

Completion of Acquisition of Challenger Mines Pty Ltd by GDM

ASX Announcement

Brisbane, Australia, 28 January - Great Divide Mining Ltd (ASX: GDM) (**GDM**) advises that, following the approval of GDM Shareholders on 27 January 2026 and the satisfaction of all other conditions precedent, it has today completed the acquisition of Adelong Gold Limited's (**ADG**) 49% equity in Challenger Mines Pty Ltd (**CMPL**) giving GDM 100% ownership of the Challenger Mine in Adelong, NSW. As a consequence, the incorporated CMPL joint venture governed by the 'Joint Venture Shareholders and Funding Agreement' (**Joint Venture**) has now terminated.

The settlement

The full and final settlement included:

1. **Sale of shares in CMPL held by ADG to GDM** - under the terms of the Share Sale and Purchase Agreement, GDM has acquired the balance 49% of the issued share capital in CMPL (**Sale Shares**) in consideration for the issue to ADG or its nominee of 10,000,000 shares in GDM (**Consideration Shares**). Further detail in respect to the Share Sale and Purchase Agreement and the escrow arrangements that apply to the Consideration Shares is provided in the GDM ASX Announcement of 8 December 2025 "Settlement of ADG and GDM dispute & acquisition of Challenger Mines Pty Ltd by GDM".
2. **Payment of settlement sum by ADG** – ADG has paid CMPL the settlement sum of \$134,288 (**Settlement Sum**), being ADG's proportion of Joint Venture expenses up to 9 October 2025, anticipated Joint Venture expenses up to 31 October 2025 and the amount equivalent to the capital gains tax payable by CMPL in relation to the sale of a non-core residential property in Adelong, NSW (**Property Sale**).
3. **Property Sale** - ADG will retain all proceeds from the Property Sale, in the amount of \$455,000 and ADG has indemnified CMPL and GDM (among others) from and against all costs and liabilities (including in relation to tax, including capital gains tax) arising from or in any way connected with the Property Sale.
4. **Payment of a royalty by CMPL to ADG** – under the terms of the Minerals Royalty Deed, ADG is entitled to receive a capped royalty from CMPL (**Royalty**). The terms entitle ADG to a royalty of 1% of the net smelter return on saleable gold as an ore, concentrate or other non-refined gold product produced from the CMPL mining tenements specified in the Minerals Royalty

Deed (**Product**), in existence as at the date of execution of the Minerals Royalty Deed (**Mining Area**), with such royalty capped at 125,000 ounces of Product. The Royalty will commence on the later of execution of the Minerals Royalty Deed, completion of the Share Sale and Purchase Agreement (**Completion**), or the date on which extraction and recovery of any Product commences from the Mining Area.

The Consideration Shares

The Consideration Shares issued on 2 February 2026 are subject to voluntary escrow on the basis that 50% of the Consideration Shares will be escrowed for a 6-month period and the balance 50% of the Consideration Shares will be escrowed for a 12-month period (**Escrow Period**).

During the applicable Escrow Period of the Consideration Shares:

- ADG has granted GDM a right of first offer such that if ADG proposes to sell or transfer any Consideration Shares during the period from Completion until 18 months after Completion, ADG must first offer those Shares to GDM (or its nominee), at either:
 - if the sale is by way of off-market transaction to a third party, the off-market sale price agreed to with the third party; or
 - if the sale is on-market, the 5-day volume weighted average price of GDM shares immediately prior to the date of the offer.
- ADG has assigned to GDM (or its nominee), during the applicable Escrow Period, the exclusive right to vote in any manner GDM deems fit in respect of the Consideration Shares.

Termination of the Joint Venture

The Joint Venture was terminated at Completion while preserving tax indemnities given by ADG to GDM in respect of CMPL, which includes (but is not limited to) the costs of any recovery action by the Australian Tax Office with respect to any GST refund claimed by CMPL prior to GDM becoming a manager of the CMPL joint venture.

Forward Plan for the Challenger Gold Mine

GDM has commenced a restructure of the development plans to suit a sole-funded and optimised operation. The ramp-up to higher production is likely to be extended slightly under these plans resulting in a lower and slower capital and operating cost requirement. Initial production levels will build as the Company generates cashflow to undertake subsequent stages of development.

GDM is targeting initial cashflow from operations by end of Q3FY26. To achieve this, initial works over the next 1 to 3 months, CMPL will focus on the following:

- Finalise the installation and commissioning of spirals and jig into the process plant to support commercial production of Product;

- Produce a demonstration concentrate for metallurgical and market testing sourced from remnant ores and mullock already crushed, blended and sitting on the ROM pad ready to feed;
- Finalising approvals to enable recovery of mullock from around the mine site;
- Commence technical studies to support the potential small open cut at the Challenger Extended deposit, including mining and geotechnical works; and
- Environmental and approvals works, as required, to meet regulatory requirements for the restart of processing and open cut mining activities.

This ASX release is authorised by the Board of Great Divide Mining Ltd.

For further information:

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About Great Divide Mining

Great Divide Mining Limited is an Australian explorer focused on gold, antimony and critical metals, operating across four projects and eleven tenements in Queensland. The Company's strategy centres on developing assets in historically mined areas with existing infrastructure, enabling rapid project advancement and cost efficiency.

Its key projects include Yellow Jack (advanced gold with a maiden JORC resource of over 50,000 ounces), Coonambula (antimony and gold with more than 15 historic mines), Devils Mountain (gold and copper in a historic mining district), and Cape (two greenfield opportunities with significant historical exploration results). GDM aims to generate early cash flow from initial projects to fund further exploration, leveraging a staged development approach.

In 2025, GDM commenced production at the historic Challenger Gold Mine (CGM) in New South Wales, marking its transition from explorer to producer.