

Cosmo Gold shareholders approve agreement with Sarama Resources to sell Cosmo project

HIGHLIGHTS

- **Shareholder approval granted at Cosmo's AGM for the disposal of the Cosmo project to Sarama paving the way for finalisation of the assignment of Native Title and Land Access Agreements and the transfer of licenses by Cosmo to Sarama to complete the transaction.**
- **Adelong Gold has executed a binding agreement with Cosmo and Sarama to settle Cosmo's loan obligations**
- **Adelong to receive 25 million fully paid ordinary shares in Sarama and 7.5 million options exercisable at \$0.05 per share within two years, on completion valued at approximately \$925,000 based on Sarama's closing price as of 1 November 2024**

Adelong Gold Limited (ASX:ADG) (Adelong Gold or the Company) is pleased to provide an update on the settlement of its outstanding loan with Cosmo Gold Limited ("Cosmo") through a binding agreement with Sarama Resources Ltd. (ASX:SRR) (Sarama). This agreement includes the transfer of fully paid ordinary shares and options in Sarama to Adelong Gold, marking a significant step in the Company's strategic investment plans and strengthening its asset portfolio. In August, Adelong Gold announced that it had entered into a binding agreement with Cosmo and Sarama Resources Ltd. in which Adelong Gold would receive fully paid ordinary shares and options in Sarama as full settlement of the loan obligations owed by Cosmo to the Company. (Refer to [ASX Announcement 14 August 2024](#))

Transaction Background and Conditions

The transaction between Adelong Gold, Cosmo, and Sarama entails Sarama's acquisition of an 80% interest in the Cosmo project, with an option to acquire the remaining 20% for \$1.25 million in cash or shares within two years. The agreement provides for settlement of the loan owed by Cosmo to Adelong which had accrued in consequence of Adelong advancing funds totaling \$1,538,957 to Cosmo. The transaction was subject to conditions precedent most of which have now been met with outstanding conditions as follows:

1. **Native Title and Land Access Assignments:** Cosmo will assign relevant agreements to Sarama to maintain project tenure.
2. **Transfer of Licenses :** Cosmo will transfer its interests in the Cosmo licenses to Sarama.
3. **Payment of outstanding Native Title obligations : Sarama to pay final outstanding Land Access payment.**

The transaction is on track for completion.



Next Steps

Sarama has already paid fees and expenses necessary to maintain the Cosmo Licenses in good standing under the agreement, except for a portion of Native Title payments due upon assignment of the Native Title agreements. Sarama has also secured shareholder approval for the proposed transaction.

With Cosmo's shareholders having now approved the disposal of the Cosmo project to Sarama at its recent AGM it is expected that the final license transfers and assignments shall be completed shortly. Upon completion, Adelong will be issued the Sarama shares and options, providing an ongoing interest in Sarama's gold assets, which aligns with the Company's growth objectives in the gold sector and strategic resource development initiatives. This agreement also reinforces Adelong's liquidity position, facilitating the pursuit of further project advancements within Australia and Brazil.

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Released with the authority of the board of Adelong Gold Limited.

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

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ABOUT ADELONG GOLD

Adelong Gold Limited (ASX: ADG) is a minerals explorer that owns the Adelong Gold Mine in New South Wales (NSW) and highly prospective Lithium Tenement packages in the prolific 'Lithium Valley' of Minas Gerais and in Paraiba Province within the Borborema Region, both located in 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 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 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 Aracuai Lithium Project](#)) located in the world-class 'Lithium Valley' in Minas Gerais, in 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 Paraíba Province Project. These licenses further increase the exploration ground under license by 162.8km². 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.

