Near-Term Gold Producer with Strategic Farm-In and Significant Valuation Gap

Metals & Mining

We initiate coverage on Adelong Gold with a current valuation of $0.028, representing a 301.37% expected upside from the current share price of $0.007. **ADG is an Australian gold explorer with near-term production** potential yet **remains significantly undervalued with a market cap of just $9.78 million.** Its flagship Adelong Goldfield Project in NSW hosts a JORC Resource of 188,000oz at 3.21 g/t Au across high-grade zones including Challenger, Currajong, and Caledonian. ADG recently acquired the Apollo Gold Project in Victoria, a highly prospective asset with historical high-grade gold and antimony intercepts, adding dual-commodity upside. With strategic partnerships and a strong pipeline, ADG is well-positioned for multi-jurisdictional growth.

Strategic Farm-in Agreement Accelerates Path to Production

The Adelong Goldfield Project presents compelling development potential, anchored by a high-grade JORC-compliant resource of 188,000oz at 3.21 g/t Au and **supported by fully permitted processing infrastructure—yet remains significantly undervalued by the market given its near-term production profile.** A 2022 Scoping Study confirmed the project's technical viability, while recent exploration results point to further upside at depth and along strike. In October 2024, Adelong Gold entered a binding farm-in agreement with GDM, under which **GDM invested $300,000 for an initial 15% stake in Challenger Gold Mines Pty Ltd.** GDM will increase its stake to 51% upon achieving first gold production within 12 months, allowing Adelong to retain a 49% interest with no funding obligation until production commences.

Adelong Set to Benefit from Bullish Gold Outlook

With the Adelong Gold Project advancing toward near-term production and cash flow, ADG is well-positioned to benefit from the current strength in gold prices. **The project's existing infrastructure and high-grade resource support a rapid development timeline.** As gold continues to trade near record highs, even modest production could generate strong cash flow. This price environment significantly enhances the project's economic appeal and investor upside.

Valuation Range of A$0.024-$0.032 per share

We value ADG at A$0.024 per share in a base case scenario and A$0.032 per share in a bull-case scenario. We adopt a probability-based valuation approach, including a blend of DCF and Peer Comparison for ADG, applying a conservative approach to all key assumptions, which enables us to build a robust and credible investment thesis with strong upside potential.

Adelong's Equity valuation (A$ m)	Base Case	Upside Case
Adelong's Final Net Enterprise Value	36.87	48.26
Cash ^	0.63	0.63
Debt *	-	-
Total Market value of Equity	**37.49**	**48.89**
Total No. of Outstanding Shares (m)	1,537.23	1,537.23
Implied price (A$)	**0.024**	**0.032**
Current price (A$)	0.007	0.007
Upside (%)	*248.43%*	*354.32%*
Mid-point Target Price (A$)	**0.028**	

Date	12 May 2025
Current Price (A$)	0.007
Market Cap (A$m)	9.782
Target Price (A$)	0.024/0.032
Price / NAV (x)	0.25
52-week L/H (A$)	0.003/0.009
Free Float (%)	63.46%
Bloomberg	ADG AU
Reuters	ADG.AX

Price Performance (in A$)

Source - CapIQ

Business description

Adelong Gold Limited (ASX: ADG) is an Australian-based mineral exploration company focused on the discovery and development of high-grade gold across tier-one mining jurisdictions in Australia.

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Disclosure - Readers should note that East Coast Research has been engaged and paid by the company featured in this report for ongoing research coverage.

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Investment Rationale

ADG is progressing its flagship Adelong Goldfield Project toward near-term production and has strengthened its Australian portfolio with the Apollo Gold Project in Victoria, now licensed through 2028.

Listed on the Australian Securities Exchange (ASX: ADG), **Adelong Gold Limited is a mineral exploration company focused on gold, with active projects in Australia.** The company is advancing its **flagship Adelong Goldfield Project** in New South Wales toward **near-term production and has recently expanded its Australian portfolio with the acquisition of the Apollo Gold Project in Victoria**, which was granted a licence extension through 2028. In parallel, Adelong Gold also recently acquired the Lauriston Project.

Adelong Gold's flagship asset, the Adelong Goldfield Project, a 70 km^2 tenement in southern New South Wales. **The project hosts a JORC (2012) Mineral Resource of 1.82Mt at 3.21 g/t Au, totalling 188,000 oz. Key deposits include Challenger (80,300 oz), Currajong (44,800 oz), Donkey Hill (16,600 oz), Caledonian (28,000 oz), and Perkins West (18,300 oz).**

ADG recently acquired a 100% interest in the Apollo Gold Project, encompassing approximately 102km^2 at the underexplored northern end of the Walhalla Gold Belt in Victoria.

Farm-in Agreement with Great Divide Mining (ASX: GDM)

ADG finalised a binding farm-in agreement with GDM in October 2024, aimed at advancing the Adelong Gold Project toward near-term production. Under the terms of the agreement, **GDM acquired an initial 15% interest** in **Challenger Gold Mines Pty Ltd (CGM)**, the project's operating entity, through a **$300,000 investment** allocated toward exploration activities and essential site maintenance. As part of the agreement, **GDM assumed operational control of the Adelong Gold Plant and mine site, undertaking recommissioning efforts including maintenance, equipment testing, and preparation for restart during the due diligence phase.**

The agreement outlines a **clear pathway for GDM to increase its interest to 51% by achieving first gold production within 12 months of commencement.** Importantly, **Adelong Gold retains a 49% stake and has no funding obligations until production is achieved**, significantly de-risking the project's development from a capital expenditure perspective. The partnership strategically positions ADG to benefit from near-term production potential while leveraging GDM's operational capabilities and financial contributions. GDM intends to prioritise the swift recommissioning of the Adelong Gold Plant, targeting a restart within the next 12 months.

ADG Completes Equity Financing to Advance Project Development

ADG raised a total of $1.573 million through two separate placements. The first placement secured $1.173 million, while the second placement raised an additional $400,000, both completed under identical terms. The strong response to these placements reflects growing investor confidence in Adelong's exploration potential and strategic direction.

The capital raised will be directed toward several key priorities, including exploration drilling at the Adelong Goldfield Project, continued advancement of exploration activities and general working capital. These funds will help maintain operational momentum across the company's Australian and international assets, supporting Adelong's goal of delivering long-term shareholder value through project development and resource expansion.

ADG Secures Advanced Exploration Asset in Victoria's Premier Gold Belt

ADG's acquisition of a 100% interest in Exploration Licence EL006430, now known as the Apollo Gold Project, marks a highly strategic addition to its portfolio. **Located in Victoria's highly prospective Melbourne Zone, the project lies within a region renowned for producing**

some of Australia's highest-grade gold deposits. The Apollo Project brings with it an exciting pipeline of advanced exploration targets, backed by a history of exceptional high-grade drill results, including intercepts such as 39.5m @ 7.25 g/t Au, 27.6m @ 6.7 g/t Au, and 77m @ 1.14 g/t Au from surface. These standout grades provide a strong indication of the project's potential for future resource development.

Further enhancing its investment appeal is the Heyfield Reef Prospect, where Adelong has uncovered significant antimony-gold mineralisation—a critical combination in today's resource landscape. **Rock chip sampling returned values up to 20.1 g/t gold and 3.9% antimony, with seven samples exceeding 1% Sb based on portable XRF analysis. Drilling has also confirmed the mineralisation with results such as 3m @ 5.2 g/t Au and 3.4% Sb**. This dual commodity potential not only diversifies the project's upside but also positions Apollo to contribute meaningfully to the growing demand for both precious and strategic metals.

Under the terms of the agreement, Adelong Gold will acquire a **100% interest in EL006430 (Apollo Gold Project) through a combination of cash and equity.** This includes a **$350,000 cash payment** and, subject to shareholder approval, the issue of **$350,000 in fully paid ordinary shares**, to be issued six months post-completion at a price based on the five-day VWAP at that time**. Overall, the acquisition presents a compelling growth opportunity for Adelong Gold, both technically and strategically.**

Solid Balance Sheet Enables Continued Project Advancement

ADG is well-funded for the immediate term, supported by the recent transaction with Great Divide Mining (GDM), which is expected to provide $300,000 in funding as GDM assumes the role of operator at the Adelong Gold Project.

ADG maintains a solid financial position, ensuring it is well funded to continue advancing its core projects. **The company is fully funded for near-term operational needs, with additional capital inflows expected in the short term. During the most recent quarter, ADG completed its farm-in transaction with GDM, securing a $300,000 investment**. Under the terms of the agreement, GDM has assumed the operator role at the Adelong Gold Project. ADG has been relieved of funding obligations for 12 months or until first gold production.

Further strengthening its balance sheet, the company also holds a position in Sarama Resources Ltd, with a market value of approximately $850,000 as of 31 March 2025. These listed securities provide Adelong with additional financial flexibility, as they are freely tradable at the company's discretion. This **diversified funding base**—comprising equity investments, strategic partnerships, and listed assets—places Adelong in a strong position to advance exploration and development activities across projects.

Valuation Indicates ADG is Underpriced to Fundamental Value

We value ADG using a probabilistic framework that assigns a 70% likelihood of progressing to gold production, with valuation based on a DCF model informed by the 2022 Scoping Study and updated for current gold prices, costs, and resources. The remaining 30% reflects a non-production scenario, where we apply peer-based EV/Resource multiples to benchmark ADG against ASX-listed gold explorers. This blended approach balances fundamental valuation with market comparables to reflect ADG's realistic upside. **We estimate a Base Case share price of A$0.024, reflecting an upside of 248.43% from the current A$0.007. The Bull Case valuation rises to A$0.032 (upside of 354.32%), with a mid-point valuation of A$0.028, offering a potential 301.37% return for investors.**

Adelong Goldfield: A high-grade gold project with near-term production potential

The Adelong Goldfield Project, acquired in May 2020, **covers an area of 70 km^2 and hosts a total JORC 2012 Mineral Resource of 188,000oz of gold**. It presents a near-term production opportunity with significant exploration upside (Figure 2)

The Adelong project lies at the southern end of the Lachlan Fold Belt, an **orogenic belt formed between the Cambrian and late Devonian periods and is known for hosting numerous mineral deposits and operating mines.** Within the region, the Lachlan Fold Belt is divided into subdomains, including the north-northwest to south-southeast trending Wagga-Omeo Belt and the Tumut Trough. Adelong is situated on the eastern edge of the Wagga-Omeo Belt.

Adelong Gold (formerly 3D Resources) holds a strategic land tenement comprising Mining Lease ML 1435 (~6 km^2), Exploration License EL 5278 (~68 km^2), and several smaller Mineral Claim Leases (MCLs) situated within the EL but outside the ML

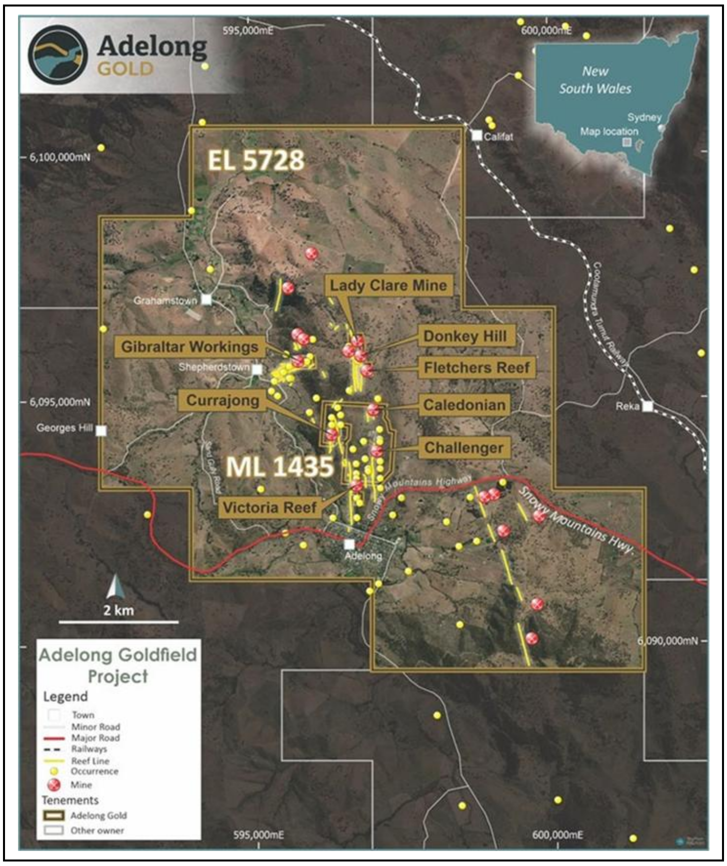
Historically, the area formed part of the broader Adelong Goldfield, which produced nearly 1M oz of gold during the early 19th century, mainly from underground and alluvial sources. Of this, approximately 380,000oz were mined underground, with around 130,000oz extracted specifically from the 1.4 km-long Old Hill Line, which includes the Challenger deposit at its northern end. **Adelong Gold (formerly 3D Resources) currently holds key tenements, including Mining Lease ML 1435 (approximately 6 km^2) and Exploration License EL 5278 (approximately 68 km^2), along with several smaller Mineral Claim Leases (MCLs) located within the EL but outside the ML area.**

Figure 1: Refurbished Gold Plant at Adelong set to be Processing Gold in the near Future.

Source: Company

The Adelong Goldfield contains multiple high-grade gold deposits controlled by structural features, many of which were mined historically but have seen limited exploration at depth or along their extensions. ADG aims to unlock the project's potential by implementing a focused strategy that includes targeted drilling, refined geological modelling, and a phased approach to development.

Figure 2: Adelong Goldfield location map



Source: Company

ADG currently in a Farm-in Agreement with GDM owns the Adelong Goldfield Project in New South Wales, Australia, comprising several key deposits –

Challenger Deposit

The flagship deposit, with potential for both open-cut and underground mining. **The current MRE for the deposit stands at 664,000t at 3.77 g/t gold, totalling approximately 80,300oz** (**Figure 3**).

Figure 3: Resources Statement (JORc2012) based on 1g/t Au Cutoff for Challenger

Challenger	Gold	Tonnes	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%**	**664,000**	**3.77**	**80,300**

Source: Company

The Challenger deposit features a shear-hosted gold vein system within a competent granodiorite host rock. Mineralisation is structurally controlled, with high-grade gold veins concentrated along well-defined fault zones.

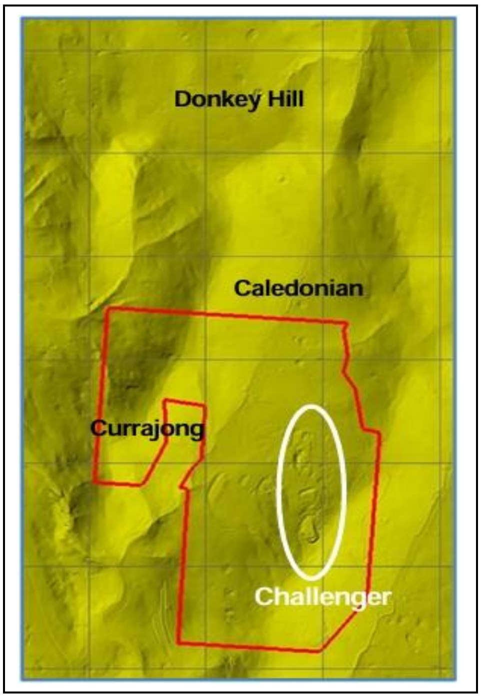
A shear-hosted gold vein system characterises the mineralisation at the Challenger deposit within a strong granodiorite host rock. **The gold is structurally controlled, typically forming high-grade veins along distinct fault zones.** In addition, there are occasional stringer veins in the surrounding rock, creating the impression of a low-grade mineralised envelope around the main high-grade zones.

The Challenger and Challenger Extended deposits feature a well-defined mineralised core, with the majority of the resource in both areas classified as Measured due to close

sampling—typically at intervals of less than 27.5 metres and supported by more than six sample points (Figure 4).

Surrounding these cores is a zone classified as Indicated, where sampling and drill density are slightly lower. The Inferred category applies mainly to the deeper and lateral extensions of the deposits.

Figure 4: Adelong Deposits (Challenger)



Source: Company

The MREs for the Challenger deposit were calculated using a lower gold cut-off grade of 1.0 g/t. For estimation purposes, in-situ (unmined) material was assigned a default density of 2.7 tonnes per cubic metre (t/m^3). Additionally, the resource includes a small volume of previously mined (filled) stopes, totalling 18,200 m^3, which were reported using a reduced density of 1.5 t/m^3 to reflect backfill material.

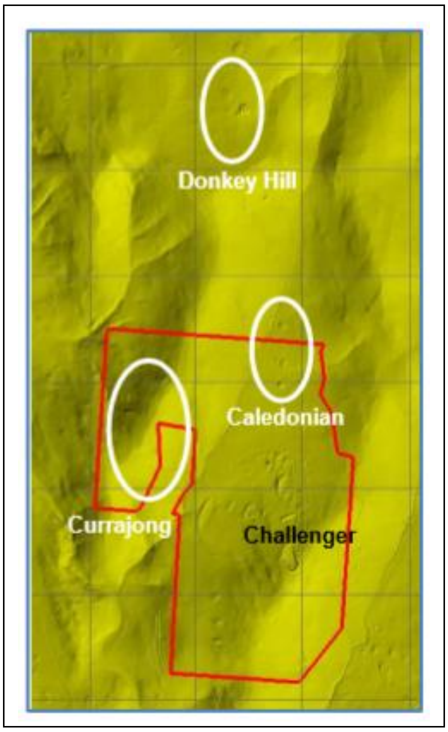
Gold mineralisation is hosted within narrow, steeply dipping quartz veins that run roughly parallel to each other and are set within granodiorite rock. Surface mapping indicates these veins occur in clusters, generally oriented between 350° and 355°.

Currajong, Caledonian and Donkey Hill

The mineralisation at Currajong, Caledonian, and Donkey Hill closely resembles that of the Challenger deposit (Figure 5).

In terms of mining potential, previous studies suggest that the multiple parallel veins at Currajong and Caledonian offer the potential for economically viable open-pit mining. In contrast, Donkey Hill presents limited open-pit potential, as it hosts only three narrow veins, with the remaining resources confined to a short southern extension beyond historically mined areas near old shafts. **Consequently, Donkey Hill is considered more appropriate for underground mining methods.**

Figure 5: Adelong Deposits (Currajong, Caledonian and Donkey Hill)



Source: Company

Currajong

The current JORC-compliant Mineral Resource for the Currajong deposit is estimated at 533,000t with an average grade of 2.62 g/t gold, containing approximately 44,800oz of gold.

At Currajong, a total of 49 drill holes have been completed, covering approximately 4,360 metres, with an average hole length of around 90 metres. **The majority of drilling targeted the Western vein set, while a smaller number focused on an Eastern vein set located roughly 40 metres away. Additionally, a limited number of diamond drill holes were conducted from underground within the Boumoya Adit.**

The current JORC-compliant Mineral Resource for Currajong stands at 533,000t at an average grade of 2.62 g/t gold, containing approximately 44,800oz of gold (Figure 6).

Looking ahead, ADG plans to undertake further drilling at Currajong to upgrade Inferred Resources and advance towards a full project study, with the goal of expanding the resource base and supporting future development.

Figure 6: Resources Statement (JORC 2012) based on 1g/t Au Cutoff for Currajong

Currajong West & Currajong East	Gold	Tonnes	Au (g/t)	Au (oz)
Measured	-	-	-	-
Indicated	24%	126,000	2.57	10,400
Inferred	76%	407,000	2.63	34,400
Total	**100%**	**533,000**	**2.62**	**44,800**

Source: Company

Caledonian

The Caledonian deposit, situated at the northeastern terminus of a significant NE-trending fault zone, has been the focus of recent exploration efforts. This fault zone, traceable over 10 km in regional magnetic data, exhibits a transition from a NE/SW to a NNE/SSW orientation near Caledonian, resulting in multiple splays. These structural complexities have led to displacements of mafic dykes by 3–10 meters through a series of dextral faults, akin to the structural features observed at the Challenger Extended deposit.

The Caledonian deposit, located at the northeastern end of a major NE-trending fault zone, has been a key target of recent exploration.

As of the latest drilling campaigns, 75 holes have been completed at Caledonian, totaling approximately 3,240 meters with an average depth of 40 meters. **Notably, recent drilling has confirmed extensions of mineralisation beyond the 2022 defined resources.** Significant intercepts include -

- 2 meters at 8.2 g/t Au from 19 meters (including 1 meter at 11.3 g/t Au) in hole CAL016.
- 2 meters at 6.63 g/t Au from 48 meters (including 1 meter at 11.2 g/t Au) in hole CAL016.
- 2 meters at 3.92 g/t Au from 94 meters in hole CAL018.

These results suggest the presence of high-grade shoots, particularly to the south, warranting further exploration to delineate the extent of mineralisation. **The current JORC (2012) Resource Estimate for Caledonian stands at 250,000t at 3.48 g/t Au for 28,000oz, with 57% classified as Indicated and 43% as Inferred resources (Figure 7).**

Figure 7: Resources Statement (JORC 2012) based on 1g/t Au Cutoff for Caledonian

Caledonian	Gold	Tonnes	Au (g/t)	Au (oz)
Measured	-	-	-	-
Indicated	57%	127,000	3.9	15,900
Inferred	43%	123,000	3.04	12,100
Total	**100%**	**250,000**	**3.48**	**28,000**

Source: Company

Donkey Hill

At Donkey Hill, Adelong Gold has identified five parallel vein systems, with three exhibiting significant potential for gold mineralisation. **The deposit boasts an Inferred Resource of 103,000t at an average grade of 5.03 g/t Au, totalling approximately 16,600oz of gold (Figure 8).** Historical records indicate that since 1889, Donkey Hill produced around 10,000oz of gold at an average grade of 41 g/t, suggesting the presence of high-grade zones. **Narrow, sub-vertical, sub-parallel quartz veins characterise the mineralisation. Given the limited open-pit potential due to the narrow vein structures, Donkey Hill is considered more suitable for underground mining methods.**

Figure 8: Resources Statement (JORC 2012) based on 1g/t Au Cutoff for Donkey Hill

Donkey Hill	Gold	Tonnes	Au (g/t)	Au (oz)
Measured	-	-	-	-
Indicated	-	-	-	-
Inferred	100%	103,000	5.03	16,600
Total	**100%**	**103,000**	**5.03**	**16,600**

Source: Company

Gibraltar

In April 2022, exploratory drilling by ADG led to discovery of a shallow multiple vein system at shallow depths west of the Perkin's shaft at Gibraltar.

Figure 9: Resources Statement (JORC 2012) based on 1g/t Au Cutoff for Prekins West, Gibraltar

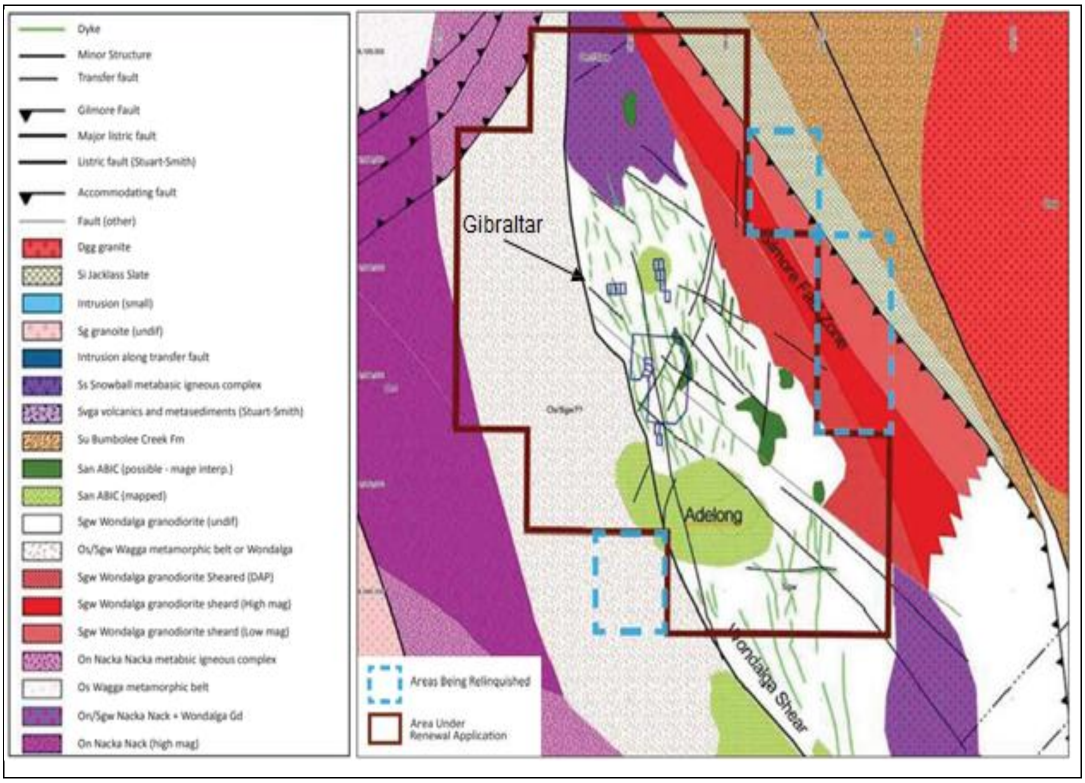
Perkins West, Gibraltar	Gold	Tonnes	Au (g/t)	Au (oz)
Measured	-	-	-	-
Indicated	-	-	-	-
Inferred	100%	270,000	2.10	18,300
Total	**100%**	**270,000**	**2.10**	**18,300**

Source: Company

The MRE was defined down to the 200mRL, incorporating most of the gold intercepts grading above 1g/t Au. ADG has indicated that further drilling will be necessary to upgrade the current resource and explore deeper mineralisation potential, particularly in the eastern area, which remains largely "untested". Notably, a deeper intercept below the 22mRL returned 2 metres at 1.97g/t Au, suggesting that the mineralisation continues at depth but has not yet been adequately explored (Figure 9).

At the Gibraltar area's Perkins Shaft, ADG undertook detailed mapping and RC face sampling programs, which formed the basis for the maiden MRE in this zone.

Figure 10: Gibraltar Local Geology Map



Source: Company

The deposit is defined by shear zones within the Wondalga Granodiorite, which host narrow, steeply dipping quartz veins and veinlets that form reef structures containing high-grade gold mineralisation.

The geological model was developed using interpretations from historical workings, geophysical surveys, RC chip photography, and drillhole logging**. Mineralisation is hosted within the Wondalga Granodiorite and consists of narrow, sub-vertical quartz reef veinlets that strike east-northeast to west-southwest.** The western extent of these reefs is truncated by northwest-trending mafic dykes (oriented 85°/045°)**. The quartz reefs vary in thickness from less than 1 metre up to 5 metres, and the model incorporates 11 distinct mineralised reef structures. On average, the veins dip at 78° toward the south (180°) and exhibit a plunge of approximately 110° within the vein plane (Figure 10).**

The deposit is characterised by shear zones within the Wondalga Granodiorite, hosting quartz veins and veinlets that form narrow, steeply dipping reefs featuring high-grade gold mineralisation. The granodiorite itself is extensively deformed, displaying strong shearing, hydrothermal alteration, and subsequent intrusions of mafic material.

ADG believes there is strong potential to both expand and upgrade the resource at Perkins West with further drilling, making the current estimate a maiden resource for this deposit.

However, it is important to note that drilling has highlighted key risks, including the narrow vein widths and variability in gold grades, particularly at Gibraltar. These factors suggest that significantly more drilling will be required to achieve a higher-confidence Mineral Resource classification.

Apollo Gold Project

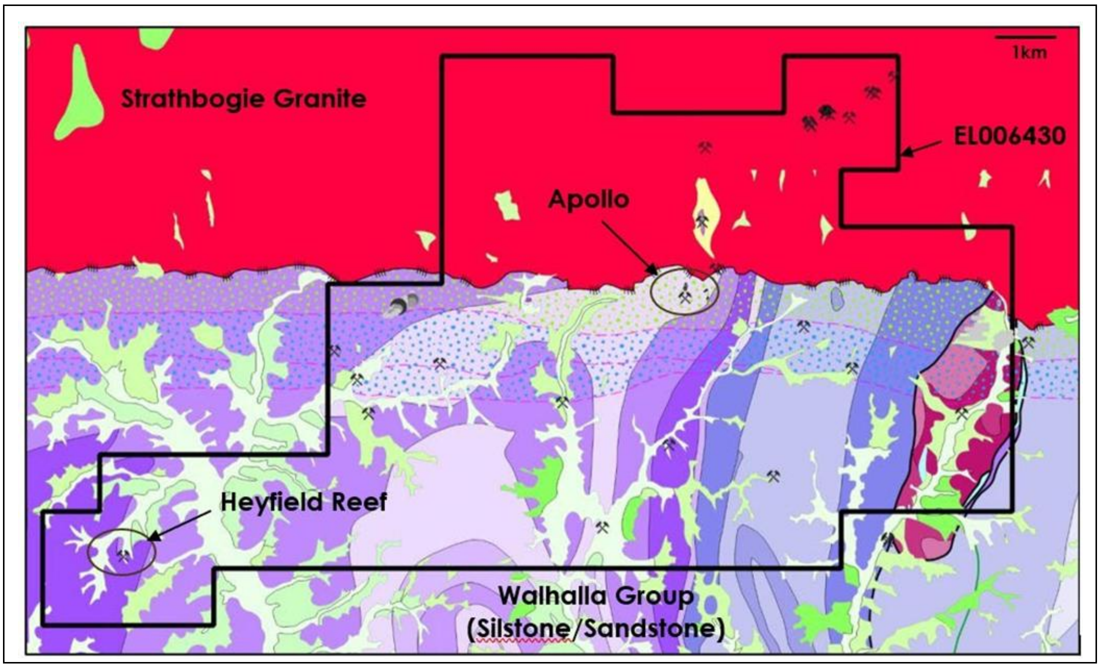
The Apollo Gold Project, acquired in early 2025, is located at the northern, under-explored end of the Walhalla Gold Belt, approximately 120 km northeast of Melbourne, Victoria. **The project is covered by Exploration Licence EL006430, which spans around 102 km^2. This licence has recently been renewed and extended for a further five years, through to 2028 (Figure 12)**. It is worth noting that the mineralisation remains open both at depth and along strike, indicating significant potential for further large-scale, high-grade gold discoveries through ongoing exploration.

The acquisition of the project involved a cash payment of $350,000 and a share component valued at $350,000 in fully paid ordinary shares. These shares are scheduled to be issued six months after completion, with the issue price determined by the five-day volume-weighted average price (VWAP) at the time of issuance.

Heyfield Reef Prospect

As part of its ongoing project assessment, the Company conducted a review of historical data to pinpoint areas with strong antimony-gold potential across the broader tenement. **This analysis highlighted the Heyfield Reef Prospect, located in the south-western corner of EL006430, as a key exploration target. The prospect has returned a series of high-grade antimony-gold results, stemming from a 2019 rock sampling program and a 2022 drilling campaign, confirming its priority status within the Apollo Gold Project.**

Figure 11: Geological Map showing location of Apollo Gold Project and Heyfield Reef prospect EL006430



Source: Company

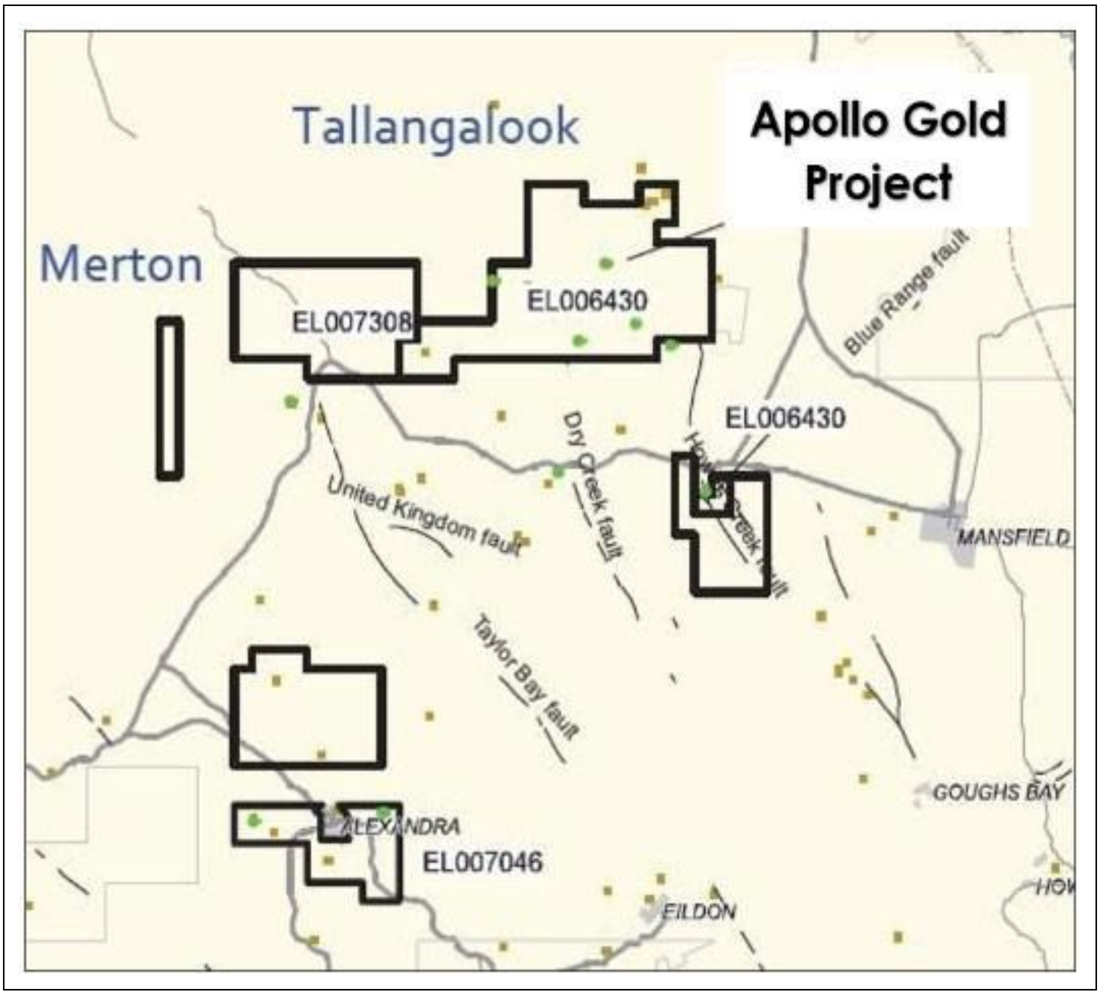
The 2022 drilling campaign at the Heyfield Reef Prospect comprised 15 reverse circulation (RC) drillholes and 1 diamond drillhole, aimed at testing the extent and grade of antimony-gold mineralisation within

From the 2019 **rock sampling program** carried out at the **Heyfield Reef Prospect**, a total of **22 samples** were collected and analysed for gold at a commercial laboratory. The program returned encouraging results, including a **peak assay of 20.1 g/t Au**, with **4 samples exceeding 1 g/t Au**. Notably, **13 of the 22 samples** returned gold values above **0.2 g/t**, highlighting the presence of consistent gold mineralisation across the prospect area (**Figure 11**).

From the 2022 **drilling campaign** carried out at the **Heyfield Reef Prospect**, consisted of **15 reverse circulation (RC) drillholes** and **1 diamond drillhole (Figure 11)**. All drill samples were submitted for **gold analysis** at a commercial laboratory in **Bendigo**. Due to the observation of **visible stibnite mineralisation** between **66m and 69m** in drillhole **HFRC04**, these three specific samples were also assayed for **antimony**. These were the **only samples** from the program sent for laboratory-based antimony analysis, underscoring a targeted approach to multi-element evaluation based on geological indicators.

The results confirm the presence of a high-grade epizonal antimony-gold system, comparable to several established deposits in Victoria**. The mineralisation remains open both along strike and at depth, highlighting strong potential for expansion and warranting immediate follow-up exploration to further define the extent of the system.**

Figure 12: Apollo Gold Project Tenement Map



Source: Company

Exploration Potential and Geological Significance of Apollo Project

A prominent north-south striking characterises the Apollo Gold Project, near-vertical fault zone (N-S Zone), where gold mineralisation is influenced by both east-west faults and granitic dykes. **A key structural feature is the intersection of the Southwest Fault with the N-S Zone, which has resulted in broad zones of fracturing and associated gold mineralisation.** Additionally, an east-west striking granitic dyke swarm (E-W Zone) runs adjacent to the Strathbogie granite contact—an area historically associated with significant mineralisation.

Several other fault zones, including those around the historic Wolfe's and Faulk's open cuts, remain largely unexplored. However, recently approved drilling permits are in place to target these areas in upcoming exploration campaigns. **The tenement also shows notable enrichment in antimony (Sb), a critical pathfinder element in epizonal gold systems. Historical rock chip sampling and drill intercepts have confirmed the presence of antimony mineralisation, which aligns with the style seen in nearby high-grade Au-Sb systems such as Costerfield and Sunday Creek.**

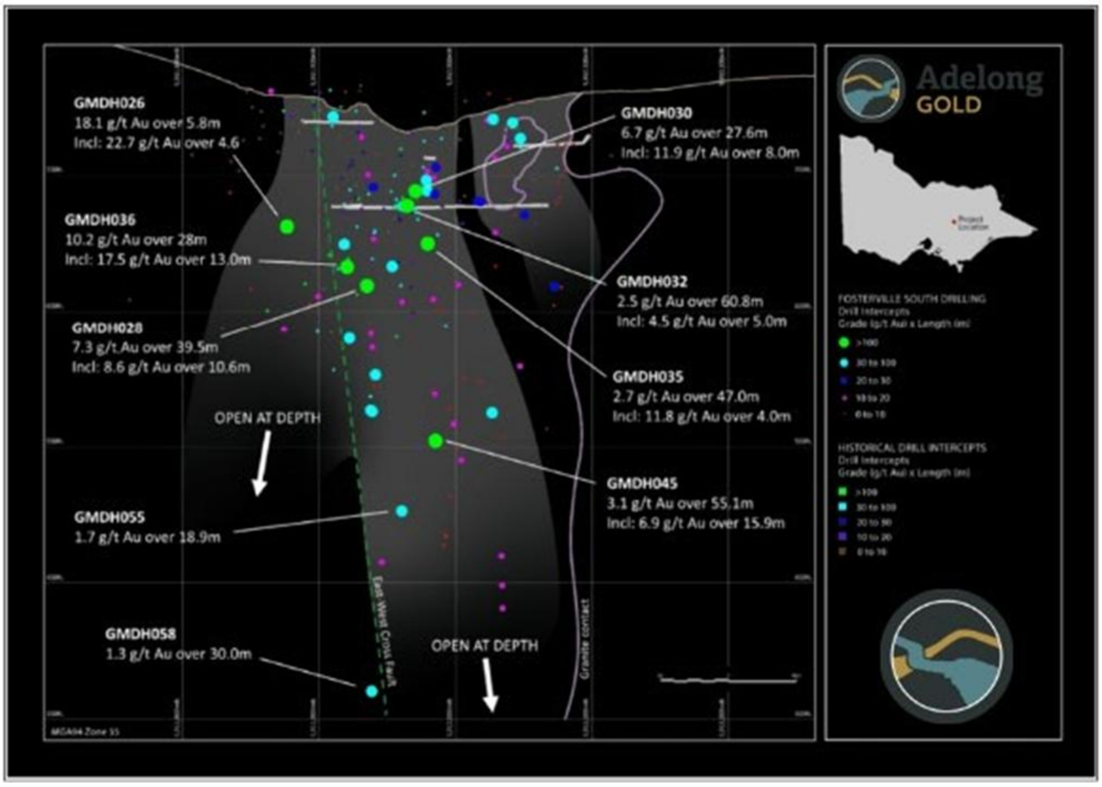
Below is a summary table of standout high-grade drill intercepts from the Apollo Gold Project, which underscore its potential for bulk tonnage gold mineralisation. **Each entry highlights significant gold intervals, including deeper high-grade zones within broader mineralised sections.** The data reflects consistent mineralisation both from surface and at depth, reinforcing the project's exploration upside.

Figure 13: Historical Drill Results at Apollo Gold Project

Hole ID	Interval (m)	Grade (g/t Au)	From (m)	To (m)
22GMRC12	77.0	1.14	0.0	77.0
including	35.0	1.85		
GMDH28	39.5	7.25	118.6	158.1
including	10.6	17.1	137.85	148.45
GMDH30	27.6	6.7	59.0	86.6
including	8.0	11.9	71.0	79.0
GMDH36	28.0	10.2	138.0	166.0
including	13.0	17.5	139.0	152.0
GMDH45	55.1	3.06	210.0	266.8
including	15.9	6.93	219.1	235.0
GMDH35	47.0	2.7	68.0	115.0
Including	4.0	11.8	91.0	95.0
GMDH26	5.8	18.4	91.8	97.6
Including	4.6	22.68	93.0	

Source: Company

Figure 14: Apollo Gold Project Longitudinal section of the mineralisation zone

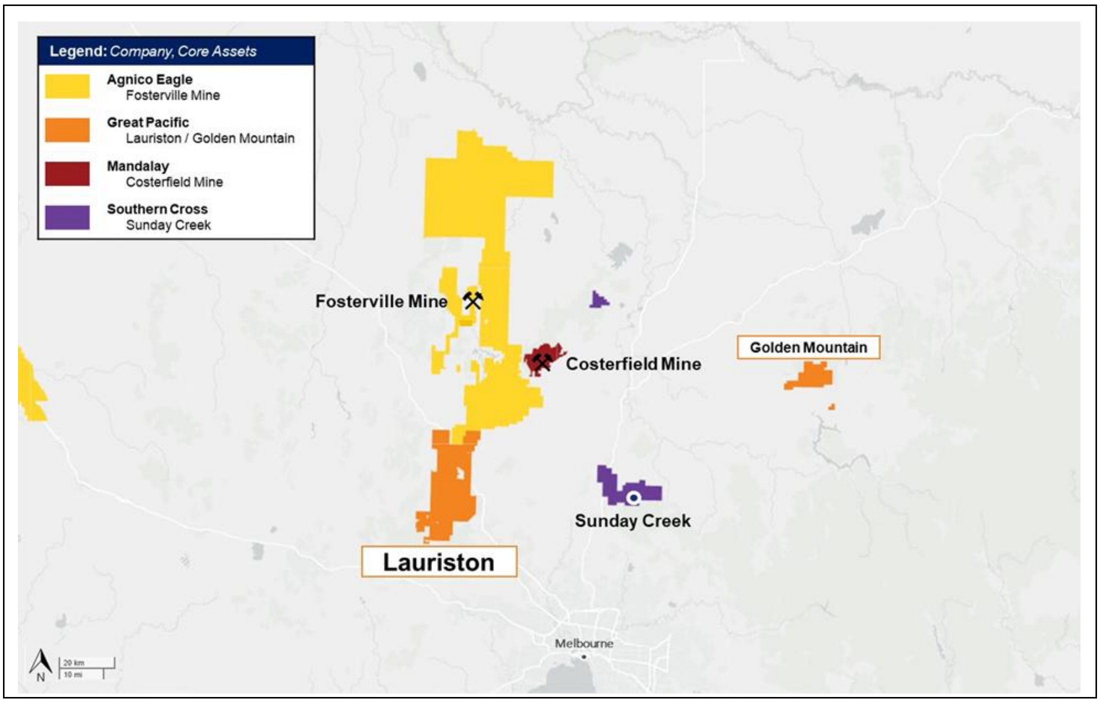


Source: Company and Great Pacific Gold Corporation

Acquisition of Lauriston Gold Project

Lauriston Project was recently acquired, involving a binding purchase agreement with Great Pacific Gold Corp (**Figure 15**). The Lauriston Project lies next to Agnico Eagle's Fosterville Gold Mine, renowned as one of the world's highest-grade and lowest-cost gold producers. Exploration efforts have already outlined several high-grade targets, including the Comet discovery, which shares key geological characteristics with the nearby Fosterville deposit.

Figure 15: Lauriston Gold Project Location



Source: Company and Great Pacific Gold Corporation

The Lauriston Project covers a 28,700-hectare tenement package in Victoria's highly prospective Bendigo Zone, located directly adjacent to Agnico Eagle's Fosterville Mine. It encompasses six exploration licences: EL5479, EL6656, EL7044, EL7045, EL7048, and EL8054.

Terms of Acquisition

Under the terms of the agreement, Adelong Gold will acquire the Lauriston Project through a structured combination of cash and equity payments, along with future milestone obligations. The company will make an initial cash payment of A$500,000 by 31 May 2025, followed by the issue of A$750,000 in fully paid ordinary shares at a deemed price of A$0.0055 per share, subject to shareholder approval, upon completion of the acquisition.

In addition to the upfront consideration, Adelong has committed to a series of deferred cash payments, including A$1,000,000 six months after completion, A$500,000 at the 12-month mark, and another A$500,000 after 18 months. A further A$750,000 in shares will also be issued 12 months post-completion, priced based on the 20-day VWAP leading up to the date of issue (subject to shareholder approval).

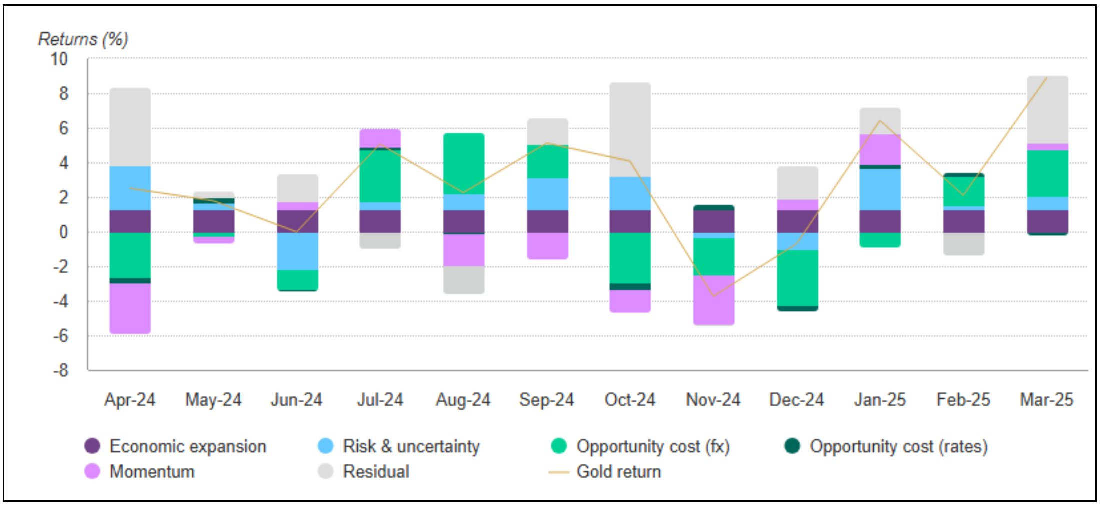
A production milestone payment of A$2,000,000 in cash will be payable within 30 days of the first gold production from the Lauriston tenements. In addition, Great Pacific, the vendor, will retain a 2.0% net smelter return (NSR) royalty on all future production from the project, ensuring ongoing exposure to its long-term success

Sector and Commodity Market Outlook

Gold

After another set of new highs, Gold has surged to unprecedented levels, finishing March at US$ 3,115/oz, a gain of 9.9% m/m and breaking above US$ 3,200/oz on 11th April 2025, recording a 23rd closing high for the current year. According to the World Gold Council[1], Euro strengthening against a weak US Dollar was one of the key drivers of performance for gold, driven by an increase in geopolitical risk, capturing tariff fear (**Figure 16**).

Figure 16: Key Drivers of Gold's Return by month



Source: World Gold Council, 2025

UBS has also lifted its gold price target to US$ 3,500/oz, with the historic rally fueled by a combination of factors, including rising geopolitical tensions, inflation concerns, and changing expectations around interest rates. This environment has driven stronger-than-anticipated demand from both ETFs and speculative investors.

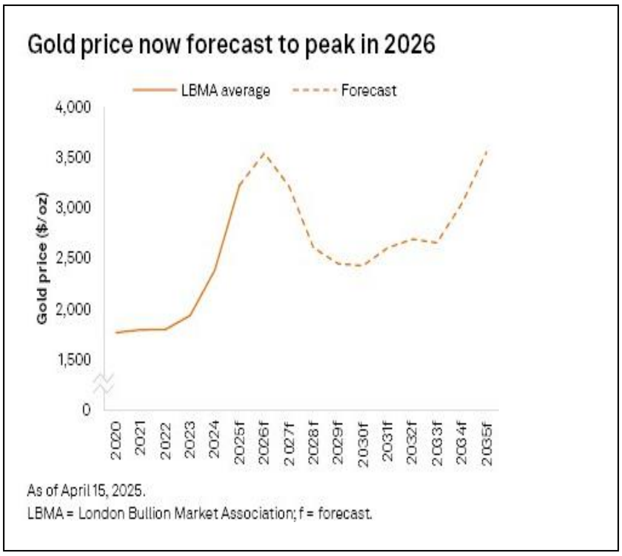
Rising Demand for Gold amid Global Uncertainty

As of April 2025, gold prices have surged to unprecedented levels. Major financial institutions have responded by updating their forecasts to reflect the metal's growing appeal as a safe-haven asset.

J.P. Morgan anticipates that gold prices will average $3,675 per ounce by the fourth quarter of 2025 and could surpass $4,000 by mid-2026. This projection is underpinned by strong investor and central bank demand, averaging around 710 tonnes per quarter. The bank notes that heightened recession risks, particularly amid escalating U.S. tariffs and a prolonged U.S.-China trade conflict, are significant drivers of this trend.

[1] Gold Market Commentary: When the wells run dry | World Gold Council

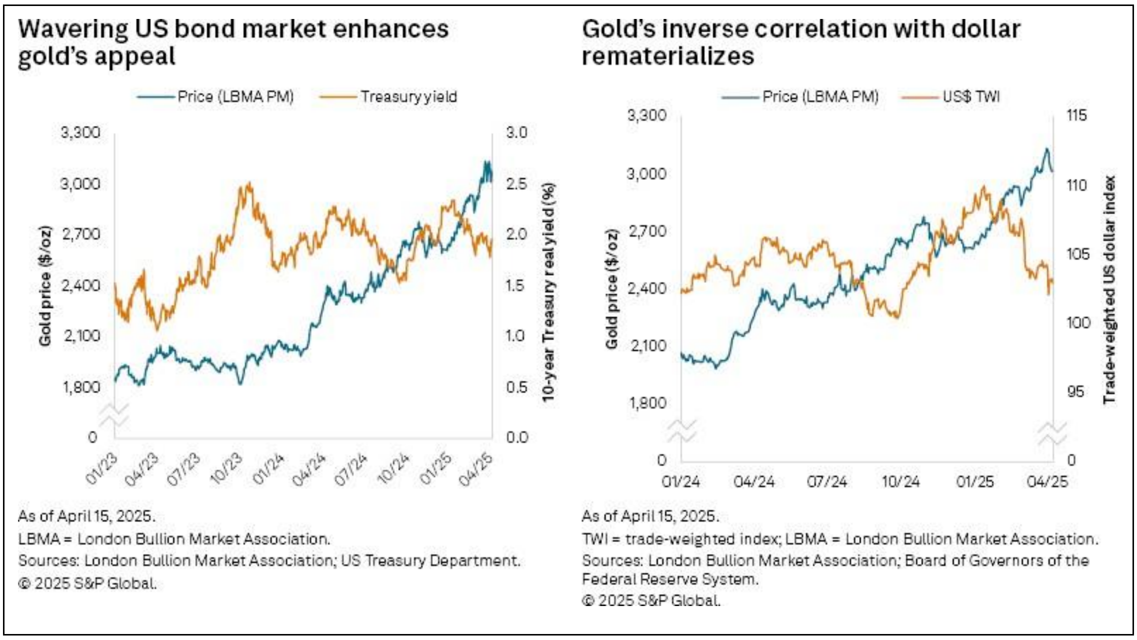
Figure 17: Gold Price Trend



Source: S&P Capital IQ

Goldman Sachs has revised its year-end 2025 gold price forecast to $3,700 per ounce, up from $3,300. The bank cites stronger-than-expected central bank demand and increased ETF inflows driven by recession concerns. In extreme scenarios, gold prices could approach $4,500 per ounce by the end of 2025.

Figure 18: Gold Prices comparison to Market

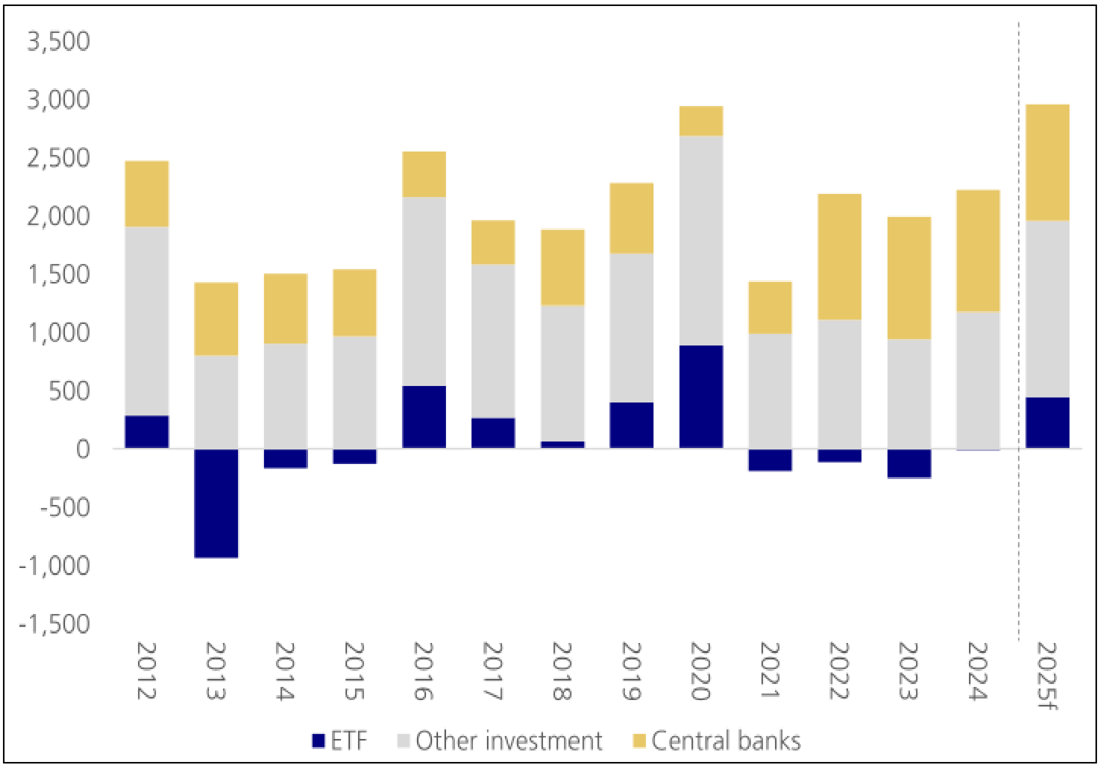


Source: S&P Capital IQ

Structural Shift in Gold Allocations

With central banks systematically raising gold's share of total reserves and countries allowing insurance funds to invest in gold, these factors will significantly support demand, while supply is unlikely to respond much to higher prices. UBS forecasts that central banks will buy around 1,000 metric tons in 2025 (up from 950 metric tons) after purchases of more than this level over the last three consecutive years. For ETFs, the reversal of the multi-year net-selling trend in mid-2024 will likely continue over 2025. UBS has altered the expectation for ETF net buying in 2025 to 450 metric tons (from 300 metric tons), alongside strong retail coin/bar demand.

Figure 19: Expectations for ETF's and Central Bank rising demand



Source: UBS (11th April, 2025)

Antimony

Antimony (Sb) is a strategically vital mineral, essential across a wide range of industries including electronics, defence, and renewable energy. Recognised as a critical mineral by countries such as Australia, the United States, the European Union, and Japan, its importance continues to grow alongside rising demand for high-tech and clean energy solutions.

A metalloid prized for its unique properties, antimony is widely used in the production of flame retardants, lead-acid batteries, semiconductors, solar panels, glass, and various military technologies such as missile guidance systems, night vision devices, and nuclear weaponry. Its resistance to heat and corrosion, along with its conductive capabilities, make it crucial for both established industries and emerging technologies.

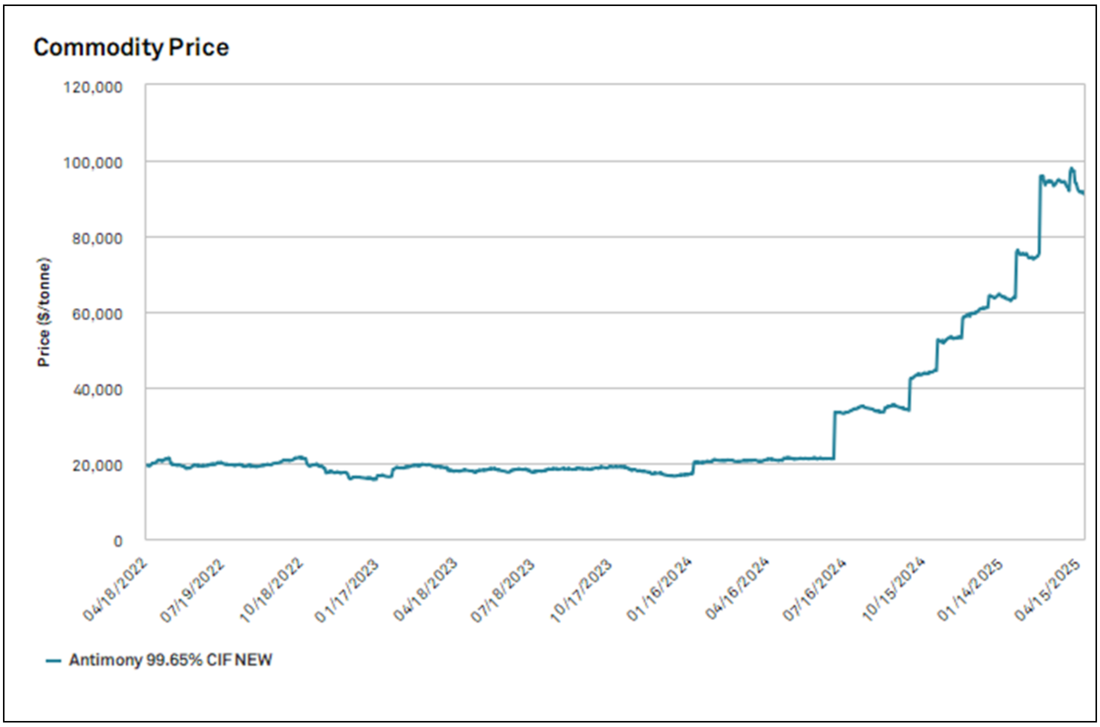
Antimony's designation as a critical mineral reflects not only its strategic role in defence and industrial manufacturing but also the vulnerabilities of its supply chain. China currently controls close to 50% of global production, and recent export restrictions have triggered market disruptions and price increases. As a result, there is a pressing need to secure alternative sources of supply, highlighting opportunities for countries like Australia to become important contributors to the global antimony market.

Supply and Demand

China dominates the global antimony market, leading both in mine production and known reserves, according to the U.S. Geological Survey's 2025 report[2]. In recent times, there has been a noticeable increase in drilling activity targeting antimony resources. **This surge is largely driven by growing supply shortages and China's implementation of export restrictions, underscoring the urgency for alternative sources of production outside of China.**

[2] https://pubs.usgs.gov/periodicals/mcs2025/mcs2025-antimony.pdf

Figure 20: Commodity Price chart for Antimony



Source: S&P Capital IQ

Rising Demand across key sectors

The long-term outlook for antimony remains robust, driven by escalating demand across multiple high-growth sectors and persistent supply constraints.

Antimony's critical role in various industries continues to underpin its strong demand trajectory -

Solar Energy Sector - Antimony is utilised as a clarifying agent in photovoltaic (PV) glass, enhancing the efficiency of solar panels. According to China Merchants Securities, demand from the photovoltaic sector is projected to increase from 16,000 tonnes in 2021 to 68,000 tonnes by 2026, elevating the sector's share of total antimony consumption from 11% to 39%.

Defence and Electronics Industries - Antimony is vital for manufacturing flame retardants, ammunition, and various electronic components. The ongoing geopolitical tensions have led to increased military expenditures, further amplifying the demand for antimony.

Supply Constrains and Geopolitical Factors

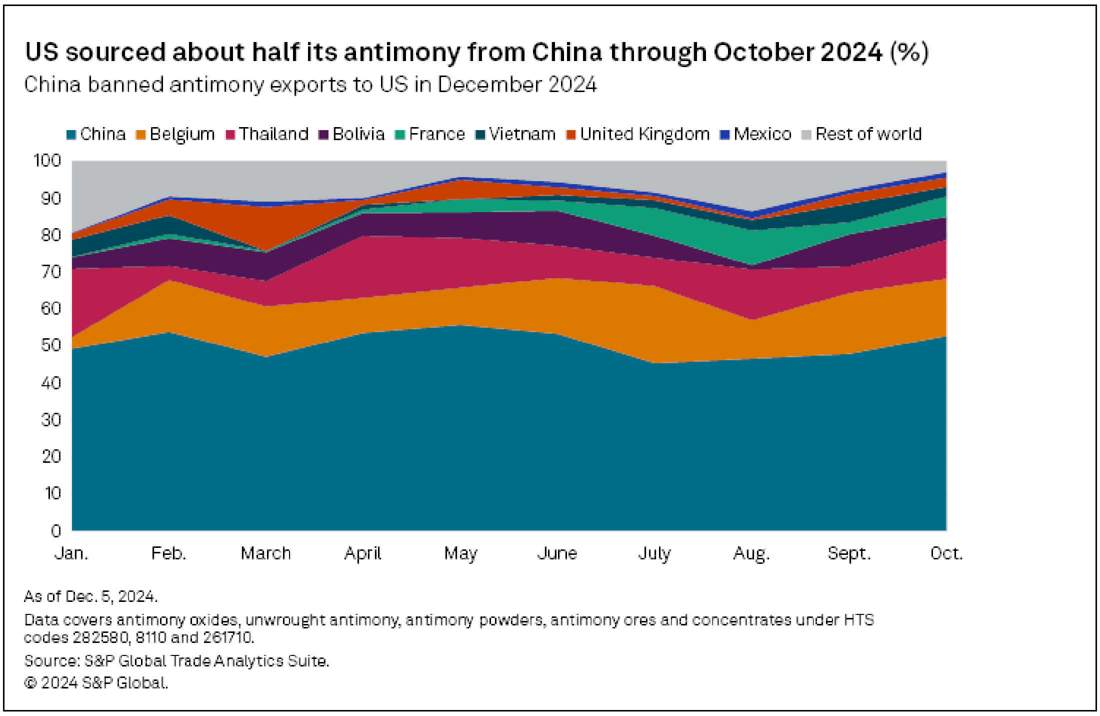
The supply side faces significant challenges -

Concentration of Production - China accounts for approximately 48% of global antimony mine production. However, declining ore grades and environmental regulations have led to a decrease in China's antimony reserves, from 950,000 tonnes in 2012 to 670,000 tonnes in 2024.

Export Restrictions - China's implementation of export controls has tightened global supply, contributing to price surges. For instance, antimony prices in Europe have soared to $56,000–$58,000 per tonne, marking a 375% increase since early 2024.

Global Supply Disruptions - Other major producers like Russia and Myanmar have faced production and export challenges due to sanctions and political instability, further straining the global supply chain.

Figure 21: US Antimony Sourcing from China



Source: S&P Capital IQ

Valuation: Using a Combination of DCF and Peer Comparison to Determine Adelong's Undervaluation

Our valuation is structured on a probabilistic framework, assigning a 70% likelihood that ADG advances to gold production, in which case we apply a Discounted Cash Flow (DCF) methodology to estimate value. The remaining 30% probability reflects a scenario where production does not commence; under this outcome, we apply a peer comparables approach to assess ADG's value based on its resource base and exploration potential. While non-production remains a possibility, it is clearly in the ADG's and GDM's strategic and economic interest to progress toward development.

The DCF valuation for ADG is based on modelled cash flows derived from mining operations at the Adelong Gold Project, using assumptions outlined in the 2022 Scoping Study. The analysis incorporates estimated annual gold production, gold recovery rates, revenue projections based on prevailing market prices, and cost estimates. Key input assumptions are sourced directly from the Scoping Study, which provides a solid technical basis while accounting for updated Mineral Resource Estimates (MREs), as well as prevailing market and cost conditions. **We have updated the key assumptions to reflect the current conditions for gold, the current cost environment, and higher gold prospectivity.**

The Peer Comparables analysis uses an EV/Resource multiple approach, benchmarking ADG against a selected group of ASX-listed gold peers. Resource estimates are normalised to gold ounces (Moz) to maintain consistency across comparisons. This analysis offers a relative valuation perspective, reflecting current market sentiment toward companies at a similar stage of exploration and development.

Summary of Results from the original Scoping Study (October 2022)

Before the discussion of the main valuation steps, it is important to highlight that both the Base Case and Bull Case are anchored to the pre-tax NPV calculated in Adelong Gold's October 2022 Scoping Study (the "2022 Scoping Study"). The following are the key assumptions of the scoping study summarised below –

• **Initial 5-year Life of Mine (LOM)**, focused on open-pit and underground operations at the Challenger deposit, Caledonian and Currajong deposits, **with the total production target of 81,082oz and gross gold recovery of 87,847oz.**

• **Average gold recovery rate of 92.3%, based on metallurgical testwork results conducted for the Challenger, Caledonian and Currajong orebody.**

• The **gold prices were considered to be A$2,650/oz, with costs ranging approximately A$1,784/oz**, including allowances for sustaining capital and ongoing site costs.

• **Pre-production Capex estimate of approximately A$11.880 million, covering initial site establishment, mining pre-strip, and refurbishment of the existing Adelong processing plant (which is owned 100% by ADG). Additional capital expenditure was assumed to be incurred in years 2-5 of A$8.245 million**

• The project was expected to generate **total revenue of approximately A$213.79 million**, with **total operating costs estimated at A$124.49 million.** Incorporating **pre-production capital expenditure of A$11.88 million in the first year, and additional capital expenditure of A$8.245 million over the first two to five years which resulted in a projected net cash flow before tax of A$69.18 million.**

• The project delivered a strong financial return, with a pre-tax Internal Rate of Return (IRR) of 72% and a Net Present Value (NPV) of A$53.56 million, calculated at a 5% discount rate.

We have **anchored both our Base Case and Bull Case scenarios to the A$53.56 million NPV at A$2,650/oz**

Assumptions to the DCF

Gold Prices

For our valuation of ADG, we have adopted a **Base Case assumption of an average gold price of A$4,000/oz and Bull Case assumption of A$4,200/oz over the projected production life of the Adelong Gold Project.** These assumed prices are deliberately set below the current spot level which is A$5,180/oz to reflect a degree of conservatism in the modelling, ensuring that valuations are robust even under moderately lower gold price scenarios.

It is worth noting that the October 2022 Scoping Study underpinning the Adelong Project's development case was based on a gold price of A$2,650/oz, significantly lower than both our Base and Bull case assumptions as well as the current market price environment.

As such, the assumed gold price assumptions maintain a reasonable buffer below current spot levels while still aligning with the broader market view that gold will remain strong over the medium term.

Gross Gold Mined

The total gross gold anticipated to be mined at the Adelong Gold Project, as reported by ADG, was 87,848 oz. In our valuation model, we have applied production uplift factors to reflect the potential for improved mining and operational outcomes.

• For the Base Case, we assume a 20% increase in total gold production, resulting in 105,418 oz. This assumption is based on factors such as potential optimisation of mine scheduling and reasonable extensions to existing ore bodies through near-mine exploration success.

• For the Upside Case, we apply a 35% increase in total gold production, reaching 118,595 oz. This higher uplift reflects a scenario where more aggressive resource conversion from Inferred to Indicated categories is achieved, combined with successful delineation of additional high-grade material both at depth and along strike extensions, which were previously identified as underexplored in historic drilling programs.

These production increments have been modelled conservatively in the context of the project's historical performance and the favourable geological potential outlined in the company's exploration strategy and ADG's additional upgrades to MRE after the scoping study was released. By anchoring our Base and Upside Case production targets to realistic and technically grounded assumptions, we aim to provide investors with a transparent and credible valuation framework.

Costs

To reflect the impact of higher production levels outlined in our earlier assumptions, we have applied a 25% increase to the existing cost base in the Base Case. This adjustment is composed of -

• 15% to account for typical cost variability and estimation uncertainty inherent in the Scoping Study stage,

• 5% to reflect the impact of inflationary pressures on mining and operational costs,

• 5% as a margin premium to conservatively capture potential cost overruns during project execution.

For the Bull Case, where production is assumed to increase by 35%, we have applied a 30% increase to the cost base. This adjustment similarly accounts for estimation inaccuracies, inflation effects, and margin premiums, scaled appropriately to the higher production volumes.

By incorporating these cost uplifts, our valuation maintains a conservative stance, ensuring that both the Base and Bull case scenarios are resilient to potential increases in operational and capital expenditures as the project scales.

Growth Exploration Costs

Our valuation model also incorporates Growth Exploration Costs, reflecting the additional exploration and development expenditure that ADG is likely to incur as it seeks to expand its production profile. **Given the earlier assumption of a 20% increase in gross gold mined under the Base Case scenario, we have conservatively allocated A$1.05 million per annum for growth exploration over the next five years.**

In the Bull Case, which assumes a more substantial 35% increase in production, we have modelled a growth exploration expenditure of A$856k per annum over the same period.

These assumptions are designed to capture the real-world capital demands associated with resource growth strategies and ensure our cash flow forecasts remain realistic. By factoring in sustained exploration investment, the model recognises the ongoing effort and cost necessary to unlock additional value beyond the existing Mineral Resource base.

Additional Working Capital

Both the Base Case and Bull Case scenarios incorporate an allowance for additional working capital required to commence operations. **While the 2022 Scoping Study referenced an initial working capital requirement in the range of A$4–5 million, our model assumes a slightly higher figure of A$5.4 million. This adjustment reflects a conservative approach, allowing for potential variability in initial cash outflows associated with mining ramp-up, plant commissioning, and early-stage operating expenses.** By adopting a higher working capital assumption, we aim to ensure that our valuation remains robust against unforeseen start-up costs and provides a prudent financial buffer.

Discount Rate

In our valuation model, **we have applied a discount rate (WACC) of 11.00% for the Base Case and 9.50% for the Bull Case**. These rates are informed by market-based estimates provided by Aswath Damodaran, a widely recognised authority in corporate finance and valuation and suitable peer based estimates.

The 11.00% discount rate used in the Base Case reflects the elevated risk profile typically associated with small-cap resource development projects. It accounts for factors such as funding risks, execution challenges, commodity price volatility, and the early-stage nature of the Adelong Gold Project.

For the Bull Case, a lower discount rate of 9.50% has been applied. This recognises the potential for risk reduction as the project advances toward production, underpinned by exploration success, resource upgrades, and further de-risking through technical studies. Additionally, the stronger operating margins assumed in the Bull Case, driven by higher production targets and improved gold prices, justify a lower discount rate to reflect the improved financial resilience of the project.

Using discount rates derived from Aswath Damodaran's market risk premium and small-company risk adjustments provides a credible, market-anchored basis for our valuation assumptions, ensuring that our analysis remains conservative.

Step 1: DCF

The DCF analysis represents 70% probability that ADG will get to the production of gold considering its in their and GDM's best interests (Figure 22). In our model, the Unlevered After-Tax NPV is estimated at A$85.836 million under the Base Case and A$113.795 million under the Bull Case. Both scenarios incorporate an effective corporate tax rate of 20%, with adjustments made for the higher assumed gold prices in each case at A$4,000/oz and A$4,200/oz in the base case and bull case respectively.

In addition to the DCF, we have included a residual value component in the valuation framework. The residual value is calculated by applying the average EV/Resource multiple of a selected group of comparable ASX-listed gold companies to the remaining resource base. Specifically, the residual value is derived from the Total Mineral Resource Estimate (MRE) after deducting the gross gold production targets assumed in the Base and Upside Case scenarios.

This blended approach captures the value generated through forecasted mining operations and the underlying strategic value of the remaining resource inventory, ensuring a comprehensive and balanced assessment of Adelong Gold's intrinsic value.

Our valuation also incorporates a **51% discount to the DCF-derived value**, reflecting the terms of the **binding farm-in agreement between ADG and GDM.** Under this agreement, GDM will earn a **51% interest** in the Adelong Gold Project upon achieving **first gold production from the refurbished Adelong processing plant within 12 months.** As a result, ADG would retain a **49% ownership stake**, which is appropriately reflected in our valuation model.

Figure 22: ADG's NPV + Residual

$M	Base Case	Bull Case
ADG Unlevered After Tax NPV ($M)	**85.836**	**113.795**
Total MRE	0.188	0.188
Mine Plan Production Target	0.105	0.119
Residual Value	**0.083**	**0.069**
EV/Resource (x)	155.05	155.05
ADG Multiple	**9.51**	**7.98**
ADG Step 1 ($M)	**95.337**	**121.780**
70% Probability ($M)	(28.601)	(36.534)
ADG NPV + Residual ($M)	**66.736**	**85.246**
ADG Equity Value @49% ($M)	**32.701**	**41.771**

Source: East Coast Research

Step 2: Peer Comparables Analysis

For the peer comparables analysis, we have selected a group of ASX-listed gold exploration and development companies spanning early-stage to advanced-stage project maturity. To appropriately reflect ADG's earlier stage of project advancement relative to these peers, we have applied a 50% discount specifically to the Inferred Resource component of the peer valuations (**Figure 23**).

The peer comparables approach accounts for the 30% probabilty of ADG not commencing the productiobs, with the remaining 70% probabilty based on the DCF valuation. We have assumed the same multiple for both the scenarios and added a 20% premium to consider the prospect of Apollo project that was recently acquired (Figure 24).

20% premium is based on the following factors –

- **Proven High-Grade Gold Intercepts Demonstrate Significant Resource Potential -** The Apollo Gold Project has already returned exceptional historical drill results, which are rarely seen in early-stage assets. Intercepts such as 39.5m @ 7.25 g/t Au (including 10.6m @ 17.1 g/t Au) and 27.6m @ 6.7 g/t Au (including 8m @ 11.9 g/t Au) reflect both grade and continuity, two critical factors that underpin robust development economics.

- **Strategic Location in the Melbourne Zone, Victoria's Premier Gold Belt -** Apollo is located in Victoria's Melbourne Zone. This highly prospective and well-endowed gold province hosts world-class deposits such as Fosterville (Agnico Eagle) and Costerfield (Mandalay Resources). Victoria has emerged as a globally recognised high-grade gold jurisdiction, supported by government-backed exploration incentives and well-established infrastructure. The project's location provides Apollo with access to services, skilled workforce, and processing infrastructure, which substantially de-risks the path to development.
- **Established Antimony-Gold Mineralisation with Critical Mineral Upside -** In addition to gold, the Heyfield Reef Prospect within Apollo has demonstrated significant antimony-gold potential, with assays such as 3m @ 5.2 g/t Au and 3.4% Sb and rock chip samples returning up to 20.1 g/t Au and 3.9% Sb.

  This adjustment provides a conservative and balanced valuation framework, acknowledging that ADG is still advancing through early development milestones and has yet to achieve the level of resource confidence, technical de-risking, and broader market recognition exhibited by more advanced peers. Based on this methodology, we calculate an average peer EV/Resource multiple of 115.05x, which supports a total resource valuation of approximately A$21.630 million for the remaining mineral inventory at Adelong.

Figure 23: ADG Peers

Company	ASX	Market Cap (m)	Enterprise Value (m)	Total Resources (Moz)	Grade (g/t)	Total Resources/ EV	Inferred Resources (Moz)	Weighted Average Comparable Total Resources (Moz)	EV/Weighted Average Comparable Total Resources (A$m/Moz)
Astral Resources	AAR	167.83	170.57	1.461	1.10	116.75	0.624	1.149	148.451
Horizon Gold	HRN	56.49	52.85	2.137	1.50	24.73	0.791	1.742	30.347
Odyssey Gold	ODY	14.38	12.62	0.407	2.50	31.01	0.345	0.235	53.817
Yandal Resources	YRL	37.11	27.28	0.470	1.40	58.04	0.379	0.281	97.255
Vertex Minerals	VTX	43.03	50.05	0.483	3.56	103.68	0.296	0.335	149.514
Adelong Gold	ADG	6.99	6.61	0.188	3.21	35.13	0.096	0.140	47.094

Estimates	
Peer Median	97.255
Peer Average	95.877
Premium	20%
Total Resources ($M)	**21.630**

Figure 24: ADG Peers Comparison

$M	Base Case	Bull Case
EV/Resource AVG	115.05	115.05
ADG MREs	0.188	0.188
Resources Value ($M)	**21.630**	**21.630**
30%Probability	(15.141)	(15.414)
ADG Multiples ($M)	**6.490**	**6.490**

Source: East Coast Research

Step 3: Apollo Exploration Expenses

Apollo was acquired in early 2025, involving a cash payment of $350,000 and a share component valued at $350,000 in fully paid ordinary shares.

Our model also accounts for the expected exploration costs associated with the Apollo Gold Project over the next two years. We have estimated exploration expenditure at A$1.25 million per annum. These future costs have been discounted at 5%, consistent with the discount rate ADG applies to cash flow projections in its internal assessments.

The discounted value of these exploration costs amounts to approximately A$2.324 million, which is deducted from the total valuation derived through the blended DCF and peer multiples approach (**Figure 25**).

This adjustment ensures that our valuation reflects not only the value of the current resource base and development potential but also incorporates the funding requirements necessary to advance the broader project pipeline.

Figure 25: Apollo Exploration

$M	Base Case	Bull Case
Total of all Stages ($M)	39.189	48.260
Apollo Exploration Expense over 3 years ($M)	2.324	2.324
ADG Total ($M)	**36.865**	**48.260**

Source: East Coast Research

Equity Valuation

We derive a Base Case share price valuation of A$0.024, representing an upside potential of 248.43% from the current share price of A$0.007. Under the Bull Case, the share price valuation increases to A$0.032, implying an upside of 354.32%. This results in a mid-point valuation of A$0.028, offering investors a potential upside of 301.37% relative to the current market price (Figure 26).

The Final Net Enterprise Value (NEV) calculated in the model is approximately A$36.87 million under the Base Case and A$48.26 million under the Bull Case. Cash balances were A$ 628K based on ADG's reported end-of-quarter cash position, ensuring consistency with the latest available financials.

ADG is well-funded for the immediate term, supported by the recent transaction with Great Divide Mining (GDM), which is expected to provide **$300,000 in funding** as GDM assumes the role of **operator** at the Adelong Gold Project. Additionally, the company holds **listed securities in Sarama Resources Ltd**, with a **market value of approximately $850,000 as of 31 March 2025**. These shares are fully tradeable at ADG's discretion and may be sold in an **orderly manner** to further strengthen the company's cash position if required. Our valuation doesn't consider the values of Sarama Resources and the funding from GDM in cash balance.

Importantly, ADG currently has no debt on its balance sheet. The company is well-positioned financially following a recent capital raising, which is expected to fund anticipated pre-production capital expenditure and initial working capital requirements. Additionally, the binding farm-in agreement with Great Divide Mining strengthens ADG's financial flexibility, as ADG will have no funding obligations until gold production commences.

At the end of the quarter, ADG reported approximately 1.4 billion shares on issue. Still, in our model, we are increasing the share count by 10% to account for the dilution resulting from the acquisition. At the same time, it is important to note that we are not yet capturing the full potential upside from the Apollo and the acquisition of Lauriston Gold Project Acquisition.

Our model assumes no outstanding options when calculating the per-share valuation.

Figure 26: ADG's Equity Valuation

Adelong's Equity valuation ($M)	Base Case	Upside Case
Adelong's Final Net Enterprise Value	**36.87**	**48.26**
Cash ^	0.63	0.63
Debt *	-	-
Total Market value of Equity	**37.41**	**48.86**
Total No. of Outstanding Shares	1,537.23	1,537.23
Implied price (A$)	**0.024**	**0.032**
Current price (A$)	0.007	0.007
Upside (%)	*248.43%*	*354.32%*
Mid-point Target Price (A$)	**0.028**	
Price / NAV (x)	**0.25**	

Source: East Coast Research

It is important to highlight that the valuation presented is deliberately conservative. A significant portion of ADG's upside potential remains unaccounted for in the current model, particularly tied to the underexplored resource base and the potential discovery of additional high-grade mineralisation.

Future exploration success, resource upgrades, and delineation of high-grade zones could provide material catalysts for a re-rating of the company's valuation beyond the conservative estimates applied in this analysis.

Catalysts for the re-rating of ADG

ADG is significantly mispriced and is currently trading at a substantial discount to its underlying asset value. Several near- and medium-term milestones have the potential to drive a re-rating of the stock and unlock considerable shareholder value –

Restart of Gold Production at the Adelong Gold Project - Progress on recommissioning the Adelong Gold Plant through the farm-in agreement with GDM, with first gold production targeted within 12 months, would represent a major de-risking event and transition the company toward near-term cash flow.

Exploration Success Across Australian Projects- Positive drill results or resource upgrades at high-potential areas such as the Challenger, Caledonian, or Heyfield Reef prospects in NSW, could significantly enhance project valuations.

Expansion of JORC Resource Base - Upgrades or extensions to the current 188,000 oz JORC gold resource at Adelong, particularly if additional drilling upgrades Inferred material to Indicated, will improve the project's development economics and market appeal.

Favourable Gold Price Movements - Increases in the prices of gold would directly impact project economics and could catalyse investor interest, particularly given ADG's dual-commodity exposure.

Key Risks for ADG

While ADG presents a compelling investment opportunity with near-term production potential and exposure to gold markets, several key risks could impact the investment thesis –

Commodity Price Risk – ADG's valuation is highly sensitive to fluctuations in gold prices. Volatility in global commodity markets driven by macroeconomic conditions, interest rates, or geopolitical events could materially impact project economics and investor sentiment.

Funding Risk – Although the company currently maintains a solid balance sheet, additional capital may be required to support exploration activities in the newly acquired project and to maintain momentum across Australian assets post-commencement of production. There is a risk that future capital may not be raised on favourable terms, potentially leading to dilution.

Execution Risk – The restart of gold production at the Adelong Gold Plant, while a key catalyst, also carries execution risks. Delays in recommissioning, permitting, or achieving targeted production timelines could impact near-term valuation expectations.

Exploration and Geological Risk – As with all exploration-stage companies, there is a risk that drilling campaigns may not yield commercially viable resource extensions or upgrades. Additionally, the narrow vein structures at Adelong introduce grade variability, which could impact the reliability of future MREs.

Understanding and monitoring these risks is essential when evaluating ADG's valuation and potential to re-rate as exploration and development milestones are achieved.

Appendix I: ADG SWOT Analysis

Figure 31: SWOT analysis

Strengths	Weakness
1. **Diversified & Growing Resource Base** - Adelong offers exposure to gold, with the flagship Adelong Gold Project showing strong potential for further mineralisation beyond the current 188,000oz resource. 2. **Strategic Partnership** - A farm-in agreement with GDM provides technical and financial support to fast-track development at Adelong. GDM will refurbish the gold plant and target first gold production within 12 months. Adelong retains a 49% stake with no upfront production costs, reducing risk while maintaining upside. 3. **Strong Financial position** - A recent capital raise of $1.173 million ensures funding for ongoing development and exploration, supporting growth and operational objectives. 4. **Strong Management Team** - Experienced directors and management possess a proven track record in the mining sector and broader business strategy, providing confidence in execution and capital efficiency.	1. **Reliance on External partners** - Development of the Adelong Gold Project is dependent on Great Divide Mining (GDM) meeting key production milestones. This reliance limits Adelong's control over project execution, increasing both operational and strategic risk. 2. **Capital Constraints** - As a pre-revenue company, Adelong relies on equity funding to support its operations. While the recent capital raise provides short-term funding, it may not be sufficient for long-term development. Continued dependence on external funding may result in shareholder dilution.
Opportunities	**Threats**
1. **Resource Expansion Potential** - Ongoing work at the Apollo Gold Project could uncover new zones of mineralisation and add to the company's resource base. 2. **Leverage through partnerships** - Strategic partnerships reduce financial burden while accelerating timelines towards production, GDM allows ADG to lower its full development cost. 3. **Commodity thematic, Energy transition and & Global Uncertainty** - Rising global demand for battery materials supports long-term lithium market strength, while ongoing economic and geopolitical uncertainty reinforces gold's appeal as a safe-haven asset.	1. **Partner Execution Risk** - Progress at the Adelong Gold Project is dependent on Great Divide mining meeting milestones. Any delays or failure could disrupt timelines. 2. **Exploration and Development Risk -** There is no certainty that exploration will lead to commercially viable resources. Technical challenges, drilling results, or resource definition issues could delay or halt project advancement. 3. **Regulatory Risk -** Delays in obtaining approvals or changes in regulatory frameworks could impact timelines, increase costs and overall project viability. 4. **Funding Dependence -** Adelong relies heavily on external capital to fund operations. Market volatility or weak investor sentiment may restrict access to funding, potentially delaying projects or resulting in shareholder dilution.

Source: East Coast Research

Appendix II: ADG's leadership

ADG's leadership team has extensive experience across global resource exploration, project management, corporate governance, and financial services within the mining, commodities, and investment sectors

Figure 32: ADG's leadership team

Name and Designation	Profile
Mena Habib **Chairman**	• Mena is a results-driven Mining Executive and Business Development professional with a strong background in management, sales, and marketing. He has led multiple multimillion-dollar businesses and has deep expertise in investment markets, particularly in emerging mineral resource companies. • He currently holds a Non-Executive Director at AusChina Holdings as well as being a managing director of Power Mineral Limited.
Ian Holland **Managing Director**	• Ian brings over 25 years of experience in the mining industry, with a strong track record in both operational and executive leadership roles. He previously served as Managing Director of Navarre Minerals Ltd and as Vice President of Australian Operations at Kirkland Lake Gold. • Ian is a qualified geologist, holding a Bachelor of Science and a Master of Minerals Geoscience from James Cook University, along with a Graduate Diploma in Applied Finance and Investment.
Kurt Lingohr **Non-Executive Director**	• Kurt Lingohr has more than 30 years of experience in business strategy, marketing, and product development, with a track record of notable financial exits. He holds a Bachelor of Business Systems from Monash University. • Kurt regularly participates in Australian mining investor conferences, where he has developed an extensive professional network and gained in-depth expertise in all aspects of investing and value creation, particularly in understanding the market dynamics and drivers behind investor interest in junior exploration stocks. • Having joined the Adelong Gold board, Kurt works closely with the other Directors and Management to help shape the company's strategy, drive growth, enhance shareholder engagement, and create value for ADG stakeholders.

Source: East Coast Research

Appendix III: Analyst's Qualifications

- Riddhesh Chandwadkar, the lead analyst on this report, is an equity research analyst at Shares in Value (East Coast Research)
- Riddhesh has a Bachelor's degree from the University of Mumbai and a Master's in Commerce (Finance and Strategy) from the University of Sydney. He has passed Level 1 of the CFA Program.
- Riddhesh has experience working across Equity Capital Markets as an investment analyst looking at Capital Raising and Mergers and Acquisitions for ASX listed companies.

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