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30 August 2012

Allied Gold Mining PLC

("Allied Gold" or the "Company")

ASX APPENDIX 4E – PRELIMINARY FINAL REPORT

Allied Gold today released its Audit Reviewed Financials for the six months ended 30 June 2012, along with the Appendix 4D as required by the ASX Listing Rules. Copies of the full reports, including the Auditors Report can be viewed on the Company's website – www.alliedgold.com.au and will be made available on the National Storage Mechanism.

The Appendix 4D and Financials report follow this release.

For further information:

Allied Gold Mining PLC (Investor and Media) – Joe Dowling, +61 403 369 232

RBC Capital Markets (Joint Corporate Broker) – Stephen Foss / Matthew Coakes / Daniel Conti, +44 (0) 207 653 4000

Buchanan (Financial PR Advisor) - Bobby Morse / Cornelia Brown, +44 (0) 207 466 5000

APPENDIX 4D
AND
INTERIM CONDENSED CONSOLIDATED FINANCIAL REPORT

FOR THE SIX MONTHS ENDED JUNE 30, 2012

All amounts are in United States dollars unless otherwise stated.

The interim condensed consolidated financial report accompanying the Appendix 4D of Allied Gold Mining PLC for the six months ended June 30, 2012 have been prepared by and are the responsibility of the Company's management. The interim condensed consolidated financial report has been approved for release by the Company's Audit, Risk and Compliance Committee.

The amounts in the interim condensed consolidated financial report have been rounded to the nearest thousand dollars unless otherwise stated.

Results for announcement to the market

1.		CURRENT YEAR TO 30 JUNE 2012 $000	COMPARATIVE PERIOD TO 30 JUNE 2011 $000	
2.1	Revenues	119,615	46,673	UP 156%
2.2	Loss after tax attributable to members	(14,046)	(2,988)	DOWN 370%
2.3	Net (loss) attributable to members of the company	(14,046)	(2,988)	DOWN 370%
2.4	Dividends (interim)	$NIL PER SECURITY	$NIL PER SECURITY	
2.5	Record date for determining entitlements to dividends	N/A	N/A	
2.6	A detailed commentary on the results for announcement to the market is available in the interim condensed consolidated financial report for the six months ended June 30, 2012 accompanying this report.			

3. ***Additional dividend/distribution information***

Details of dividends/distributions declared or paid during or subsequent to the six months ended June 30, 2012 are as follows:

Record date	Payment date	Type	Amount per security	Total dividend	Franked amount per security	Foreign sourced dividend amount per security
NIL	NIL	NIL	NIL¢	NIL¢	NIL¢	NIL¢

4. ***There are no dividend or distribution reinvestment plans in operation.***

5. ***Net tangible assets per security***

	YEAR TO 30 JUNE 2012	YEAR TO 31 DEC 2011
Number of shares outstanding at end of period	204,318,414	204,318,414
Net tangible assets	491,899,000	505,808,000
Net tangible asset backing per ordinary security	2.41	2.48

6. ***Details of entities over which control has been gained during the period.***

None

7. ***Details of entities over which control has been lost during the period*** .

None

8. ***Details of aggregate share of profits (losses) of associates and joint venture entities***

Name	Ownership interest		Aggregate share of profits, where material		Contribution to net profit/(losses), where material	
	June 2012 %	Dec 2011 %	June 2012 $000	June 2011 $000	June 2012 $000	June 2011 $000
n/a	n/a	n/a	n/a	n/a	n/a	n/a

9. ***There have been no returns to shareholders (including distributions and buy backs) during the six months to June 30, 2012.***

10. ***Significant features of operating performance***

Refer to the interim condensed consolidated financial report for the six months ended June 30, 2012 accompanying this report.

11. ***Matters subsequent to the end of the financial year***

On August 14, 2012 the requisite majority of Allied Gold shareholders approved all the resolutions proposed at the Court and General Meetings in respect of the recommended offer under which St Barbara proposes to acquire all of the shares in Allied Gold ("the Offer"). Completion of the Offer remains subject to the satisfaction or waiver of the remaining conditions, including sanction of the Offer by the High Court of Justice of England and Wales. The date of the Court hearing to sanction the Offer and confirm the reduction of capital is expected to be August 30, 2012.

In the light of shareholder approval of the Offer and the impending completion of the Offer, Mr Frank Terranova decided to accelerate his departure from the Group and stepped down as Chief Executive Officer with effect from August 15, 2012.

No other matters or circumstances have arisen since June 30, 2012 that have significantly affected or may significantly affect:

(a) The Group's operations in future financial years; or
(b) The results of those operations in future financial years; or
(c) The Group's state of affairs in future financial years.

12. ***Discussion of trends in performance***

Refer to the interim condensed consolidated financial report for the six months ended June 30, 2012 accompanying this report.

13. ***Any other factors which have affected the results in the period or which are likely to affect results in the future, including those where the effect could not be quantified.***

Refer to the interim condensed consolidated financial report for the six months ended June 30, 2012 accompanying this report.

14. ***The interim condensed consolidated financial report has been reviwed by the Company's auditors. The Review Report accompanies the financial report.***

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Peter Torre
Company Secretary
30 August 2012

ALLIED GOLD MINING PLC

Incorporated in England and Wales
Registered Number 7553802

ALLIED GOLD FINANCIALS FOR THE SIX MONTHS ENDED JUNE 30, 2012

Following the announcement of activities report for the quarter ended June 30, 2012 on July 18, 2012, Allied Gold Mining Plc ("Allied Gold" or "the Company") is pleased to announce its interim consolidated financial report for the six months ended June 30, 2012.

ABOUT ALLIED GOLD MINING PLC

Allied Gold is a Pacific Rim gold producer, developer and exploration company listed on the London Stock Exchange's Main Market (ALD), Toronto Stock Exchange (ALD) and the Australian Securities Exchange (ALD).

It owns 100% of the Simberi gold project, located on Simberi Island, the northernmost island of the Tabar Islands Group, in the New Ireland Province of PNG, and 100% of the Gold Ridge gold project, located on Guadalcanal in the Solomon Islands.

INTERIM CONDENSED CONSOLIDATED FINANCIAL REPORT
FOR THE SIX MONTHS ENDED
JUNE 30, 2012

All amounts presented are in United States dollars unless otherwise stated.

The amounts in the interim condensed consolidated financial report are presented in United States dollars and have been rounded to the nearest thousand dollars unless otherwise stated.

Directors' report

Your Directors submit the consolidated interim financial report of Allied Gold Mining PLC (the "Company") and its controlled entities (together referred to as "the Group") for the six months ended June 30, 2012.

Allied Gold Mining PLC was incorporated in the United Kingdom on March 7, 2011 and the principal legislation under which it operates is the Companies Act 2006 (United Kingdom ("UK")). The address of the registered office is 3 More London Riverside, London SE1 2AQ, United Kingdom.

The Company's securities are traded on the Main Market of the London Stock Exchange ("LSE") and also on the Australian Securities Exchange ("ASX") and the Toronto Stock Exchange ("TSX").

The interim condensed consolidated financial report has been prepared in accordance with International Accounting Standard 34, Interim Financial Statements. To provide greater consistency with reporting by other mining companies listed on the Main Market, and as an international gold producer, explorer and developer with two operating mines, the results in this report are presented in United States dollars unless stated otherwise.

Please refer to Note 2 of this report for a summary of significant accounting policies adopted in the preparation of this financial report. The interim consolidated financial report does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial report for the year ended December 31, 2011.

Directors

The Directors of the Company in office during or since the start of the six months to the date of this report were:

- Mr Mark Caruso
- Mr Sean Harvey
- Mr Monty House
- Mr Anthony Lowrie
- Mr Frank Terranova (resigned 15 August 2012)

Results

The consolidated loss after providing for income tax for the six months to June 2012 was $14 million (six months to June 2011: loss after tax of $3 million).

Dividends

No dividends were paid or declared during or in respect of the six months ended June 30, 2012.

Directors' report (continued)

Business review

Recommended acquisition of Allied Gold Mining plc by St Barbara Limited

On June 29, 2012 the Boards of Allied Gold and St Barbara announced a recommended offer under which St Barbara proposes to acquire all of the shares in Allied Gold ("the Offer"). Under the terms of the Offer, Allied Gold shareholders will be entitled to receive A$1.025 in cash and 0.8 St Barbara shares for each Allied Gold share held at the scheme record time.

The Board of Allied Gold unanimously recommended the offer to the shareholders of Allied Gold. Full details of the Offer were set out in a circular to shareholders dated July 18, 2012.

On August 14, 2012 the requisite majority of Allied Gold shareholders approved all the resolutions proposed at the Court and General Meetings in respect of the Offer.

Completion of the Offer remains subject to the satisfaction or waiver of the remaining conditions, including sanction of the Offer by the High Court of Justice of England and Wales. The Court hearing to sanction the Offer and confirm the reduction of capital is expected to be held on August 30, 2012.

Further information in relation to the Offer is available on the Allied Gold website at www.alliedgold.com.au.

Financing

On December 30, 2011, the Group entered into a 3-year $80 million gold prepayment facility. The facility was drawn down on January 3, 2012 and was used to repay the Company's $55 million in financing facilities provided by the International Finance Corporation and the Bank of South Pacific, with the balance of the funds providing liquidity for the Group to undertake capital expenditure projects.

The 3-year loan is repayable in physical gold and the number of ounces to be provided is linked to the prevailing gold price. The notional repayment obligation over the three years is 66,240 ounces with a reference price of $1,500. There is no explicit interest rate stated in the facility due to the physical delivery mechanism of the loan and the monthly amortization of the outstanding balance. The minimum ounces repayable over the term of the facility (principal and interest) is 56,304 ounces and the maximum ounces repayable over the three year period is 76,176 ounces.

Operational Review

Allied Gold Group production for the six month period was 65,554 ounces of gold at a gross cash cost of $1,171 per ounce. Gold sales for the period were 73,528 ounces at an average realised price of $1,655 realised per ounce (31,039 ounces sold for the six months to June 2011 at an average realised price of $1,501 per ounce)

Simberi

Production at Simberi for the six months totalled 29,653 ounces at a gross cash cost of $1,123 per ounce, and included 15,051 ounces in the first quarter, followed by 14,602 ounces in the three months to June 30, 2012.

Production in the June six months was impacted by the following:

i. In the March quarter, the main conveyor system (Rope Conveyor), providing ore to the Pigiput mill from the Sorowar feeder underwent scheduled maintenance, taking 20 days. During this period ore was sourced from the lower grade Samat pit, and was transported by truck over the 6 kilometre distance to the mill, leading to reduced material movements in the March quarter. This combined with higher than average seasonal rainfall meant that some mill feed was drawn from low grade stockpiles towards the end of the March quarter.

ii. Production in the June quarter was affected by the failure of the belt on the rope conveyor. The belt tear occurred late in May, with repairs delayed by the delivery of spare parts. The belt was repaired and the rope conveyor recommenced operating in the third week of July. During the period the rope conveyor was not operational, ore was transported 6 kilometers from the mine site to the mill by truck, leading to reduced mining tonnages and, in turn, lower mill throughputs in the June quarter.

The conversion of the power plant at Simberi from diesel fuel to cheaper heavy fuel oil has also advanced in recent months. The seven new Wartsila generators have now been delivered from Finland and installed on their foundations. The first four generators will commence commissioning in the next few weeks using diesel fuel, and will convert to HFO shortly after commissioning. The conversion to HFO will lead to a significant reduction in costs compared with diesel, which is approximately 30% higher in landed price per litre.

Gold Ridge

Production at Gold Ridge in the Solomon Islands for the six months totalled 35,901 ounces at a gross cash cost of $1,223 per ounce, and included 19,056 ounces in the first quarter, followed by 16,845 ounces in the three months to June 30, 2012.

Mine development at Gold Ridge has been proceeding rapidly with a major milestone being the development of a major haul road securing future ore supplies from the Kupers and Dawsons deposits at the southern end of the mine site. Completion of the haul road provides access to the softer oxide ores from the new pits for blending with the harder ores from the established pits at Valehaichichi and Namachamata.

Initial stripping at Kupers is now complete and benches have been well established to enable enhanced grade control and improved productivity.

In addition to the development of Kupers, work has now commenced on the next cut-back of the Namachamata pit. Work has commenced to extend the main haul road south of Kupers into the proposed Dawsons pit, which should commence production before year-end.

Mill throughputs were lower in the June quarter due primarily to the high clay content of the early oxide material from Kupers, and because of the failure of water pumps supplying process water to the mill late in the quarter which reduced production rates.

Mill head grade was lower reflecting the early stage of establishment of the Kupers pit, which has a slightly lower grade than the primary ores sourced in the March quarter from the Namachamata pit.

Importantly, gold recovery rates improved significantly in the quarter, due to the processing of the oxide material from Kupers with the harder primary and sulphide ores from the other pits and stockpiles.

Exploration

Exploration at Simberi in 2012 has focused on identification of new oxide and sulphide deposits within the Mining Lease. New targets have been generated and testing of these targets has started. A renewal application for Exploration Lease 609, which covers all of the Tabar Islands outside of the Simberi Mining Lease, has been submitted, with a decision pending.

At Gold Ridge, the development of access roads into the Kupers and Dawsons deposits has enabled additional exploration work to commence in these areas, testing for extension of the ore bodies, which remain open to the south where the Mining Lease remains essentially unexplored. Elsewhere in the Solomon Islands, the Company has applied for a total of more than 560 square kilometres of exploration territory on Guadalcanal and other islands.

Principal risks and uncertainties

There are a number of potential risks and uncertainties which could have a material impact on the Group's performance over the remaining six months of the financial year and could cause actual results to differ materially from expected and historical results. The Directors do not consider that the principal risks and uncertainties have changed from those reported in the December 31, 2011 Annual Report

The principal risks and uncertainties disclosed were categorised as:

- Reserves and resources estimates
- Mining and exploration rights
- Limited operating history
- Employees and contractors
- Commodity prices and exchange rate movements
- Cost and capital expenditure
- Political, legal and regulatory developments
- Social and environmental performance
- Changes in tax legislation
- Utilities and consumables supplies

Subsequent events

On August 14, 2012 the requisite majority of Allied Gold shareholders approved all the resolutions proposed at the Court and General Meetings in respect of the recommended offer under which St Barbara proposes to acquire all of the shares in Allied Gold ("the Offer"). Completion of the Offer remains subject to the satisfaction or (if capable of waiver) waiver of the remaining conditions, including sanction of the Offer by the High Court of Justice of England and Wales. The date of the Court hearing to sanction the Offer and confirm the reduction of capital is expected to be on August 30, 2012.

In the light of shareholder approval of the offer and the impending completion of the Offer, Mr Frank Terranova decided to accelerate his departure from the Group and stepped down as Chief Executive Officer with effect from August 15, 2012.

No other matter or circumstances have arisen since June 30, 2012 that have significantly affected or may significantly affect:

(a) The Group's operations in future financial years; or
(b) The results of those operations in future financial years; or
(c) The Group's state of affairs in future financial years.

Other information

The registered office and principal place of business is 3 More London Riverside, London SE1 2AQ, United Kingdom.

Statement of Directors' Responsibilities

The amounts in the interim consolidation financial report have been rounded to the nearest thousand dollars unless otherwise stated.

The Directors confirm that, to the best of their knowledge, the interim consolidated financial information has been prepared in accordance with IAS 34 as adopted by the European Union, gives true and fair view of the assets, liabilities, financial position and profit and loss of the Group. The review of the business as discussed above includes the information required by Disclosure and Transparency Rule 4.2.7R and Disclosure and Transparency Rule 4.2.8R, namely:

- an indication of important events that have occurred during the first six months of the financial year and their impact on the interim consolidated financial information, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related-party transactions in the first six months of the financial year and any material changes in the related party transactions from those disclosed in annual report for the year ended December 31, 2011.

Signed in accordance with a resolution of the Directors.

Mark Caruso
Non-Executive Chairman
Dated at Brisbane this 30th day of August 2012.

Stephen Kelly
Chief Financial Officer
Dated at Brisbane this 30th day of August 2012.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED JUNE 30, 2012

	Note	6 months to June 30 (unaudited) 2012 $000	(unaudited) 2011 $000
Continuing Operations			
Revenue		119,615	46,673
Cost of sales	7	(121,340)	(38,954)
Gross (loss)/ profit		(1,725)	7,719
Corporate expenses		(5,278)	(9,178)
Share based remuneration		-	(52)
Loss on derivative		(573)	-
Foreign exchange gain/(loss)		2,147	(282)
Other income	8	602	519
Financial expenses	9	(9,219)	(1,714)
Loss from continuing operations before tax		**(14,046)**	**(2,988)**
Income tax benefit/(expense)		-	-
Loss for the period after tax		**(14,046)**	**(2,988)**
Other comprehensive (loss)			
Foreign currency translation difference – transferred to profit or loss on disposal of foreign subsidiary		-	(12)
Effective portion of changes in fair value of cash flow hedges, net of tax		-	(305)
Changes in fair value of available for sale assets, net of tax		-	(921)
Changes in the fair value of available for sale assets transferred to profit, net of tax		(115)	-
Other comprehensive loss for the period		**(115)**	**(1,238)**
Total comprehensive loss for the period		**(14,161)**	**(4,226)**
Loss per share for the loss attributable to the ordinary equity holders of Allied Gold Mining PLC			
Basic loss per share (cents)		(6.87)	(1.61)
Diluted loss earnings per share (cents)		(6.87)	(1.61)

The accompanying notes are an integral part of this interim condensed consolidated financial report.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2012

	Note	(unaudited) June 30 2012 $000	(audited) Dec 31 2011 $000
CURRENT ASSETS			
Cash and cash equivalents		19,193	21,531
Trade and other receivables		3,386	2,160
Inventories	10	77,259	80,335
Other assets		4,037	4,607
Total Current Assets		103,875	108,633
NON-CURRENT ASSETS			
Available for sale financial assets		58	1,610
Property, plant and equipment	11	500,620	473,267
Exploration and evaluation expenditure	12	37,931	36,997
Intangible assets		630	882
Total Non-Current Assets		539,239	512,756
Total Assets		**643,114**	**621,389**
CURRENT LIABILITIES			
Trade and other payables	13	42,679	40,609
Borrowings	14	28,824	40,404
Provisions	15	1,906	1,567
Total Current Liabilities		73,409	82,580
NON-CURRENT LIABILITIES			
Borrowings	14	52,508	9,393
Provisions	15	24,668	22,726
Total Non-Current Liabilities		77,176	32,119
Total Liabilities		**150,585**	**114,699**
NET ASSETS		**492,529**	**506,690**
EQUITY			
Share capital	16	32,852	32,852
Share premium		8,586	8,586
Reserves	17	477,739	477,854
Accumulated losses		(26,648)	(12,602)
Total Equity		**492,529**	**506,690**

The accompanying notes are an integral part of this interim condensed consolidated financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED June 30, 2012

(Unaudited) Six Months to June 30, 2012	Share capital $000	Share premium $000	Accumulated losses $000	Share-based payments reserve $000	Foreign exchange translation reserve $000	Available for sale investments revaluation reserve $000	Treasury share reserve $000	Capital reserve $000	Total $000
Balance at January 1, 2012	**32,852**	**8,586**	**(12,602)**	**16,544**	**5,819**	**168**	**(5,741)**	**461,064**	**506,690**
Total comprehensive income for the period									
Loss for the period	-	-	(14,046)	-	-	-	-	-	(14,046)
Other comprehensive loss									
Changes in the fair value of available for sale assets, net of tax	-	-	-	-	-	(115)	-	-	(115)
Total comprehensive loss for the period	**-**	-	**(14,046)**	-	-	**(115)**	-	-	**(14,161)**
Transactions with owners, recorded directly in equity									
Contributed by and distributions to owners									
Issue of ordinary shares, net of transaction costs	-	-	-	-	-	-	-	-	-
Share based payments	-	-	-	-	-	-	-	-	-
Total transaction with owners	-	-	-	-	-	-	-	-	-
Balance as at June 30, 2012	**32,852**	**8,586**	**(26,648)**	**16,544**	**5,819**	**53**	**(5,741)**	**461,064**	**492,529**

The accompanying notes are an integral part of this interim condensed consolidated financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED June 30, 2011

(Unaudited) Six Months to June 30, 2011	Share capital	Accumulated losses	Share-based payments reserve	Foreign exchange translation reserve	Available for sale investments revaluation reserve	Cash Flow hedging reserve	Capital reserve	Total
	$000	$000	$000	$000	$000	$000	$000	$000
Balance at January 1, 2011	**397,651**	**(6,628)**	**16,492**	**5,831**	**1,125**	**-**	**-**	**414,471**
Total comprehensive loss for the period								
Loss for the period	-	(2,988)	-	-	-	-	-	(2,988)
Other comprehensive loss								
Foreign currency translation difference-transferred to statement of comprehensive income on disposal of subsidiary	-	-	-	(12)	-	-	-	(12)
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	-	-	(305)	-	(305)
Changes in the fair value of available for sale assets, net of tax	-	-	-	-	(921)	-	-	(921)
Total comprehensive loss for the period	-	**(2,988)**	**-**	**(12)**	**(921)**	**(305)**		**(4,226)**
Transactions with owners, recorded directly in equity								
Contributed by and distributions to owners								
Issue of ordinary shares, net of transaction costs	95,590	-	-	-	-	-	-	95,590
Transfer to capital reserve upon establishment of Allied Gold Mining PLC	(461,105)	-	-	-	-	-	461,105	-
Share based payments	-	-	52	-	-	-	-	52
Total transactions with owners	**(365,515)**	**-**	**52**	**-**	**-**	**-**	**461,105**	**95,642**
Balance as at June 30, 2011	**32,136**	**(9,616)**	**16,544**	**5,819**	**204**	**(305)**	**461,105**	**505,887**

The accompanying notes are an integral part of this interim condensed consolidated financial report.

CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2012

	6 Months to June 30 (unaudited) 2012 $000	(unaudited) 2011 $000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	109,240	48,296
Payments to suppliers & employees	(91,035)	(34,667)
Interest received	360	571
Interest paid	(746)	137
Net cash from operating activities	**17,819**	**14,337**
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of equity investments	1,723	-
Purchase of plant & equipment	(47,981)	(54,175)
Development expenditure	(4,677)	(5,502)
Exploration and evaluation expenditure	(934)	(468)
Net cash used in investing activities	**(51,869)**	**(60,145)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	-	100,708
Costs of issuing securities	-	(5,118)
Finance lease payments	(16,856)	(5,596)
Proceeds from borrowings	80,000	4,262
Repayments of borrowings	(33,070)	(1,743)
Net cash from financing activities	**30,074**	**92,513**
Net (decrease)/ increase in cash held	**(3,976)**	**46,705**
Cash at beginning of the period	21,531	39,194
Effects of exchange rate changes on the balance of cash and cash equivalents	1,638	(2,823)
Cash and cash equivalents at end of the period	**19,193**	**83,076**

The accompanying notes are an integral part of this interim condensed consolidated financial report.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL REPORT

1. Reporting entity

Allied Gold Mining PLC ("the Company") is a company incorporated in the United Kingdom under the Companies Act 2006 (UK) and its shares are traded on the London Stock Exchange PLC's Main Market for listed securities ("Main Market"), Australian Securities Exchange and the Toronto Stock Exchange. The address of the registered office is 3 More London Riverside, London SE1 2AQ, United Kingdom.

The interim condensed consolidated financial report for the six months ended June 30, 2012 comprises the Company and its controlled entities (together referred to as "the Group").

2. Significant accounting policies

The accounting policies applied by the Group in this interim condensed consolidated financial report are the same as those applied in the preparation of the Group's audited financial statements for the year ended December 31, 2011.

New standards, interpretations and amendments thereof, adopted by the Group

The following amendments to IFRSs standards did not have any impact on the accounting policies, financial position or performance of the Group:

IFRS 7 - Disclosures - Transfers of financial assets (Amendment)
The IASB issued an amendment to IFRS 7 that enhances disclosures for financial assets. These disclosures relate to assets transferred (as defined under IAS 39). If the assets transferred are not derecognised entirely in the financial statements, an entity has to disclose information that enables users of financial statements to understand the relationship between those assets which are not derecognised and their associated liabilities. If those assets are derecognised entirely, but the entity retains a continuing involvement, disclosures have to be provided that enable users of financial statements to evaluate the nature of, and risks associated with, the entity's continuing involvement in those derecognised assets. Effective implementation date is for annual periods beginning on or after July 1, 2011 with no comparative requirements.

3. Comparative information

Previously the Group presented its results for the six months ended June 30, 2011 with a functional currency of Australian dollars and a presentation currency of United States dollars. Effective July 1, 2011, the Group adopted the United States dollar as its functional currency.

The comparative information for the six months ended June 30, 2011 presented in the Statement of Comprehensive Income in this interim condensed financial report is presented on the basis that the functional currency of the Group during the comparative period was the United States dollar. The table below highlights the differences arising from the use of different exchange rates for translation into the US$ presentation currency as at June 30, 2011 and to account for the adoption of the US$ as the functional currency effective July 1, 2011.

	6 Months to June 30, 2011		
	Presentation currency basis of	Functional currency	Difference

	translation $000	basis of translation $000	$000
Statement of Comprehensive Income			
Revenue	44,712	46,673	1,961
Cost of sales	(37,421)	(38,954)	(1,533)
Gross profit	7,291	7,719	428
Other expenses	(10,355)	(10,707)	(352)
Loss for the period after tax	**(3,064)**	**(2,988)**	**76**

4. Statement of compliance

The interim results, which are unaudited, have been prepared in accordance with the requirements of International Accounting Standard 34 “Interim Financial Reporting”. This condensed interim report does not include all the notes of the type normally included in an annual financial report. This condensed report is to be read in conjunction with the Annual Report for the year ended December 31 2011, and any public announcements made by the Group during the interim reporting period. The annual financial report for the year ended December 31, 2011 was prepared in accordance with International Financial Reporting Standards as adopted by the European Union (“IFRSs”) and the accounting policies applied in this condensed interim report are consistent with the polices applied in the annual financial report for the year ended December 31, 2011.

5. Basis of preparation

After a review of the Group’s operations, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis in preparing the unaudited condensed interim financial report.

The financial information for the year ended December 31, 2011 has been extracted from the statutory accounts for that year which have been delivered to the Registrar of companies. Those accounts received an unqualified report which did not contain statements under section 498(2) or (3) (accounting records or returns inadequate, accounts not agreeing with records and returns or failure to obtain necessary information and explanations) of the Companies Act 2006.

In preparing this interim condensed consolidated financial report, there are significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual audited financial statements for the year ended December 31, 2011 except for the Gold Prepayment facility held with R K Mine Finance. The 3 year $80 million gold prepayment facility is repayable through delivery of physical gold ounces and also contains an embedded derivative component (collar, cap and gold forward). At reporting date, the fair value of the embedded portion is measured using pricing models that require the exercise of judgement in relation to variables such as expected volatilities and gold forward prices based on information available at reporting date. As the underlying drivers for those judgements are constantly changing, the reported derivative liability is an estimate that may materially change post balance date. The carrying value of the derivative was $4.2 million at June 30, 2012 and is included in amounts disclosed as interest bearing loans in note 14.

6. Segment reporting

Management has determined the operating segments based on reports reviewed by the Managing Director and Executive Management to monitor performance and make strategic decisions. The business is considered from both a geographic and functional perspective and has identified four reportable segments.

Papua New Guinea consists of mining and processing and mineral exploration and development activities undertaken at the Simberi project. The Solomon Islands also consists of mining and processing and mineral exploration and development activities.

The performance of the two geographic sectors is monitored separately.

The segment information presented to the Managing Director and Executive Management does not include reporting of assets and liabilities or cash flows by segment.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL REPORT (continued)

6. Segment reporting (continued)

	Papua New Guinea			Solomon Islands			Consolidated		
	Mining and Processing $000	Mineral Exploration and Development[1] $000	Total $000	Mining and Processing[1] $000	Mineral Exploration and Development[1] $000	Total $000	Mining and Processing $000	Mineral Exploration and Development[1] $000	Total $000
Six months to June 30, 2012 (unaudited)									
Revenue									
Sales to external customers	56,590	-	56,590	63,025	-	63,025	119,615	-	**119,615**
Result									
Segment contribution	4,138	(2,657)	1,481	(5,863)	(2,282)	(8,145)	(1,725)	(4,939)	**(6,664)**
Six months to June 30, 2011 (unaudited)									
Revenue									
Sales to external customers	46,673	-	46,673	-	-	-	46,673	-	**46,673**
Result									
Segment contribution	7,719	(3,611)	4,108	(28,129)	(764)	(28,893)	(20,410)	(4,375)	**(24,785)**

[1]In Papua New Guinea mineral exploration and development costs are capitalised for financial reporting in accordance with International Financial Reporting Standards. In the Solomon Islands, revenue, mining and processing and mineral exploration costs were capitalised in the six months ended June 30, 2011 for financial reporting purposes in accordance with International Financial Reporting Standards

6. Segment reporting (continued)

The Managing Director and Executive Management assess the performance of the operating segments based on a measure of contribution. This measure excludes items such as the effects of equity settled share based payments, and unrealised gains/ (losses) on financial instruments. Interest income and expenditure are not allocated to segments, nor are corporate expenses as these activities are centralised.

	Six Months ended June 30 (unaudited) 2012 $000	(unaudited) 2011 $000
Segment contribution	**(6,664)**	**(24,785)**
Capitalised expenditure	4,939	32,504
Corporate expenses	(5,278)	(9,178)
Share based remuneration	-	(52)
Loss on derivative	(573)	-
Loss on disposal of subsidiary	-	(172)
Foreign exchange (loss)/gain	2,147	(282)
Other income	602	691
Financial costs	(9,219)	(1,714)
Loss from continuing operations	**(14,046)**	**(2,988)**

7. Costs of Sales

Cost of sales comprise:

	2012	2011
Employee expenses	17,072	5,565
Stores and other consumables	17,890	5,311
Fuel, power and water	22,566	6,043
Maintenance	10,215	3,626
Other	21,066	10,528
	88,809	**31,073**
Depreciation and amortisation charges	23,071	8,834
Changes in inventories and work in progress	7,136	(2,001)
Royalties	2,324	1,048
	121,340	**38,954**

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL REPORT (continued)

8. Other income

	Six Months ended June 30 (unaudited) 2012 $000	(unaudited) 2011 $000
Interest income	80	519
Net gain on disposal of property, plant and equipment	-	172
Net gain/(loss) on disposal of investments	522	(172)
	602	**519**

9. Financial expenses

Interest on gold prepayment facility	6,355	-
Unwinding of discount on environmental liability	1,942	281
Interest expense-other	922	1,433
	9,219	**1,714**

10. Inventories

	Balance at (unaudited) June 30 2012 $000	(audited) Dec 31 2011 $000
Raw materials and stores	41,540	36,029
Gold in circuit	28,734	26,272
Finished goods	6,985	18,034
	77,259	**80,335**

11. Property plant and equipment

Cost		
Opening balance	563,251	458,237
Additions	50,998	124,105
Disposals	-	(517)
Transfers	(88)	(18,574)
Closing balance	**614,161**	**563,251**
Accumulated depreciation		
Opening Balance	(89,984)	(54,682)
Depreciation	(23,564)	(36,327)
Disposals	-	459
Transfers	7	566
Closing balance	**(113,541)**	**(89,984)**
Net book value	**500,620**	**473,267**

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL REPORT (continued)

12. Exploration and evaluation expenditure

	Balance at (unaudited) June 30 2012 $000	Balance at (audited) Dec 31 2011 $000
Cost		
At the beginning of financial year	36,997	27,307
Additions	934	1,996
Transferred from assets under construction	-	7,877
Disposals	-	(183)
At the end of the financial year	**37,931**	**36,997**

13. Trade and other payables

Trade payables	40,790	34,755
Other payables	1,889	5,854
	42,679	**40,609**

14. Borrowings

Current		
Finance lease liability	981	8,944
Interest bearing loans	27,843	31,460
	28,824	**40,404**
Non-current		
Finance lease liability	900	9,393
Interest bearing loans	51,608	-
	52,508	**9,393**

On December 30, 2011, the Group executed an $80 million gold prepayment facility that was fully drawn down on January 3, 2012. The proceeds were partially utilised to repay the Bank of South Pacific Lease facility and the International Finance Corporation loan.

The three year loan is repayable through the delivery of physical gold ounces, that is, repayments are not stipulated monetary value. The number of ounces to be provided is linked to the prevailing gold price. The notional repayment obligation over the three year term of the facility is 66,240 ounces. There is no explicit interest rate stated in the facility due to the physical delivery mechanism of the loan and the monthly amortization of the outstanding balance. The minimum ounces repayable over the term of the facility (principal and interest) is 56,304 ounces and the maximum ounces repayable over the three year period is 76,176 ounces.

15. Provisions

Current		
Employee entitlements	1,906	1,567
Non-Current		
Rehabilitation and restoration	24,668	22,726

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL REPORT (continued)

16. Contributed equity

(a) Ordinary shares

	2012	2011	June 30, 2012	December 31, 2011

	(unaudited)	(audited)	(unaudited)		(audited)	
	Number of shares	Number of shares	Share Capital $'000	Share Premium $'000	Share Capital $'000	Share Premium $'000
Ordinary shares[1]	204,318,414	204,318,414	32,852	8,586	32,852	8,586

Movements in ordinary share capital:

Balance at beginning of financial year	204,318,414	173,701,095	32,852	8,586	397,651	-
Placement 6 April 2011[2]	-	26,053,922	-	-	100,708	-
Transfer to capital reserve upon establishment of Allied Gold Mining PLC[3]	-	-	-	-	(461,064)	-
Conversion of options	-	3,193,748	-	-	504	5,847
Settlement of liability[4]	-	1,369,649	-	-	213	2,739
	204,318,414	204,318,414	32,852	8,586	38,012	8,586
Costs of capital raising	-	-	-	-	(5,160)	-
Balance at end of financial year	**204,318,414**	**204,318,414**	**32,852**	**8,586**	**32,852**	**8,586**

1 On June 30, 2011, Allied Gold Limited successfully implemented the Share and Option Schemes of Arrangement whereby Allied Gold Mining PLC became the holding Company of the Group. Under the Schemes of Arrangement, Allied Gold Limited's shares and options on issue as at June 30, 2011 were exchanged on a six for one basis to Allied Gold Mining PLC shares and options. All disclosures of shares and options in the report reflect this change as though the six for one exchange had always been in place.

2 On April 6, 2011 Allied Gold Limited completed placement of 156.3 million new ordinary shares to institutional and sophisticated investors at AUD$0.60/GBP38.5p each. As part of the six for one exchange to Allied Gold Mining PLC shares this issue was converted to 26,053,922 shares.

3 The share capital balance reflects that Allied Gold Limited, an Australian Company, was the parent entity of the Group until June 30, 2011 and as a consequence the Group did not have a share premium account. Upon the establishment of Allied Gold Mining PLC as the parent of the Group, the balance of share capital in excess of par value of shares issued, as a result of the arrangement, were transferred to the capital reserve. Subsequent share issues have been recognised at par value in the share capital account with the balance shown as share premium.

4 Relates to payment in Allied Gold Mining PLC shares to Barrick Gold Corporation ("Barrick") for the balance of AUD$3 million consideration payable by the Group to Barrick under an agreement dated March 2010.

Ordinary shares entitle the holder to one vote per share and to participate in dividends and proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

16. Contributed equity (continued)

Treasury shares

	Group			
	(unaudited) June 30, 2012 Number of shares	(audited) December 31, 2011 Number of shares	(unaudited) June 30, 2012 $'000	(audited) December 31, 2011 $'000
Ordinary shares held by the employee benefit trust	2,161,245	2,161,245	5,741	5,741

The shares held by the employee benefit trust are expected to be sold on market.

(b) Options

The table below sets out the movements in options during the period, refer note below for further details:

Exercise Price per option	Maturity	Options outstanding at January 1, 2012	Options issued	Options expired or cancelled	Options exercised	Options outstanding at June 30, 2012
£1.80	31/12/13	4,999,999	-	-	-	4,999,999
£1.80	31/12/13	195,831	-	-	-	195,831
		5,195,830	**-**	**-**	**-**	**5,195,830**

(c) Capital management

The primary objective of managing the Group's capital is to ensure that there is sufficient capital available, in the form of debt or equity funding, to support the funding requirements of the Group, including capital expenditure, in a way that optimises the cost of capital, maximises shareholders' returns and ensures that the Group remains in a sound financial position. There were no changes to the Group's overall capital management approach during the current year.

The Group manages and makes adjustments to the capital structure as opportunities arise in the market place, as and when borrowings mature or as and when funding is required. This may take the form of raising equity, market or bank debt or hybrids thereof.

17. Reserves

	Balance at (unaudited) June 30 2012 $000	(audited) Dec 31 2011 $000
Available for sale investments reserve	53	168
Share based payments reserve	16,544	16,544
Treasury share reserve	(5,741)	(5,741)
Foreign currency translation reserve	5,819	5,819
Capital reserve	461,064	461,064
	477,739	477,854

(a) Movements

Movements in the reserves and accumulated losses during the reporting period are presented in the statement of changes in equity.

(b) Nature and purpose of reserves

(i) Available for sale investments revaluation reserve
Changes in the fair value and exchange differences arising on translation of investments classified as available for sale financial assets, are taken to the available for sale investment revaluation reserve. Amounts are recognised in profit or loss when the associated assets are sold or impaired.

(ii) Share based payments reserve

The share based payments reserve is used to recognise:
- the fair value of options issued to employees but not exercised
- the fair value of shares issued to employees

(iii) Foreign currency translation reserve

Exchange differences arising on translation of foreign subsidiaries are taken to the foreign currency translation reserve. The reserve is recognised in statement of comprehensive income when the net investment is disposed of.

(iv) *Treasury share reserve*

Weighted average cost of own shares held by the employee benefits trust.

(v) *Capital reserve*

The capital reserve balance represents the difference between the value of Allied Gold Mining PLC's contributed equity at inception and the value of the Group's contributed equity prior to the establishment of Allied Gold Mining PLC as the parent entity of the Group. The difference arises due to the recognition of ordinary shares at par value in the United Kingdom, whereas previously, the value of ordinary shares was recognised at their total value net of issue costs in accordance with Australian requirements.

18. Related party transactions

Related Party Transactions continue to be in place. Details of these transactions are disclosed in the Group's annual financial statements for the year ended December 31, 2011. There have been no significant transactions with related parties during the period.

19. Commitments and contingencies

As at the date of the report the Group was a party to the following significant legal matters:

- In December 2009, Simberi Gold Company Ltd ("SGCL") instituted legal proceedings against Intermet Engineers Pty Ltd ("Intermet") and a Director of Intermet in respect of alleged breaches of contract whereby Intermet were contracted by SGCL to design, procure and manage the construction of gold processing and related facilities for the Simberi Oxide Gold Project. Under the legal action, SGCL is claiming damages of not less than A$40 million.

  Intermet has filed a defence and has counter-claimed approximately A$1.2 million for alleged unpaid monies under the contract. This amount has been fully accrued as a liability by SGCL pending the outcome of the litigation.

- Gold Ridge Mining Limited ("GRML") is currently in arbitration with GR Engineering Services Limited ("GRES") under which GRES is claiming cost and associated damages of A$4.5 million relating to a lump sum Engineering, Procurement and Construction contract for the expansion and refurbishment of the Gold Ridge mine located in the Solomon Islands. GRML has filed a defence and counter claim in the amount of approximately A$47 million for various matters including alleged rectification costs and gold loss and throughput loss arising directly from alleged defective work carried out by GRES.

Apart from the above there has been no significant change to the Group's commitments and contingences as disclosed in the Group's annual report for the year ended December 31, 2011.

20. Subsequent events

On August 14, 2012 the requisite majority of Allied Gold shareholders approved all the resolutions proposed at the Court and General Meetings in respect of the recommended offer under which St Barbara proposes to acquire all of the shares in Allied Gold ("the Offer"). Completion of the Offer remains subject to the satisfaction or (if capable of waiver) waiver of the remaining conditions, including sanction of the Offer by the High Court of Justice of England and Wales. The date of the Court hearing to sanction the Offer and confirm the reduction of capital is expected to be August 30, 2012.

In the light of shareholder approval of the Offer and the impending completion of the Offer, Mr Frank Terranova decided to accelerate his departure from the Group and stepped down as Chief Executive Officer with effect from August 15, 2012.

No other matter or circumstances have arisen since June 30, 2012 that have significantly affected or may significantly affect:

(d) The Group's operations in future financial years; or
(e) The results of those operations in future financial years; or
(f) The Group's state of affairs in future financial years.