CHALLENGER GOLD LIMITED

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 30 JUNE 2025

Highlights

Hualilan Gold Project - San Juan, Argentina

- **Pre-Feasibility Study ("PFS") for Toll Milling completed demonstrating outstanding economics from toll milling delivering:**
  - **Robust margins on conservative commodity prices:** using US$2,500/oz Au and US$27.50/oz Ag, the three-year toll-milling plan generates EBITDA of US$88.0M, post-tax NPV_5 of US$50.5M, and cumulative post-tax-free cash flow of US$56.7M.
  - **Leverage to spot prices:** at today's ~US$3,300/oz Au and US$33/oz Ag, EBITDA rises to US $142.8M and post-tax NPV_5 to US$82.2M, with post-tax-free cash flow of US$91.8M.
  - **Low upfront capital and quick payback:** total upfront spend is just US$8.9M (A$13.8M) which is US$4.2M upfront capex and US$4.7M working capital and achieves payback by December 2025 (or 3 months from the commencement of mining).
  - **Competitive cost structure:** forecast All-In Sustaining Cost ("AISC")[1] is ~US$1,454/oz AuEq, comfortably below spot prices and achievable thanks to toll milling and a short haulage distance.
  - **Financing risk removed:** recent A$37.5M equity placement funds development through to first cash flow and acceleration of the development of the larger stand-alone Hualilan Project.
  - **Significant upside:** ***Toll Milling is based on extracting only 3% of the 2.8 Moz Hualilan Mineral Resources Estimate ("MRE").***
- **Final Metallurgical testwork required for full scale Hualilan PFS on track.**
- **Outstanding results from testwork to determine the viability of Heap Leaching for treatment of the significant low-grade halo at Hualilan:**
  - **Excellent Recoveries**: Column Leach Tests demonstrate strong recoveries with gold recoveries up to 85% and average recoveries of 75% for gold. These results are outstanding on a world scale with typical Heap Leach recoveries ranging from 55% to 79% and averaging 60-65%[1].
  - **Excellent Recoveries at Low Grades**: Testing has demonstrated strong gold recoveries at very low grades. Highlights include 67.2% Au recovery from at 0.15 g/t Au.

[1] Calculated based on the World Gold Council definition.

Challenger Gold Limited
ACN 123 591 382
ASX: CEL

Australian Registered Office
Level 1
100 Havelock Street
West Perth WA 6005

Contact
T: +61 8 6385 2743
E:admin@challengergold.com

Ecuador

- **Investment Protection Agreement:** ("IPA" or "the Agreement") with the Government of Ecuador for CEL's 100% owned El Guayabo Project ("El Guayabo" or "the Project") executed.
- Under the terms of the IPA, the Government of Ecuador has granted CEL legal protections including stability of the regulatory framework, resolution of disputes through international arbitration, and protection of CEL's investment.
- **Takeover of Lumina Gold:** During the quarter Lumina Gold Corp (TSXV: LUM) was acquired by CMOC Group Limited for $650 million Australian dollars.
- Lumina Gold Corp's Cangrejos project had Indicated and Inferred resources of 20.5Moz Au, 31.1 Moz Ag and 2,649Mlbs Cu[2] while El Guayabo has resources of 9.1 Moz AuEq[3]
- Cangrejos Project is located immediately to the north of CEL's El Guayabo and Colorado V Projects in Ecuador.
- The acquisition price of Lumina Gold Corp implies a significant look through valuation for CEL's El Guayabo/Colorado V projects in Ecuador.

Corporate and Financial Summary

Financial Summary

- Firm commitments secured for an approximately A$37.5 million placement[4] ("Placement") to L1 Capital, Helikon Investments and the Elsztain Group (an entity associated with CEL's Chairman and subject to shareholder approval).
- Initial $30 million of placement proceeds has settled with Shareholder Meeting to approve Tranche 2 and the attached 1 for 2 placement options to be held on 22 August 2025.
- Proceeds to be allocated toward:
  - Funding CEL through to first cash flow from the toll-milling operation at its high-grade Hualilan Gold Project in Argentina;
  - Accelerate drilling and studies for an upsized standalone Life of Mine (LOM) development at Hualilan (LOM Study targeted for release by Q126); and
  - Working capital and transaction costs.

Cash at bank of $34.2M[4] on 30 June 2025, (includes the the Tranche 2 placement proceeds of $7.5M from the Company's Chairman, which is pending approval from shareholders). This provides a comfortable buffer over the expected up-front capex/working capital requirements for Toll Milling, the spend required to advance the stand-alone PFS, and corporate overheads until cashflow from Toll Milling is received.

[2] *Source Lumina Gold website www.luminagold.com* - Lumina Gold NI 43-101 PFS Report Cangrejos Project April 2023
[3] *Reported on total project basis (6.9Moz AuEq net to CEL) for AuEq requirements under the JORC Code see page 31*
[4] *June 30 cash balance corrected to assumed completion of the $37.5M placement less fees*

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Contact
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Expenditure During the Quarter

Exploration expenditure: $2.6M for the quarter compared to $2.1M last quarter. This expenditure included $0.2M associated with the Toll Milling PFS which is now complete and $0.5M of capital expenditure associated with mining readiness for Toll Milling.

  - Argentina: $2.4M ($2.1M last quarter) with the current quarter including $0.7M associated with Toll Milling.
  - Ecuador: $0.25M ($0.7M last quarter) which is indicative of the go forward cost structure.

- Administration and corporate costs: $1.6M (up from $1.4M last quarter) with this spend including $0.2M associated with Toll Milling readiness and the Toll Milling PFS, and $0.3M in fees related to the initial drawdown of US$2M in project financing and other one-off items.
- Additionally, fees of $1.8M were paid on the $37.5M capital raise during the quarter.
  - In accordance with Listing Rule 5.3.1, there were no substantive mining production and development activities undertaken during the quarter.
  - In accordance with Listing Rule 5.3.5, the Company advises that the payments to related parties as advised in Appendix 5B pertain to $207k.

Note: All currency amounts are in Australian Dollars unless otherwise stated.

Appointment of New Director

Subsequent to the end of the quarter, the Company announced the appointment of Carolina Zang as Non-Executive Director. Carolina is one of the most respected business leaders in Argentina. Ms. Zang holds a law degree in Universidad de Buenos Aires and has an LLM from New York University School of Law in NY where she lived for three years. She is a securities lawyer and a partner of Zang, Bergel & Viñes Law Firm in the market and finance area leading numerous landmark transactions, including debt restructurings, sovereign bond issuances, and corporate financings, and representing one-third of the most active and representative Argentine issuers.

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Operations

Hualilan Gold Project, Argentina

Hualilan Toll Milling Pre-Feasibility Study

During the quarter, the Company released a Toll Milling Pre-Feasibility Study ("PFS") for the 100% owned Hualilan Gold project located in San Juan, Argentina. The study presented a technical and economic evaluation of the Tolling scheme proposed for the project in conjunction with Austral Gold Limited (**ASX: AGD**) ("Tolling Partner" or "Toll Mill") as announced in an ASX Release on 10 January 2025. *(Refer full ASX Release 4 June 2025 titled ""Completion of Hualilan Toll Milling Pre-Feasibility Study").*

Figure 1 - Toll Milling Pre-Feasibility Study Financial Highlights

REVENUE US$200.7M | AU$311.2M *US$2,500/ oz Au + US$27.50/ oz Ag*	**EBITDA** US$88.0M | AU$136.4M *US$2,500/ oz Au + US$27.50/ oz Ag*
ALL-IN SUSTAINING COST (AISC) US$1,454/ oz *On 80.3 koz AuEq recovered*	**EBITDA - SPOT** **US$142.8M | AU$221.4M** *US$3,300/ oz Au + US$33/ oz Ag*
C1 CASH COST US$1,077/ oz *On 80.3 koz AuEq recovered*	**TOLLING LOM** 24 Months Mining | 33 Months Processing *29 Months of Hualilan to Casposo Ore Haulage*
PRE-PRODUCTION CAPEX/WORKING CAPITAL US$9.2M | AU$14.3M	**PAYBACK DELIVERED** December 2025
$NPV_{5\%}$ (PRE-TAX) - SPOT US$123.2M | AU$191.0M *US$3,350/ oz Au and US$34/ oz Ag*	**AFTER TAX CASHFLOW - SPOT** US$91.8M | AU$142.3M *US$3,350/ oz Au and US$34/ oz Ag*
MINING UNIT COST US$8.12/ WMT (Mined) *Based on 3.268 M.WMT Total Material Mined*	**PROCESSING UNIT COST** US$133.28/ WMT (Processed) *Based on 450 k.WMT processed, incl. $17.50/ WMT transport.*

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Study Approach

This study is a pre-feasibility level (-20% to +30%) technical and economic study of the potential viability of the portion of the Hualilan MRE to be toll milled, and the options identified in this study will be explored and optimised further in later Project phases.

Ore Reserves

The completion of the PFS allowed the Company to report maiden ore reserves related to Toll Milling. The material assumptions and outcomes from the PFS relating to ore reserves are summarised below. Expanded information is available in the Pre-Feasibility Study Summary Report released to the ASX on 4 June 2025.

Ore reserves have been generated using prefeasibility level pit designs, mining costs, processing costs, capital costs, geotechnical slope criteria, dilution, metallurgical recovery and cut-off grade specific to the Hualilan deposit and the Toll Treatment agreement between the Company and Austral Gold Ltd. Gold and silver prices of $US2,500/oz and $US27.50/oz respectively have been used to determine the appropriate cut-off grade and establish Ore reserves in the project economic analysis. The tonnes, grade and contained gold and silver ounces in the Ore reserve are summarised by classification in Table 1.

The Ore reserve is based on 3D pit designs generated in Hexagon™ MinePlan3D software which are modified from optimised pit shells generated in Geovia Whittle™ software to include practical considerations for mining includes catch berms, access ramps and minimum mining widths.

The mining, stockpiling, ore delivery to the toll treatment facility and ore parcel processing schedule have been incorporated into an economic evaluation to demonstrate the economic viability of the Ore reserve. No inferred mineral resources have been included in the Ore reserve as those resources are considered too speculative geologically to have economic value placed on them and as such, they are treated as waste material in the mine plan.

The results of the economics analysis to support the Ore reserves represent forward looking information that is subject to several known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those presented herein. The QP has not identified any known legal, political, environmental, or other risks that would materially affect the potential development of the Ore reserves. Areas of uncertainty that may materially affect the Ore reserve estimation include:

- Commodity price and exchange rate assumptions;
- Capital and operating cost estimates;
- Geotechnical slope designs for pit walls;
- Mining selectivity near the ore and waste contacts; and
- Metallurgical recoveries in the Toll Treatment facility.

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As noted in the sections above, mine planning activities and the agreement with the toll treatment partner are all based on wet metric tonnes while the Ore reserve statement in Table 1 above is stated in dry metric tonnes. Re-stating the Ore reserve on a wet metric tonnes basis with the assumed 5% moisture content results in 450,000 wmt of ore per the ore production target contemplated in the toll treatment agreement with Austral.

Table 1 - Ore Reserve Statement

Classification	Cut-off Grade (gpt AuEq)	Tonnes (000 dmt)	AuEq (gpt)	Au (gpt)	Ag (gpt)	AuEq Contained (000 oz)	Au Contained (000 oz)	Ag Contained (000 oz)
Proven	1.9	-	-	-	-	-	-	-
Probable	1.9	427.5	7.0	6.6	37.6	96.2	91.0	517.0
Proven+Probable	**1.9**	**427.5**	**7.0**	**6.6**	**37.6**	**96.2**	**91.0**	**517.0**

dmt = dry metric tonne; wmt = wet metric tonnes; gpt = grams per tonne; AuEq = gold equivalent; 000 = thousands; Au = gold; Ag = silver;

Notes:

1. Ore Reserves are reported in accordance with the JORC Code (2012 Edition).
2. The Ore Reserves are based on a Pre-Feasibility Study (PFS) completed in April 2025, considering modifying factors including mining, metallurgical, economic, environmental, social, and regulatory factors.
3. The Ore Reserves are inclusive of diluting material and mining losses.
4. Ore reserves are reported to a cut-off grade of 1.9 gpt AuEq. The gold equivalent grade was calculated using the following formula:

$$AuEq = Au(gpt) + Ag(gpt)*0.0085628$$

5. The cut-off grades are based on a gold price of $2,500/oz Au and $27.50/oz Ag.
6. The Ore Reserve estimate is supported by a mine design, schedule, and economic model demonstrating positive cash flow under reasonable assumptions.
7. Metallurgical recoveries used for the estimation are based on a test work program specifically evaluating metal recoveries in the flowsheet available at the toll treatment facility with which the Company has a Toll Treatment Agreement and that this mine plan contemplates shipping ore to Austral Gold's Casposo toll treatment facility.
8. The Ore Reserve is reported above a pit shell optimized using metal prices and operating costs consistent with the PFS inputs.
9. Rounding has been applied in accordance with JORC Code guidelines. Totals may not sum exactly due to rounding.
10. The Ore Reserves were estimated by Grant Carlson, P.Eng., an employee of Fuse Advisors Inc., in Vancouver Canada, and a Competent Person and Member of Engineers and Geoscientists British Columbia, with sufficient experience relevant to the style of mineralisation and type of deposit under consideration.
11. The estimate includes only Probable Reserves as it is based on Indicated Mineral Resources. No Proved Reserves have been declared.
12. Inferred Resources are considered too speculative geologically to apply any economic value and are treated as waste material in this reserve estimate.
13. Units for the reserve estimate are metric tonnes and grams, plus troy ounces for gold.
14. The estimate of Ore reserves may be materially affected by geology, environment, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant risks.

Mining and Processing Schedule

Pit Optimisation

A pit optimisation analysis was carried out to: (1) determine the economic limits of each open pit area to ensure that all material being included in the reserve is economic; and, (2) to guide the strategic mine planning process and pit design for each mining area.

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It is important to note that the selection of the ultimate pit shells for each mining area is driven more by the contract terms with the toll treatment facility than by finding the optimal pit limits based on the operating costs and metal price assumptions in the pit optimisation. The toll treatment contract contemplates delivery of 450,000 wet metric tonnes (wmt) of ore over a three-year period and the pit shell selection reflects different revenue factor pits for each zone to achieve the desired ore tonnes, strip ratio and grade scenario. The parameters used in the pit optimisation were based on preliminary estimates for contract mining costs and toll treatment costs and those parameters are summarised in Table 2.

Table 2 - Pit Optimisation Parameters

Parameter	Units	Value
Overall Pit Slope	degrees (°)	45 to 60
Mining Cost	US$/t mined	15.00
Dilution	%	5.0
Mining Recovery	%	95
Processing Cost	US$/t milled	85
Ore Haulage	US$/t milled	15
Gold Recovery	%	80
Silver Recovery	%	65
Gold Price	US$/oz	2,500
Gold Selling Cost	% of revenue	12.5
Silver Price	US$/oz	25
Silver Selling Cost	% of revenue	9.0

° = degrees; US$/t = United States dollars per tonne; US$/oz = United States dollars per ounce; % = percent.

The results of the pit optimisation are summarised in Table 3.

Table 3 - Tonnes and Grade of Selection Pit Shells DMT

Pit	Revenue Factor	Ore (kt)	Au (gpt)	Ag (gpt)	Au (koz)	Ag (koz)	Waste	Strip Ratio	Total Tonnes
Magnata	0.82	283.0	4.76	38.5	43.3	350.6	1,624	5.7	1,907
Norte	0.70	101.2	8.9	48.9	29.0	159.1	520	5.1	622
Sanchez	0.58	67.4	8.9	14.4	19.3	31.2	144	2.1	211
Total	**-**	**451.6**	**6.3**	**37.3**	**91.5**	**541.0**	**2,289**	**5.1**	**2,740**

kt = kilotonnes; Au = gold; Ag = silver; gpt = grams per tonne; koz = thousand ounces.

Pit Design

Pit designs were generated based on the selected pit shells with 10 m benches. Ramps were designed at 17.0 m wide for two-way traffic and 12.0 m wide for single lane traffic with a maximum gradient of 10%. Each pit will be mined as a single phase with access to the upper benches build from cut and fill roads. The access to the top of the Norte design required minimal access development and it will be mined first. Access to the top benches of the Magnata pit requires building a fill ramp (the Southern Ramp WRSF) before mining operations can begin; therefore, waste from the Norte pit will be used to construct that access in the early months of the mine plan.

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ASX: CEL

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Level 1
100 Havelock Street
West Perth WA 6005

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E:admin@challengergold.com

The Sanchez deposit is a narrow, subvertical lens of mineralisation which occurs at the bottom of a gully within the Hualilan ridgeline. Based on geotechnical consultation and review of mining options, a design was developed which simply excavates a deep trench along the mineralised zone without pushing highwalls up either side of the gully up to the crest of the ridgeline. This limits the total ore extracted in this zone but also greatly reduced the mining cost and complexity. Mining will be carried out with an excavator digging a trench and passing material back down to haul trucks lower in the gully. The pit designs are illustrated in Figure 2. Summaries of the ore and waste in each pit design are presented in Table 4.

Figure 2 - Pit Design 3D View

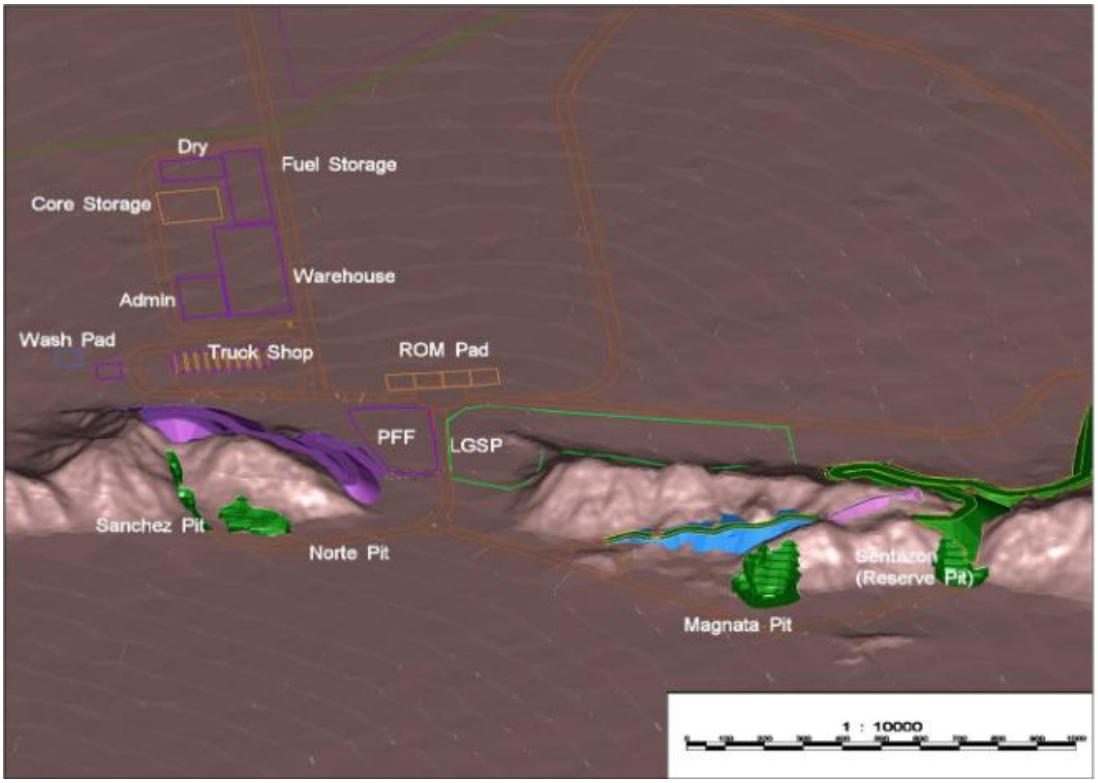

Table 4 - Pit Design Inventories

Pit	Ore (000 dwt)	Au Grade (gpt)	Ag Grade (gpt)	Au Contained (000 oz)	Ag Contained (000 oz)	Waste (000 wmt)	Strip Ratio (w:o)	Total Material (000 wmt)
Sanchez	98	6.8	11.72	21.5	37.1	133	1.4	203
Norte	135	8.33	46.18	36.0	200.0	715	5.3	823
Magnata	232	4.62	39.06	34.5	291.1	1,954	8.4	2,096
Total	**465**	**6.16**	**35.33**	**92.1**	**528.2**	**2,803**	**6.0**	**3,324**

000 = thousands; dwt = dry weight tonne; gpt = grams per tonne; oz = ounce; Au = gold; Ag = silver; wmt = wet metric tonne; w:o = waste to ore.

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Sentazon Pit (backup pit)

The Sentazon pit was optimised as part of the pit optimisation process and a pit design was developed; although the Sentazon pit was excluded from the reserve mine plan because the other pits provided higher-grade, lower strip ratio and easier to access ore material to satisfy the Toll Treatment Agreement targets. The inventory of the Sentazon pit is summarised in Table 5. Note that this inventory is not included in the Ore reserve.

Table 5 - Sentazon Pit Inventory at 1.9 gpt of Gold Cut-off

Classification	Tonnes (000 dmt)	Au (gpt)	Ag (gpt)	Au (000 oz)	Ag (000 oz)
Indicated	55.2	5.54	28.2	9.83	50.0
Inferred	5.8	2.77	31.2	0.52	5.83
Waste	524.6	-	-	-	-
Strip Ratio	8.6	-	-	-	-
Total Material	**585.6**	**-**	**-**	**-**	**-**

000 = thousand; dmt = dry metric tonnes, gpt = grams per tonne; oz = ounce.

Mine Production Schedule

The mine production schedule was designed to satisfy the requirements of the Toll Treatment Agreement. Ore will be sourced from three open pits (i.e., Sanchez, Norte, and Magnata) and placed on run-of-mine ("ROM") stockpile pads prior to loading onto highway haulage trucks for transport to the toll processing facility.

The typical ore delivery rate to the Casposo process plant is 15,000 tonnes per month. However, during the initial ore delivery period, haulage will ramp up to 20,000 tonnes per month to establish a robust buffer stockpile at the toll facility and mitigate the risk of mill downtime due to ore shortages.

The production schedule includes the excavation of ore, unconsolidated cover, and waste rock on a monthly basis across the LOM. All mine planning and scheduling activities have been based on wet metric tonnes (wmt).

Mining operations are scheduled to commence in September 2025 and are expected to conclude by September 2027. A total of 465,000 wmt of ore will be excavated from the Norte, Sanchez, and Magnata pits, with 450,000 wmt reclaimed from the ROM stockpile and transported to the Casposo process plant for toll milling. Norte and Sanchez pits are prioritised in the early stages of the mine plan to enable faster access and to capitalise on higher-grade ore zones, and to provide the required waste material to build the access ramp to the upper levels of Magnata.

Details on the tonnes and grade profile of ore deliveries to the Casposo process plant are provided in Figure 3.

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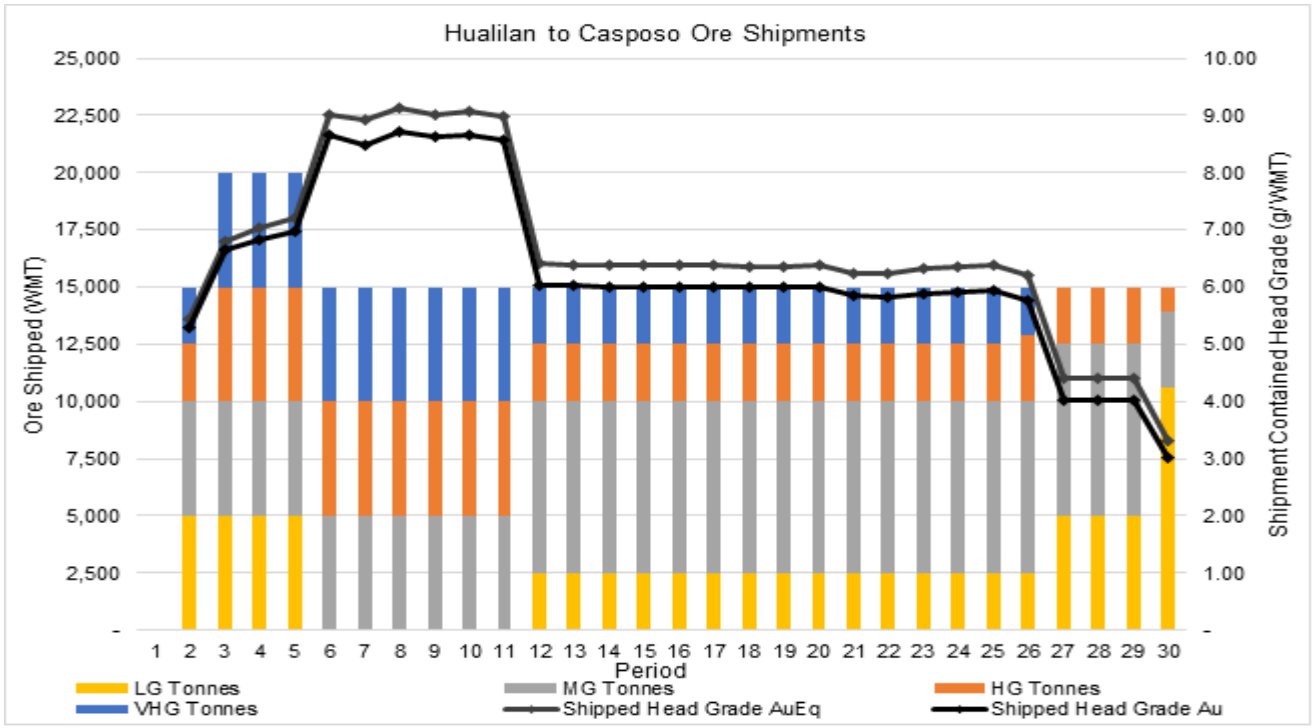
Level 1
100 Havelock Street
West Perth WA 6005

Contact
T: +61 8 6385 2743
E:admin@challengergold.com

Figure 3 - Toll Treatment Ore Feed Detail



Ore Transport – Hualilan to Casposo

Ore material mined at Hualilan and place on the ore stockpiles will then be hauled to the Casposo process plant located 165 km to the southwest in San Juan province. The highway haulage will be carried out by a contractor using 25-40t capacity covered highway trucks which will be loaded by a front-end loader at the Hualilan ore stockpiles.

Ore haulage from Hualilan to the Casposo site will begin in October 2025 and is planned for completion by February 2028. Processing of Hualilan ore at the Casposo process plant will occur in discrete batches, with the first batch commencing in Q4 2025 and the final batch expected to start in Q2 2028. Hualilan ore mining and haulage to the Casposo process plant will proceed ahead of the processing schedule to ensure the establishment of a buffer stockpile at Casposo and to allow for a smoothed haulage fleet profile over time. Mining activities will be carried out on dayshift only, allowing for surge capacity on the night shift if required.

The LOM plan for the Project delivers an average mined grade of 6.16 gpt Au and 35.3 gpt Ag, equating to total contained metal of approximately 92,055 ounces of gold and 528,236 ounces of silver.

The mine schedule includes the movement of approximately 2,657,404 wmt of waste rock and 146,298 wmt of unconsolidated cover material. This results in a strip ratio of 6.0:1 (waste to ore). The mine schedule included 15kt of 2.5 g/t Au material that is not trucked to Casposo hence the higher processed grade of ore at Casposo.

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ASX: CEL

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Contact
T: +61 8 6385 2743
E:admin@challengergold.com

Waste Rock Storage Facilities

Waste rock storage facilities ("WRSF") have been designed for the placement of material below the mineralised waste cut-off grade of 0.3 gpt AuEq. There are two primary facilities that have been designed with sufficient capacity to store the waste rock material from the mine plan proposed herein and both facilities take the form of fill ramps which, when completed, create haulage access to the upper reaches of the Hualilan ridgeline. The Company anticipates evaluating additional mining scenarios in the future which will require mining down the Hualilan ridgelines and by using waste rock from the Toll Treatment mine plan to establish ridgeline access will be a significant capital cost savings for potential future operations with only a marginal cost increase for the Toll Treatment operation.

The WRSFs will be constructed in 10 m lifts and use waste rock to construct the ramps up to each new lift elevation. The face slope of each lift is expected to be 37 degrees while the overall slope of the facility will be adjusted by leaving catch berms at each lift elevation to achieve the slope determined by the geotechnical analysis.

Stockpile Facilities

Separate stockpile facilities will be employed to execute the mine plan described herein. The ROM stockpile facility will have stockpiles based on gold equivalent grades in the ore: very high-grade is over 10 gpt, high-grade is greater than 6 gpt, medium-grade is greater than 3 gpt and low-grade is greater than the reserve cut-off grade of 1.9 gpt AuEq. The ROM stockpiles will act as ore transfer pads for material being hauled to the Casposo process plant. The material being shipped to the Casposo process plant will be a blend of these grade bins so as to maintain a consistent plant feed grade to optimise metallurgical recovery in a steady state operation.

A second stockpile facility will be constructed to enable the segregation of two categories of mineralised waste. Mineralised Waste A is defined as material with a gold equivalent grade between 1.0 gpt AuEq and 1.9 gpt AuEq, while Mineralised Waste B includes material grading between 0.30 gpt AuEq and 1.0 gpt AuEq.

This material falls below the current reserve cut-off grade of 1.9 gpt AuEq but is being separated from barren waste due to its potential future economic value. The Company intends to preserve this material for exploitation in a larger stand-alone operation at Hualilan.

Processing

The plan for the Project is for treatment by toll-milling for three years of production at the Casposo process plant, owned by Austral Gold. The method for metal recovery at the Casposo process plant is gravity followed by cyanide leaching and Merrill-Crowe.

The Casposo process plant has a nameplate capacity of 400,000 tonnes per annum (dry) and operates for nominally 8,000 hours per annum which is equivalent to 50 tonnes per hour (dry). The required treatment rate for Hualilan ore is 75,000 tonnes (wet) for each three-month campaign. This is significantly less than the nameplate capacity of the Casposo process plant which is 100,000 tonnes

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Contact
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E:admin@challengergold.com

(dry) over three months. This provides conservatism for achieving the target throughput for Hualilan ore being processed at the Casposo process plant.

Casposo is currently in the process of being restarted by the Austral Gold site team after being on Care and Maintenance ("C&M"). Once the Casposo plant is operational, it will separately campaign Casposo ore and Hualilan ore on a nominally quarterly basis, i.e. 3 months of Casposo ore followed by 3 months of Hualilan ore, and repeat.

Processing of Hualilan ore at the Casposo process plant commences in month 7 (November 2025), with the process plant operating full time at around 822 tpd or 25 kt per month. Hualilan ore will be batched through the Casposo process plant on a 3-months on, 3-months off schedule for the duration of the Project.

Processing over the 3 years of toll milling equates to a total of 450 kt wmt of ore at 6.2 gpt for 90,983 ounces of contained gold and 35.7 gpt silver for 516,788 ounces of silver delivered to the Casposo process plant. The marginally higher grades delivered to the Casposo process plant compared to the mined grade is a result of the 15 kt of lower grade ore that remains on stockpiles at Hualilan as mining produces 465 kt of ore.

Metallurgical Testwork

The testwork samples for the PFS were selected from diamond drill hole intervals across the three pits to be toll treated at the Casposo process plant to represent the typical material to be treated. BML generated a separate testwork composite for each pit while SGS generated a single overall composite to represent combining the three pits. The program involved Comminution testwork and gold/silver recovery testwork and was designed to mirror the Casposo flow sheet.

Comminution testwork results representing the various geological domains and lithologies making up the Hualilan resource have provided an understanding of comminution performance of Hualilan ore when processed through the Casposo grinding circuit. This program resulted in the:

- Determination of SMC indices for the lithology composite samples;
- Determination of Bond Ball Mill Work indices ("BBWi") and abrasion indices ("Ai") for the lithology composite samples; and
- Composite HG A testwork was conducted using Geopyörä method as insufficient sample mass was available to generate a composite from near surface material for a full comminution testwork program.

<u>Gold Recovery Testwork</u>

The gravity and leaching testwork procedure at BML is summarised below:

- Sample preparation including combining samples to generate the composites then crushing and subsampling for head assays.

Challenger Gold Limited
ACN 123 591 382
ASX: CEL

Australian Registered Office
Level 1
100 Havelock Street
West Perth WA 6005

Contact
T: +61 8 6385 2743
E:admin@challengergold.com

- Grind establishment curves for each sample to determine grind time required to achieve target grind size.
- Samples were ground to target grind size and processed through a batch Knelson concentrator for gravity gold recovery, gravity concentrate was then upgraded using a Mozley gravity table and table tailings were combined with Knelson tailings.
- Agitated leaches were conducted on gravity tailings at the following conditions, cyanide maintained at 1,000 parts per million (ppm), pH maintained at 10.5 using lime and oxygen maintained at greater than 20 ppm using oxygen addition.
- Subsamples of leach slurry were collected at 2, 6, 24, 48, and 72 hours and assayed for gold and silver to determine metal extraction.
- Leach residue was filtered, dried and assayed for gold and silver to determine final metal extraction.

Testwork at SGS followed the same process except there was no gravity step and SGS performed optimisation testwork on the overall composite for grind size between P80=75 µm to 150 µm and cyanide strength in leach between 0.5 grams per litre (g/L) to 1.5 g/L. Additionally, assays for copper and zinc were included.

Table 6 - Gravity and Leaching Results (at P80=100 µm to 105 µm leach duration = 72 hours)

Comp.	Laboratory	Grind Size	Head Grade		Gravity Gold Recovery	Gravity + Leach Recovery		Residue Assays		Reagent Consumption	
		P80	Au Assay	Ag Assay		Au	Ag	Au	Ag	Cyanide	Lime
		(µm)	(gpt)	(gpt)	(%)	(%)	(%)	(gpt)	(gpt)	(kg/t)	(kg/t)
Magnata	BML	100	3.50	22.91	9.5	77.8	61.7	0.78	8.80	3.66	7.32
Norte	BML	100	4.79	21.69	38.5	91.4	69.7	0.42	6.60	4.08	5.48
Sanchez	BML	100	3.50	4.15	37.7	96.0	78.4	0.14	0.90	0.59	2.14
Overall	SGS	105	5.24	29	-	85.0	55.8	0.8	13	4.32	2.97

Au = gold; Ag = silver; µm = micron; h = hour; gpt = grams per tonne; kg/t = kilograms per tonne; mg/L = milligrams per litre; BML = Base Metallurgical Laboratory; SGS = SGS Laboratory.

Results from the gravity and leaching testwork are summarised in Table 6. All tests used a grind size of 80% passing (P80) of 100 microns (µm) to 105 µm and leach residence of 72 hours and the pit composites included gravity recovery. These parameters were chosen to simulate the Casposo process plant.

At SGS the overall composite was tested with direct leach only, without including a gravity recovery stage ahead of leaching, however, a separate gravity recovery test was conducted at SGS. SGS performed optimisation testwork on the overall composite for the following parameters:

- Grind size between P80=75 µm to 150 µm.
- Cyanide strength in leach between 0.5 grams per litre (g/L) to 1.5 g/L.

Results from these tests are summarised in Table 7.

Challenger Gold Limited
ACN 123 591 382
ASX: CEL

Australian Registered Office
Level 1
100 Havelock Street
West Perth WA 6005

Contact
T: +61 8 6385 2743
E:admin@challengergold.com

Table 7 - Leach Recovery Optimisation Results on Overall Comp at SGS Laboratory

Test No.	Optimisation	Cyanide Concentration	Grind Size	Leach Recovery		Residue Assays		Reagent Consumption	
			P80	Au	Ag	Au	Ag	Cyanide	Lime
		(g/L)	(µm)	(%)	(%)	(gpt)	(gpt)	(kg/t)	(kg/t)
CN- 1	Grind	1.0	105	85.0	55.8	0.80	13	4.32	2.97
CN- 2	Grind	1.0	150	79.2	57.5	1.10	12	4.27	2.30
CN- 3	Cyanide	0.5	75	82.7	51.9	0.93	13	2.12	3.45
CN- 4	Grind/Cyanide	1.0	75	86.7	62.6	0.66	10	4.62	3.16
CN- 5	Cyanide	1.5	75	87.8	64.1	0.61	10	4.65	3.02

Au = gold; Ag = silver; g/L = grams per litre; % = percent; µm = micron; h = hour; gpt = grams per tonne; kg/t = kilograms per tonne.

Comments on these testwork results are shown below.

- Sample is grind sensitive, with increasing gold recovery at finer grinds.
- Gold recovery increases from 79% at P80=150 µm to 87% at P80=75 µm, there is a minor increase in cyanide consumption from 4.3 kg/t to 4.6 kg/t by grinding finer.
- Increasing cyanide concentration in leach increases gold recovery.
- Gold recovery increases from 83% at 0.5 g/L to 88% at 1.5 g/L, there is a significant increase in cyanide consumption from 2.1 kg/t to 4.7 kg/t by increasing cyanide strength.

These results show that there is an opportunity to increase gold recovery when processing this material through the Casposo process plant. However, both leach recovery improvements need to be traded off against increased operating costs.

Including gravity recovery will reduce the amount of gold reporting to leach so it may reduce the effect of finer grind and increased cyanide on gold recovery. Including gravity recovery may also increase overall gold recovery. Note that Casposo process plant includes a gravity recovery process already, and the incremental cost for operating this gravity circuit is minimal.

SGS has conducted a gravity test on the overall composite and achieved a gold recovery of 41% which is comparable to gravity results from the BML testwork on Norte and Sanchez composites.

Capital Costs

The capital cost estimate was prepared by Fuse Advisors and various independent external consultants retained by Challenger. There was limited use of benchmarking, with costs generally sourced from vendor quotes/indicative prices or detailed first principle cost analysis using vendor quotes based on the preliminary project design.

The cost estimate is expressed in Q1 2025 US$ and used the United States Dollar (USD) / Argentine Peso (ARS) exchange rate at the time the quotation was provided (average 1,075 ARS) for any in-country costs provided in ARS. In practice, in Argentina most cost quotes are generally provided in USD and converted into ARS based on the prevailing USD/ARS rate. The costs do not include allowances for escalation or exchange rate fluctuations. All costs are exclusive of the Argentinian value added tax (VAT) which is applied separately in the financial model used for the economic evaluation.

Challenger Gold Limited
ACN 123 591 382
ASX: CEL

Australian Registered Office
Level 1
100 Havelock Street
West Perth WA 6005

Contact
T: +61 8 6385 2743
E:admin@challengergold.com

Table 8 - Capital Cost Estimate Summary

Description	Pre-production Capital Cost (US$ M)	Sustaining Capital Cost (US$ M)	Total Capital Cost (US$ M)
Mining (incl. pre-production)	1.2	0	1.2
On-site Infrastructure	1.1	0	1.1
Off-site infrastructure	0.2	0	0.2
Owners Costs	0.8	1.3	2.1
Indirect Costs	0.2	0	0.2
Contingency	0.5	0.04	0.54
Total Capital Expenditure	**4.2**	**1.3**	**5.5**

Notes: All figures are rounded to reflect the relative accuracy of the estimate.
Totals may not sum due to rounding as required by reporting guidelines.
a) Pre-production costs are operating costs that occur prior to ore transport commences.
US$ M = Million United States dollars.

The following areas were included in the estimate:

- Open Pit Mine – including, open pit mine development, equipment fleet, pre-stripping/pioneering, and supporting infrastructure and services.
- On-site infrastructure – including, earthworks, sitework, roads, camp, and other general facilities.
- Off-site infrastructure – including, ore transport, road maintenance, and repairs.
- Owners Costs – including, owner's team, training and operational readiness, specific toll treatment fees.
- Indirects – including, external project consultants and Engineering, Procurement and Construction Management (EPCM).
- Other Pre-production Costs (other operating costs prior to commercial production/processing).
- Contingency (applied at +15%) for this level of study.

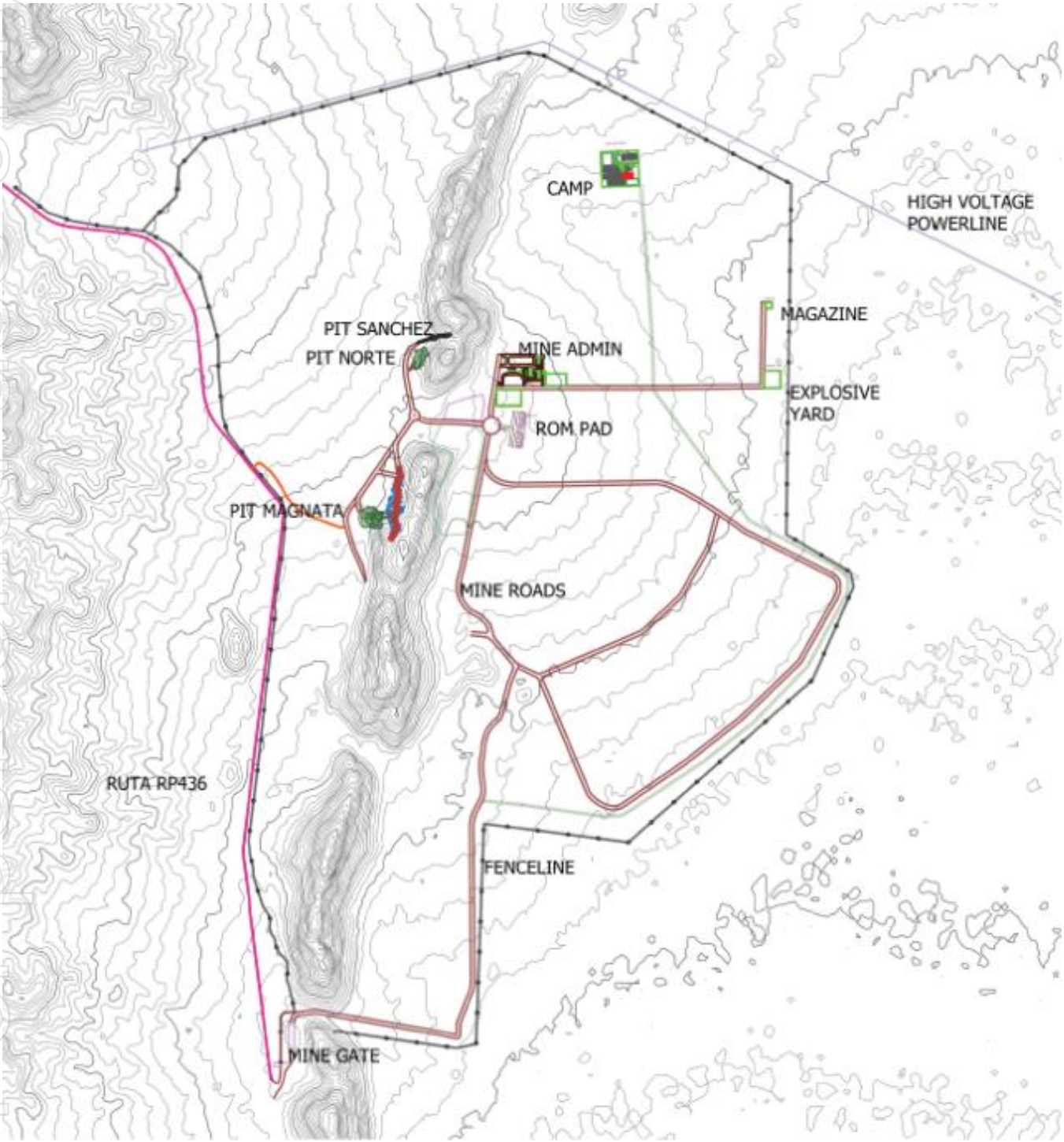
Total capital costs are US$5.5M not including US$674k of capitalised mining costs. Total initial capital costs of US$4.2M. Capital costs estimates are summarised in Table 8.

Challenger Gold Limited
ACN 123 591 382
ASX: CEL

Australian Registered Office
Level 1
100 Havelock Street
West Perth WA 6005

Contact
T: +61 8 6385 2743
E:admin@challengergold.com

Figure 4 - Pre-production Site Road Layout



Challenger Gold Limited
ACN 123 591 382
ASX: CEL

Australian Registered Office
Level 1
100 Havelock Street
West Perth WA 6005

Contact
T: +61 8 6385 2743
E:admin@challengergold.com

Operating Costs

Basis of Estimate

The operating cost estimate is based on owner operated truck and shovel open pit mining and toll milling at Austral Gold's Casposo process plant. Unless specifically stated in this section, operating cost estimates have been derived from first principles costs analysis prepared by external consultants, rather than by benchmarking. These cost estimates include local labour rates derived from San Juan industry standards and reviewed by an external labour law firm, costs sourced by vendor/ supplier quotations both in Argentina and externally, and productivity rates that reflect the local workforce and conditions.

The operating estimate is expressed in Q1 2025 US$ and used USD/ARS exchange rate at the time the quotation was provided for any in country costs provided in ARS. In practice, in Argentina, most quotes are generally provided in USD and converted into ARS based on the prevailing USD/ARS. This includes diesel, equipment hire, for both general and specialised mining equipment, reagents, and consumables.

Open Pit Mining Costs

Summary mine operating cost estimates are provided in Table 9 below.

Table 9 - Summary of Operating Cost Estimates

Unit Operating Costs	LOM Cost (US$)	LOM Average Unit Cost (US$/t tolled)	LOM Average Unit Cost (US$/t mined)	%
Open Pit Mining (ore/waste)	26,532,497	58.96	8.12	30.7
Ore Transport	7,870,500	17.49	2.41	9.1
Toll Processing	42,187,500	93.75	12.91	48.8
Toll Mill Monthly Access Fee	3,630,000	8.07	1.11	4.2
General and administrative	6,286,843	13.97	1.92	7.3
Total Operational Expenditure	**86,507,340**	**192.24**	**26.47**	**100.0**

LOM = life of mine; US$/t = United States dollars per tonne.

Ore Transport

Ore transport costs include contract services for transporting Hualilan ore to the Casposo process plant. A unit cost of US$0.106/t/km is used in the economic analysis and is based on contractor quotes.

Challenger Gold Limited
ACN 123 591 382
ASX: CEL

Australian Registered Office
Level 1
100 Havelock Street
West Perth WA 6005

Contact
T: +61 8 6385 2743
E:admin@challengergold.com

Processing Costs

Estimated operating costs for treating Hualilan ore through the Casposo process plant are detailed in the Pre-Feasibility Study Summary Report released to the ASX on 4 June 2025. Hualilan ore will be campaign treated at 25,000 tonnes (wet) per month for three-month periods. The total toll treatment tonnage of 450,000 tonnes (wet) will be processed over three years. Process plant operating costs have been estimated by Challenger's consulting metallurgists using the following inputs:

- Casposo supplied unit cost rates for reagents and consumables, such as cyanide, lime, flocculant, and grinding media. Historical consumption data for reagents and consumables were supplied by the Casposo operations team.
- Metallurgical testwork results conducted on representative toll treatment samples provided consumption rates for lime and cyanide. Database costs were used if Casposo process plant cost data was not available.
- Labour rates and manpower requirement were supplied by Casposo.
- A unit power cost of US$0.147/kWh provided by Casposo was used for power costs, based on historical power consumption at the Casposo process plant.
- Database maintenance spares costs and ancillary costs were used.

Table 10 - Processing Cost - Summary

Processing and Maintenance	LOM Average Unit Cost	
	(US$/t tolled)	%
Labour	29.5	39.4
Crusher Feed	0.3	0.3
Power	9.1	12.1
Reagents	18.1	24.1
Mill and Crusher Linings	4.1	5.5
Gravity and Refinery	1.5	2.0
Process Water Costs	1.5	2.0
Maintenance	9.3	12.5
Laboratory	1.5	2.0
Total	**75.0**	**100.0**

LOM = life of mine; US$/t = United States dollars per tonne.

General and Administrative

General and Administrative ("G&A") costs predominantly include labour, administrative and miscellaneous costs associated with the Finance, IT, Supply Chain, Warehouse, Human Resources, Camp Administration/ Maintenance, Health, Safety, Training, Security, Environment, Permitting, Government and Community Affairs, Communications, and Executive (General Management) functions.

An allowance has been made for insurance and local compliance costs, as well as for community development grants. Camp accommodation, catering, laundry, cleaning and the cost of transporting personnel from San Juan to Hualilan and vice-versa has been incorporated into G&A.

Challenger Gold Limited
ACN 123 591 382
ASX: CEL

Australian Registered Office
Level 1
100 Havelock Street
West Perth WA 6005

Contact
T: +61 8 6385 2743
E:admin@challengergold.com

This is based on existing unit rates from the temporary camp established at Hualilan. Average camp occupancy over the key production period is 50 beds. The summary of operational G&A costs is included in Table 11.

Table 11 - General and Administrative Operating Cost Breakdown

Annual G&A Costs	LOM Cost (US$)	Unit Cost (US$/ tolled)	%
Transport to Site	57,600	0.13	0.9
Internet	81,474	0.18	1.3
Software	383,738	0.85	6.1
Health and Safety	14,696	0.03	0.2
Mobile restroom trailer	435,291	0.97	6.9
Dust Suppression Water Fee	1,718,156	3.82	27.3
Security	974,097	2.16	15.5
Exploration Equipment	12,000	0.03	0.2
Emergency Plan	154,239	0.34	2.5
Vehicle Hire (4 x 4 for CEL Staff)	513,600	1.14	8.2
Fuel for Challenger 4 x 4	95,040	0.21	1.5
Insurance Dore in circuit/transit	639,912	1.42	10.2
Other Insurance	250,000	0.56	4.0
Cost of Monitoring Staff at Casposo	750,000	1.67	11.9
Cost of monitoring assays at Casposo	99,000	0.22	1.6
Blast Hole sampling (grade control)	108,000	0.24	1.7
Total G&A Costs	**6,286,843**	**13.97**	**100.0**

G&A = general and administrative; US$ = United States dollars.

Refining and Transportation Costs

Refining and transportation costs consider the transportation of doré bars from the Casposo process plant to a refinery located in Canada, based on a detailed refinery contract.

Table 12 - Refining and Transportation Costs

Refining and Transportation Costs	Units	Value
Refining Cost	% of US$ / Payable Au oz	0.35
Local Freight Cost	US$ / 700 kg shipment	7,200
International Freight Cost	US$ / 700 kg shipment	6,850
Variable Transport Cost	US$ / payable Au oz	7.00

US$ = United States dollars; Au = gold; oz = ounce; kg = kilogram.

Table 13 - Refining and Transport Costs Summary

Refining and Transportation Costs	LOM Cost (US$)	Unit Cost (US$/ payable AuEq oz)
Transport Cost	823,546	10.23
Refining Cost	671,908	8.34
Total	**1,495,454**	**18.57**

LOM = life of mine; US$ = United States dollars; AuEq = gold equivalent; oz = ounce.

Challenger Gold Limited
ACN 123 591 382
ASX: CEL

Australian Registered Office
Level 1
100 Havelock Street
West Perth WA 6005

Contact
T: +61 8 6385 2743
E:admin@challengergold.com

Key economic outcomes

Fuse Advisors developed the economic model using capital and operating cost inputs from Challenger and various independent external consultants retained by Challenger, as defined in the report Summary PFS. The model was prepared following accepted engineering and financial principles and is accurate. All financial numbers referenced are in United States dollars (US$) unless otherwise stated. No escalation of revenue and costs has been incorporated. Income tax is assumed at the Argentinian Taxation Office prescribed corporate income tax rate and is treated in this study as a flat rate of (35%), with previous exploration offset as carried forward and as tax losses that may be available and realised by Challenger in accordance with the Argentinian tax laws. Totals in tables may not reflect summed components precisely due to rounding.

The financial evaluation presents the determination of the Net Present Value ("NPV"), payback period (time in months to recapture the initial capital investment), and the internal rate of return ("IRR") for the Project. Cash flow projections were estimated monthly over the life of the mine based on estimates of capital expenditures, production costs, and sales revenue. Revenues are based on gold and silver production.

Recovered gold totals 76,789 ounces and silver total 339,530 ounces over the Toll Milling life all of which is payable.

A base case gold price of US$2,500/oz and silver price of US$27.50/oz, fixed for the life of the Project, was used to evaluate the Project. This gold price was approximately US$800/oz lower than the prevailing gold price during the completion of the study in May 2025.

Hualilan Toll Milling Project economics for are presented in Table 14. The Project is anticipated to generate earnings before interest, taxes, depreciation and amortisation ("EBITDA") of US$88.0M (A$136.4M) and pre-tax cashflow of US$82.5M over the 3 years of toll milling using the PFS assumptions of US$2,500/oz of gold (Au) and US$27.50/oz of silver (Ag). At spot prices (US$3,300/oz Au, US$33/oz Ag) the project generates EBITDA of US$142.9M (A$221.6M) and pre-tax cashflow of US$137.3M.

The Project is anticipated to generate pre-tax Net Present Value ("NPV") of US$73.82M at a 5% discount rate and a payback period of 7 months from the commencement of first site works in month 1 (May 2025), or 2 months from the start of mining in month 6 (October 2025), Using spot prices (US$3,300/oz Au, US$33/oz Ag) this increases to a pre-tax NPV of US$123.2M and a payback period of 6.7 months.

The Project is forecast to generate a post-tax NPV of US$50.5M at a 5% discount rate and produce post-tax cashflow of US$56.6M over the 3 years with a payback period of 2 months. Using spot prices (US$3,300/oz Au, US$33/oz Ag) this increases to post-tax NPV of US$82.2M at a 5% discount rate and produce post-tax cashflow of US$91.8M over the 3 years with a payback period of 2 months from the commencement of mining.

Challenger Gold Limited
ACN 123 591 382
ASX: CEL

Australian Registered Office
Level 1
100 Havelock Street
West Perth WA 6005

Contact
T: +61 8 6385 2743
E:admin@challengergold.com

Total upfront Capital Expenditures ("CAPEX") of US$4.2M and working capital of US$4.7M is estimated to be required prior to the receipt of initial revenue from first month of toll milling. This is based on working capital required for mining, ore haulage, and Hualilan site general and administrative ("G&A") until month 8 (December 2025).

Note these values exclude Value Added Tax ("VAT"); however, they include 15% contingency. Toll processing costs have been excluded from this as under the toll milling agreement all charges for toll milling are not payable until after the receipt of initial cashflow from tolling.

Revenue from the initial month of production (month 7 – November 2025) is forecast to be US$10.5M and is expected to be received during the first week of December. Using spot prices (US$3,300/oz Au, US$33/oz Ag) US$13.8M in revenue from first month of production is forecast.

Table 14 - Hualilan Toll Milling Project Economics Summary (at US$2,500/ oz Au and US$27.50/ oz Ag)

Metric	Unit	LOM Value
Life of Mine – Overall	months	34
Life of Mine – Open Pit Mining	months	24
Life of Mine - Toll Processing (3-month batches)	months	33
Gold Sales	oz	76,559
Silver Sales	oz	339,530
Revenue	**US$M**	**200.71**
Treatment and Refining Costs	US$M	0.67
Transport and Freight Costs	US$M	0.82
Net Revenue before Royalties	**US$M**	**199.22**
Royalties and Export Duties	US$M	24.76
Net Revenue after Royalties	**US$M**	**174.46**
Mining Operating Expenses	US$M	26.53
Ore Transport Operating Expense	US$M	7.87
Process Operating Expenses	US$M	45.82
G&A Operating Expenses	US$M	6.28
Operating Margin	**US$M**	**87.95**
Initial CAPEX	**US$M**	**4.2**
Sustaining Capital (SUSEX)	**US$M**	**1.32**
Total CAPEX and SUSEX	**US$M**	**5.48**
All in Sustaining Cost (AISC)	**US$/AuEq oz**	**1,454**
NPV (pre-tax) 5%	**US$M**	**75.19**
Payback Period (pre-tax)	**months**	**7.0**
NPV (post-tax) 5%	**US$M**	**51.98**
Payback Period (post tax)	**months**	**7.4**

LOM = life of mine; oz = ounce; US$M = Million United States dollars; G&A = general and administrative; CAPEX = Capital Expenditures; US$ = United States dollars; AuEq = gold equivalent; NPV = Net Present Value.

Challenger Gold Limited
ACN 123 591 382
ASX: CEL

Australian Registered Office
Level 1
100 Havelock Street
West Perth WA 6005

Contact
T: +61 8 6385 2743
E:admin@challengergold.com

Metallurgical testwork - Standalone PFS

The Company has accelerated an upsized standalone Life of Mine ("LOM") PFS at Hualilan. The LOM PFS Study is targeted for release by Q1 2026. During the quarter the final phase of metallurgical testwork required for the full-scale PFS at the Hualilan Gold Project commenced, following the completion of a highly successful column leach test program.

This involves Sequential Flotation grind optimisation tests and associated flotation tails leach ("FTL") testing at various grind sizes, a PFS level comminution testing program, and large diameter Column Leach testing to allow final scale-up of the recent column tests results to PFS level. The entire program is on track for completion early in Q4 of this year.

The column leach testwork program produced outstanding results. Average recoveries of 75% (gold) and 41% (silver) compare favorably on the world stage. Additionally, these recoveries were achieved at a half inch crush size and relatively low cyanide consumption. The testwork confirms the potential of a heap leach processing route for the low-grade mineralisation at Hualilan, offering a transformative opportunity to significantly expand the scale and economics of the Hualilan Project.

Column Testwork Program

Challenger initiated a phased column leach testwork program to assess the viability of heap leaching for low-grade mineralisation at the Hualilan Gold Project in San Juan, Argentina. This material, primarily located in the broad mineralised halo surrounding the high-grade core, had not been evaluated for inclusion in the high-grade Scoping Study released in November 2023. The goal was to determine whether the low-grade envelope could support an economically viable recovery pathway through low-capex, large-scale heap leaching.

The initial program, Panel 1, involved two composite samples crushed to 1/4 inch and subjected to standard 90-day column leach protocols. The tests returned encouraging gold recoveries of 64.6% and 48.9%, with silver recoveries of 61.4% and 57.5%, respectively. These results demonstrated sufficient promise to expand the metallurgical program and proceed with detailed follow-up testing. Results are detailed in Table 5.

Following receipt of the Panel 1 results, CEL commenced Panel 2, comprising 11 column tests focused on understanding the impact of lithology (dacite, lutite, and calcite) and gold grade on recovery. All samples were crushed to 1/4 inch and run for 90 days. Extensive assay-by-size testwork was also completed in parallel to determine gold deportment across particle size fractions. The results showed that both dacite and lutite returned strong recoveries, even at low head grades. The calcite-rich material showed weaker performance, particularly at lower grades, however the calcite hosted mineralisation only represents a small component (~10%) of the overall lower-grade mineralisation.

Challenger Gold Limited
ACN 123 591 382
ASX: CEL

Australian Registered Office
Level 1
100 Havelock Street
West Perth WA 6005

Contact
T: +61 8 6385 2743
E:admin@challengergold.com

Table 15 - Column Leach Test Results from Panel 1

Material Type	Material Size (in)	NaCN (kg/t)	Lime (kg/t)	Au Rec. (%)	Au Head Recalc. (g/t)	Au Head Assay (g/t)	Au Tail Assay (g/t)	Ag Rec. (%)	Ag Head Recalc. (g/t)	Ag Head Assay (g/t)	Ag Tail Assay (g/t)
Composite	1/4”	1.4	2.5	64.6%	1.01	0.96	0.36	61.4%	7.0	6.5	2.7
Composite	1/4”	1.2	2.5	48.9%	1.41	0.96	0.72	57.5%	7.8	6.5	3.3

Gold recoveries in dacite ranged from 66.0% to 86.5% across grades of 0.15–0.94 g/t Au, while lutite returned recoveries of 64.1% to 91.1% across grades of 0.18–0.81 g/t Au. Significantly, even at grades below 0.2 g/t Au, recoveries exceeded 60%, confirming the leachability of these material types at grades previously considered uneconomic.

Table 16 - Column Leach Test Results from Panel 2

Material Type	Material Size (in)	NaCN (kg/t)	Lime (kg/t)	Au Rec. (%)	Au Head Recalc. (g/t)	Au Head Assay (g/t)	Au Tail Assay (g/t)	Ag Rec. (%)	Ag Head Recalc. (g/t)	Ag Head Assay (g/t)	Ag Tail Assay (g/t)
Dacite	1/4"	0.5	2.7	67.2%	0.15	0.17	0.05	40.3%	1.0	2.0	0.6
Dacite	1/4"	0.8	3.1	77.5%	0.32	0.39	0.07	58.3%	2.3	2.7	0.9
Dacite	1/4"	0.8	2.8	66.0%	0.79	0.63	0.27	75.1%	9.7	7.0	2.4
Dacite	1/4"	0.6	2.8	86.5%	0.94	0.80	0.12	70.9%	3.4	2.5	1.0
Lutite	1/4"	0.6	2.8	64.1%	0.18	0.21	0.06	49.8%	1.7	1.3	0.9
Lutite	1/4"	0.8	3.0	72.2%	0.62	0.54	0.17	52.5%	5.4	2.8	2.5
Lutite	1/4"	0.5	2.7	91.1%	0.64	0.54	0.06	51.0%	1.7	1.0	0.9
Lutite	1/4"	1.1	3.2	68.3%	0.81	0.81	0.25	51.8%	3.6	2.4	1.7
Calcite	1/4"	0.9	3.2	7.2%	0.19	0.20	0.17	60.6%	4.0	3.0	1.6
Calcite	1/4"	0.6	2.9	44.0%	0.36	0.51	0.20	73.2%	19.2	13.6	5.0
Calcite	1/4"	0.9	2.8	51.4%	0.84	0.90	0.40	59.2%	14.0	9.3	5.6

Building on these results, Panel 3 was initiated to evaluate the impact of crush size and fines content on recovery performance. Tests were conducted on dacite and lutite samples at coarser crush sizes of 1/2" and 1", with some samples screened to remove fines. As expected, recovery declined slightly as crush size increased although, importantly, strong gold recovery was retained at 1/2", which is a practical sizing for commercial-scale operation. Notably, dacite at 1/2" crush and 0.90 g/t Au grade returned 81.3% recovery and lutite at 1/2" and 0.35 g/t Au returned 85.4% recovery. Results are detailed in Table 17.

Importantly, both the Panel 2 and Panel 3 column tests demonstrated that high recoveries are achieved in the lower grade material with gold recoveries of 65% from 0.15 g/t Au material. This opens the potential for the 100koz Au contained in 0.2-0.3 g/t Au material to positively impact the project.

Challenger Gold Limited
ACN 123 591 382
ASX: CEL

Australian Registered Office
Level 1
100 Havelock Street
West Perth WA 6005

Contact
T: +61 8 6385 2743
E:admin@challengergold.com

Table 17 - Column Leach Test Results from Panel 3

Material Type	Material Size (in)	NaCN (kg/t)	Lime (kg/t)	Au Rec. (%)	Au Head Recalc. (g/t)	Au Head Assay (g/t)	Au Tail Assay (g/t)	Ag Rec. (%)	Ag Head Recalc. (g/t)	Ag Head Assay (g/t)	Ag Tail Assay (g/t)
Dacite	1/2”	0.72	2.20	**69.7%**	0.30	0.34	0.09	22.2%	1.25	1.60	0.97
Dacite	1/2”	0.66	2.15	**81.3%**	0.76	0.90	0.14	48.6%	2.21	3.00	1.14
Dacite	1/2”	0.71	2.20	**71.6%**	0.80	0.63	0.23	61.5%	6.55	7.04	2.52
Dacite	1”	0.65	2.05	59.6%	0.24	0.34	0.10	25.3%	1.07	1.60	0.80
Dacite	1”	0.60	2.05	61.2%	0.74	0.90	0.29	38.8%	1.75	3.00	1.07
Dacite	1”	0.74	2.10	56.5%	0.85	0.63	0.37	54.3%	7.29	7.04	3.33
Lutite	1/2”	0.70	2.15	**85.4%**	0.35	0.28	0.05	36.7%	1.27	3.00	0.80
Lutite	1/2”	0.61	2.40	**67.8%**	0.62	0.55	0.20	47.1%	3.59	4.80	1.90
Lutite	1/2”	0.87	2.30	**73.0%**	0.99	0.81	0.27	28.1%	3.41	2.45	2.45
Lutite	1”	0.63	2.05	72.4%	0.26	0.28	0.07	29.1%	1.04	3.00	0.74
Lutite	1”	0.47	2.25	57.3%	0.44	0.55	0.19	28.3%	5.01	4.80	3.59
Lutite	1”	0.78	2.20	47.5%	1.04	0.81	0.55	32.7%	2.53	2.45	1.70

These findings provide a robust foundation for the inclusion of a heap leach circuit in the upcoming Full-Scale PFS. The leach pad is currently modeled based on a 1/2" crush size, assuming gold and silver recoveries of 65% and 40%, respectively.

The implications of a successful heap leach pathway are significant. Material previously classified as waste due to low grades can now be treated, transforming project economics. This will likely support a larger, open-pit mining scenario with lower unit mining costs, a longer mine life, and significantly higher life of mine gold mine production compared to the underground mining case presented in the November 2023 Scoping Study.

The next phase of testwork, Panel 4, has commenced and will evaluate larger-diameter (6”) column tests (using 100kg of material) to better simulate full-scale leaching and assess percolation behavior, a critical factor in scaling up to commercial operations.

Challenger looks forward to providing further updates as the metallurgical program and PFS progress.

Column Leach Tests

Column leach testing is an industry-standard methodology used to simulate full-scale heap leach operations. Typically conducted over a 90-day period, the test involves stacking ore in vertical columns and percolating a leaching solution through the material to estimate gold and silver recoveries. These tests provide essential data on ore leachability, metal recovery rates, and the efficiency of the leaching process, supporting the design of large-scale, economically viable heap leach pads.

Challenger Gold Limited
ACN 123 591 382
ASX: CEL

Australian Registered Office
Level 1
100 Havelock Street
West Perth WA 6005

Contact
T: +61 8 6385 2743
E:admin@challengergold.com

Heap Leaching in Argentina

Heap leaching is a well-established and widely accepted processing method in Argentina, and particularly in San Juan Province. Existing operations such as Veladero (Barrick Gold) and Gualcamayo (Minas Argentinas S.A.) successfully use heap leaching for gold recovery. The recently submitted Environmental Impact Assessment for McEwen Copper's Los Azules project also includes a copper heap leach component. Additional heap leach operations include Fortuna Silver's Lindero mine in Salta and Cerrado Gold's Minera Don Nicolás in Santa Cruz, highlighting the regulatory and operational acceptance of this technology across Argentina's key mining jurisdictions.

Ecuador - El Guayabo and Colorado V Projects

During the quarter CEL, entered into an IPA with the Government of Ecuador for its 100% owned El Guayabo Project. Under the terms of the IPA, the Government of Ecuador has granted CEL legal protections including stability of the regulatory framework, resolution of disputes through international arbitration, and protection of CEL's investment.

The IPA covers U$75 million in investment from CEL encompassing expenditures from CEL's initial acquisition of the project in 2019 and expenditure incurred until the end of 2027. It has an initial term of 8 years and is renewable. Key incentives and protections under the IPA include:

- Regulatory stability and protection from changes to the current legal framework.
- The legal framework at the time of execution will continue to apply if the terms are more favourable to the project owner than any potential new framework.
- The IPA guarantees rights including non-discriminatory treatment, property protection, and legal certainty.
- International arbitration, should there be any disputes in relation to the Project, with the seat of arbitration in London under the rules of the International Chamber of Commerce.

The IPA is timely given the CEL's recent 100% increase in Mineral Resource Estimate at CEL's Ecuador projects resources to 9.1 Moz AuEq[1,2] (refer ASX Release dated 9 April 2025). This resource increase creates an asset with significant scale with the project now containing one of the larger undeveloped gold resources in South America. Additionally, the Company notes significant recent corporate activities amongst companies with assets in Ecuador including the takeover of Lumina Gold Corp the owner of the Cangrejos Project which adjoins CEL's projects in Ecuador.

CEL's Ecuador Projects

On 9 April 2025, CEL announced the MRE at its Ecuador projects had increased from 4.5 to 9.1 million ounces gold equivalent. The combined 9.1 Moz MRE at El Guayabo (CEL 100%) and Colorado V (CEL 50%) increased to 570.3 mt at 0.50 g/t AuEq (0.36 g/t Au, 2.2 g/t Ag, 0.07% Cu, 9.7 ppm Mo) for 9.1Moz AuEq (refer Table 19 and 20).

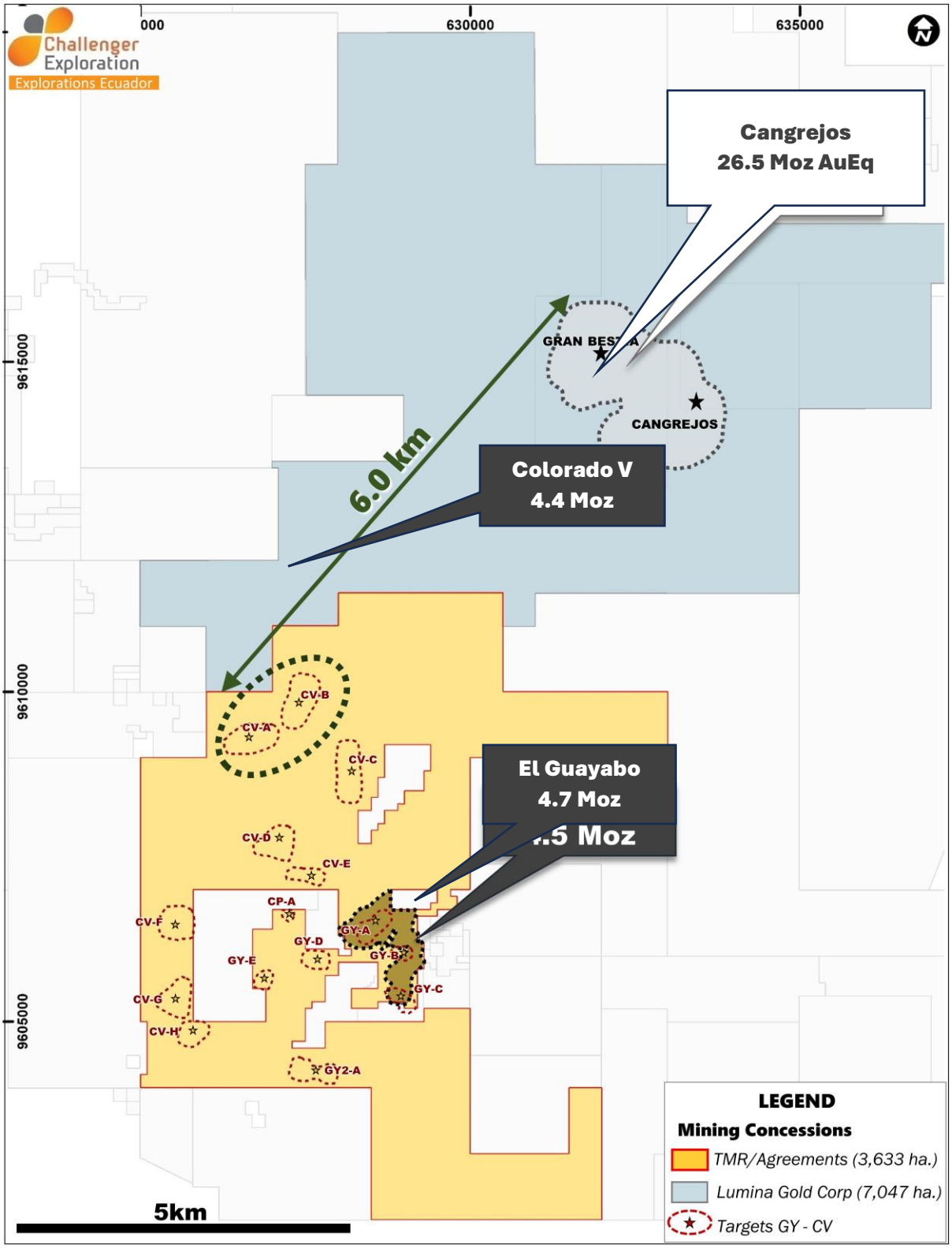
[1] Reported on total project basis attributable resource to CEL of 6.9 Moz AuEq
[2] Reported as Gold Equivalent (AuEq) values – for requirements under the JORC Code see Table 19

Challenger Gold Limited
ACN 123 591 382
ASX: CEL

Australian Registered Office
Level 1
100 Havelock Street
West Perth WA 6005

Contact
T: +61 8 6385 2743
E:admin@challengergold.com

Figure 5 - Location Map CEL's Ecuador Projects



Challenger Gold Limited
ACN 123 591 382
ASX: CEL

Australian Registered Office
Level 1
100 Havelock Street
West Perth WA 6005

Contact
T: +61 8 6385 2743
E:admin@challengergold.com

The 9.1 Moz MRE includes.

- a total maiden MRE of 4.4 million ounces gold equivalent at a grade of 0.50 g.t AuEq[1] (0.35 g/t Au, 2.2 g/t Ag, 0.08% Cu,14.3 ppm Mo) for the Colorado V Project (CEL 50%); and an
- updated MRE of 4.7 million ounces gold equivalent[1] at 0.50 g/t AuEq[1] (0.38 g/t Au, 2.3 g/t Ag, 0.06% Cu,7.5 ppm Mo) at the adjoining 100% owned El Guayabo Project

Net attributable resources to CEL across both projects are 6.9 Moz AuEq[1] - 431 mt at 0.50 g/t AuEq[1] (0.37 g/t Au, 2.3 g/t Ag, 0.07% Cu, 10 ppm Mo).

The upgrade positions CEL's Ecuador projects an asset of significance with several commercial advantages including.

- **Significant Scale:** The 100% increase in resources to 9.1 Moz AuEq creates a significant asset with the project now containing one of the larger undeveloped gold resources in South America.
- **Exploration Upside:** The 9.1 Moz resource is based on drilling at five of the fifteen regionally significant Au-Cu in soil anomalies located across the project. All thirteen Au-Cu soil anomalies drilled by the Company have returned significant mineralisation.
- **High-grade core enhances economics:** 2.1 million ounces at 1.0 g/t AuEq, including 1.2 million ounces at 1.2 g/t AuEq – provides opportunities for early production and strong early cash flow.
- **Strategic Location:** Adjacent to Lumina Gold's 20.5Moz[4] Cangrejos project, which secured a $300M streaming deal with Wheaton Precious Metals in 2023 and is currently subject to a takeover offer – validating the district's potential
- **Infrastructure Advantage:** Located 35km from a deepwater port with existing power, water and road access and located on granted Mining Leases – significantly reducing future development costs.
- **Monetisation Strategy to Unlock Value:** The completion of this resource allows CEL to move forward with the previously announced monetization process and unlock the value in our Ecuador assets. Value realization/ Monetization options include:
  - TSX listing of Ecuador assets (where similar projects trade at premium valuations);
  - Outright sale to generate immediate cash for Hualilan development;
  - Strategic partnership/farm-in with major mining company.

Recent Corporate Transactions in Ecuador

During the quarter, Lumina Gold Corp (TSXV: LUM) announced that it had entered into an arrangement agreement (the "Arrangement Agreement"), pursuant to which CMOC Group Limited will acquire all of the issued and outstanding common shares of Lumina (the "Lumina Shares"), in exchange for C$1.27 per Lumina Share. The takeover values Lumina Gold Corp at $581 million Canadian dollars.

Challenger Gold Limited
ACN 123 591 382
ASX: CEL

Australian Registered Office
Level 1
100 Havelock Street
West Perth WA 6005

Contact
T: +61 8 6385 2743
E:admin@challengergold.com

Lumina Gold Corp is focused on the Cangrejos project located in El Oro Province, southwest Ecuador. In 2023, the Lumina completed a Pre-Feasibility Study for the Project, which is the largest primary gold deposit in Ecuador. Cangrejos has Indicated and Inferred resources of 20.5Moz Au, 31.1Moz Ag and 2,649Mlbs Cu (26Moz AuEq - using the same AuEq equivalents as used in the El Guayabo MRE).

The Cangrejos Project which is located immediately to the north of CEL's El Guayabo and Colorado V Projects in Ecuador (Figure 5). Cangrejos, El Guayabo, and Colorado V have similar geology, surface footprint, and mineralisation style, and are interpreted as being part of the same system.

This Quarterly Report has been approved by the Board of the Company.

For further information contact:

Kris Knauer
Managing Director
+61 411 885 979
kris.knauer@challengergold.com

Sergio Rotondo
Executive Vice Chairman
+1 (646) 462 9273
sergio.rotondo@challengergold.com

Media Enquiries
Jane Morgan
+ 61 405 555 618
jm@janemorganmanagement.com.au

Challenger Gold Limited
ACN 123 591 382
ASX: CEL

Australian Registered Office
Level 1
100 Havelock Street
West Perth WA 6005

Contact
T: +61 8 6385 2743
E:admin@challengergold.com

ADDITIONAL INFORMATION

COMPETENT PERSON STATEMENT – EXPLORATION RESULTS AND MINERAL RESOURCES

The information that relates to sampling techniques and data, exploration results, geological interpretation and Mineral Resource Estimate has been compiled Dr Stuart Munroe, BSc (Hons), PhD (Structural Geology), GDip (AppFin&Inv) who is a full-time employee of the Company. Dr Munroe is a Member of the AusIMM. Dr Munroe has over 20 years' experience in the mining and metals industry and qualifies as a Competent Person as defined in the JORC Code (2012).

Dr Munroe has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results and Mineral Resources. Dr Munroe consents to the inclusion in this report of the matters based on information in the form and context in which it appears. The Australian Securities Exchange has not reviewed and does not accept responsibility for the accuracy or adequacy of this release.

The Mineral Resource Estimate for the Hualilan Gold Project was first announced to the ASX on 1 June 2022 and updated 29 March 2023. The Mineral Resource Estimate for the El Guayabo Project was first announced to the ASX on 14 June 2023 and updated on 4 April 2025. The Company confirms it is not aware of any information or assumptions that materially impacts the information included in that announcement and that the material assumptions and technical parameters underpinning the Mineral Resource Estimate continue to apply and have not materially changed.

FORWARD LOOKING STATEMENTS

The announcement may contain certain forward-looking statements. Words 'anticipate', 'believe', 'expect', 'forecast', 'estimate', 'likely', 'intend', 'should', 'could', 'may', 'target', 'plan', 'potential' and other similar expressions are intended to identify forward-looking statements. Indication of, and guidance on, future costings, earnings and financial position and performance are also forward-looking statements.

Such forward-looking statements are not guarantees of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Challenger Gold Ltd, its officers, employees, agents and associates, which may cause actual results to differ materially from those expressed or implied in such forward-looking statements. Actual results, performance, or outcomes may differ materially from any projections or forward-looking statements or the assumptions on which those statements are based.

You should not place any undue reliance on forward-looking statements and neither. Challenger Gold Ltd nor its directors, officers, employees, servants or agents assume any responsibility to update such information. The stated Production Targets are based on the Company's current expectations of future results or events and should not be relied upon by investors when making investment decisions. Further evaluation work and appropriate studies are required to establish sufficient confidence that this target will be met.

Financial numbers, unless stated as final, are provisional and subject to change when final grades, weight and pricing are agreed under the terms of the offtake agreement. Figures in this announcement may not sum due to rounding. All dollar amounts in this report refer to United States Dollar unless otherwise stated.

Challenger Gold Limited
ACN 123 591 382
ASX: CEL

Australian Registered Office
Level 1
100 Havelock Street
West Perth WA 6005

Contact
T: +61 8 6385 2743
E:admin@challengergold.com

HUALILAN GOLD PROJECT MRE AND SCOPING STUDY

All references to the Scoping Study and its outcomes in this announcement relate to the ASX Announcement of 8 November 2023 'Hualilan Gold Project Scoping Study'. Please refer to that announcement for full details and supporting documentation.

Table 18 - Hualilan Hold Project Mineral Resource Estimate (March 2023)

Domain	Category	Mt	Au (g/t)	Ag (g/t)	Zn (%)	Pb (%)	AuEq (g/t)	AuEq (Mozs)
US$1800 optimised shell > 0.30 ppm AuEq	**Indicated**	**45.5**	**1.0**	**5.1**	**0.38**	**0.06**	**1.3**	**1.9**
	Inferred	**9.6**	**1.1**	**7.3**	**0.43**	**0.06**	**1.4**	**0.44**
Below US$1800 shell >1.0ppm AuEq	**Indicated**	**2.7**	**2.0**	**9.0**	**0.89**	**0.05**	**2.5**	**0.22**
	Inferred	**2.8**	**2.1**	**12.4**	**1.1**	**0.07**	**2.8**	**0.24**
Total		60.6	1.1	6.0	0.4	0.06	1.4	2.8

Note: Some rounding errors may be present

[1] **Gold Equivalent (AuEq) values - Requirements under the JORC Code**

- Assumed commodity prices for the calculation of AuEq is Au US$1900 Oz, Ag US$24 Oz, Zn US$4,000/t, Pb US$2000/t
- Metallurgical recoveries are estimated to be Au (95%), Ag (91%), Zn (67%) Pb (58%) across all ore types (see ***JORC Table 1 Section 3 Metallurgical assumptions)*** based on metallurgical test work.
- The formula used: AuEq (g/t) = Au (g/t) + [Ag (g/t) x 0.012106] + [Zn (%) x 0.46204] + [Pb (%) x 0.19961]
- *CEL confirms that it is the Company's opinion that all the elements included in the metal equivalents calculation have a reasonable potential to be recovered and sold.*

Challenger Gold Limited
ACN 123 591 382
ASX: CEL

Australian Registered Office
Level 1
100 Havelock Street
West Perth WA 6005

Contact
T: +61 8 6385 2743
E:admin@challengergold.com

EL GUAYABO PROJECT MRE

All references to the El Guayabo Project MRE in this announcement relate to the ASX Announcements of 14 June 2023 and 4 April 2025 update. Please refer to the announcements for full details and supporting documentation.

Table 19 - Combined El Guayabo and Colorado V MRE

Domain	Category	Mt	Au (g/t)	Ag (g/t)	Cu (%)	Mo (ppm)	AuEq (g/t)	AuEq (Mozs)
El Guayabo Concessions (CEL 100%)								
US$2000 optimised shell > 0.3 g/t AuEq	Inferred	240	0.36	2.4	0.06	8.0	0.48	3.7
Below US$20000 shell >0.4 g/t AuEq	Inferred	52	0.44	1.9	0.07	9.0	0.57	1.0
Total MRE (El Guayabo)	**Inf**	**292**	**0.38**	**2.3**	**0.06**	**8.2**	**0.50**	**4.7**
Total Colorado V Concession (CEL 50%)								
US$2000 optimised shell > 0.3 g/t AuEq	Indicated	56.5	0.35	2.3	0.08	11.0	0.49	0.9
US$2000 optimised shell > 0.3 g/t AuEq	Inferred	185.5	0.32	2.1	0.08	16.0	0.48	2.8
Below US$2000 shell >0.4 g/t AuEq	Inferred	36.1	0.49	2.3	0.06	11.0	0.61	0.7
Total MRE (Colorado V)	Ind + Inf	278.1	0.35	2.2	0.08	14.3	0.50	4.4
Combined Project (El Guayabo and Colorado V on a 100% basis)								
US$2000 optimised shell > 0.3 g/t AuEq	Indicated	56	0.35	2.3	0.08	11.0	0.49	0.9
US$2000 optimised shell > 0.3 g/t AuEq	Inferred	*426*	*0.34*	*2.3*	*0.07*	*9.6*	*0.34*	*6.6*
Below US$2000 shell >0.4 g/t AuEq	Inferred	*88*	*0.46*	*2.1*	*0.07*	*9.6*	*0.59*	*1.7*
Grand Total	***Ind + Inf***	***570***	***0.36***	***2.2***	***0.07***	***9.7***	***0.36***	***9.1***
Attributable to CEL (El Guayabo 100% and Colorado V 50%)								
US$2000 optimised shell > 0.3 g/t AuEq	Indicated	*28*	*0.35*	*2.3*	*0.08*	*11.0*	*0.49*	*0.4*
US$2000 optimised shell > 0.3 g/t AuEq	Inferred	*333*	*0.35*	*2.3*	*0.07*	*10.2*	*0.48*	*5.2*
Below US$2000 shell >0.4 g/t AuEq	Inferred	*70*	*0.46*	*2.0*	*0.07*	*9.5*	*0.58*	*1.3*
Grand Total	***Ind + Inf***	***431***	***0.37***	***2.3***	***0.07***	***10.2***	***0.50***	***6.9***

Note: Some rounding errors may be present

[1] **Gold Equivalent (AuEq) values - Requirements under the JORC Code**

- Assumed commodity prices for the calculation of AuEq is Au US$1800 Oz, Ag US$22 Oz, Cu US$9,000/t, Mo US$44,080/t
- Metallurgical recoveries are estimated to be Au (85%), Ag (60%), Cu (85%) Mo (50%) across all ore types (see ***JORC Table 1 Section 3 Metallurgical assumptions)*** based on metallurgical test work.
- The formula used: AuEq (g/t) = Au (g/t) + [Ag (g/t) x 0.012222] + [Cu (%) x 1.555] + [Mo (%) x 4.480026]
- *CEL confirms that it is the Company's opinion that all the elements included in the metal equivalents calculation have a reasonable potential to be recovered and sold.*

Challenger Gold Limited
ACN 123 591 382
ASX: CEL

Australian Registered Office
Level 1
100 Havelock Street
West Perth WA 6005

Contact
T: +61 8 6385 2743
E:admin@challengergold.com

Table 20 - Combined Colorado V and El Guayabo MRE at various cut-off grades

Cut-off (g/t AuEq)	t	Au (g/t)	Ag (g/t)	Cu (%)	Mo (%)	Au Eq (g/t)	oz (AuEq)
0.20	874,866,725	0.36	2.68	0.09%	14.60	0.41	11,580,323
0.25	**718,309,413**	**0.38**	**2.60**	**0.08%**	**13.83**	**0.45**	**10,443,378**
0.30	**570,329,763**	**0.40**	**2.52**	**0.08%**	**13.23**	**0.50**	**9,134,332**
0.35	453,242,792	0.42	2.47	0.08%	12.82	0.54	7,912,896
0.40	356,090,282	0.44	2.43	0.08%	11.70	0.59	6,736,834
0.45	257,116,862	0.50	2.57	0.08%	11.94	0.65	5,389,676
0.50	186,393,480	0.56	2.73	0.09%	11.48	0.72	4,314,468
0.55	142,437,750	0.61	2.86	0.09%	11.04	0.78	3,572,414
0.60	108,896,970	0.67	3.02	0.09%	10.48	0.84	2,953,923
0.65	84,332,430	0.72	3.20	0.10%	10.19	0.91	2,460,067
0.70	65,697,450	0.78	3.41	0.11%	9.41	0.97	2,056,096
0.75	51,255,750	0.83	3.62	0.11%	8.30	1.04	1,720,614
0.80	39,896,220	0.89	3.87	0.12%	7.06	1.12	1,437,277
0.85	31,692,570	0.95	4.10	0.13%	7.26	1.20	1,220,303
0.90	26,109,720	1.00	4.30	0.14%	7.03	1.27	1,063,011
0.95	21,738,990	1.05	4.52	0.15%	6.87	1.33	932,900
1.00	17,731,350	1.11	4.78	0.17%	6.85	1.42	807,273

Challenger Gold Limited
ACN 123 591 382
ASX: CEL

Australian Registered Office
Level 1
100 Havelock Street
West Perth WA 6005

Contact
T: +61 8 6385 2743
E:admin@challengergold.com

Appendix 1 - Schedule of Tenements

Interest holding in all tenements has remained the same during the quarter.

Project	Property Name	Tenure Title Holder	Interest %	Area (ha)	DNPM No of Area	Status of Tenure
El Guayabo	El Guayabo	Torata Mining Resources S.A	100%	281	COD225	Granted
El Guayabo	Colorado V	Goldking Mining Company S.A	earning 50%	2331	COD3363.1	Granted
El Guayabo	El Guaybo 2	Mr. Segundo Ángel Marín Gómez	earning 80%	957	COD300964	Granted
Hualilan	Divisadero	Golden Mining S.R.L.	100%	6	5448-M-1960	Granted
Hualilan	Flor de Hualilan	Golden Mining S.R.L.	as above	6	5448-M-1960	Granted
Hualilan	Pereyra y Aciar	Golden Mining S.R.L.	as above	6	5448-M-1960	Granted
Hualilan	Bicolor	Golden Mining S.R.L.	as above	6	5448-M-1960	Granted
Hualilan	Sentazon	Golden Mining S.R.L.	as above	6	5448-M-1960	Granted
Hualilan	Muchilera	Golden Mining S.R.L.	as above	6	5448-M-1960	Granted
Hualilan	Magnata	Golden Mining S.R.L.	as above	6	5448-M-1960	Granted
Hualilan	Pizarro	Golden Mining S.R.L.	as above	6	5448-M-1960	Granted
Hualilan	La Toro	CIA GPL S.R.L.	as above	6	5448-M-1960	Granted
Hualilan	La Puntilla	CIA GPL S.R.L.	as above	6	5448-M-1960	Granted
Hualilan	Pique de Ortega	CIA GPL S.R.L.	as above	6	5448-M-1960	Granted
Hualilan	Descrubidora	CIA GPL S.R.L.	as above	6	5448-M-1960	Granted
Hualilan	Pardo	CIA GPL S.R.L.	as above	6	5448-M-1960	Granted
Hualilan	Sanchez	CIA GPL S.R.L.	as above	6	5448-M-1960	Granted
Hualilan	Andacollo	CIA GPL S.R.L.	as above	6	5448-M-1960	Granted
Hualilan	North of "Pizarro" Mine	Golden Mining S.R.L.	as above	1.9	195-152-C-1981	Granted
Hualilan	South of "La Toro" Mine	CIA GPL S.R.L.	as above	1.9	195-152-C-1981	Granted
Hualilan	Josefina	Golden Mining S.R.L.	as above	2570	30.591.654	Granted
Hualilan		Armando J. Sanchez	100% Option	721.90	414-998-M-05	Granted
Hualilan	Guillermina	Armando J. Sanchez	100% Option	2,921.05	1124-045-S-19	Granted
Hualilan	Agu 3	Armando J. Sanchez	100% Option	1,500.00	1124-114-S-14	Granted
Hualilan	Agu 5	Armando J. Sanchez	100% Option	1443.50	1124-343-S-14	Granted
Hualilan	Agu 6	Armando J. Sanchez	100% Option	1500.00	1124-623-S-17	Granted
Hualilan	Agu 7	Armando J. Sanchez	100% Option	1459.00	1124-622-S-17	Granted
Hualilan	El Petiso	Armando J. Sanchez	100% Option	18.00	2478-C-71	Granted

Challenger Gold Limited
ACN 123 591 382
ASX: CEL

Australian Registered Office
Level 1
100 Havelock Street
West Perth WA 6005

Contact
T: +61 8 6385 2743
E:admin@challengergold.com

Appendix 2 - ASX Waivers

The ASX granted the Company a waiver from ASX Listing Rule 7.3.2 to permit the notice of meeting (the "Notice") seeking shareholder approval for the issue of up to 245,000,001 fully paid ordinary shares in the Company ("Waiver Securities") upon the Company satisfying the milestones in relation to each of the Projects ("Milestones") not to state that the Waiver Securities will be issued within 3 months of the date of the shareholder meeting.

The Waiver Securities must be issued no later than 60 months after the date of reinstatement of the Company's securities to official quotation.

All Waiver Securities agreements were amended, received shareholder approval and have been issued.

Performance Shares
The Company issued 60,000,000 Class A Performance Shares and 60,000,000 Class B Performance Shares.

A summary of the terms and conditions of the Performance Shares are as follows:

The Performance Shares shall automatically convert into Shares, provided that if the number of Shares that would be issued upon such conversion is greater than 10% of the Company's Shares on issue as at the date of conversion, then that number of Performance Shares that is equal to 10% of the Company's Shares on issue as at the date of conversion under this paragraph will automatically convert into an equivalent number of Company Shares. The conversion will be completed on a pro rata basis across each class of Performance Shares then on issue as well as on a pro rata basis for each Holder. Performance Shares that are not converted into Shares under this paragraph will continue to be held by the Holders on the same terms and conditions.

(No Conversion if Milestone not Achieved): If the relevant Milestone is not achieved by the required date (being seven years from the date of the Proposed Acquisition or such other date as required by ASX), then all Performance Shares held by each Holder shall lapse.

(After Conversion): The Shares issued on conversion of the Performance Shares will, as and from 5.00pm (WST) on the date of issue, rank equally with and confer rights identical with all other Shares then on issue and application will be made by the Company to ASX for official quotation of the Shares issued upon conversion (subject to complying with any restriction periods required by the ASX).
(Milestones):

The Performance Shares will, convert upon the satisfaction of the following milestones:

(Class A): A JORC Compliant Mineral Resource Estimate of at least Inferred category on either Project of the following:
a minimum 500,000 ounces of gold (AU) or Gold Equivalent (in accordance with clause 50 of the JORC Code) at a minimum grade of 6 grams per tonne Gold Equivalent; or
a minimum 1,500,000 ounces of gold (AU) or Gold Equivalent (in accordance with clause 50 of the JORC Code) at a minimum grade of 2.0 grams per tonne Gold Equivalent; or
a minimum 3,000,000 ounces of gold (AU) or Gold Equivalent (in accordance with clause 50 of the JORC Code) at a minimum grade of 1.0 grams per tonne Gold Equivalent.

(Class B): The Class B Performance Shares held by the holder will convert into an equal number of Shares upon the Company:
Completion and announcement by CEL (subject to the provision of information allowable at the time of completion) of a positive Scoping Study (as defined in the JORC Code) on either Project by an independent third-party expert which evidences an internal rate of return of US Ten Year Bond Rate plus 10% (using publicly available industry assumptions, including deliverable spot commodity / mineral prices, which are independently verifiable) provided that the total cumulative EBITDA over the project life is over US$50m.

Class A Performance Shares and Class B Performance Shares have vested, with 60 million ordinary shares issued on 14 April 2023 and 60 million ordinary shares issued on 8 November 2023.

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