

## SEPTEMBER 2024 QUARTERLY ACTIVITIES REPORT

### HIGHLIGHTS

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#### Adelong Gold Project

- New exploration consultant, Steven Cooper, completed an initial site program
- 46 soil samples collected north of the Currajong gold deposit showed preliminary arsenic and antimony presence
- Results from additional soil sampling highlight further drill targets commencing ~500 metres to NW of Adelong Mill along strike from the Currajong gold deposit
- From just 46 soil samples, two returned >1 g/t Au with peak results of 3.03 and 1.39 g/t Au
- 30% of the samples contained over 0.1 g/t gold (and all were above the detection limit), indicating proximity to the gold source
- The new sampling appears to delineate target zones, and a drilling program is being planned to focus on upgrading and extending resources within the Scoping Study (Challenger, Currajong and Caledonian) in support of an upgraded study
- Post end of quarter, Adelong Gold 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 to retain a 49% interest in CGM and is not required to make any cash contributions until gold production commences

#### Brazilian Critical Minerals Projects

- Early-stage exploration program at Paraiba (Phase 2) successfully completed
- Results from 56 stream sediment samples and 7 isolated rock chip samples received and analysed
- Potential lithium-bearing pegmatites identified, and key rare earth pathfinders confirmed high exploration potential



- Follow-up exploration program planned to refine and expand on identified lithium and REE anomalies in key areas
- Paraíba licenses complement the three highly prospective exploration tenements in Brazil's prolific 'Lithium Valley' of Minas Gerais and are in close proximity to Summit Minerals Ltd (ASX:SUM) Equador Nb-REE Project
- Adelong Gold is continuously assessing other areas of interest in Brazil to expand its exploration activities and identify new opportunities

#### Corporate

- Adelong Gold executed a binding agreement with Sarama Resources Ltd. and Cosmo Gold Ltd. to settle an outstanding loan, with Adelong set to receive Sarama shares valued at ~\$875,000

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**Adelong Gold Limited** (ASX:ADG) (**Adelong** or the **Company**) is pleased to provide its Quarterly Activities Report for the quarter ending 30 September 2024.

#### ADELONG GOLDFIELD, SOUTHERN NSW

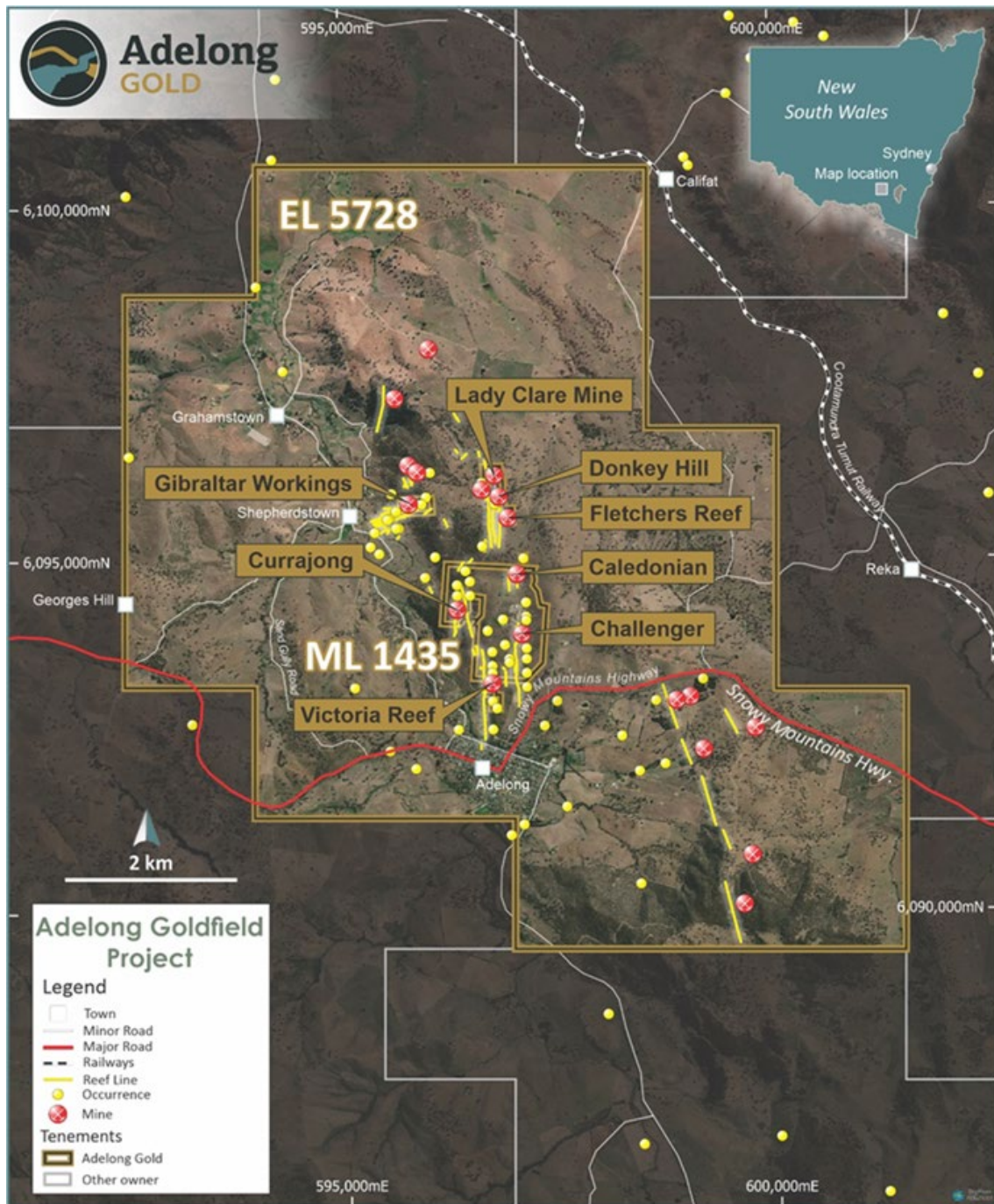
In September, Adelong Gold announced the appointment of an exploration consultant, Steven Cooper, who completed an initial site program at the Adelong Gold Project (refer [ASX Announcement 9 September 2024](#)).

Steven Cooper is the Principal Consulting Geologist of Orogenic Exploration Pty Ltd. He has extensive experience in gold exploration and brings a wealth of knowledge to the team as the Company progresses with the Adelong Gold Project.

Orogenic Exploration commenced work by completing an initial site program at the Adelong Gold Project in early September. This program focused on an area north of the Currajong deposit, where 46 soil samples were collected and analysed using portable X-ray fluorescence (pXRF). Preliminary data indicates the presence of arsenic and antimony, which are often associated with gold mineralisation.

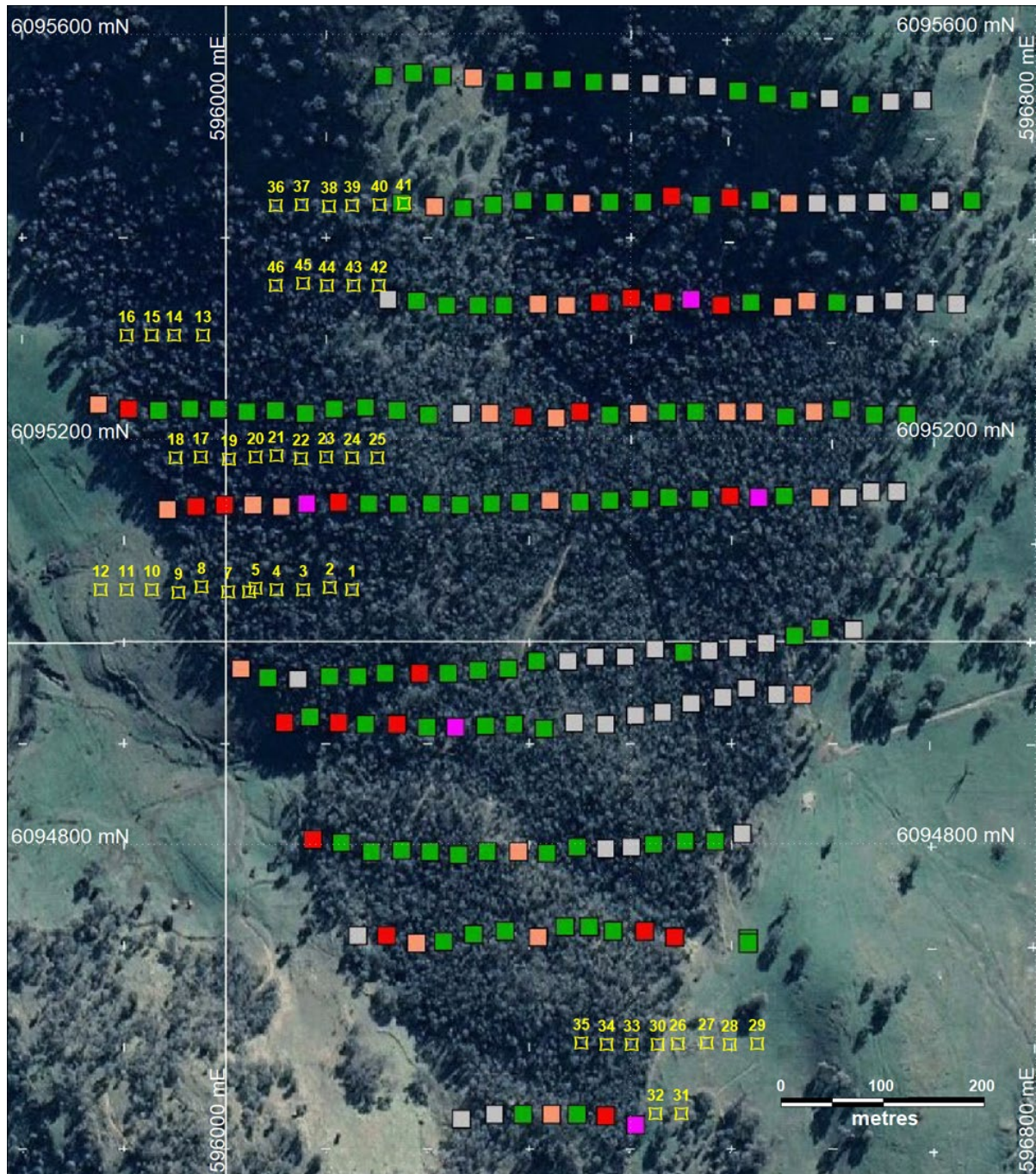
Post end of quarter, Adelong Gold announced the completion of a second-stage soil sampling program to the north of the Currajong deposit at the Adelong Gold Project (refer [ASX Announcement 15 October 2024](#)). The program was designed to test an area to the north-west of the Adelong Mill between the Currajong and Gibraltar Workings and has successfully highlighted a number of further drill targets.





*Figure 1: Adelong Goldfield Location Map*





**Figure 2:** Currajong Soil Sampling Map, September 2024 (Note Anomalous values from previous sampling: Light Red 0.05ppm-0.2ppm Au, Dark Red 0.2ppm – 0.999ppm Au, Pink >1ppm Au)

### Soil Sampling Program

A soil sampling program was undertaken to the north of the Currajong deposit, with 46 samples taken on seven traverses designed to in-fill and extend the previous soil sampling (refer [ASX Announcement 14 March 2024](#)) over a strike length of ~1,000m (Figure 3). The soil samples were generally around 25 metres apart along the traverses and from a depth of 0.1 to 0.5 metres. The results include two samples of >1 g/t Au and a peak result of 3.03 g/t Au and highlight the potential for multiple lines of mineralisation striking NNW (see Figure 5) akin to the adjacent deposits in the immediate area (Challenger, Currajong and Caledonian). Significantly, all soil samples were above the detection limit for gold (0.001 g/t Au), which adds confidence to the interpretation. Of the 46 soil samples, 30% were above 0.1 g/t gold, indicating the close proximity of the soil samples to the source of the gold.

The area sampled commences ~500 metres to the north-west of the Adelong Mill and the recent samples were collected and analysed in the same manner as the previous soil sampling program. Some elevated gold in soil samples are at the end of traverses, which requires follow-up sampling. The soil sampling provides an excellent opportunity to extend resources within the key project area and add further material to the production targets already defined in the Scoping Study. Detailed pXRF data and other elements analysed by ASL Geochemistry will be used to map the geology beneath the thin soil.

Some of the dumps were sampled during the previous soil sampling. It is important to note that none of the dump material has been included to date in the Company's Scoping Study but given the grade and location of some of these dumps, it clearly provides a potential upside opportunity. The Company will continue to evaluate these opportunities to improve further the attractive commercial outcomes outlined in the Scoping Study.

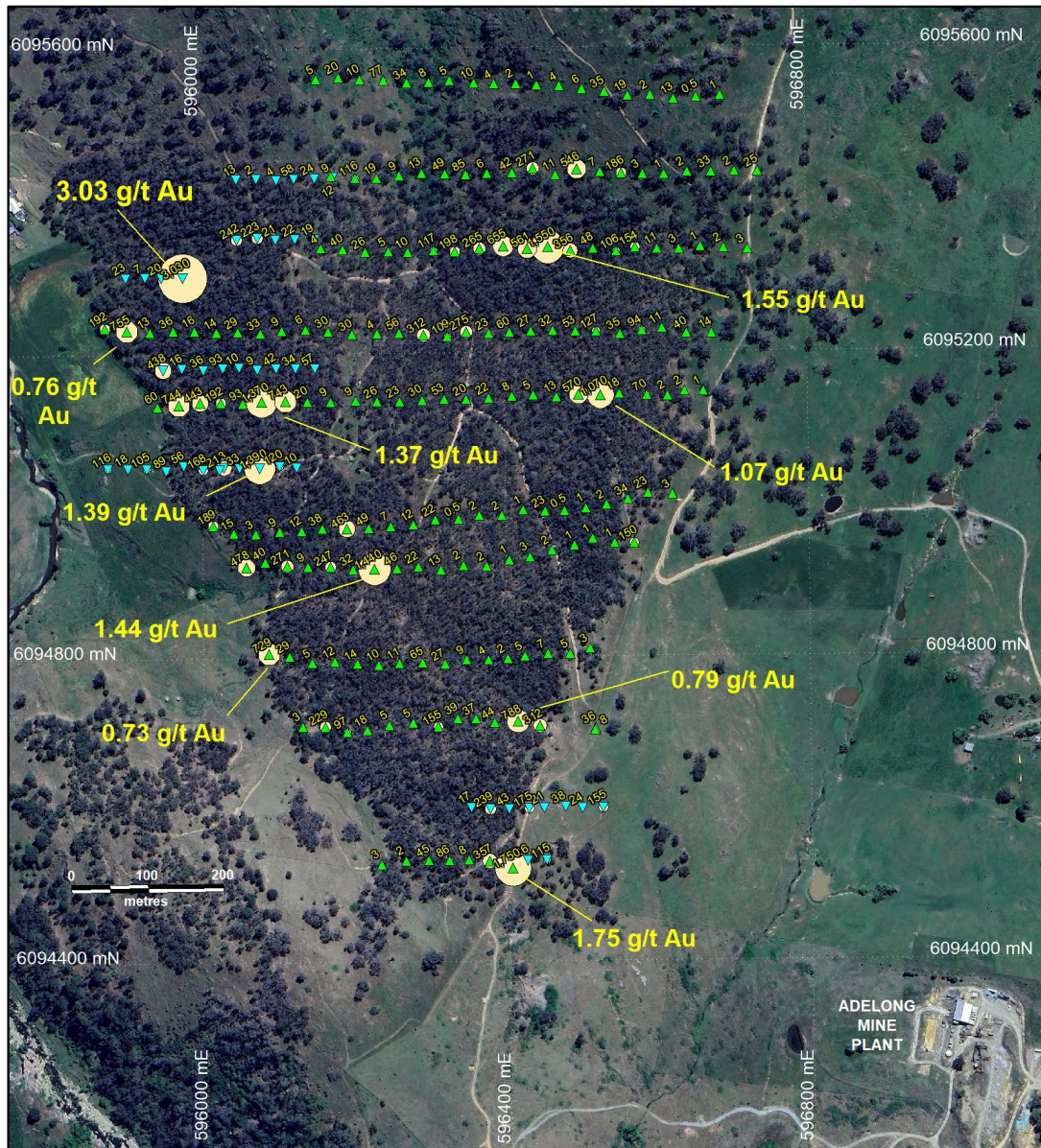
### Next Steps

The Company is currently planning further drilling within the key deposits that comprise the Scoping Study (Challenger, Currajong and Caledonian) to potentially upgrade and extend these resources. This focused approach aims to expedite the project's path to production and update the current study. These plans will be reviewed with Great Divide Mining (GDM) in the light of the new joint venture agreement announced on 24 October 2024 and described in detail below.

Further drilling on more peripheral resources (Gibraltar, Fletcher, Sawpit) will be deferred for the time being to focus on bringing the project into production on the shortest possible path. It is important to note that the Company sees great longer-term value in the regional opportunities within the broader Adelong tenements and will look to implement a phased program where these are evaluated at the appropriate time.

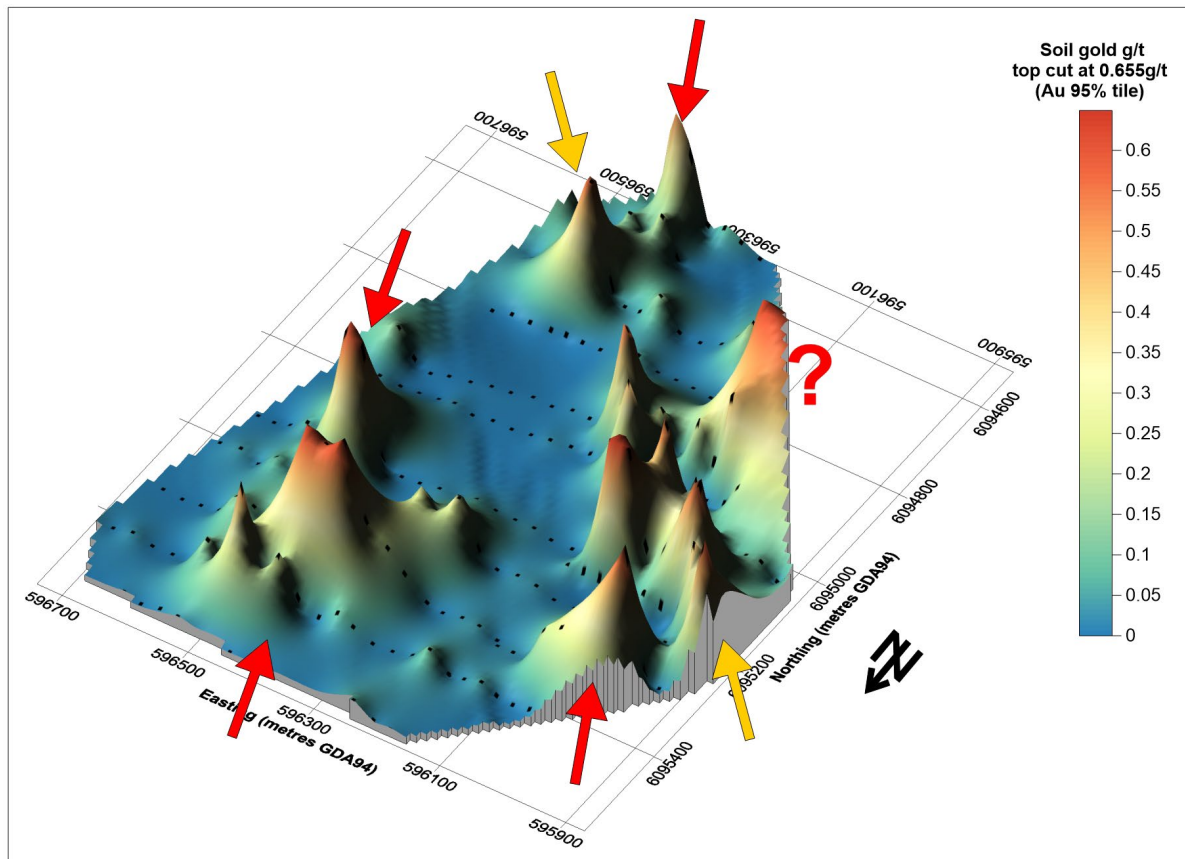






**Figure 3:** Gold results of soil sampling program immediately to the north of the Currajong deposit and to the north-west of Adelong Mill. Au values in ppb, blue triangles current samples, and green triangles are samples from previous soil sampling (ASX release 14 March 2024). Yellow circles reflect gold content.





**Figure 4:** The combined soil sampling program results showing linear trends with very elevated gold in the soil. All soil gold values above 0.655 g/t Au were reduced to that value for this image. The orientation of the elevated mineralisation on the southwest side is unknown.



**Figure 5:** Augering sample CM24-13 which contained 3.03 g/t gold. The soil sample was collected at 0.15cm depth.



**Figure 6:** Sample CM24-13, which contained 3.03 g/t gold. The brown silty clay soil is sitting on kraft paper and has just been measured with the magnetic susceptibility (yellow instrument). The auger hole is backfilled and sealed following the bagging of the sample.

Post end of quarter, Adelong Gold announced that it had 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 (refer [ASX Announcement 24 October 2024](#)).

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.

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.

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><b>Due Diligence:</b> 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><b>Regulatory Approvals:</b> GDM receiving all necessary or desirable regulatory approvals to effect the transaction.</p> <p><b>Subscription:</b> GDM subscribing for shares in CGM in the sum of \$300,000 to acquire a 15% equity interest.</p>   |
|                           | Initial Funding      | <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 subscription funds held in CGM 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 initial works.</p> <p><b>Subsequent Works:</b> 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><b>Manager:</b> 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> <p><b>Further Equity:</b> 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> |

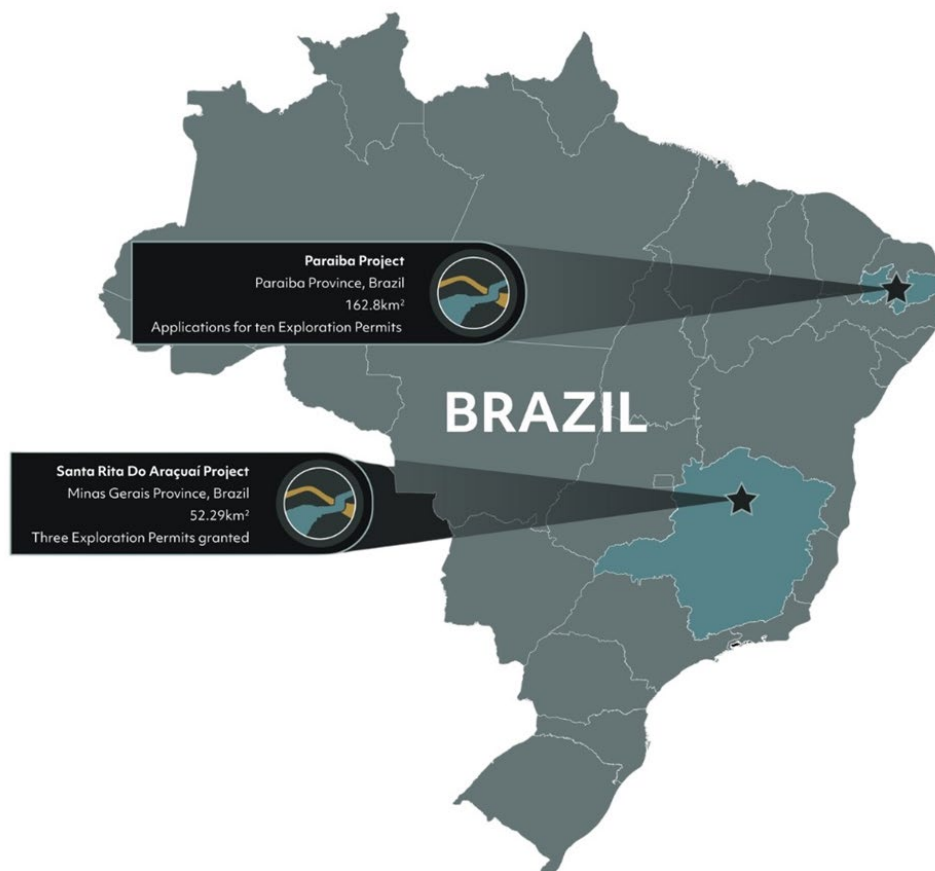


|  |                             |  |
|--|-----------------------------|--|
|  | <b>Board and Management</b> | <p><b>Board:</b> The board of CGM is to be comprised of two (2) members appointed by GDM and two (2) members appointed by ADG. In the event of a split decision of the Board of CGM, a director appointed by the AV Manager shall have a casting vote.</p> <p><b>Management:</b> 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><b>Management Fee:</b> 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"> <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 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 critical minerals exploration projects in Minas Gerais and Paraiba, remain unaffected by this transaction. The Company continues to explore and develop its highly prospective critical minerals tenements in Brazil, and those projects will operate independently of this partnership with Great Divide Mining.

## BRAZIL CRITICAL MINERALS PROJECTS



*Figure 7: Project locations of Adelong's Brazil Lithium Projects*

### Paraiba Province, Brazil

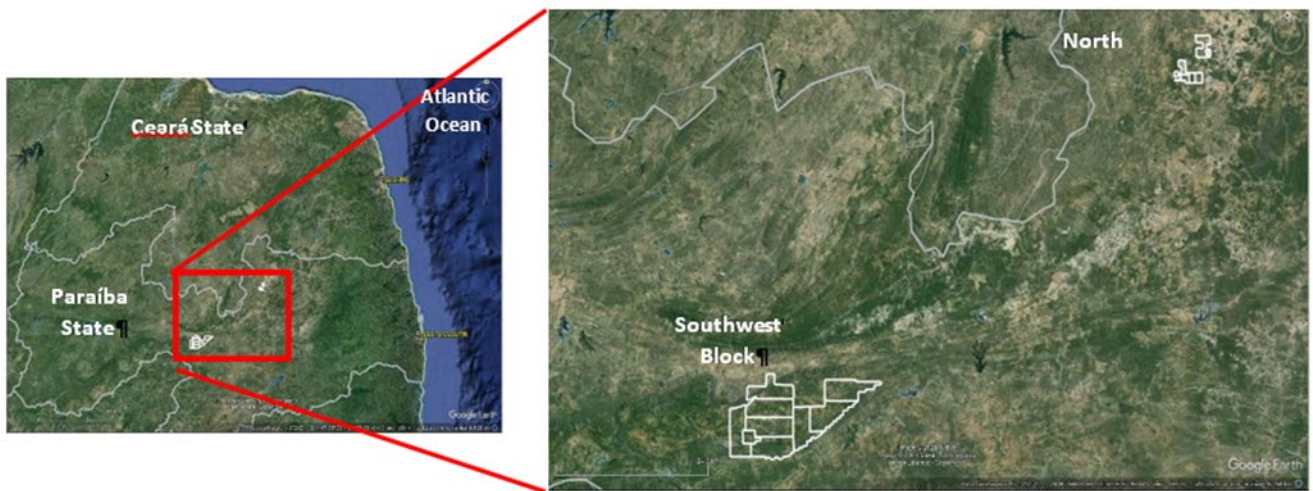
The Phase 2 exploration program at the Paraiba Tenements in northeastern Brazil, which commenced in June (refer to [ASX Announcement 11 June 2024](#)), was successfully completed in September. (refer to [ASX Announcement 16 September 2024](#))

This phase involved extensive stream sediment and rock chip sampling to assess the mineralisation potential of lithium and rare earth elements (REE) across the region. The results from this program are encouraging and set the stage for the next critical phase of exploration.

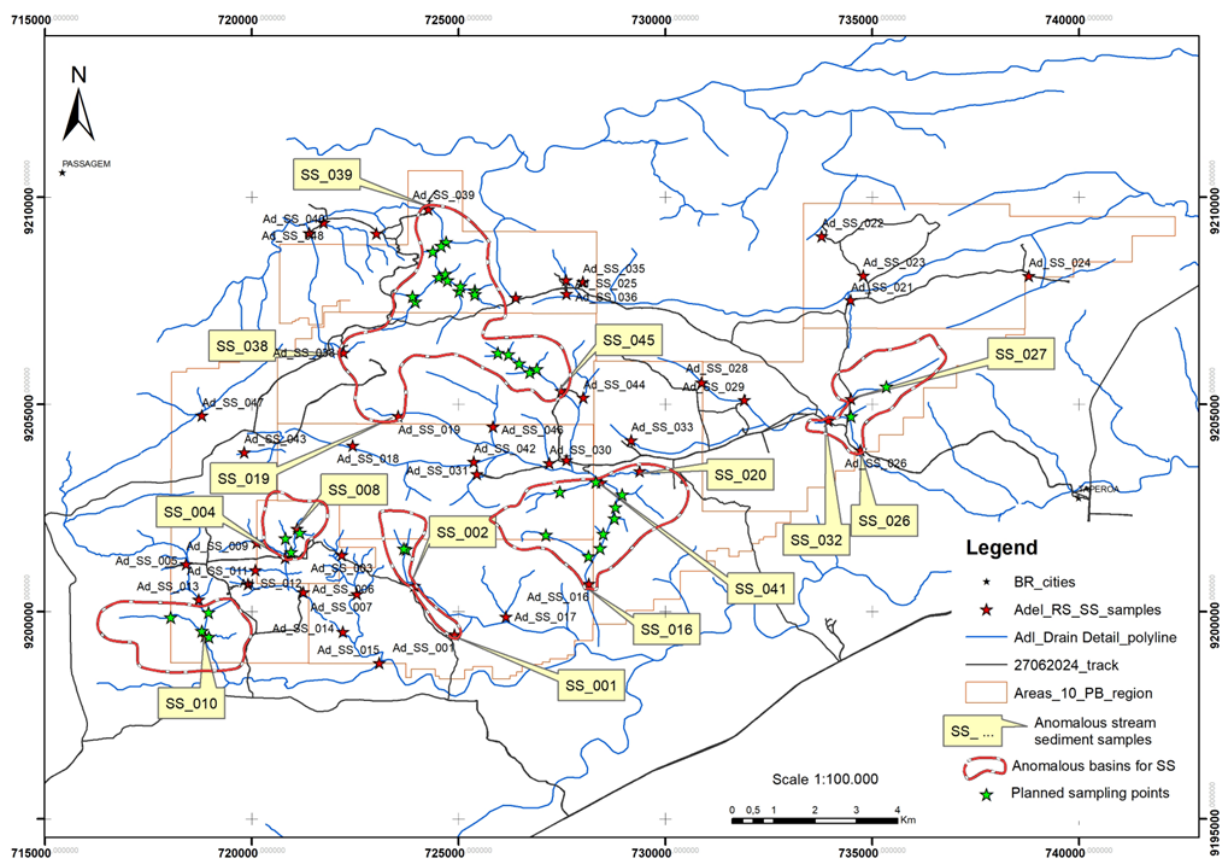
The 10 Brazilian licenses that the Company was granted (see [ASX Announcement 4 March 2024](#)) in the Paraiba Province Project (Figure 8) are divided into two blocks: North Block (2 tenements near the Nova Palmeira town) and Southwest Block (8 tenements near the Taperoá town).

The licences granted to Adelong are near Summit Minerals (ASX:SUM), Equador Nb-REE Project within Paraiba State, which is host to some of the world's most important sources of tantalum, rare earth elements (REEs) and beryllium and produces significant quantities of gemstones. The Paraiba tenements, located in the Taperoá region within the Borborema Pegmatite Province, hold untapped lithium and REE mineralisation potential.





**Figure 8:** Location of the tenement packages within Paraíba State



**Figure 9:** Plan showing the location of the six (6) anomalous drainage basins defined by the reconnaissance phase stream sediment sampling program and requiring further focused follow-up exploration.

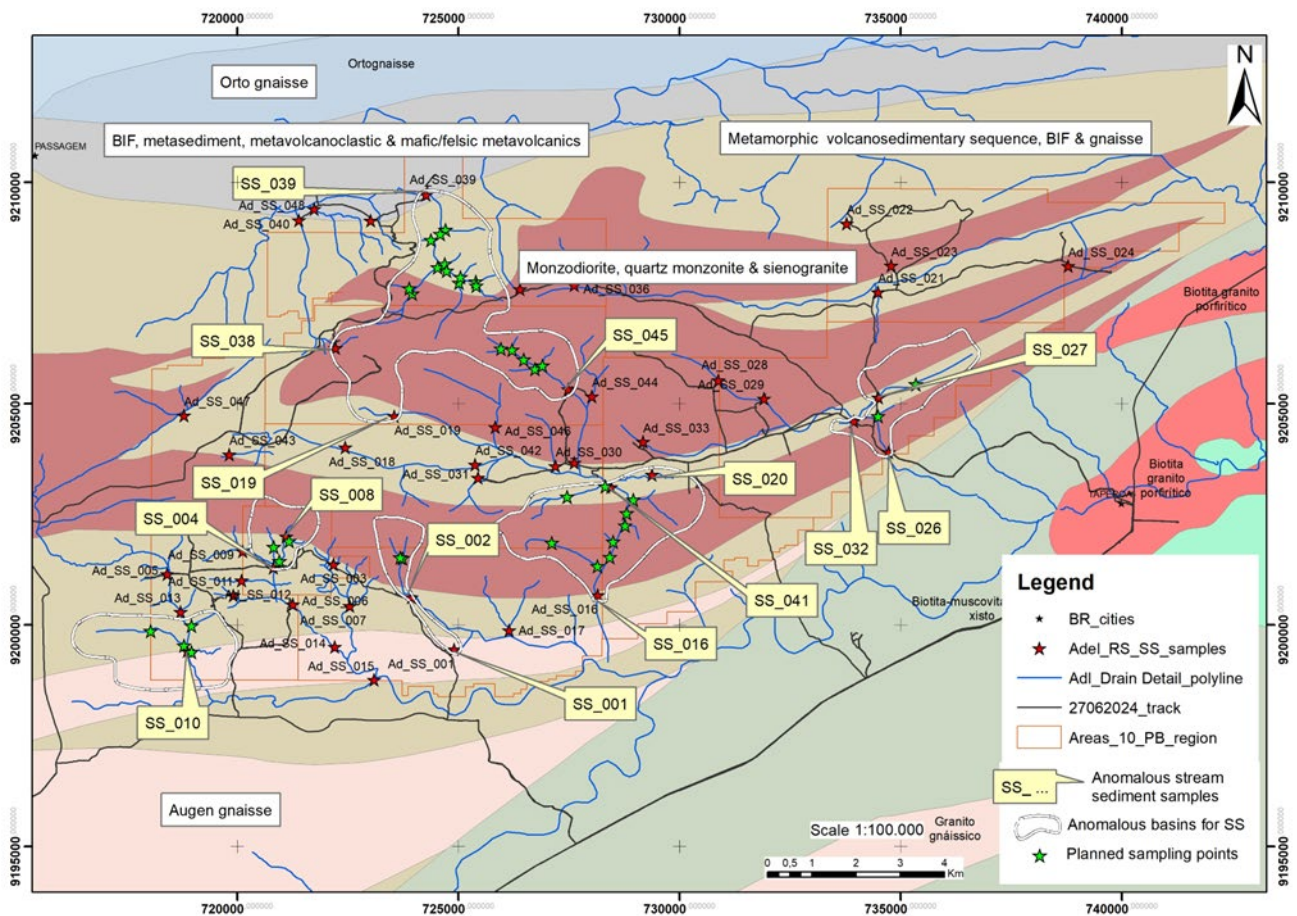
## Exploration Results

The analytical results of 56 stream sediment samples and 7 rock chip samples returned promising findings:

- **Geochemical Anomalies Identified:** Approximately 30% of the stream sediment samples from the Taperoá region revealed anomalous concentrations of key lithium pathfinder elements, including cesium (Cs), rubidium (Rb), niobium (Nb), tantalum (Ta), and others. Additionally, rare earth elements were also identified in several samples. These anomalies indicate the potential for mineralised (LCT type), lithium and REE-bearing pegmatites. The geochemical survey identified anomalies in elements like Zn, Cs, Nb, Rb, and Ta, which serve as key pathfinder elements for lithium mineralisation in LCT pegmatites, consistent with findings in other pegmatite-rich regions of Brazil.
- **Rock Chip Sampling:** While lithium concentrations in rock chip samples were relatively low due in part to surface depletion of lithium in the tropically weathered regolith sampled, beryllium and other lithium-related pathfinders were detected from samples collected from currently inactive, historical old workings encountered within the southern license block. This, along with the presence of some nearby (but just outside the Adelong tenements) small-scale, active garimpeiro workings for gemstones from heterogeneous pegmatites, provides further evidence highlighting the potential for mineralised pegmatite granite systems in this part of the tenement package. The relatively low lithium concentrations in rock chip samples may be attributed to surface depletion due to tropical weathering, as is common in the Borborema Pegmatite Province. Nonetheless, the detection of pathfinder elements like beryllium (Be) and cesium (Cs) in these samples suggests proximity to lithium-bearing pegmatites, warranting further exploration in less weathered areas or deeper drilling

The identification of these geochemical anomalies marks an essential milestone in the exploration of the Paraíba tenements. The data gathered from this program has helped define exploratory targets, significantly narrowing down the areas of interest for future work.





**Figure 10:** Plan showing the location of the six (6) anomalous drainage basins defined by the reconnaissance phase stream sediment sampling program over the regional geology; brown represents intrusive suites comprising monzodiorite, quartz monzonite and syenogranite intruding basement gneiss and schist sequences.

## Next Steps

The Company is planning a targeted follow-up exploration campaign. The follow-up exploration campaign will focus on the six anomalous drainage basins in the Taperoá region, aiming to define subsurface pegmatite bodies with lithium mineralisation. Additional stream sediment and rock chip sampling, along with detailed mapping, will be conducted to locate the primary sources of these anomalies.

The next exploration phase will target deeper subsurface investigations, potentially via core drilling, in areas where tropical weathering may have obscured lithium-bearing pegmatites. Further geochemical correlation studies, including lithium pathfinders such as Nb, Rb, and Cs, will focus on identifying pegmatites with economic-grade lithium mineralisation.

In addition to lithium, the presence of REE pathfinders and nearby garimpeiro workings suggests that this region holds potential for multicommodity mineralisation, further justifying our exploration efforts.



The follow-up campaign will be crucial in defining the full potential of the Paraiba tenements, particularly as the region has shown strong promise for hosting pegmatites similar to those found in other lithium-rich districts in Brazil. Adelong remains committed to advancing its exploration efforts in this highly prospective region.

#### **Santa Rita do Araçuaí Lithium Project, Minas Gerais, Brazil**

Adelong completed its initial field reconnaissance program at its Santa Rita do Aracuai project in Brazil's Lithium Valley, Minas Gerais, in February. ([ASX Announcement 27 February 2024](#)) The program provided an overview of the area's geology to assist in targeting future work programs and identified two key areas for further exploration.

The Company is planning further work programs for the project area, including:

- Detailed mapping in the central anomalous area and the area adjacent to Cachoeira do Norte of the project, where structural lineaments converge, quartz veins, kyanite and albite are present, and porphyroblasts of sillimanite and staurolite/cordierite occur, to identify the presence of pegmatitic bodies and/or further indications.
- Stream sediment/float sampling in the same two areas to identify lithium anomalies and/or indicator minerals.

## **CORPORATE**

### **Binding Agreement to Settle Cosmo Gold Loan**

In August, Adelong executed a binding agreement (Agreement) with Cosmo Gold Limited (Cosmo) and Sarama Resources Ltd. (ASX:SRR) (Sarama) to accept fully paid ordinary shares and options in Sarama in full settlement of the loan obligations owed by Cosmo to Adelong Gold. (Refer [ASX Announcement 14 August 2024](#))

### **Background**

On 27 August 2020, the Company announced its intention to sell its Cosmo Newbery gold project to Cosmo, its then wholly owned subsidiary, and for Cosmo to undertake an initial public offering (IPO) and seek admission to the ASX. As consideration for the transfer of the Cosmo project, Cosmo agreed to pay Adelong \$750,000 for costs incurred in relation to the Cosmo project (of which \$500,000 has already been received by the Company).

On 25 June 2021, Adelong Gold announced that Cosmo had withdrawn the IPO following delays associated with obtaining the required ministerial approvals of a mining permit for part of the Cosmo project caused by the then-recent Western Australian (WA) election. The IPO initially received commitments in excess of the \$5 million target raising. However, the continued delays in receiving the mining permit from the WA government resulted in the withdrawal of the IPO.

The Company has continued to advance loan funds to Cosmo for its operations pursuant to a secured loan arrangement, where the amount presently owed by Cosmo to Adelong Gold is \$1,538,957.



### **Binding agreement to settle Loan**

The Company executed a binding agreement with both Sarama and Cosmo, under which Cosmo has agreed to sell 80% of its interest in the project to Sarama. Sarama completed various funding obligations for the project. The transaction is subject to numerous Conditions Precedents (as set out in the agreement and below), including full settlement of the loan owed by Cosmo to the Company. The loan is proposed to be fully settled in consideration of the Company receiving 25 million fully paid ordinary shares in Sarama (SRR Shares) and 7.5 million options to acquire shares in Sarama exercisable within 2 years at \$0.05 per option (SRR Options). Based on the closing SRR share price of \$0.035 on 25 October 2024, the SRR Shares to be transferred to the Company as part settlement of the loan to Cosmo are valued at \$875,000.

Under the Agreement, Sarama shall be entitled to acquire Cosmo's remaining 20% interest in the project for the sum of \$1.25 million, payable in cash or Sarama shares at Sarama's election at any time within a two year period. If Sarama does not exercise that right, then Cosmo will be free carried to a decision to mine.

Conditions precedent to the Agreement include the following:

- a) Assignment of Native Title and Land Access Agreements by Cosmo to Sarama;
- b) Transfer of 80% of the project by Cosmo to Sarama;
- c) Approval by the Cosmo and Adelong Gold boards of a Definitive Agreement and all any other related agreements (completed);
- d) Receipt of shareholder approval by Cosmo for the sale and transfer of the initial 80% interest in the project and the remaining 20% interest in the project should Sarama exercise its right to acquire that remaining interest;
- e) Settlement of the loan owed to Adelong Gold by Cosmo;
- f) Cosmo to provide a statement of solvency at execution and completion from its current directors;
- g) Tenure of the Cosmo project not to be relinquished or forfeited at any point;
- h) Approval of the TSX Venture Exchange to the issue of the SRR Shares and the SRR Options.

### **Next Steps**

The expenditures required to maintain the Cosmo Licenses in good standing under the terms of the agreement have already been met by Sarama save for a portion of Native Title payments to be paid on assignment of the Native Title agreements and Sarama has already received shareholder approval for the proposed transaction. Cosmo has convened a meeting to seek shareholder approval to be held on 4 November 2024. Once those approvals are received and the remaining Conditions Precedent are met and the transfer of licenses and agreements to Sarama is completed, it is expected that Adelong Gold will then receive the SRR Shares and SRR Options.



## Cash

As at 30 September 2024, the Company had a reported cash position of \$0.45m.

## Related Party Payments

In line with its obligations under ASX Listing Rule 5.3.5, Adelong notes that the only payments to related parties of the Company, as advised in the Appendix 5B for the period ended 30 September 2024, pertain to payments of Directors Fees and reimbursement of arm-length expenses totalling \$80,000.

## -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)

## CONTACT

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### Ian Holland

Managing Director

[ian.holland@adelonggold.com](mailto:ian.holland@adelonggold.com)

+61 428 397 245

### Andrew Draffin

Company Secretary

[Andrew.draffin@adelonggold.com](mailto:Andrew.draffin@adelonggold.com)

+61 3 8611 5333

### Mark Flynn

Investor Relations

[mark.flynn@adelonggold.com](mailto:mark.flynn@adelonggold.com)

+61 416 068 733

## ABOUT ADELONG GOLD

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Adelong Gold Limited (ASX:ADG) is a minerals explorer that owns the Adelong Gold Mine in New South Wales (NSW) and a highly prospective Lithium Tenement package in the prolific 'Lithium Valley' of Minas Gerais, 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 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 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 Aracuaí Lithium Project) located in the world-class 'Lithium Valley' in



Minas Gerais, 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 162.8km<sup>2</sup>. 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.

## 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). This experience has included significant periods managing exploration programs and undertaking project evaluation activities in geological settings with the style of mineralisation relevant to these projects. Mr Ian Holland consents to the inclusion of the exploration results in the form and context it is presented in this market announcement under Listing Rule 5.22.

## AUSTRALIAN TENEMENT SCHEDULE AT 30 SEPTEMBER 2024

In accordance with ASX Listing Rule 5.3.3, Adelong Gold Limited provides its list of exploration licences with its December 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,<br>MCL 279-291,<br>MCL 311-313,   | No Change<br>No Change<br>No Change              | 100%<br>100%<br>100%                  | 145Ha<br>24.4Ha<br>5.5Ha | Acquired through the acquisition of Challenger Mines Pty Ltd in May 2020. ML1435, MCL 279-291, and MCL 311-313 renewed to 27 September 2040. EL 5728 renewed to 17 May 2028 |
|                      | EL5728                                    | No Change  | 100%                                  | 6,835Ha                  |   |

## BRAZILIAN TENEMENT SCHEDULE AT 30 SEPTEMBER 2024

| Project and Location  | Tenements Held at Commencement of Quarter | Tenements Acquired or Disposed of During Quarter | Beneficial Interest at End of Quarter | Areas (km <sup>2</sup> ) | Notes   |
|---|---|--|---------------------------------------|--------------------------|---|
| Santa Rita do Araçuaí Lithium Project, Minas Gerais, Brazil | 832.014                                   | No Change  | 100%                                  | 19.30                    | ADG's wholly owned subsidiary Adelong Gold Brasil Ltda. hold the granting of the licenses by the Brazilian National Mining Agency.      |
|   | 832.015                                   | No Change  | 100%                                  | 19.31                    |   |
|   | 832.016                                   | No Change  | 100%                                  | 13.69                    |   |
| Paraíba Province, Northeastern Brazil                       | 846361/2023                               | No Change  | 100%                                  | 5.60                     | ADG's wholly owned subsidiary Adelong Gold Brasil Ltda. will hold the granting of the licenses by the Brazilian National Mining Agency. |
|   | 846362/2023                               | No Change  | 100%                                  | 5.71                     |   |
|   | 846363/2023                               | No Change  | 100%                                  | 19.80                    |   |
|   | 846364/2023                               | No Change  | 100%                                  | 19.87                    |   |
|   | 846365/2023                               | No Change  | 100%                                  | 17.19                    |   |
|   | 846366/2023                               | No Change  | 100%                                  | 16.17                    |   |
|   | 846367/2023                               | No Change  | 100%                                  | 19.80                    |   |
|   | 846368/2023                               | No Change  | 100%                                  | 19.87                    |   |
|   | 846369/2023                               | No Change  | 100%                                  | 19.74                    |   |
|   | 846370/2023                               | No Change  | 100%                                  | 19.04                    |   |



**Table 2:** Total JORC Resources for the Adelong Gold Project (>1g/tAu Cut Off)

| RESOURCE STATEMENT (JORC 2012) based on 1g/tAu Cutoff <b>TABLE 2</b> |             |                  |                      |                  |
|--|-------------|------------------|----------------------|------------------|
| <b>Challenger</b>  | <b>Gold</b> | <b>Tonnes</b>    | <b>Grade(g/t Au)</b> | <b>Gold (oz)</b> |
| Measured   | 60%         | 357,000          | 4.17                 | 47,900           |
| Indicated  | 23%         | 163,000          | 3.5                  | 18,300           |
| Inferred   | 17%         | 144,000          | 3.07                 | 14,100           |
| <b>Total</b>   | <b>100%</b> | <b>664,000</b>   | <b>3.77</b>          | <b>80,300</b>    |
| <b>Currajong West &amp; Currajong East</b>                           |             |                  |                      |                  |
| Measured   |             |                  |                      |                  |
| Indicated  | 24%         | 126,000          | 2.57                 | 10,400           |
| Inferred   | 76%         | 407,000          | 2.63                 | 34,400           |
| <b>Total</b>   | <b>100%</b> | <b>533,000</b>   | <b>2.62</b>          | <b>44,800</b>    |
| <b>Donkey Hill</b>   |             |                  |                      |                  |
| Measured   |             |                  |                      |                  |
| Indicated  |             |                  |                      |                  |
| Inferred   | 100%        | 103,000          | 5.03                 | 16,600           |
| <b>Total</b>   | <b>100%</b> | <b>103,000</b>   | <b>5.03</b>          | <b>16,600</b>    |
| <b>Caledonian</b>  |             |                  |                      |                  |
| Measured   |             |                  |                      |                  |
| Indicated  | 57%         | 127,000          | 3.90                 | 15,900           |
| Inferred   | 43%         | 123,000          | 3.04                 | 12,100           |
| <b>Total</b>   | <b>100%</b> | <b>250,000</b>   | <b>3.48</b>          | <b>28,000</b>    |
| <b>Perkins West, Gibraltar</b>                                       |             |                  |                      |                  |
| Measured   |             |                  |                      |                  |
| Indicated  |             |                  |                      |                  |
| Inferred   | 100%        | 270,000          | 2.1                  | 18,300           |
| <b>Total</b>   | <b>100%</b> | <b>270,000</b>   | <b>2.1</b>           | <b>18,300</b>    |
|  |             |                  |                      |                  |
| Measured   | 20%         | 357,000          | 4.17                 | 47,900           |
| Indicated  | 23%         | 416,000          | 3.33                 | 44,600           |
| Inferred   | 58%         | 1,047,000        | 2.84                 | 95,500           |
| <b>TOTAL PROJECT RESOURCES</b>                                       | <b>100%</b> | <b>1,820,000</b> | <b>3.21</b>          | <b>188,000</b>   |
|  |             |                  |                      |                  |
|  |             |                  |                      |                  |
| <b>ADELONG GOLD PROJECT RESOURCES</b>                                |             |                  |                      |                  |
|  |             | <b>Tonnes</b>    | <b>Grade(g/t Au)</b> | <b>Gold (oz)</b> |
| Measured   | 20%         | 357,000          | 4.17                 | 47,900           |
| Indicated  | 23%         | 416,000          | 3.33                 | 44,600           |
| Inferred   | 58%         | 1,047,000        | 2.84                 | 95,500           |

## 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")

30 SEPTEMBER 2024

| Consolidated Statement of cash flows                    | Current quarter<br>\$A'000 | Year to date (3 months)<br>\$A'000 |
|---|----------------------------|------------------------------------|
| <b>1. Cash flows from operating activities</b>          |                            |                                    |
| 1.1 Receipts from customers                             | -                          | -                                  |
| 1.2 Payments for  |                            |                                    |
| (a) exploration & evaluation                            | -                          | -                                  |
| (b) development   | -                          | -                                  |
| (c) production  | -                          | -                                  |
| (d) staff costs   | (81)                       | (81)                               |
| (e) administration and corporate costs                  | (206)                      | (206)                              |
| 1.3 Dividends received                                  | -                          | -                                  |
| 1.4 Interest received                                   | 3                          | 3                                  |
| 1.5 Interest and other costs of finance paid            | (9)                        | (9)                                |
| 1.6 Income taxes paid                                   | -                          | -                                  |
| 1.7 Government grants and tax incentives                | -                          | -                                  |
| 1.8 Other (provide details if material)                 | -                          | -                                  |
| <b>1.9 Net cash from/(used in) operating activities</b> | <b>(293)</b>               | <b>(293)</b>                       |

## Appendix 5B

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

|   | Current quarter<br>\$A'000 | Year to date (3 months)<br>\$A'000 |
|---|----------------------------|------------------------------------|
| <b>2. Cash flows from investing activities</b>          |                            |                                    |
| 2.1 Payments to acquire:                                |                            |                                    |
| (a) entities  | -                          | -                                  |
| (b) tenements   | -                          | -                                  |
| (c) property, plant and equipment                       | -                          | -                                  |
| (d) exploration & evaluation                            | (158)                      | (158)                              |
| (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)                 | -                          | -                                  |
| <b>2.6 Net cash from/(used in) investing activities</b> | <b>(158)</b>               | <b>(158)</b>                       |

|  | Current quarter<br>\$A'000 | Year to date (3 months)<br>\$A'000 |
|--|----------------------------|------------------------------------|
| <b>3. Cash flows from financing activities</b>   |                            |                                    |
| 3.1 Proceeds from issues of equity securities (excluding convertible debt securities)                    | -                          | -                                  |
| 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 <sup>1</sup> | -                          | -                                  |
| 3.5 Proceeds from borrowings   | -                          | -                                  |
| 3.6 Repayment of borrowings  | (250)                      | (250)                              |
| 3.7 Transaction costs related to loans and borrowings  | -                          | -                                  |
| 3.8 Dividends paid   | -                          | -                                  |
| 3.9 Other (provide details if material)  | -                          | -                                  |
| <b>3.10 Net cash from/(used in) financing activities</b>   | <b>(250)</b>               | <b>(250)</b>                       |



## Appendix 5B

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

|   | Current quarter<br>\$A'000 | Year to date (3 months)<br>\$A'000 |
|---|----------------------------|------------------------------------|
| <b>4. Net increase/(decrease) in cash and cash equivalents for the period</b> |                            |                                    |
| 4.1 Cash and cash equivalents at beginning of period                          | 1,153                      | 1,153                              |
| 4.2 Net cash from /(used in) operating activities (item 1.9 above)            | (293)                      | (293)                              |
| 4.3 Net cash from /(used in) investing activities (item 2.6 above)            | (158)                      | (158)                              |
| 4.4 Net cash from /(used in) financing activities (item 3.10 above)           | (250)                      | (250)                              |
| 4.5 Effect of movement in exchange rates on cash held                         | -                          | -                                  |
| 4.6 Effect on deconsolidation of subsidiary                                   | -                          | -                                  |
| <b>4.7 Cash and cash equivalents at end of period</b>                         | <b>452</b>                 | <b>452</b>                         |

|   | Current quarter<br>\$A'000 | Previous Quarter<br>\$A'000 |
|---|----------------------------|-----------------------------|
| <b>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</b> |                            |                             |
| 5.1 Bank balances   | 452                        | 1,153                       |
| 5.2 Call deposits   | -                          | -                           |
| 5.3 Bank overdrafts   | -                          | -                           |
| 5.4 Other (provide details)   | -                          | -                           |
| <b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>  | <b>452</b>                 | <b>1,153</b>                |

#### 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<br>\$A'000 |
|----------------------------|
| 80                         |
| -                          |

## Appendix 5B

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

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

**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.

On 24 January 2023, the Company issued 10,416,667 convertible notes to a sophisticated experienced and professional investor.

The convertible note was repaid in full, plus accrued interest, subsequent to the reporting period as announced on 8 July 2024.

Terms of the Convertible Notes were as follows:

1. Face Value per note - \$0.024
2. Maturity Date - 24 July 2024
3. Interest Rate - 8% per annum

| <b>8. Estimated cash available for future operating activities</b>                         | <b>\$A'000</b> |
|--|----------------|
| 8.1 Net cash from/(used in) operating activities (item 1.9)                                | (293)          |
| 8.2 Payments for exploration & evaluation classified as investing activities (item 2.1(d)) | (158)          |
| 8.3 Total relevant outgoings (item 8.1 + Item 8.2)   | (451)          |
| 8.4 Cash and cash equivalents at quarter end (item 4.6)                                    | 452            |
| 8.5 Unused finance facilities available at quarter end (Item 7.5)                          | -              |
| 8.6 Total available funding (Item 8.4 + Item 8.5)  | 452            |
| <b>8.7 Estimated quarters of funding available (Item 8.6 dividend by Item 8.3)</b>         | <b>1.00</b>    |

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, the Company is funded for the immediate future and notes that further funding is likely to become available via the proceeds from the sale of non-core property holdings, the settlement of the outstanding loan with Cosmso Gold Ltd and the farm-in with Great Divide Mining Ltd in relation to the Compnay's Adelong Gold Project.

## Appendix 5B

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

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- 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?

Yes, see 8.8.1 above.

- 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, see 8.8.1 & 8.8.2 above.

#### 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 October 2024

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.