

GDM to transition from gold explorer to gold producer

Highlights

- GDM has signed a binding farm-in agreement with Adelong Gold Ltd (ASX:ADG) and its wholly owned subsidiary, Challenger Mines Pty Ltd to recommence the operations of the historic Adelong Gold Mine, to be referred to as the Adelong Venture.
- GDM has been appointed Manager to operate the Adelong Venture comprising the Adelong Gold Mine, processing plant and associated equipment within an historical goldfield that has produced over 800,000 Oz of gold.
- GDM will initially take a 15% holding in Challenger Mines Pty Ltd for \$300,000 spent on-ground, extending to 51% ownership on production of gold from the Adelong Mine process plant.
- Adelong Venture assets also include ML 1435, EL 5728 a total of 68km² of exploration permitted and 1.5km² of mining permitted.
- Tenements are historically under explored with limited sampling and drilling; this presents a significant upside.
- GDM views this agreement as a fundamental and material advancement in the Company's strategy to transition from "explorer" to "explorer-miner-producer".
- The Adelong Venture is subject to shareholder approval for the purposes of ASX Listing Rule 11.1.2.

Chief Executive Officer, Justin Haines, commented:

"GDM was formed to rapidly evolve into a cash-flow mining business. This agreement sets us squarely on the path to producing our first gold in the near-term. Working within the Adelong Venture we aim to commence restarting of the existing plant and development of the gold in mine plan this year, then organically expanding the resources and operation. This is transformational for GDM and its shareholders."

Overview

Great Divide Mining Ltd (ASX:GDM) ("GDM" or the "Company") is pleased to announce that it has entered into a binding joint venture agreement (**Joint Venture Agreement**) with Adelong Gold Ltd (ASX:ADG) (**Adelong**) and its wholly owned subsidiary, Challenger Mines Pty Ltd (**CGM**) to acquire a 15% interest in CGM, the owner of the Adelong Gold Mine assets, extending to a 51% interest subject to first pour of gold (**Adelong Venture**). The Adelong gold mine assets include ML1435, EL 5728 (refer Figure 1) and the Adelong gold mine processing plant and equipment.

Completion of the transaction, namely GDM acquiring 15% of CGM, is subject to a number of conditions detailed below, including a 90-day due diligence period and GDM shareholder approval.

Any additional funding required by GDM to achieve first pour of gold and acquire the further interest in CGM up to an aggregate 51% may be funded by GDM revenue or by way of an equity capital raise. As at the date of this ASX announcement no decision has been made of the structure or form of such a raising.

GDM will operate the Adelong Venture as Manager and will rapidly move towards restarting the gold mine and processing plant and then commencing gold production.

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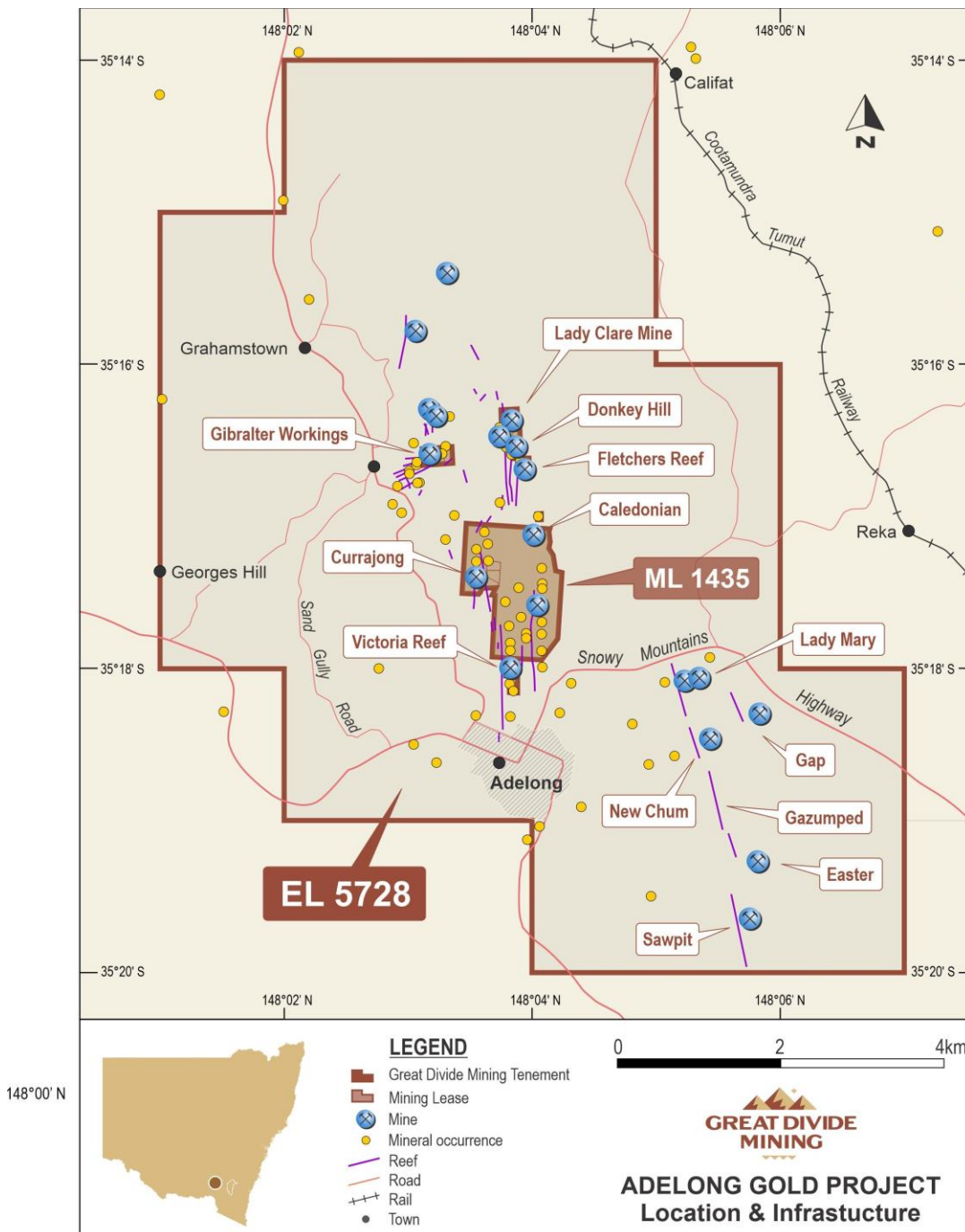


Figure 1 Location of the Adelong Venture Project and tenements



Adelong Venture Overview

The Adelong Venture represents a significantly accelerated path forward for GDM with existing leases and approvals in place, and a process plant ready to restart and optimise.

For further information on the Adelong Venture please see the following Adelong Gold Limited (ASX:ADG) announcements:

- 11 October 2024 Annual Resource Statement; and
- 31 October 2022 Updated scoping Study – Substantial Improvement Shown.

As at October 2024, the assets of CGM include:

- 17 Mining Leases and an Exploration License over approximately 70km² covering the majority of the Adelong Goldfield.
- Owned or leased land on which the processing plant, Challenger gold mine and Currajong are located.
- A development consent to develop an open cut and underground mine at Adelong and to operate a gold processing plant, including the use of cyanide.
- A license issued by the EPA to operate the gold mine.
- A Water Extractive license.
- A Designated Dam approved under NSW Dam Safety for the planned tailings dam.

Proposed Development and Operations

GDM intends to move quickly to restart mining and processing at Adelong in order to generate ongoing cashflows for the Adelong Venture.

Testing and commissioning works are expected to start at the Adelong Process Plant during Q3FY25.

As at the date of this Announcement, the Adelong Process Plant needs to be re-commissioned. Given due diligence is yet to commence, GDM is unable to confirm what works are required on the Adelong Process Plant to achieve first production of gold (**First Gold**).

Material Terms of Proposed Transactions

The material terms of the Joint Venture Agreement are detailed below:

Parties	Great Divide Mining Ltd (GDM). Challenger Mines Pty Ltd (CGM) Adelong Gold Ltd (ASX:ADG) (Adelong)
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Agreement	Adelong Venture Term Sheet (binding) (Joint Venture Agreement)
Relationships between GDM and the proposed counterparty	Unrelated third-party transaction for an incorporated venture regarding the exploration, development and operation of the Adelong Gold Mine in NSW held by CGM.
Conditions Precedent	<p>The commencement of the Adelong Venture is conditional on the following:</p> <p>Due Diligence: During the due diligence period commencing from the execution date of 23 October 2024 and ending for 90 days following that date or until acceptance and completion of legal and technical due diligence by GDM on CGM and the Adelong Venture, to the absolute satisfaction of GDM (Due Diligence Period), GDM may conduct any activities it deems necessary and seek shareholder and regulatory approvals or waivers pursuant to the ASX Listing Rules, Corporations Act 2001 (Cth) or any other law for the formation of the Adelong Venture.</p> <p>In the event GDM is not satisfied during the Due Diligence Period, either Adelong or GDM may terminate the Joint Venture Agreement by notice in writing to the other, in which case the agreement constituted by the Joint Venture Agreement will be at an end and the parties will be released from their obligations under the Joint Venture Agreement.</p> <p>Regulatory Approvals: GDM receiving all necessary or desirable regulatory approvals to effect the transaction. Including Adelong obtaining all third-party approvals and consents, including the consent of the minister responsible for the Mining Act 1992 (NSW).</p>
Shareholder approval	It has been determined that ASX Listing Rule 11.1.2 applies to the Adelong Venture. As a result, GDM will seek shareholder approval of the Adelong Venture for the purposes of ASX Listing Rule 11.1.2 at an Extraordinary General Meeting to convene in or around December 2024.
Initial Funding	<p>The funding is for the Adelong Venture is to be sourced as follows:</p> <p>Subscription: Following due diligence to the satisfaction of GDM, GDM will subscribe for shares in CGM for the amount of \$300,000 and acquire a 15% equity interest in CGM. The \$300,000 is paid to CGM.</p> <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 \$300,000 subscription funds paid by GDM and held in CGM and managed by GDM.</p> <p>ADG Free Carry: Until First Gold, Adelong will not be required to participate in the funding of any initial works, GDM will however provide the necessary funding.</p> <p>Subsequent funding: Once First Gold is poured from the Adelong Venture, cash calls will be funded by the Adelong Venture participants according to their respective holdings. i.e. contributions post First Gold will be made in accordance with the percentage holding of each party in CGM, i.e. 51% GDM and 49% Adelong.</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.</p> <p>First Gold: GDM is to produce First Gold within 12 months following completion of its due diligence, failing which Adelong may elect in writing to be appointed as Operator of the Adelong Venture. If GDM fails to satisfy the First Gold requirement within 12 months following completion of its due diligence, Adelong is required to purchase and GDM is required to sell its 15% interest to Adelong for \$300,000 (Buy-Out Amount), payable in cash and/or fully paid ordinary shares in the capital of Adelong at the election of Adelong.</p> <p>Further Equity in CGM: In consideration of producing First Gold and for providing the necessary cash contributions to produce First Gold, GDM will receive an additional 36% of the issued capital of CGM, issued in CGM on achieving First Gold. The issuing of this further equity will take GDM's equity interest in CGM to a total of 51%.</p> <p>Cost for First Gold: Any additional costs will be paid by GDM to achieve First Gold. A full understanding of the condition and operating requirements of the Adelong Venture will be obtained during the 90-day due diligence period.</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 Adelong. In the event of a split decision of the Board of CGM, the Chair has a casting vote, The Chair will be a nominee director of the Adelong Venture Manager (in this case, GDM).</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 Adelong Venture 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 by GDM from CGM is capped at \$200,000 until First Gold.</p>										
Timetable	<p>The timetable for the Adelong Venture is as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">Release of this ASX Announcement and lifting of suspension</td> <td style="text-align: right;">11 November 2024</td> </tr> <tr> <td>General Meeting to approve the Adelong Venture for the purposes of Listing Rule 11.1.2</td> <td style="text-align: right;">In or about December 2024</td> </tr> <tr> <td>Completion of Due Diligence period</td> <td style="text-align: right;">21 January 2025</td> </tr> <tr> <td>Subject to satisfactory completion of due diligence, payment of \$300,000 and Issue of 15% of the shares in CGM</td> <td style="text-align: right;">21 January 2025</td> </tr> <tr> <td>Achieve First Gold</td> <td style="text-align: right;">21 January 2026</td> </tr> </table>	Release of this ASX Announcement and lifting of suspension	11 November 2024	General Meeting to approve the Adelong Venture for the purposes of Listing Rule 11.1.2	In or about December 2024	Completion of Due Diligence period	21 January 2025	Subject to satisfactory completion of due diligence, payment of \$300,000 and Issue of 15% of the shares in CGM	21 January 2025	Achieve First Gold	21 January 2026
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Other GDM Operations

GDM operates within the resources sector and is focused on mineral exploration and development particularly for gold, copper and technology minerals.

The Company will retain and continue to allocate funds for the exploration and development of its four projects: Cape, Yellow Jack, Coonambula and Devils Mountain.

The potential transaction is an opportunity for GDM to commence gold mining operations and development of first cash flows. In its Prospectus dated May 2023, GDM proposed to become a miner and develop near term cash flows. The Company remains committed to this outcome, and will remain a mineral explorer and developer, and understands that there is no change in the nature of the Company's business arising from this Joint Venture.

ASX release authorised by the Board of Great Divide Mining Ltd.

For further information:

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About Great Divide Mining Ltd (ASX: GDM)

Great Divide Mining is a Gold, Antimony and critical metals explorer in Queensland, with four projects across twelve tenements (including one in application). GDM's focus is on developing assets within areas of historical mining and past exploration with nearby infrastructure, thus enabling rapid development. Through a staged exploration and development programme, GDM intends to generate cash flow from its initial projects to support further exploration across its portfolio of highly prospective tenements.

Forward-Looking Statements

This announcement may contain forward-looking information about the Company and its operations. In certain cases, forward-looking information may be identified by such terms as "anticipates", "believes", "should", "could", "estimates", "target", "likely", "plan", "expects", "may", "intend", "shall", "will", or "would". These statements are based on information currently available to the Company and the Company provides no assurance that actual results will meet management's expectations. Forward-looking statements are subject to risk factors associated with the Company's business, many of which are beyond the control of the Company. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements.