

DECEMBER 2022 QUARTERLY ACTIVITIES REPORT

HIGHLIGHTS

Updated Scoping Study

- Updated Scoping Study shows substantial improvement with addition of Caledonian Deposit
- Scoping Study indicates an attractive commercial project that can support an initial 5 year mine life

Gibraltar Deposit

- Drilling Program at Gibraltar successfully completed with 541 metres of Reverse Circulation completed in seven drill holes and in particular hole extensions to 3DGIB003
- Assay results show potential for major deposits at Gibraltar
- Results show a strong multiple vein system west of the Gibraltar mine workings that included numerous high grade drill intersections:
 - 1m @ 4.99g/t Au from 11 metres (3DGIB007);
 - 3m @ 12.57g/t Au from 20 metres (3DGIB007)
including 1m intersection at 34.6g/t Au (3DGIB007);
 - 1m @ 18.55g/t Au from 78 metres (3DGIB007);
 - 6m @ 2.79g/t Au from 90 metres (3DGIB008);
Including 1m @ 8.58g/t Au; and
 - 1m @ 10.75g/t Au from Surface (3DGIB009)
- Further drilling scheduled for March 2023 with program designed to prepare for Resource estimate and to explore western extension

Caledonian Deposit

- Additional drilling to be considered for Caledonian to test the northern extension to mineralisation identified in the 2022 program

Corporate

- Entitlement Issue completed to raise \$1.275m (before costs) including placement of shortfall and convertible notes
 - Funds to be used to advance exploration activities with further drilling expected to commence within first quarter 2023
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Adelong Gold Limited (ASX:ADG) (**Adelong Gold** or the **Company**) is pleased to provide its Quarterly Activities Report for the quarter ending 31 December 2022. During the quarter, the Company released an updated Scoping Study with substantial increases in returns and which supports the commercial viability of the Adelong Gold Project for an initial 5 year mine life. Further exploration is expected to add to the bottom line with an initial drilling program completed at Gibraltar during the quarter, with results highlighting the potential for major deposits. To further progress the Adelong Project, the Company raised funds through an entitlement issue, share placement, and convertible notes.

UPDATED SCOPING STUDY

The Company advised in late October that it had completed its Scoping Study for its Adelong Gold Project [\[ASX Announcement 31 October 2022\]](#). The study is now based on mining the Challenger, Caledonian and Currajong deposits which are predominantly (55%) Measured and Indicated Resources. This Scoping Study demonstrates a viable project, not only for the Challenger Deposit but also for open cut mining on the Currajong and Caledonian deposits. The Company is now focused on progressing development of these deposits whilst it embarks on a program of exploration and undertakes additional resource drilling to expand the resource base and extend the mine life.

Increases in the prevailing gold price since the release of this study and potential to add resources from Gibraltar, all add to potential economic returns outlined in this study.

[Cautionary Statement contained in ASX Announcement 31 October 2022](#)

SCOPING STUDY – SUMMARY

In [November 2021](#) the Company announced the details of its Initial Scoping Study based solely on production from the Challenger and Currajong orebodies. A program of drilling was later undertaken to upgrade the Inferred Resources at the Caledonian deposit in order to incorporate production from that resource into the Scoping Study. The JORC Resource Report for the revised JORC Resource Estimates for the Caledonian Deposit can be found in Appendix 1 and shows:

Table 1 – Revised JORC Resource Estimates for Caledonian Deposit

CALEDONIAN deposit		Tonnes (t)	Au (g/t)	Au (oz)
Measured	-	-	-	-
Indicated	57%	127,000	3.90	15,900
Inferred	43%	123,000	3.04	12,100
Total	100%	250,000	3.48	28,000

Combined with other deposits that form the Adelong Gold Project this brings the total project resource to 1,550,000t @3.41g/tAu (169,700oz) (see Table 6 for details).

On the basis of these upgraded resource estimates for Caledonian, a pit optimisation study was carried out to look at what component of the Caledonian resource that could be commercially extracted via an open cut. This has added a further 79,000t @ 5.76g/t Au (14,630oz) to the Production Targets used in the Initial Scoping Study. (See Table 4 for details). Around 77% of this Production Target from Caledonian came from Indicated Resources.



With the addition of Production Targets for the Caledonian deposit the Scoping Study was rerun to assess the additional value added by the inclusion of the Caledonian deposit. We are pleased to announce that this has demonstrated a potential increased financial return (before tax) of around \$17.5M to those outlined in the Initial Scoping Study. The total project returns are tabulated in Table 2.

This now provides the foundations of an attractive commercial project and clearly demonstrates the potential value additional deposits can bring and the rationale behind on-going exploration. The aim now will be to bring this project to fruition while continuing exploration to prove up and acquire additional resources to extend the mine life.

Table 2 sets out a summary of the financial returns from the Adelong Gold Project based on the Scoping Study and planned development as outlined in this announcement.

Table 2 - Summary of the financial analysis

SCOPING STUDY SUMMARY		\$AMillion)
Initial Capital Costs (\$M)(Excludes Working Capital)		\$11.88
Mine Life		5 Years
Gold Production (gold oz)		81,082
Cash Flow (A\$M)		
Revenue (\$M)		\$213.79
OPEX (\$M)		\$124.49
Production CAPEX (\$M)		\$8.38
PRODUCTION CASHFLOW (Before Tax)(\$M)		\$81.06
Initial Capital Costs (\$M)(Excludes Working Capital)		\$11.88
NET CASH FLOW(Before Tax) (\$M)		\$69.18M
IRR % (Before Tax)		72%
NPV (5%) Before Tax (\$M)		\$53.56M

See [ASX Announcement 31 October 2022](#) for details of the Development plans and detailed assumptions used in the Scoping Study

NOTES - The Company confirms it is not aware of any new information or data that materially affects the information included in the relevant market announcement and, in the case of estimates of mineral resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed

2 -Approximately 17% of the resources used in this Production Target are in the Inferred Mineral Resource category. As there is a low level of geological confidence associated with Inferred Mineral Resources, there is no certainty that further exploration work will result in the determination of further Measured or Indicated Mineral Resources or that the Production Target or preliminary economic assessment will be realised

As with all forecasts, various assumptions and cost estimates were made in formulating the estimated returns in the Scoping Study and it is important for investors to understand those assumptions. A Sensitivity Analysis has been created to allow the forecast returns to be adjusted to reflect different assumptions used.



SCOPING STUDY – SENSITIVITY ANALYSIS

A summary of the key assumptions used in this Scoping Study are:

Assumption	Variables Covered in the Sensitivity Analysis
Gold Price	A\$2,650/oz of gold . – While there have been fluctuations in US\$ gold price and \$A/\$US Exchange rates, the \$A Gold price assumption has remained largely the same since 2021.
Costs	Costs are based on Contract Miner quotes and independent consultant assessment of capital and operating costs adjusted for CPI.
Recovery	92.3% Gold Recovery to gold dore: Based on the extensive metallurgical test work carried out on Challenger deposit and other deposits in the district.

Further details of the development plans, plant design, production schedules and operation are discussed in more detail in the [31 October 2022 ASX Announcement](#).

Table 3 - Sensitivity to changes in operating conditions

SENSITIVITY ANALYSIS		Net Cash Flow \$M	Change in Cash Flow %
Change			
Base Case		\$69.18	
Gold price	+10%	\$89.70	29.67%
	-10%	\$48.66	-29.67%
Recovery	+10%	\$70.89	2.47%
	-10%	\$67.47	-2.47%
Mining cost \$/t	+10%	\$61.29	-11.41%
	-10%	\$77.07	11.41%
Process cost \$/t	+10%	\$66.13	-4.40%
	-10%	\$72.23	4.40%
Capital Costs	+10%	\$66.80	-3.44%
	-10%	\$71.56	3.44%

This Study follows on from the Initial Scoping Study that was announced in [ASX Announcement 18 November 2021](#), and incorporates an additional 14,630oz in Production Targets from the open cut development at Caledonian. This has updated the before tax returns as follows:

- **Net Cash flow increased by 35%**
- **Project NPV increased by 37%**
- **IRR increased from 62% to 72%**



The current Scoping Study provides the foundations of an attractive project on which to proceed with development, but this project is expected to grow with new discoveries and regional acquisitions.

The Scoping Study assessed various options and development scenarios, including this Base Case. This Scoping Study clearly demonstrates the viability of the Adelong Gold Project and can now be used as a framework for assessing future project requirements (financing requirements, government approvals, and any additional drilling needed for underground mine planning) However, the study also provides the basic parameters and mine plans for the Company to obtain competitive quotes from contractors and to start the process of looking at the project funding options.

In order to formulate the Scoping Study, an assessment was made to determine what components of the current JORC Resources can be commercially developed (based on the available information at the time). In this regard, the following Production Targets shown in Table 4 have been identified as being commercial and form the basis of the production forecasts in this Scoping Study.

Table 4 - Production Targets used in the Scoping Study

Production Targets	Tonnes (t)	Grade g/t Au	Contained Gold (oz)	Measured Resources	Indicated Resources	Inferred Resources
Challenger Open Cut	372,397	3.79	45,426	78%	17%	5%
Challenger Underground	74,782	3.59	8,639	60%	40%	
Caledonian Open Cut	79,000	5.76	14,630		77%	23%
Currajong Open Cut	262,141	2.27	19,153		69%	31%
Total Treated	788,320†	3.47g/tAu	87,818oz	43%	40%	17%

This Scoping Study is based mainly upon Measured and Indicated Resources representing 83% of the Production Target. Table 5 demonstrates this, and it is the Company's view that the project would be viable based solely on these Measured and Indicated Resources. It should be noted that a large portion of the mainly "Inferred Resources" were not included in the Production Targets as they required more detailed drilling to allow mine planning and cost estimates to be properly assessed. In addition, all the resources estimates for this project were independently assessed and similarly, all the production targets generated from those resources were generated by independent consultants. The Company considers the production targets are a reasonable assessment of potential production within the level of accuracy of the Scoping Study.



Table 5 - Source of Estimated Profits in relation to Mineral Resource Categories and Production Schedules.

Production Targets	Estimated Contribution To Earnings (\$M)	Measured and Indicated Resources	Inferred & Resources	Schedule
Challenger Open Cut	\$50.6M	95%	5%	Year 1-3
Caledonian Open Cut	\$17.5M	77%	23%	Year 3
Currajong Open Cut	\$13.0M	69%	31%	Years 3-4
Challenger Underground	\$8.3M	100%		Years 4-5
Capital Cost(LOM)	(\$20.1M)			
Expected Earnings (\$M) Before Tax	\$69.2M	83%	17%	

Table 6: Resources Statement (JORC 2012) for the Adelong Gold Project based on 1g/tAu Cut-off

CHALLENGER deposit		Tonnes (t)	Au (g/t)	Au (oz)
Measured	60%	357,000	4.17	47,900
Indicated	23%	163,000	3.50	18,300
Inferred	17%	144,000	3.07	14,100
Total	100%	663,000	3.77	80,300
CURRAJONG deposit		Tonnes (t)	Au (g/t)	Au (oz)
Measured	-	-	-	-
Indicated	22%	126,000	2.57	10,400
Inferred	78%	407,000	2.63	34,400
Total	100%	533,000	2.61	44,800
DONKEY HILL deposit		Tonnes (t)	Au (g/t)	Au (oz)
Measured	-	-	-	-
Indicated	-	-	-	-
Inferred	100%	103,000	5.03	16,600
Total	100%	103,000	5.03	16,600
CALEDONIAN deposit		Tonnes (t)	Au (g/t)	Au (oz)
Measured	-	-	-	-
Indicated	57%	127,000	3.90	15,900
Inferred	43%	123,000	3.04	12,100
Total	100%	250,000	3.48	28,000
TOTAL ADELONG GOLD PROJECT RESOURCES*		Tonnes (t)	Au (g/t)	Au (oz)
Measured	25%	357,000	4.17	47,900
Indicated	20%	416,000	3.33	44,600
Inferred	55%	777,000	3.09	77,200
Total	100%	1,550,000	3.41	169,700

See [ASX releases 29 September](#) , [5 October 2021](#) and [31 October 2022](#) for the detailed JORC reports..



Future Plans

The Scoping Study provides a solid commercial foundation for the project with ample scope to expand on these resources with additional drilling or in 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 so the longer term focus will be to explore targets that can add to the mine life and economic returns.

Consideration will also be given to expanding these resources by corporate acquisitions as the immediate region has no gold processing plants operating in a 150km radius and the close proximity of the Adelong Plant to the Snowy Mountain Hwy (1.5km) which allows 40t trucks, would allow low cost transport of ore from this region.

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.

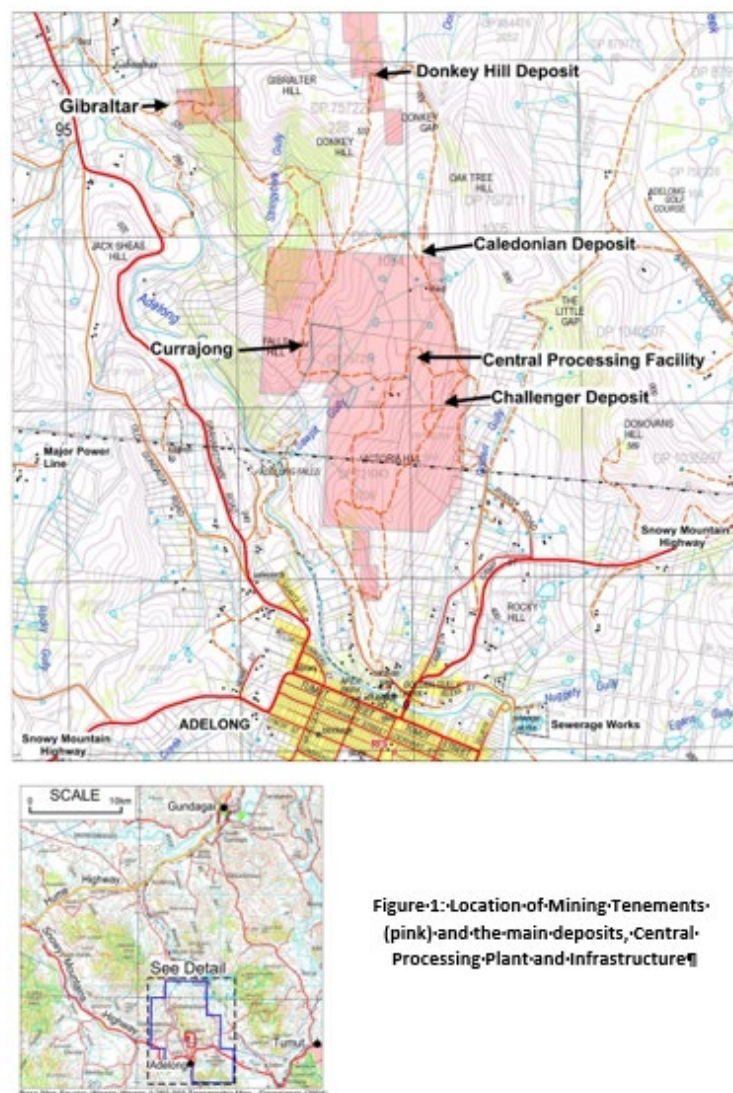


Figure 1: Location of Mining Tenements (pink) and the main deposits, Central Processing Plant and Infrastructure



GIBRALTAR DRILLING PROGRAM SUCCESSFULLY COMPLETED

In early November, the Company advised that it had successfully completed the program of Reverse Circulation drilling at Gibraltar which commenced in [late October](#). ([ASX Announcement 7 November 2022](#)). This program was designed to test for extensions to the recent discovery made in hole 3DGIB003 in April 2022 which had discovered a zone of gold mineralisation not previously tested to the west of that drill hole (3DGIB003).

A total of 541 metres of Reverse Circulation was completed in 7 drill holes. All holes intersected mineralisation whether it be quartz veining, pyrites or silicification, which are all common associates of the gold mineralisation at Gibraltar, however the drilling had also shown that there is a degree of geological complexity within this area both from late stage basic intrusives and faulting.



Figure 2 - Drilling activity at 3DGIB008



Figure 3 - Drilling at Gibraltar October 2022

Significant Exploration Results Received

Post end of quarter, on [17 January 2023](#), the Company announced that significant exploration results were received from the exploratory drilling at the Gibraltar deposit with this work confirming wide zones of mineralisation.

The first three drill holes west of the initial discovery hole demonstrated a wide zone of silicification with numerous intersections above cut-off grade as listed in Table 17, including several high grade zones. As was noted in the initial discovery hole (3DGIB003) there is pervasive silicic alteration and associated gold mineralisation over wide zones which in places exceeded widths of 50 metres but containing within this zone many higher grade zones.

These recent results confirm the discovery of a zone of shallow potentially open cuttable mineralisation. Furthermore, drill hole 3DGIB007 shows the zone of mineralisation is wider and grades improve with a total of 12 metres of higher grade intersections with cumulative weighted average grade of 6.43g/t Au. Given the success of this drilling, work can now start on bringing this deposit into the Company's resource inventory for the Adelong Gold Project.

Table 17 below shows the results of all intersections greater than 1g/tAu but does not fully reflect the significant mineralisation observed. The results show that in the first 90 metres of Drill Hole 3DGIB007 there was 65 metres having grades over 0.1g/tAu and all samples had gold values above detection which shows that the entire 90m has some degree of mineralisation. This is highlighting the potential for larger scale mineralised structures at Gibraltar that warrant further investigation. Furthermore, the Percy Shaft Workings showed that some of the better grades were mined at depth so a further program of drilling to explore the deeper extensions of this zone could generate additional significant deposits.



Table 7 - Gibraltar Drilling Results October 2022

GIBRALTAR HOLES	Easting MGA94 (z.55)	Northing MGA94 (z.55)	Elevation (m RL)	Depth (m)	Azimuth (° N Mag)	Inclination (°)	Intersections
3DGIB007	595,516	6,095,697	298	120	330	-50.0	1m @ 4.99g/t Au from 11metres 3m @ 12.57g/t Au from 20metres (including 1m @ 34.6g/t Au from 20metres) 3m @ 1.17g/t Au from 34metres 1m @ 3.73g/t Au from 43metres 2m @ 3.55g/t Au from 63metres 1m @ 1.6g/t Au from 70metres 1m @ 18.55g/t Au from 78 metres
3DGIB008	595,497	6,095,757	294	102	170.0	-55.0	1m @ 2.77g/t Au from 28metres 2m @ 2.2g/t Au from 38metres 1m @ 1.91g/t Au from 71metres 6m @ 2.73 g/t Au from 90metres (including 1m @ 8.58g/t Au)
3DGIB009	595,465	6,095,741	293	100	170.0	-55.0	1m @ 10.75 g/t Au from surface 1m @ 2.05g/t Au from 7metres 3m @ 1.6g/t Au from 27metres 1m @ 1.03g/t Au from 51metres 1m @ 1.88g/t Au from 61metres 1m @ 2.01g/t Au from 66metres
3DGIB010	595,414	6,095,730	281	50	170.0	-55.0	No Significant Intersections
3DGIB010A	595,416	6,095,721	293	72	350.0	-55.0	1m @ 1.23g/t Au from 41metres 1m @ 1.25g/t Au from 69metres
3DGIB011	595,450	6,095,716	290	43	338.0	-55.0	No Significant Intersections
3DGIB012	595,454	6,095,706	292	54	338.0	-55.0	No Significant Intersections

Further west of the initial three drill holes, the drilling of hole 3DGIB010 showed the geology had changed and a series of shallow drill holes were drilled both North and south in an attempt to locate the western extension with further exploration required.

The results announced 17 January 2023 came from drilling the western extension of the Perkin's Workings as depicted in Figure 4. This drilling showed a wide zone of mineralisation that is interpreted to have been caused by mineralisation flooding a breccia zone created by a strong north-south shear zone intersecting the ENE trending vein system extending from the Perkin's workings. This has many of the alteration/mineralisation characteristics of the 770,000oz Hobbs Deposit located at Mt Adrah some 15km NE from this site, with hornfels alteration, strong silicification, brecciation as well as sheet quartz veins within a granitic style intrusive.



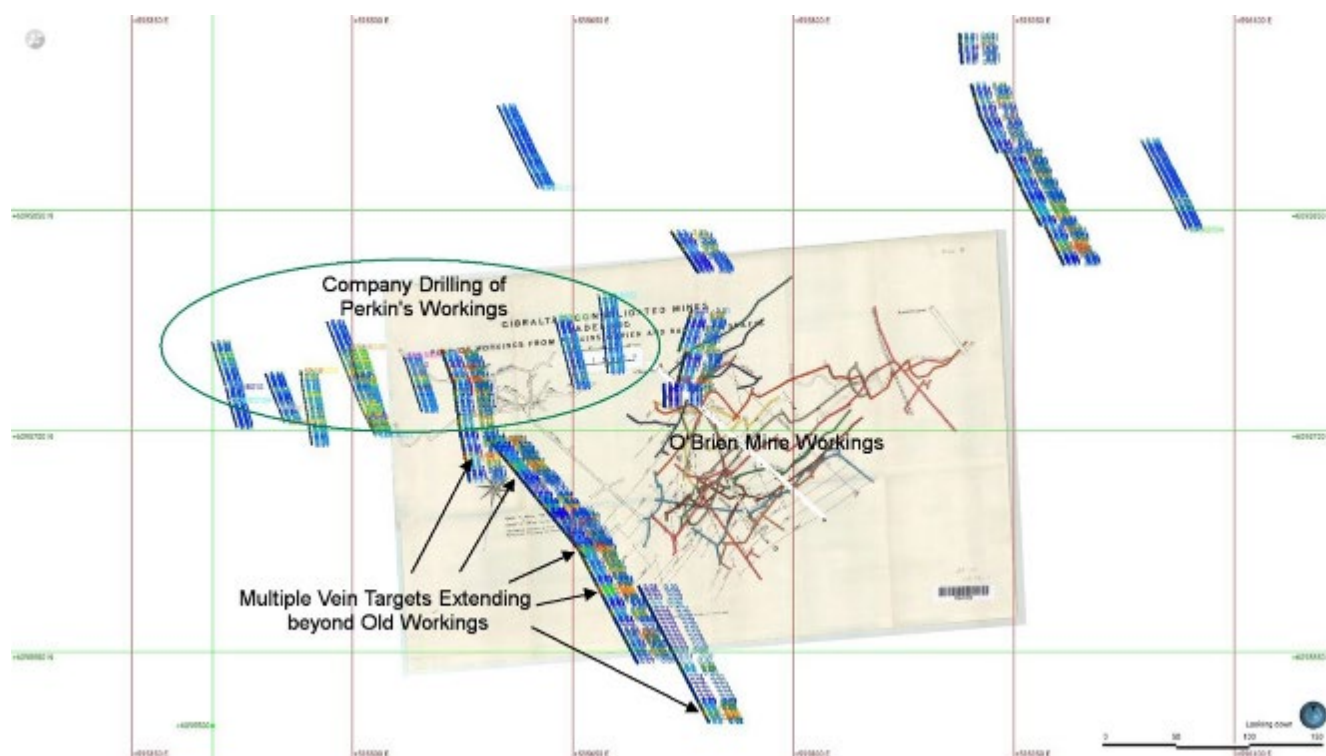


Figure 4- Plan giving an overview of the historical mining and drilling results at the Gibraltar Mine (Mine Plan as at 1916)

Future Plans

The recent drilling at Gibraltar was just the first phase of exploration designed to evaluate and expand the resources at Adelong. The specific sites selected were chosen as it was an area that could be drilled even in the prevailing wet conditions present in October 2022. Gibraltar offers several excellent targets for expanding the resources and the results of recent drilling has upgraded that potential.

Post end of quarter, the Company announced that a further program of drilling is planned to commence at the Adelong Gold Project in March 2023. ([ASX Announcement 30 January 2023](#)) Given the success of the recent program of drilling at Gibraltar, the Company has engaged Indicator Drilling to undertake a follow up program designed to better define the mineralisation with a view to preparing a JORC Resource Estimate for the area drilled to date, and to test similar deposits along the western extension of vein systems mined in the O'Brien Workings.

Currently there are no JORC Resources defined at Gibraltar and the exploration work to date indicates that potential commercial resources exist that can add to the overall project resources for the Adelong Gold Project. However the Gibraltar area also offers multiple exploration targets for expanding resources.

Work on modelling the recent exploration results and geology is underway and is expected to be completed sometime in late January/early February to generate drill targets for the forthcoming program. At this stage the plan is to undertake some additional drilling of the deposit discovered in the recent program, but also to test some of the western extensions to the O'Brien Workings that may offer similar targets to the recent discovery.



Subject to confirming that government approvals for drilling granted in April 2021 for drilling Caledonian remain current, an additional 2 drill holes may also be considered during this program. This would aim to test the northern extension to mineralisation identified in the 2022 program with the northern most drill hole 3DCAL009 intersecting 6 metres @ 6.68g/t Au before hitting 4m of old workings which presumably extracted the higher grade component of the deposit. (See ASX Announcement 30 May 2022)

Additional plans to drill other areas such as Caledonian North, Sawpit and Fletchers can now also be considered now that the ground conditions have dried out to allow access.

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.

CORPORATE

Capital Raising

Non-Renounceable Entitlement Offer

In late November, the Company announced it would undertake a pro rata non-renounceable rights issue on a 1 for 3 basis to raise up to \$1,181,833 before costs (Entitlement Offer). ([ASX Announcement 25 November 2022](#)) The Entitlement Offer, which was not underwritten, was to result in up to approximately 147,729,070 fully paid ordinary shares (Shares) being issued at 0.8 cents per Share (New Shares).

The Entitlement Offer was undertaken for the purposes of progressing exploration and development activity at the Adelong Gold project and to facilitate the Company investigating complimentary investment and project opportunities. The Directors of the Company, being Mr Ian Hastings, Mr Peter Mitchell and Mr John Chegwidan committed to take up their full entitlement under the Entitlement Offer. The other Director of the Company, Mr Justin Ward, is not a shareholder.

In late December, ADG announced that the Non-Renounceable Rights Issue was under-subscribed. ([ASX Announcement 22 December 2022](#)) Under the terms of the Rights Issue, the Directors of the Company have reserved the right to issue the Rights Issue shortfall of 132,093,679 ordinary shares at their discretion within three months of the Rights Issue closing date.

Shortfall Share Placement and Convertible Note

In January 2023, the Company announced that it had received firm commitments from sophisticated and professional investors to raise A\$1.15M (before costs) through a Share Placement (Placement) and Convertible Notes. ([ASX Announcement 23 January 2023](#))

Entitlements Issue Shortfall Placement Details

ADG 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). This represented a 50% premium to the entitlements offer price (A\$0.008).



Convertible Note Details

ADG 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%.

Cash

In total post the end of the quarter, ADG has raised \$1.275m (before costs) from the proceeds of the entitlement issue, share placement shortfall and the convertible notes which was broadly what the Company set out to raise when it announced the Entitlement Offer.

As at 31 December 2022, the Company had a reported cash position of \$312,000.

Related Party Payments

In line with its obligations under ASX Listing Rule 5.3.5, Adelong Gold Limited notes that the only payments to related parties of the Company, as advised in the Appendix 5B for the period ended 31 December 2022, pertain to payments of Directors Fees and reimbursement of arm-length expenses totalling \$89,000.

-Ends-

Released with the authority of the board.

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

www.adelonggold.com

CONTACT

Peter Mitchell

Managing Director

peter.mitchell@adelonggold.com

+61 400 880 309

Andrew Draffin

Company Secretary

Andrew.draffin@adelonggold.com

+61 3 8611 5333

Mark Flynn

Investor Relations

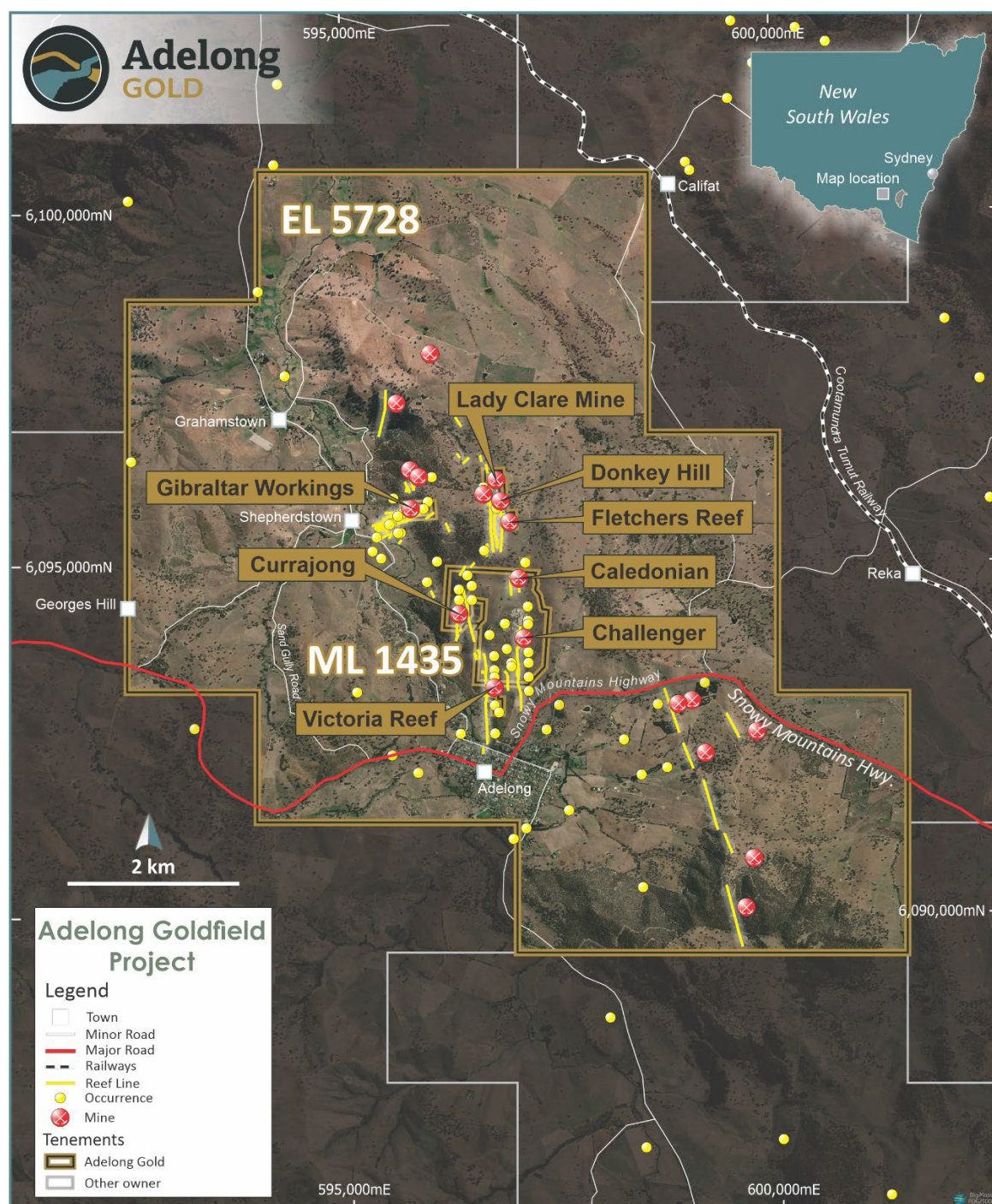
mark.flynn@adelonggold.com

+61 416 068 733



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, 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, following the resource upgrade on 31 October 2022 of 169,700 oz of gold as well as 17 freehold properties with all mining and processing plant equipment onsite. Until recently, Adelong was a producing mine.



COMPETENT PERSONS STATEMENT

Information in this "ASX Announcement" relating to Exploration Results, geological data, and metallurgical testing has been compiled by Mr. Peter Mitchell. Mr Peter Mitchell is a Member (#104810) of the Australasian Institute of Mining and Metallurgy, the Institute of Materials, Minerals and Mining and the Canadian Institute of Mining, Metallurgy and Petroleum. He is Managing Director and paid by Adelong Gold Ltd. Peter Mitchell 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) Mr Peter Mitchell believes that these Resource Estimates fairly represent the resources the subject of this Report.

AUSTRALIAN TENEMENT SCHEDULE AT 31 DECEMBER 2022

In accordance with ASX Listing Rule 5.3.3, Adelong Gold Limited provides its list of exploration licences with its September quarterly activities report.

Project and Location	Tenements Held at Commencement of Quarter	Tenements Acquired or Disposed of During Quarter	Beneficial Interest at End of Quarter	Areas Ha	Notes
Adelong, NSW	ML1435, MCL 279-291, MCL 311-313,	No Change No Change No Change	100% 100% 100%	145Ha 24.4Ha 5.5Ha	Acquired through the acquisition of Challenger Mines Pty Ltd in May 2020. ML1435, MCL 279-291, and MCL 311-313 recently renewed to 27 September 2040. EL 5728 renewed to 17 May 2028
	EL5728	No Change	100%	6,835Ha	

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of Entity

ADELONG GOLD LIMITED

ABN

15 120 973 775

Quarter ended ("current quarter")

31 DECEMBER 2022

Consolidated Statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(211)	(401)
1.3 Dividends received	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from/(used in) operating activities	(210)	(400)

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

	Current quarter \$A'000	Year to date (6 months) \$A'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	(152)	(188)
(e) investments	-	-
(f) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from/(used in) investing activities	(152)	(188)

	Current quarter \$A'000	Year to date (6 months) \$A'000
3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	125	452
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities ¹	(41)	(54)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from/(used in) financing activities	84	398

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

	Current quarter \$A'000	Year to date (6 months) \$A'000
4. Net increase/(decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	590	502
4.2 Net cash from /(used in) operating activities (item 1.9 above)	(210)	(400)
4.3 Net cash from /(used in) investing activities (item 2.6 above)	(152)	(188)
4.4 Net cash from /(used in) financing activities (item 3.10 above)	84	398
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Effect on deconsolidation of subsidiary	-	-
4.7 Cash and cash equivalents at end of period	312	312

	Current quarter \$A'000	Previous Quarter \$A'000
5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		
5.1 Bank balances	312	590
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	312	590

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000
89
-

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing Facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities		

7.5 Unused financing facilities available at quarter end -

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

N/A

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from/(used in) operating activities (item 1.9)	(210)
8.2 Payments for exploration & evaluation classified as investing activities (item 2.1(d))	(152)
8.3 Total relevant outgoings (item 8.1 + Item 8.2)	(362)
8.4 Cash and cash equivalents at quarter end (item 4.6)	312
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	312
8.7 Estimated quarters of funding available (Item 8.6 dividend by Item 8.3)	0.9

8.8 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not ?

Yes

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

The Company recently raised \$1,150,000 through a part placement of its entitlements shortfall and a convertible note issue.

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis ?

Yes, the Company has sufficient funds post the completion of the capital raise.

Appendix 5B

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Compliance Statement

1. This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
2. This statement gives a true and fair view of the matters disclosed.

Date: 31 January 2023

Authorised by: Andrew Draffin
Company Secretary

Notes:

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the {name of board committee - eg *Audit and Risk Committee*}". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration for its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system risk management and internal control which is operating effectively.