

ADELONG GOLD PARTNERS WITH GDM TARGETING FIRST GOLD POUR WITHIN 12 MONTHS

HIGHLIGHTS

- **Adelong Gold has entered a binding farm-in agreement with Great Divide Mining (ASX:GDM) for a staged acquisition of up to 51% interest in the Adelong Gold Project**
- **GDM to invest \$300,000 for an initial 15% stake in Challenger Gold Mines (CGM) following successful due diligence**
- **GDM will earn a further 36% interest upon achieving first gold production from the refurbished Adelong Gold Plant within 12 months, bringing their total interest to 51%. Failure to achieve this milestone will result in Adelong Gold reverting to 100% project ownership**
- **The Ryan Family, founders of GDM, will provide critical mining and earthmoving equipment supported by decades of operational experience, ensuring a timely restart of the Adelong Gold Plant**
- **Adelong Gold retains a 49% interest in CGM and is not required to make any cash contributions until gold production commences**

Adelong Gold Limited (ASX:ADG) (Adelong Gold or the Company) is pleased to announce that it has entered into a binding farm-in agreement with Great Divide Mining Limited (**ASX:GDM**) for a staged acquisition of a 51% interest in the Adelong Gold Project, located in southern New South Wales.

This agreement, fully supported by Adelong Gold's board, positions both companies to resume gold production within 12 months, targeting the first gold pour by leveraging GDM's operational expertise and infrastructure.

The Adelong Gold Project, nestled in the southern highlands of New South Wales, has a storied history of gold production, with over 800,000 ounces of gold extracted from the area to date. The project covers ~70 km² of tenements, including mining lease ML 1435 and exploration lease EL 5728. Adelong Gold holds a JORC 2012 Resource of 188,000 ounces, with strong potential for further expansion through exploration.

Adelong Gold has been actively working to bring the project back into production, and the agreement with GDM is a strategic step toward this goal. The project's infrastructure includes a modern processing plant built in 2016/17 that GDM will refurbish to resume operations. Historical mining focused on high-grade zones, and there remains significant potential to expand resources both along strike and at depth.

Adelong Gold Managing Director Ian Holland commented:

"We are excited to partner with Great Divide Mining, and the experience that Evan and Paul Ryan bring will be essential in ensuring the success of this project. Their proven track record in mine management and their access to critical equipment gives us the confidence they will meet the ambitious targets. With the potential to turn Adelong into a significant regional base for gold production, this partnership represents a major step forward in our growth strategy."



The Ryan Family, founders of GDM, bring significant mining experience. Between 1993 and 1998, they operated gold mines such as Shamrock and Manumbar Mines (Waraluck Mines Ltd) in southeast Queensland. Their extensive background in mine and plant management operations and ownership of most of the mining equipment on site will be pivotal to ensuring that the Adelong project meets its operational milestones.

Paul Ryan, Non-Executive Director of GDM, oversaw mining and plant management at these Queensland sites and has since been involved in various mining and civil earthmoving projects. The Ryan Family's equipment, which has been contracted for numerous private and government projects, will be instrumental in refurbishing and restarting the Adelong Gold Plant. This support ensures that Adelong can be back in operation within the targeted 12-month timeline.

Key Terms of the Agreement

- **Due Diligence Period:** GDM will conduct a 60-day due diligence period, with full access to all Adelong Gold Mine data and assets. The due diligence period may be extended by mutual agreement.
- **Initial Investment for 15% Stake:** Upon satisfactory completion of due diligence, GDM will subscribe for \$300,000 in Challenger Gold Mines Pty Ltd (CGM), the entity holding the Adelong Gold Project, in exchange for a 15% interest in CGM. The stake will be issued as fully paid ordinary shares (Tranche 1).
- **Further 36% Interest upon First Gold Pour:** GDM will earn an additional 36% interest in CGM upon the first gold pour from the refurbished Adelong Gold Plant, bringing GDM's total interest to 51% and leaving Adelong Gold with a 49% interest (Tranche 2).
- **Project Management:** GDM will manage the project as Adelong Venture Manager, overseeing day-to-day operations and project development. Critically, GDM must achieve first gold production within 12 months of executing the agreement. Should GDM fail to meet this milestone, ADG has the right to reclaim 100% ownership of the Adelong Gold Project.
- **No Cash Contribution Required from Adelong Gold:** Adelong Gold will not be required to make any cash contributions to the project until gold production has commenced.

Project Objectives

- **Refurbishment of Adelong Gold Plant:** Refurbishment of Adelong Gold Plant: GDM will oversee the refurbishment of the Adelong Gold Plant, with a strict deadline of achieving first gold production within 12 months. If this critical milestone is not met, ADG will have the right to terminate the joint venture, returning 100% ownership of the Adelong Gold Project to ADG.
- **Exploration and Feasibility Studies:** The agreement includes a commitment to further exploration, development, and feasibility studies at the Adelong Gold Project to evaluate gold deposits and expand resources within the Project Area.
- **Initial Works Program:** An Initial Works Program, which includes testing the existing processing plant, conducting drilling, and securing environmental and regulatory approvals, will commence shortly after the completion of the due diligence period.

Next Steps

- GDM will begin its due diligence process immediately, with completion expected within 60 days.
- Upon satisfactory completion of due diligence, GDM will invest \$300,000 for a 15% stake in CGM.
- The project will then focus on refurbishing the Adelong Gold Plant, with the first gold production targeted within 12 months to trigger GDM's further 36% interest.
- Testing and commissioning works are expected to start at the Adelong Processing Plant during Q3FY24.

This partnership is a key component of Adelong Gold's strategy to recommence gold production at the Adelong Gold Mine and to create significant value for shareholders.

The agreement is subject to any necessary regulatory approvals and customary conditions.

Material Terms and Details of Proposed Transactions

Adelong Venture Agreement	Conditions Precedent	<p>Due Diligence: During the 60-day Due Diligence period from the execution date or until acceptance, GDM may conduct any activities it deems necessary and seek indicative approval for the formation of the Adelong Venture.</p> <p>Regulatory Approvals: GDM receiving all necessary or desirable regulatory approvals to effect the transaction.</p> <p>Subscription: GDM subscribing for shares in CGM in the sum of \$300,000 to acquire a 15% equity interest.</p>
	Initial Funding	<p>Initial Works: Initial on-ground works at the Adelong Venture, including all plant upgrades and operations up to the point of first gold being produced (First Gold), is to be sourced from the subscription funds held in CGM and managed by GDM.</p> <p>ADG Free Carry: Until First Gold, ADG will not be required to participate in the funding of initial works.</p> <p>Subsequent Works: Once First Gold is poured from the Adelong Venture, cash calls will be funded by JV participants according to their respective holdings.</p>
	First Gold	<p>Manager: GDM as Manager, will advance the restart of the Adelong Process Plant and produce gold on behalf of the Adelong Venture. GDM must produce First Gold within 12 months of the agreement's execution. Failure to meet this milestone will entitle ADG to reclaim 100% ownership of the Adelong Gold Project and remove GDM from the venture.</p>

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		<p>Further Equity: GDM will receive an additional 36% of the issued capital of CGM on achieving First Gold. The issuing of this further equity will take GDM's equity interest in CGM to 51%.</p>
	Board and Management	<p>Board: The board of CGM is to be comprised of two (2) members appointed by GDM and two (2) members appointed by ADG. In the event of a split decision of the Board of CGM, a director appointed by the AV Manager shall have a casting vote.</p> <p>Management: GDM is to be appointed as the manager of the Adelong Venture to manage the day-to-day operations of the business and to appoint the General Manager/CEO of CGM.</p> <p>Management Fee: For undertaking the AV Manager duties and roles a management fee (ex GST) is to be paid to GDM as follows:</p> <ul style="list-style-type: none"> • Administration Fee of \$10,000 per month; • Services provided by GDM at cost plus 15%; and • 3rd Party Services and goods provided at GDM cost plus 10%. <p>The management fees and costs recoverable is capped at \$200,000 until First Gold.</p>

Brazilian Assets

It is important to note that this agreement pertains exclusively to the Adelong Gold Project in New South Wales, Australia. Adelong Gold's Brazilian assets, including its lithium exploration projects in Minas Gerais and Paraiba, remain unaffected by this transaction. The Company continues to explore and develop its highly prospective lithium tenements in Brazil, and those projects will operate independently of this partnership with Great Divide Mining.

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Released with the authority of the board of Adelong Gold Limited.

For further information on the Company and our projects, please visit: adelonggold.com

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COMPETENT PERSONS STATEMENT

Information in this “ASX Announcement” relating to Exploration Results and geological data has been compiled by Mr. Ian Holland. Mr Ian Holland is a Fellow (#210118) of the Australasian Institute of Mining and Metallurgy. He is the Managing Director of Adelong Gold Ltd. Ian Holland has sufficient experience that is relevant to the style of mineralisation and types of deposits under consideration and to the activity being undertaken to qualify as a Competent Person (CP) as defined in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’ (the JORC Code).

ABOUT ADELONG GOLD

Adelong Gold Limited (ASX: ADG) is a minerals explorer that owns the Adelong Gold Mine in New South Wales (NSW) and highly prospective Lithium Tenement packages in the prolific ‘Lithium Valley’ of Minas Gerais and in Paraiba Province within the Borborema Region, both located in Brazil. The Company is on the path to becoming a mineral producer at its Adelong Goldfield Project.

In May 2020, Adelong Gold took control of the Adelong Goldfield which covers 70km², comprising the old Adelong Gold Project situated in Southern NSW located approximately 20km from Tumut and 80km from Gundagai.

The Project now carries a JORC (2012) Resource of 188,000oz, following a maiden JORC Resource for the Perkins West deposit at Gibraltar of 18,300oz with the potential to expand that resource at depth and along strike. Project resources have now increased by 45% from project resources in place on acquisition. Until recently, Adelong was a producing mine.

In December 2023, Adelong finalised its acquisition of a 100% interest in three applications for lithium exploration permits (Santa Rita do Aracuai Lithium Project) located in the world-class ‘Lithium Valley’ in Minas Gerais, in Brazil. This acquisition represents a pivotal transaction for the Company as it secures a strategic landholding in a globally significant, mining friendly region for hard-rock lithium spodumene deposits.

The ‘Lithium Valley’ accounts for all officially recognised lithium reserves in Brazil and is an emerging world-class lithium-producing region. Significant lithium discoveries by industry peers include Sigma Lithium’s (NASDAQ: SGML) Grota do Cirio Deposit, Latin Resources’ (ASX:LRS) Salinas Project – Colina Deposits and Lithium Ionic’s (TSX.V:LTH) Itinga Project - Bandiera Deposit.

At the Santa Rita Do Araçuaí Project, exploration activities commenced in December 2023 with the initial reconnaissance program, completed in February 2024, identifying two key areas for further lithium exploration. The geological assessment identified indicators for potential lithium mineralisation in Neoproterozoic formations, including the Macaúbas Group and Salinas Formation. Future exploration plans include detailed mapping and stream sediment/float geochemical analysis to pinpoint potential pegmatitic bodies and lithium indicators.

In March 2024, the Company announced they had been granted a further 10 Brazilian licenses at the Paraiba Province Project. These licenses further increase the exploration ground under license by 162.8km². These extra licenses are prospective for lithium pegmatites and are located within the Borborema Region, which comprises Proterozoic rocks that form part of the Brasiliano Fold belt and which host plutonic intrusions similar to the “Lithium Valley” region of Minas Gerais Province. This region contains known lithium pegmatites and many deposits/occurrences of tantalum, beryl, niobium, and aquamarine, which are commonly associated with lithium-type pegmatites.



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