

## ADELONG GOLD RAISES \$1.15M VIA SHORTFALL PLACEMENT AND CONVERTIBLE NOTE

### HIGHLIGHTS

- Firm commitments received to raise \$900k (before costs) via part placement of entitlements shortfall at \$0.012 per share representing a 50% premium
- Firm commitments received to raise \$250k (before costs) via convertible notes convertible at \$0.024 per share
- Funds to be used to advance exploration activities at the Adelong Gold project with further drilling expected to commence within first quarter 2023

Adelong Gold Limited (ASX:ADG) (**Adelong Gold** or the **Company**) is pleased to announce that it has received firm commitments from sophisticated and professional investors to raise A\$1.15M (before costs) through a Share Placement (Placement) and Convertible Notes.

The funds raised will be used to progress exploration and development activity at the Adelong Gold project—with drilling expected to commence within the first quarter 2023 aiming to resume testing of targets designed to increase resources for expansion of the Adelong Gold project.

#### Adelong Gold Managing Director, Peter Mitchell commented:

*"The Company is pleased to raise \$1.15M by placing approximately half of the shortfall from its recent entitlement issue and convertible notes it has agreed to issue. Funds raised will be used to continue drilling activities at Adelong designed to test some of the many different existing drill targets in order to identify further deposits and increase resources available to the Adelong mine. As previously detailed in the Scoping Study released on 31 October 2022, additional resources should go straight to the bottom line potentially expanding the returns from the mine dramatically."*

#### Entitlements Issue Shortfall Placement Details

Adelong Gold has received binding commitments for a placement of Shares to sophisticated and professional investors, comprising 74,999,996 new fully paid ordinary shares in the Company (**Shortfall Securities**) at an issue price of 1.2 cents (\$0.012) to raise approximately \$900,000 (before costs).

The new shares were part of the Rights Issue shortfall of 132,093,679 ordinary shares, able to be issued at the discretion of the Company Directors within three months of the Rights Issue closing date (19 December 2022). ([ASX Announcement 22 December 2022](#))

The Capital Raising price of A\$0.012 (1.2 cents) per New Share represents:

- 50% premium to the entitlements offer price (A\$0.008)
- 33% discount to the last traded price on Wednesday 18 January 2023 (A\$0.018)
- 31% discount to the 5 day VWAP price (A\$0.0175)
- 30% discount to the 15 day VWAP price (A\$0.0171)



The Company's non-renounceable rights issue (**Rights Issue**) of up to 147,729,070 new ordinary shares (**New Shares**) in the Company closed as scheduled on Monday 19 December 2022. (Refer to ASX Announcements [25 November 2022](#) and [22 December 2022](#))

The following table sets out the number of New Shares subscribed for by Eligible Shareholders and the amount of under subscriptions relating to the Rights Issue.

Rights Issue Offer	Number of New Shares	Gross Proceeds	Percentage of Maximum
Maximum number of new shares that could potentially been issued under the Rights Issue	147,729,070	1,181,833	100%
Subscriptions for entitlements under the Rights Issue	15,635,391	125,083	11%
<b>Total shortfall (undersubscriptions)</b>	<b>132,093,679</b>	<b>574,790</b>	<b>89%</b>

### Convertible Note Details

Adelong Gold has also received binding commitments for an issue of Convertible Notes to raise \$250,000 (before costs), convertible at 2.4 cents (\$0.024) within 18 months of issue at an interest rate of 8%.

Including the proceeds from the entitlements issue together with the placement of the shortfall and the convertible note ADG has raised a total of \$1.275m (before costs).

### Future Plans

The outstanding [recent drilling results at Gibraltar](#) completed the first phase of exploration designed to evaluate and expand the resources at Adelong, with many further similar opportunities awaiting. The specific sites selected were chosen because access during the prevailing wet conditions present in October 2022 was good. However Gibraltar offers additional excellent targets for expanding the resources and the results of recent drilling has further upgraded that potential.

[The Updated Scoping Study](#) demonstrated a solid commercial foundation for the Adelong Gold Project with ample scope to expand on these resources with additional drilling or regional acquisitions. The Study has demonstrated a commercial project exists based solely on the Challenger, Caledonian and Currajong deposits and a basis for proceeding to production. The Study has shown that open cut resources can add substantially to the bottom line and the focus in 2023 will be to explore targets that can add to the mine life and increase economic returns.

Additional plans to drill other areas such as Caledonian North, Sawpit and Fletchers can now be progressed and the Company intends to initiate geochemical sampling programs to generate drill targets on the Lady Mary to Sawpit line, an area that has the potential to generate additional resources and which represents an area remaining largely unexplored by modern exploration techniques.

In the longer term, the Company intends to move the project into a second stage operation being underground mining and several of the resources have grades that would potentially warrant underground mining.



**-Ends-**

Released with the authority of the board.

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

[www.adelonggold.com](http://www.adelonggold.com)

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## ABOUT ADELONG GOLD

Adelong Gold Limited is a minerals explorer targeting high value commodities with a particular focus on Gold and owns the Adelong Goldfield in New South Wales (NSW). In May 2020, 3D Resources took control of the Adelong Goldfield which covers 70km<sup>2</sup>, 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, following the resource upgrade in September/October 2021 of 171,700 oz of gold as well as 17 freehold properties with all mining and processing plant equipment onsite. Until recently, Adelong was a producing mine.

