plant expansion works are completed and process throughput increases from 2.4Mtpa to 3.5Mtpa per annum, and also Gold Ridge ramping up as planned. This NPV places Allied's shares on a 2.1x multiple. Further, on a forecast P/E basis, Allied trades at a significant discount to the sector. Our forecast FY12 earnings reflect the first year Allied achieves steady state production at the increased rates at both its mines and set the shares on a 2012 P/E of 9.0x. Successful achievement of stated production targets should narrow the discount to indices such as the ARCA Gold BUGS, which typically trades above 20x.

### Sensitivities: Keeping opex low

The most significant external impact on our NPV valuation is the price of gold (a 10% rise in the gold price equates to a 34% increase in our NPV<sub>10</sub>). Internally, optimum management of cost and process efficiencies is also material to our forecast and valuation. Allied plans to appoint a group level cost saving strategist to undertake a broad assessment of current expenditures, with management stating that it can foresee US\$10-15m per annum of cost savings (a c 15% saving on our 2011 total group opex cost of A\$101m).

### Financials: Fully funded for current operating objectives

As of 28 September Allied had US\$46.5m in cash, and at end June US\$58m of debt. The debt is spread between the US\$35m IFC loan it acquired in June 2010 (used to redevelop the Gold Ridge mine), and US\$23m associated with equipment finance agreements. In April 2011 Allied secured via private placement US\$96.2m to retire c US\$35m of the IFC loan, as well as to implement cost saving initiatives (ie conversion to heavy fuel oil power generation at Simberi costing around US\$15.0m), provide further working capital and also provide the balance of funding to increase plant throughput at Simberi from 2.4Mtpa to 3.5Mtpa, and thus gold production from 70,000oz pa to 100,000oz pa.

## Company description: Maximising production in 2012

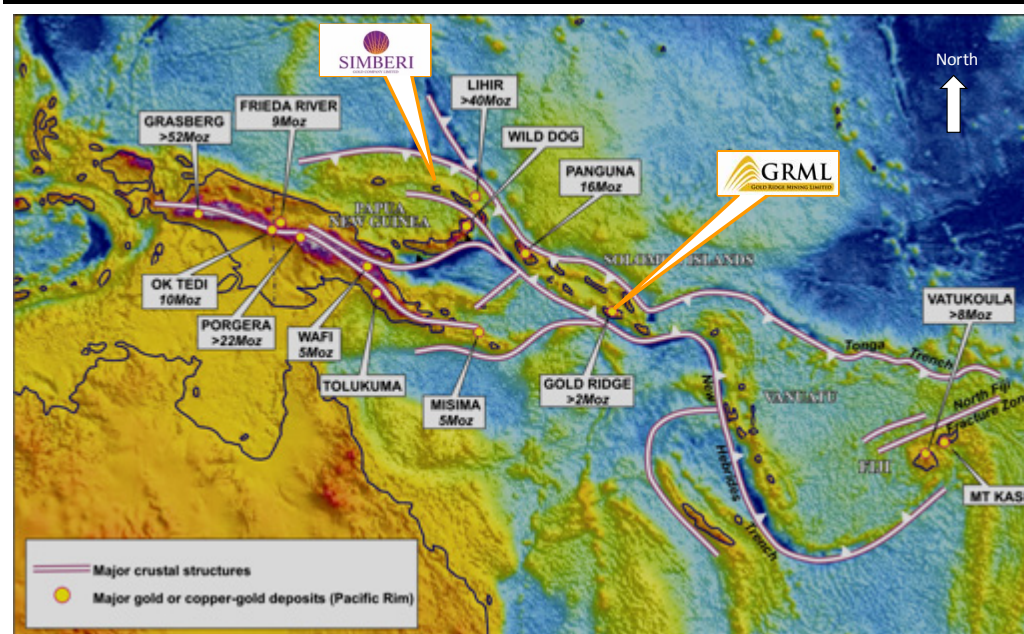
Allied currently produces at a group run rate of c 150koz Au from both its Simberi and Gold Ridge mines located on the South Pacific islands of Simberi and Guadalcanal. The company now looks to 2012 as being the first year in which Simberi and Gold Ridge will be running at steady state production levels targeting FY12 full year total group production of c 205,000oz Au.

### The Simberi gold mine

Allied's most established producing asset is the Simberi gold mine located on the northern-most island of the Tabar island group in the New Ireland province of Papua New Guinea (PNG). Current gold mining operations are situated in the eastern half of the island within mining lease ML136, which covers an area of 2,560 hectares.

#### Exhibit 1: Location map of Allied Gold Mining's main operating assets

Note: GRML = Gold Ridge Mining Ltd, the wholly owned subsidiary of Allied Gold Mining.



Source: Allied Gold Mining

### Gold at Simberi – oxide ore currently mined

The near surface rock at Simberi consists of highly weathered (due to the hot and wet tropical climate in the region) volcanic rocks associated with the Tabar islands formation as a series of volcanoes forming at the margins of the Pacific tectonic plate, moving westwards underneath the adjacent Australian-Indian plate. During this volcano or island forming event, gold bearing fluids flowed up from the mantle and deposited gold throughout the volcanic host rocks (in both discrete veins and as disseminated mineralisation). This primary ore deposition consisted of the gold being associated with sulphide type minerals, which usually limit the economic recoverability of the gold. However, with the upper portions of the island being exposed to a hot and wet tropical climate, the effect is that the sulphide minerals start to break down, with the host rocks turning into a highly friable and more economically recoverable form. The following exhibit details the current oxide gold resource and reserves at Simberi:

**Exhibit 2: Simberi mineral resources as at 1 January 2011**

	Mt	Au g/t	Moz
Measured	11.56	1.13	418
Indicated	70.17	1.28	2,891
Measured & Indicated	81.73	1.26	3,309
Inferred	87.44	0.96	2,701

Source: Allied Gold Mining

The following exhibit details Allied's current mineable reserves:

**Exhibit 3: Simberi mineable gold reserves as at 1 January 2011**

	Mt	Au g/t	Moz
Proven	11.64	1.06	395
Probable	33.2	1.61	1,716
Total Reserves	44.84	1.46	2,112

Source: Allied Gold Mining

**Mining at Simberi – bulk earth moving at low cost**

The geological nature of the oxide resources at Simberi means that the vast majority of the rock (both waste and ore) can be mined without the need for explosives and the associated infrastructure and permits required for this. Some minor occurrences of highly silicified ore material are present and these will likely be liberated and processed later on in the mine life, potentially once the requisite permits and licences (which will include those for explosive use) are attained for mining the future sulphide resource.

**Processing – expansion of oxide plant underway**

With bulk mining methods such as those employed at Simberi, the importance of scaling the processing plant to meet the potential tonnages to be processed is paramount to optimising the mine's cash flow generation. Of these, a programme of debottlenecking was completed in 2010, which saw plant throughput increased to 2.4Mtpa (c 70,000oz Au pa). A fully funded US\$32m expansion programme is at an advanced stage. It will lift throughput to 3.6Mtpa with a normal operating threshold of 3.5Mtpa being utilised. This increase in processing capacity will lift gold production at Simberi to c 100,000 ounces gold per annum. Further investigations are being considered to increase processing capacity to 5.0Mtpa, which will generate operational synergies in potentially mining the larger sulphide gold resource. During our visit to site in early 2011 we understood from management that careful consideration is being given to the placement of key processing plant equipment to achieve this scale up and facilitate an easier and speedier development of the sulphide resource. A positive outcome to the bankable feasibility study, due end 2011, will be critical to the company committing itself to an investment decision during 2012.

**Sulphide gold – the key to unlocking Simberi's potential**

In addition to its oxide expansion plans, Allied is currently undertaking a detailed bankable feasibility study on the economic viability of the much larger sulphide gold resource at Simberi. In November 2010 the company completed a pre-feasibility study that included pre-feasibility level engineering designs into process flow sheets and concluded that a capital cost in the region of A\$188m to develop the sulphide resource would be required. A further additional cost of A\$7.6m for implementing heavy fuel oil as a source of energy to power the plant was also stated. Since these

pre-feasibility studies, Allied has decided to go ahead with the use of heavy fuel oil as an additional source of power, stating that a cost saving in the region of A\$50/oz to A\$100/oz could be achieved.

## Exploration on neighbouring Tatau and Big Tabar

The smaller adjacent islands to Simberi of Tatau and Big Tabar are entirely covered by exploration licences that are owned by Allied and contain 13 identified exploration targets, of which Barrick as part of a prior joint venture agreement had assessed the viability of the Tupinda gold, Banasa gold-copper and Kupo copper prospects. Barrick identified significant gold on the islands, but decided that the deposits were not of an appropriate size for it to pursue towards production, and therefore executed a buy-back agreement in 2010, with Allied paying A\$5.5m in cash and shares.

## Gold Ridge – current nine-year life of mine

In addition to its established Simberi gold mine, Allied commenced the commissioning phase of its Gold Ridge mine on the island of Guadalcanal in the Solomon Islands in Q211. The mine was brought back into production on time and within budget (A\$150m). Gold Ridge was acquired via the takeover of Australian Solomon Gold Mines in February 2010, with Allied committing itself to an A\$150m refurbishment and redevelopment programme in March 2010.

## Gold Ridge resources and reserves

The following exhibits detail Allied's current mineral resource and mineable reserve estimates for the Gold Ridge mine:

**Exhibit 4: Gold Ridge mineral resources as at 1 January 2011**

Category	Mt	Au g/t	Moz (Au)
Measured	8.24	1.53	405
Indicated	40.89	1.23	1,617
Measured & Indicated	49.13	1.28	2,022
Inferred	15.03	1.27	613

Source: Allied Gold Mining

**Exhibit 5: Gold Ridge mineable reserves as at 1 January 2011**

Category	Mt	Au g/t	Moz (Au)
Proven	0	0	0
Probable	23.3	1.71	1.28
Total Reserves	23.3	1.71	1.28

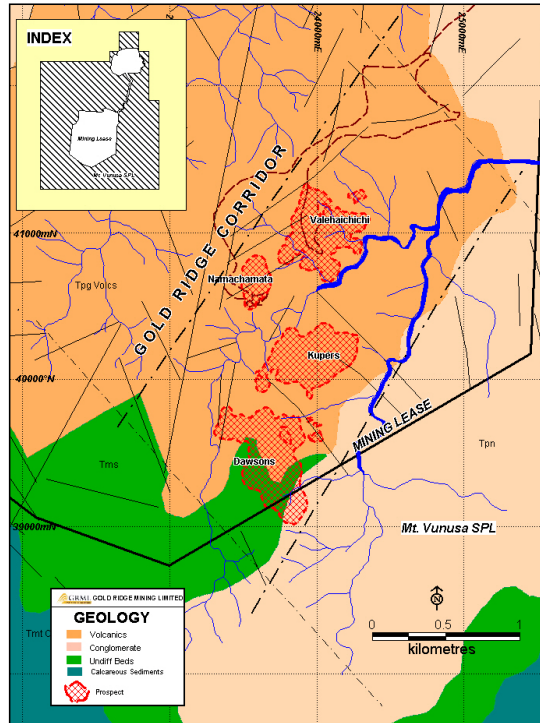
Source: Allied Gold Mining

## Geology of Gold Ridge

The geology of the Gold Ridge mine and surrounding areas consists of numerous volcanic rock types arranged in somewhat complex arrangements. Gold mineralisation is epithermal vein style with indications of multiple injection phases of gold bearing fluids into the surrounding host rocks, with further evidence of overprinting events. The highly dynamic volcanic events that lead to such environments result in economic concentrations of gold being discontinuous and therefore harder to model. Now that the Gold Ridge mine is on line and ramping up, Allied has implemented a programme of drilling to better define the pits and confirm legacy drilling undertaken during Gold Ridge's first phase of mining under Ross Mining in the late 1990s. Specifically, Allied is currently investigating the potential for further resources and reserves in areas surrounding existing pits (see

following section). The locations of Gold Ridge's current prospects and resources are given in the following exhibit:

**Exhibit 6: Regional geology of the Gold Ridge tenement with outlines (red cross-hatch) of current mineable pits**



Source: Allied Gold Mining

## Promising drill results point to further reserve upside

Recent drill results announced on 31 August indicate that the Charivunga mineralised zone (not shown in Exhibit 6, but located between the Namachamata and Kupers deposits) may well develop into a mineable resource. Of the seven holes drilled since April 2011, four have assay results back from the laboratory with the most promising results being:

- Hole GDC003: 131m @1.73g/t Au from down hole depth of 218m (192m vertical).
- Hole GDC004: 70m @3.23g/t Au from down hole depth of 243m (211m vertical).

While these intersections are relatively deep the length of intersection warrants further investigation. To this end, Allied has budgeted US\$7.5m for exploration activities at Gold Ridge and on the Solomon Islands in 2011, joining the likes of Newmont and Anglo Ashanti, which are undertaking their own exploration programmes on the islands.

## Gold Ridge commissioning phase underway

New gold projects require a commissioning phase to get all aspects and sections of the operation working to optimum efficiency levels. Allied has already undertaken a week-long period of 'dry commissioning' in which various sections of plant were tested, including the electro winning circuits in the gold room. The company expects recoveries to be low, at around 70-75% in the first three to six months, due to lower-grade ore being milled. Once this low-grade ore is exhausted, higher-grade material will be fed into the mill from the Namachamata pit. At this point, gold recoveries



should start to hit the life-of-mine average of c 82% needed to achieve a steady-state 120koz per year gold production rate.

## Valuation

### Assumptions

Our valuation assumes only the oxide fraction of Allied's resources are mined and that the sulphide gold ore is valued purely as a resource left in-situ. If Allied goes forward with plans to process the sulphide ore at Simberi then an estimated A\$246m (c £161.3m) would be needed to fund development of a new processing plant and machinery. Allied has stated that a decision in mid 2012 would need to be made to ensure sufficient time to raise funds and construct the expansion of the processing plant to allow initial production to occur by 2015. Furthermore we forecast production at Gold Ridge mine to ramp up to a steady state production rate of 120koz per annum by end 2011, with its full first year of production in 2012 at life of mine operating parameters. The current projected oxide gold mine lives for Simberi and Gold Ridge are 10 and nine years respectively with an additional six years possible at Simberi if the sulphide resource is developed. Although a small resource of silver does exist at Simberi, no significant revenue is received from it, with only minor silver being recovered and retained by the smelter in part payment for gold refining costs. Therefore silver is treated as an incidental minor revenue stream for Allied and does not form part of our overall valuation. The main assumptions used in our valuation are given in the following exhibit:

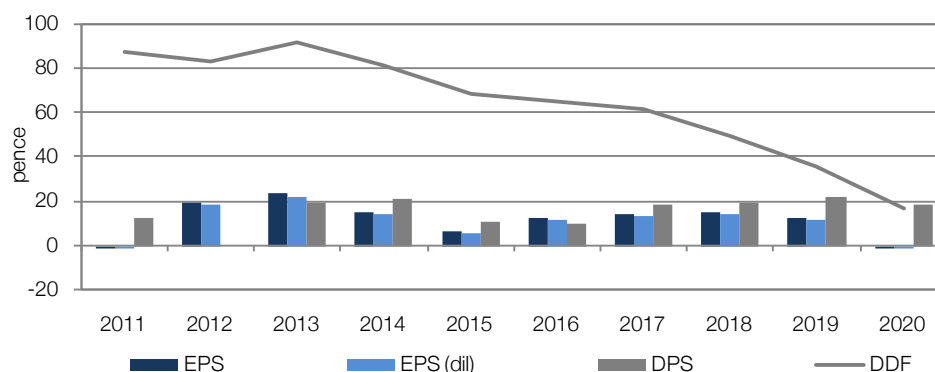
#### Exhibit 7: Key valuation parameters

Parameters for FY 2012 (unless otherwise stated)	Unit	Value
Annual ore processed at Simberi	Mt	2.4 currently rising to 3.4 in 2012
Annual ore processed at Gold Ridge	Mt	2.5
Life of mine (LOM) grade at Simberi	g/t	1.10
Life of mine grade at Gold Ridge	g/t	1.80
Contained gold ounces Simberi	oz	114,500
Contained gold ounces Gold Ridge	oz	147,000
Metallurgical recovery at Simberi (average over LOM)	%	8.9
Metallurgical recovery at Gold Ridge (average over LOM)	%	8.1
Simberi - forecast gold production in 2012	oz	85,000
Gold Ridge - forecast gold production in 2012	oz	120,000
Cost per tonne milled Simberi	A\$/t	25
Cost per tonne milled Gold Ridge	A\$/t	24
Unit costs at Simberi per ounce	A\$/oz	1,078
Unit costs at Gold Ridge per ounce	A\$/oz	1,178

Source: Edison Investment Research

### Valuation: Simberi and Gold Ridge

Assuming Allied pays out all its spare cash in the form of dividends from mining only the oxide gold ore at Simberi, and with Gold Ridge on line and ramping up, we estimate that the dividend to investors from 2011 to 2020 will be worth £0.87 per share in current money terms (at a 10% discount rate to reflect general equity risk).

**Exhibit 8: Edison estimate of 'base case' EPS, fully diluted EPS and theoretical DPS, FY11-FY20**

Source: Edison Investment Research

Thus, the total value of the potential dividend stream from 2011 to 2020 is £0.87per share (as shown in Exhibit 8).

## The NYSE ARCA Gold BUGS Index – a valuation comparator

Given that the company is now producing from multiple deposits at Simberi and has commissioned Gold Ridge, it is appropriate to also value it on a P/E and yield consideration. For this we use the New York Stock Exchanges ARCA Gold BUGS (basket of un-hedged gold stocks) Index. While its constituent members are some of the world's largest gold miners (Barrick, Newmont etc), and therefore not comparable in market size to Allied, it is a useful index that provides information on P/E trends within the gold mining universe and also one that is frequently updated.

While Allied's P/E ratio of 9.0x for 2012 is relatively low, we believe that the market has yet to fully factor Allied potentially producing at a level of 220,000oz of total group gold production, and achieving cost and scale improvements. Successful achievement of these and solid production figures through 2012 should stimulate a narrowing of Allied's discount to a gold index such as the NYSE ARCA Gold BUGs index, which typically trades above 20x.

## Sulphide gold – BFS to underpin investment decision

A bankable feasibility study is currently being completed by Allied and its consultants to accurately define the economic viability of Simberi's large and as yet un-mined, sulphide gold resource. A pre-feasibility study released December 2010 outlined in principle the main cost factors to develop the sulphide gold resource (see our December 2010 update [Sulphides feasible](#)). For the purposes of the valuation given in this note we have omitted specific reference to the sulphides in order to focus on analysis of its current production objectives and targets.

## Sensitivities

Allied is exposed to geological, developmental and commodity risks typical of mining of oxide and sulphide gold resources. In addition to these, and specific to Allied Gold in Papua New Guinea and the Solomon Islands, we have identified the following risks associated with its gold mining operations:



### Sulphide development risk

While a pre-feasibility study into the development of the sulphide gold resource at Simberi has outlined a positive NPV and key cost parameters (eg capex, indicative unit costs), it is not yet fully understood how the value add derived from developing the sulphides compares to the opportunity cost of pursuing alternative projects (including acquisitions). A fully funded A\$8m sulphide bankable feasibility study is due to be completed by end 2011, which will allow Allied to address this issue with an investment decision due sometime in 2012.

### Changes to Papua New Guinea minerals and resources legislation

Recent media coverage in Australia on proposed changes to Papua New Guinea's resources and minerals legislation suggested significant revisions including the passing of mineral resource ownership to the landowner. However, Allied has made contact with the PNG Chamber of Mines, with the response being that any revisions would apply to new rather than existing mines and projects and therefore not applicable to Simberi gold operations. Further, Allied is subject to making royalty payments to landowners as part of existing PNG mine legislation and has active community relations across both its mine sites.

### Environmental

A leakage at one of Simberi's tailings mixing tanks in March 2011 caused the company to cease processing operations for a period of one month while the issue was fully investigated, reported to the PNG authorities and repaired. While some adverse reports were released in the media of harm caused to the aquatic environment, in fact no such damage occurred. Allied was in full cooperation with the relevant authorities during this period and, once it had secured approval, recommenced processing operations in April 2011.

### Our valuation's sensitivity to the gold price, unit costs and discount rate

We also highlight how a change in certain parameters may affect our NPV valuation of the company:

#### Exhibit 9: Sensitivity to change in gold price

Gold price (US\$)	1,000	<b>1,350</b>	1,500	1,650	1,900
NPV <sub>10</sub> (£)	0.10	<b>0.87</b>	1.24	1.48	2.25

Source: Allied Gold Mining

#### Exhibit 10: Sensitivity to percentage change in unit costs

Percentage change in unit costs per oz	(20)	(10)	<b>0</b>	10	20
NPV <sub>10</sub> (£)	1.32	1.09	<b>0.87</b>	0.65	0.42

Source: Allied Gold Mining

#### Exhibit 11: Sensitivity to change in discount rate

Discount rate	5	<b>10</b>	15	20	25
NPV <sub>10</sub> (£)	1.13	<b>0.87</b>	0.67	0.56	0.46

Source: Allied Gold Mining

## Financials

Following its 30 June 2011 move from AIM to the Main Market, Allied Gold changed its accounting year-end to December, and its accounting currency to United States dollars from Australian dollars. The latest summary results are for the six months to 30 June 2011, with the consolidated statement of comprehensive income for this period shown in the exhibit below. The balance sheet results for the calendar year to December 2010 have been given in Exhibit 14, however a full set of restated financial results has not yet been released by the company.

**Exhibit 12: Consolidated statement of comprehensive income for the six months ended June 30 2011**

H111 Statement of comprehensive income	US\$ 000's	Other comprehensive income / (loss)
<b>Profit and Loss</b>		
Revenue	30,148	Foreign currency translation difference - on translation of foreign controlled entity and translation to presentation 22,526
Cost of sales	(28,081)	
Gross profit	7,291	
Unrealised losses on derivatives	0	Effective portion of changes in fair value of cash flow hedges, net of tax (302)
Corporate expenses	(8,832)	Net change in fair value of cash flow (890)
Share based remuneration	(8)	Changes in fair value of available for sale assets, net of tax (890)
Impairment of available for sale assets	(52)	Changes in the fair value of available for sale assets transferred to profit, net of tax (860)
(Loss)/gain on (disposal)/ acquisition of	(170)	
Foreign exchange (loss)/ gain	(333)	Other comprehensive (loss)/income for the period 21,334
Other Income	675	
Financial expenses	(1,653)	
<b>(Loss)/ profit from continuing operations before tax</b>	<b>(3,064)</b>	<b>Total comprehensive (loss)/income for the period 18,270</b>
Income tax benefit/(expense)	-	Basic earnings per share (cents) (1.65)
		Diluted earnings per share (cents) (1.65)

Source: Allied Gold Mining

As of September 28 Allied had US\$46.5m in cash, and at end June US\$58m of debt, the debt comprising the US\$35m IFC loan acquired in June 2010 (to redevelop the Gold Ridge mine), and US\$23m associated with equipment finance agreements. In April 2011 Allied secured via private placement US\$99.3m (A\$93.8m) to retire c A\$32.1m of the IFC loan, implement cost saving initiatives (ie conversion to heavy fuel oil power generation at Simberi costing around £9.6m), provide further working capital and also to provide the balance of funding to increase plant throughout at Simberi from 2.4Mtpa to 3.5Mtpa and thus gold production from 70,000oz pa to 100,000oz pa.

If a positive investment decision is made regarding development of the Simberi sulphide resource in 2012, it is envisaged the majority of the £161m (A\$246m) capex required will be met through cash flows from existing operations. Based on our long-term gold price of US\$1,350/oz, we forecast net debt of US\$79.7m by end 2014. However, this funding shortfall disappears if an average gold selling price above US\$1,506 were to be realised between now and completion of sulphide development in 2015.

**Exhibit 14: Financials**

Note: Allied Gold Mining has changed its year-end to December, changed its reporting currency from A\$ to US\$, and as yet no full re-stated accounts have been published for 2010.

	US\$'000s	2010 IFRS	2011e IFRS	2012e IFRS
Year end 31 December				
<b>PROFIT &amp; LOSS</b>				
<b>Revenue</b>		<b>0</b>	<b>148,694</b>	<b>276,077</b>
Cost of sales		0	(119,668)	(134,240)
Gross profit		0	29,026	141,836
<b>EBITDA</b>		<b>0</b>	<b>14,048</b>	<b>103,462</b>
<b>Operating profit (before GW and except)</b>		<b>0</b>	<b>(4,266)</b>	<b>79,537</b>
Intangible amortisation		0	0	0
Exceptionals		0	0	0
Other/share-based remuneration		0	1,252	(4,000)
<b>Operating profit</b>		<b>0</b>	<b>(3,014)</b>	<b>75,537</b>
Net Interest		0	1,377	(2,200)
<b>Profit before tax (norm)</b>		<b>0</b>	<b>(2,888)</b>	<b>77,337</b>
<b>Profit before tax (FRS 3)</b>		<b>0</b>	<b>(1,636)</b>	<b>73,337</b>
Tax		0	0	(14,667)
<b>Profit after tax (norm)</b>		<b>0</b>	<b>(2,888)</b>	<b>62,670</b>
<b>Profit after tax (FRS 3)</b>		<b>0</b>	<b>(1,636)</b>	<b>58,670</b>
Average number of shares outstanding (m)				
EPS - normalised (c)		0.0	(1.5)	31.4
EPS - normalised fully diluted (c)		0.0	(1.5)	29.9
EPS - FRS 3 (c)		0.0	(0.9)	29.4
Dividend per share (p)		0.0	0.0	0.0
Gross margin (%)				
		0.0	19.5	51.4
EBITDA margin (%)				
		0.0	9.4	37.5
Operating margin (before GW and except) (%)				
		0.0	-2.9	28.8
<b>BALANCE SHEET</b>				
<b>Fixed assets</b>		<b>411,499</b>	<b>493,190</b>	<b>525,377</b>
Intangible assets		26,011	36,860	36,860
Tangible assets		384,395	455,237	487,424
Investments		1,093	1,093	1,093
<b>Current assets</b>		<b>64,877</b>	<b>77,109</b>	<b>98,154</b>
Stocks		21,823	24,782	46,013
Debtors		4,194	12,221	22,691
Cash		37,333	38,579	27,923
Other		1,527	1,527	1,527
<b>Current liabilities</b>		<b>(27,695)</b>	<b>(31,654)</b>	<b>(22,015)</b>
Creditors		(14,713)	(19,672)	(11,033)
Short-term borrowings		(11,785)	(10,785)	(9,785)
Other		(1,197)	(1,197)	(1,197)
<b>Long-term liabilities</b>		<b>(53,888)</b>	<b>(54,808)</b>	<b>(55,008)</b>
Long-term borrowings		(43,861)	(44,581)	(44,581)
Other long-term liabilities		(10,027)	(10,227)	(10,427)
<b>Net assets</b>		<b>394,793</b>	<b>483,838</b>	<b>546,507</b>
<b>CASH FLOW</b>				
<b>Operating cash flow</b>		<b>0</b>	<b>9,220</b>	<b>50,656</b>
Net interest		0	1,377	(2,200)
Tax		0	0	0
Capex		0	(100,005)	(56,112)
Acquisitions/disposals		0	0	0
Financing		0	91,933	0
Dividends		0	0	0
Net cash flow		0	2,526	(7,656)
<b>Opening net debt/(cash)</b>		<b>0</b>	<b>18,313</b>	<b>16,787</b>
finance leases initiated		0	(1,000)	(2,000)
Other		0	0	0
<b>Closing net debt/(cash)</b>		<b>0</b>	<b>16,787</b>	<b>26,443</b>

Source: Allied Gold Mining, Edison Investment Research

Growth	Profitability	Balance sheet strength	Sensitivities evaluation	
N/A	N/A	N/A	Litigation/regulatory	■
			Pensions	○
			Currency	●
			Stock overhang	○
			Interest rates	■
			Oil/commodity prices	●

Growth metrics	%	Profitability metrics	%	Balance sheet metrics		Company details	
EPS CAGR 08-12e	N/A	ROCE 11e	N/A	Gearing 11e	3.8	Address:	
EPS CAGR 10-12e	N/A	Avg ROCE 08-12e	N/A	Interest cover 11e	3.1	Building 23, 2404 Logan Road, Eight Mile Plains, Queensland, 4113, Aust.	
EBITDA CAGR 08-12e	N/A	ROE 11e	N/A	CA/CL 11e	2.4		
EBITDA CAGR 10-12e	N/A	Gross margin 11e	19.5	Stock turn 11e	60.8	Phone	+61 7 3252 5911
Sales CAGR 08-12e	N/A	Operating margin 11e	N/A	Debtor days 11e	30.0	Fax	+61 7 3252 3552
Sales CAGR 10-12e	N/A	Gr mgn / Op mgn 11e	N/A	Creditor days 11e	48.3	www.alliedgold.com.au	

Principal shareholders		%	Management team
M & G Investment Management Ltd.		19.29	<b>MD &amp; CEO: Frank Terranova</b> Mr Terranova joined Allied Gold Ltd in May 2008 as chief financial officer. In June 2011, he was appointed managing director and CEO of its new holding company, Allied Gold Mining Plc. Mr Terranova is a Chartered Accountant with extensive experience in corporate finance and financial risk management.
Franklin Advisers, Inc.		7.83	
Baker Steel Capital Managers LLP		6.90	
Capital Research Global Investors		6.45	
Legal & General Investment Management Ltd. (UK)		5.30	
Resource Capital Associates, L.L.C.		4.48	<b>Chairman: M V Caruso</b>
BlackRock Investment Management (UK) Ltd.		3.46	Mr Caruso is a director of Simto Pty Ltd, which is involved in mining, earthmoving and civil engineering construction earthworks. He has been a director of Mineral Commodities Limited since September 2000. Mr Caruso has also served as MD of the Mine Site Construction Services business since February 1991 and served as CEO of ASX-listed Mineral Commodities Ltd between Sept 2000 & May 2009.
<b>Forthcoming announcements/catalysts</b>		<b>Date *</b>	
Interim results		October	
<i>Note: * = estimated</i>			
			<b>Company secretary: Peter Torre</b> Mr Torre is the principal of the corporate advisory firm Torre Corporate, which provides corporate secretarial services to a range of listed companies, and is a director of Neo Resources Limited, Mission New Energy Limited and Mineral Commodities Limited and is one of the founding directors of charity organisation A Better Life Foundation WA.
<b>Companies named in this report</b>			
Barrick Gold Corporation (NYSE: ABX), Newmont Mining (NYSE: NEM)			

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