



ASX Release

12 March 2025

## Completion of Adelong Venture Definitive Agreement

Great Divide Mining Ltd (**ASX:GDM**) is pleased to announce that it today completed Definitive Agreements with Adelong Gold Ltd (**ASX:ADG**) for the Farm-in at its' Challenger Gold Mine in Adelong, NSW.

### Key Points:

- GDM will pay \$300,000 to Challenger Mines Pty Ltd, (**Challenger**) owner of the Challenger Gold Mine and wholly owned subsidiary of ADG, for a 15% interest in Challenger. These funds are to be deployed towards maintenance, refurbishment and restart of the Challenger gold processing plant.
- GDM becomes the operator of the Challenger Gold Mine and will rapidly move to complete the restart of processing operations.
- GDM will free-carry ADG to first gold pour at the Challenger Gold Mine, at which point, GDM will increase its holding to 51% of Challenger.

Commenting on the completion of the Farm-in, CEO of GDM, Justin Haines, said:

*"Finalisation of the Definitive Agreements puts GDM squarely onto the path to produce first gold from the Challenger Gold Mine. Our aim is to produce first gold as rapidly as possible then expand the operation to primary mining and increase the plant capacity. The planning for this phase will advance once the initial production is confirmed."*

GDM announced on 11 November 2024 that it had signed a binding term sheet with ADG and its wholly owned subsidiary Challenger to recommence operation of the historic Challenger Gold Mine (**Adelong Venture**). This agreement, and the change in the nature of GDM's business from explorer to that of miner and processor, was approved by shareholders at an extraordinary general meeting held on 7th January 2025.

GDM completed due diligence on Challenger on 23 January 2025. The parties have now finalised binding agreements for GDM to acquire an initial stake of 15% in Challenger and become operator of the Challenger Gold Mine. GDM's focus will be on rapidly moving the Challenger Gold Mine back on to a production footing.

GDM thanks both its shareholders for their continuing support, and ADG for their co-operation in reaching this significant milestone.

### Adelong Venture - Overview



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

For further information on the Challenger Gold Mine 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 February 2025, the assets of Challenger include:

- 17 Mining Leases and an Exploration License over approximately 70km<sup>2</sup> covering the majority of the Adelong Goldfield;
- Owned or leased land on which the processing plant, Challenger Gold Mine and Currajong deposit are located;
- A development consent to develop an open cut and underground mine at the Challenger site, and to operate a gold processing plant;
- A license issued by the EPA to operate the Challenger Gold Mine; and
- A Water Extractive License.

### **Proposed Development and Operations**

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

Testing and commissioning works are expected to start at the Challenger processing plant during Q3FY25.

As at the date of this announcement, the Challenger processing plant needs minor reconfiguration works and recommissioning to achieve first production of gold. After first production of gold, the plant is expected to need further reconfiguration and expansion to be suitable for commercial production.

### **Material Terms of Proposed Transactions**

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

|                |   |
|----------------|---|
| <b>Parties</b> | Great Divide Mining Ltd ( <b>GDM</b> )<br>Challenger Mines Pty Ltd ( <b>CMPL</b> )<br>Adelong Gold Ltd (ASX:ADG) ( <b>ADG</b> ) |
|----------------|---|

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| <b>Agreements</b>  | <p>Share Subscription Deed</p> <p>Joint Venture Shareholders and Funding Agreement</p> <p>Management and Marketing Agreement</p> <p>(together, the <b>Joint Venture Agreement</b>)</p>   |
| <b>Relationships between GDM and the proposed counterparty</b> | <p>Unrelated third-party transaction for an incorporated venture regarding the exploration, development and operation of the Adelong Gold Mine in NSW held by CMPL.</p>  |
| <b>Conditions Precedent</b>                                    | <p>The execution of the Joint Venture Agreements was conditional on the following now-satisfied conditions:</p> <p>GDM completing a 90-day due diligence to its absolute satisfaction, finalised on 23 January 2025</p> <p>GDM and ADG:</p> <ul style="list-style-type: none"> <li>• cooperating to procure the grant of the relevant authorisations and permissions to give effect to the Purpose and to undertake the works, which include both open cut, underground and tailings.</li> <li>• obtaining all necessary shareholder and regulatory approvals or waivers pursuant to the ASX Listing Rules, Corporations Act or any other law to allow the parties to lawfully complete the matters set out in this deed, including but not limited to the ASX confirming that ASX Listing Rules 11.1 and 11.2 do not apply to the transactions contemplated by the Share Subscription Deed.</li> <li>• entering into the Transaction Documents.</li> </ul> <p>CMPL:</p> <ul style="list-style-type: none"> <li>• obtaining all third-party approvals and consents, including the consent of the minister responsible for the Mining Act (if required), necessary to lawfully complete the matters set out in the Share Subscription Deed.</li> <li>• Any and all related party loans (including directors and shareholder loans) or intercompany loans owed by or to the Company are fully paid or released (including any and all related security interests granted by the Company are released).</li> <li>• Any and all outstanding invoices and amounts owed by the Company to a third party up to and including the First Completion Date are fully paid and any associated Encumbrance is discharged and released.</li> </ul> |
| <b>Shareholder approval</b>                                    | <p>GDM received shareholder approval of the Adelong Venture for the purposes of ASX Listing Rule 11.1.2 at an Extraordinary General Meeting on 7 January 2025.</p>   |
| <b>Initial Funding</b>   | <p>The funding for the Adelong Venture is to be sourced as follows:</p> <p><b>Subscription:</b> Following due diligence to the satisfaction of GDM, GDM will subscribe for shares in CMPL for the amount of \$300,000 and acquire a 15% equity interest in CMPL. The \$300,000 is paid to CMPL.</p> <p><b>Initial Works:</b> Initial on-ground works at the Adelong Venture, including all plant upgrades and operations up to the point of first gold being produced (<b>First Gold</b>), is to be sourced from the \$300,000 subscription funds paid by GDM and held in CMPL and managed by GDM.</p> <p><b>ADG Free Carry:</b> Until First Gold, ADG will not be required to participate in the funding of any initial works, GDM will however provide the necessary funding.</p> <p><b>Subsequent funding:</b> 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 CMPL, i.e. 51% GDM and 49% ADG. A Dilution Formula will adjust holdings in the event that a Shareholder does not contribute.</p>  |
| <b>First Gold</b>  | <p><b>Manager:</b> GDM as Manager, will advance the restart of the Adelong Process Plant and produce gold on behalf of the Adelong Venture.</p>  |



|  |  |                                     |              |  |               |                           |              |
|--|--|-------------------------------------|--------------|--|---------------|---------------------------|--------------|
|  | <p><b>First Gold:</b> GDM is to produce First Gold within 12 months following completion of its due diligence, failing which ADG 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, ADG is required to purchase and GDM is required to sell its 15% interest in CMPL to ADG for \$300,000 (<b>Buy-Out Amount</b>), payable in cash and/or fully paid ordinary shares in the capital of ADG at the election of ADG.</p> <p><b>Further Equity in CMPL:</b> 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 CMPL, issued in CMPL on achieving First Gold. The issuing of this further equity will take GDM's equity interest in CMPL to a total of 51%.</p> <p><b>Cost for First Gold:</b> 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 was obtained during the 90-day due diligence period.</p> |                                     |              |  |               |                           |              |
| <p><b>Board and Management</b></p>   | <p><b>Board:</b> The board of CMPL 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 CMPL, the Chair has a casting vote, The Chair will be a nominee director of the Adelong Venture Manager (in this case, GDM).</p> <p><b>Management:</b> GDM is 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 CMPL.</p> <p><b>Management Fee:</b> 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"> <li>• Administration Fee of \$10,000 per month;</li> <li>• Services provided by GDM at cost plus 15%; and</li> <li>• 3rd Party Services and goods provided at GDM cost plus 10%.</li> </ul> <p>The management fees and costs recoverable by GDM from CMPL is capped at \$200,000 until First Gold.</p>   |                                     |              |  |               |                           |              |
| <p><b>Timetable</b></p>  | <p>The timetable for the Adelong Venture is as follows:</p> <table border="1" data-bbox="384 1182 1383 1368"> <tr> <td data-bbox="384 1182 1035 1238">Execution of Definitive Agreement/s</td> <td data-bbox="1035 1182 1383 1238">3 March 2025</td> </tr> <tr> <td data-bbox="384 1238 1035 1317">GDM payment of \$300,000 and Issue of shares representing 15% equity in CMPL</td> <td data-bbox="1035 1238 1383 1317">10 March 2025</td> </tr> <tr> <td data-bbox="384 1317 1035 1368">Achieve First Gold before</td> <td data-bbox="1035 1317 1383 1368">3 March 2026</td> </tr> </table>  | Execution of Definitive Agreement/s | 3 March 2025 | GDM payment of \$300,000 and Issue of shares representing 15% equity in CMPL | 10 March 2025 | Achieve First Gold before | 3 March 2026 |
| Execution of Definitive Agreement/s  | 3 March 2025   |                                     |              |  |               |                           |              |
| GDM payment of \$300,000 and Issue of shares representing 15% equity in CMPL | 10 March 2025  |                                     |              |  |               |                           |              |
| Achieve First Gold before  | 3 March 2026   |                                     |              |  |               |                           |              |

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

For further information:

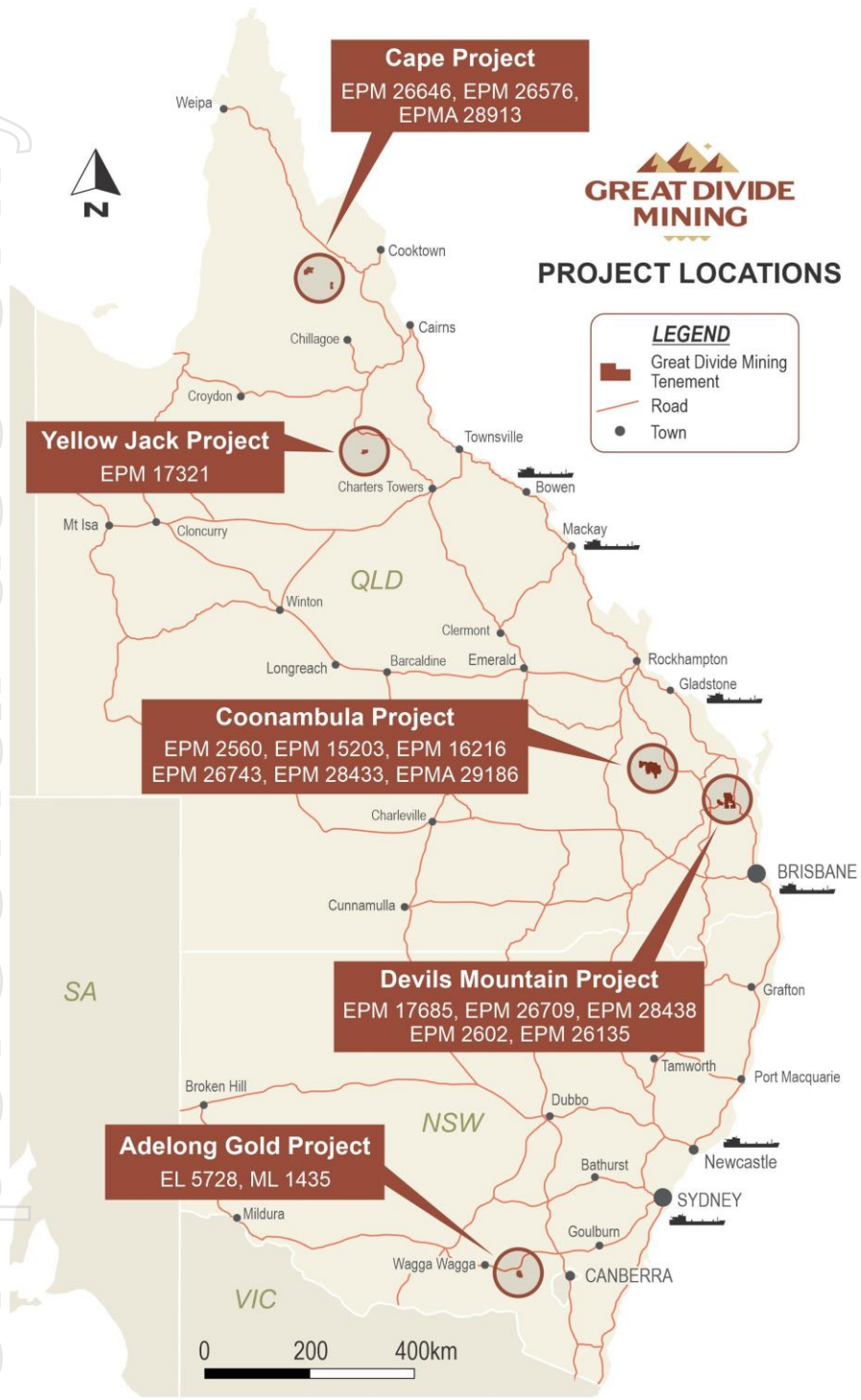
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**About Great Divide Mining Ltd (ASX: GDM)**

Great Divide Mining is a Gold, Antimony and critical metals miner, explorer and developer with five projects across 17 tenements (including two in application). GDM's focus is on operating producing 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.

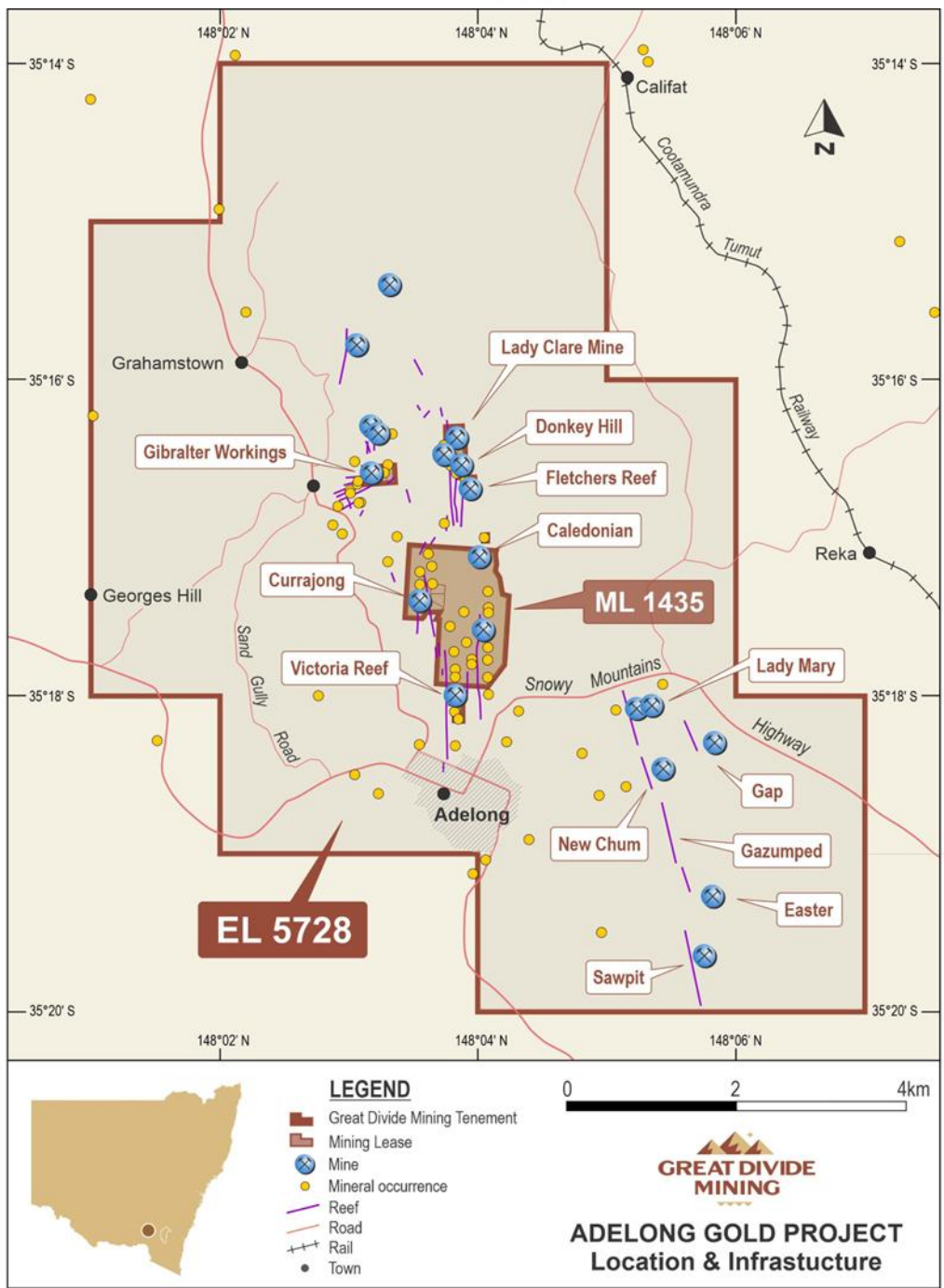
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