

CHALLENGER GOLD BEGINS PRODUCTION RAMP-UP FOLLOWING FIRST DORÉ POUR AT HUALILÁN GOLD PROJECT, ARGENTINA.

Highlights

- **First Gold Pour from Hualilán:** Challenger Gold pours its first gold bar from the Hualilán Gold project under the Toll Milling Agreement with Austral Gold Limited (ASX : AGD).
- **Toll Milling Agreement:** The toll milling agreement with Austral Gold provides the Company an annual guaranteed processing capacity of 150,000 tonnes and total secured capacity of 450,000 tonnes over a 3-year term.
- **Maiden Doré Bars:** the initial pour produced approximately 200kg of doré estimated to contain 500 oz gold and 6,000 oz silver (unreconciled) from approximately 15,000 tonnes of ore.
- **Good Recoveries:** Challenger Gold is pleased to report that the Casposo plant is performing well with recovery in line with, or exceeding, forecasts on a day-to-day basis.
- **First Magnata Pit Blast:** As outlined in the Quarterly Report, the Company is accelerating mining at the Magnata pit with the first blast successfully completed.

In commenting on the first gold pour Eduardo Elsztain, Chairman of Challenger Gold Limited said:

"We wish to formally acknowledge and thank the San Juan Government, particularly Mr Marcelo Orrego, the Governor of San Juan and Mr Juan Pablo Perea, the Mining Minister, for their invaluable support. This achievement would not have been possible without their partnership, which has been essential to reaching this significant milestone for the Province and the Company".

Challenger Gold Limited (ASX: CEL) (Challenger or the Company) is pleased to announce an important operational milestone with the first gold pour from its flagship Hualilán Gold Project in San Juan, Argentina.

The gold was produced under the Toll Processing Agreement with Casposo Argentina Mining Limited, operator of the Casposo treatment plant in San Juan, Argentina. This agreement secures toll processing capacity of 150,000 tonnes of Hualilán material per annum over three years, representing total committed capacity of 450,000 tonnes.

This pour followed the processing of approximately the first 15,000 tonnes of ore and produced around 200 kg of doré, estimated to contain 500 ounces of gold and 6,000 ounces of silver.

During the first 11 days of commissioning, the plant was intentionally fed lower-grade material averaging an estimated 1.5 g/t gold to minimise operational risk while processing the first Hualilán ore.

Kris Knauer, Chief Executive Officer of Challenger Gold Limited, said:

“The first of many gold pours at Hualilán marks a transformative moment for Challenger Gold and signifies our formal transition from explorer to producer. Delivering our maiden doré bars reflects the dedication of our on-site operations team and the invaluable contribution of the people of San Juan. We are fortunate to be able to draw on the skills and commitment of the local community, whose support has been essential to achieving this milestone.

Proceeds from the first doré sale represent the Company’s first source of non-dilutive capital since listing and mark an important milestone in further strengthening the balance sheet. Early gold production materially de-risks Hualilán and provides growing confidence in the Company’s capacity to fund the next phase of development. This initial cash flow is particularly timely as Challenger mobilises at least four rigs to continue core drilling and accelerate the project’s progression toward construction, positioning Hualilán strongly for its next stage of growth.”

Notwithstanding this prudent start-up approach, unreconciled recoveries consistently met or exceeded forecast levels. As plant performance continues to stabilise and move toward optimal operating conditions, processing is now transitioning to higher-grade ore, which is expected to support further improvements in recoveries and production outcomes.

Upon completion and reconciliation of processing, including receipt of opening and closing gold-in-circuit assays, the Company expects to provide a further update on tonnes and grade milled, gold ounces produced, and the average realised gold sale price for this Hualilán treatment campaign.

Consistent with the recent Quarterly Report, the Company continues to advance access development at the Magnata Pit with the objective of bringing mining forward ahead of schedule. In line with this strategy, the initial production blast at Magnata Pit has now been successfully completed.

Proceeds from the first doré sale represent a significant milestone for Challenger Gold, delivering the Company’s first source of non-dilutive capital since listing and further strengthening its balance sheet. Early gold production at Hualilán materially de-risks the project and reinforces confidence in the Company’s capacity to fund the next phase of growth from an increasingly robust financial position.

This ASX release has been approved by Challenger Gold’s Managing Director, Kris Knauer.

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Figure 1 - Challenger team with first Doré bar poured from Hualilán



Figure 2 - Photo showing First Doré Bar



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 by 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.

COMPETENT PERSON STATEMENT – ORE RESERVES

The information that relates to Ore Reserves has been compiled Grant Carlson, P.Eng., who is not a full-time employee of the Company. Mr. Carlson is a registered professional engineer with Engineers and Geoscientists British Columbia. Mr. Carlson has over 20 years experience in the mining and metals industry and qualifies as a Competent Person as defined in the JORC Code (2012).

Mr. Carlson 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. Mr. Carlson 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.

COMPETENT PERSON STATEMENT – ORE RESERVES - GEOTECHNICAL CONSIDERATIONS

The information that relates to mining geotechnical considerations has been compiled Dr. Paul Hughes, P.Eng., who is not a full-time employee of the Company. Dr. Hughes is a registered professional engineer with Engineers and Geoscientists British Columbia. Dr. Hughes has over 15 years experience in the mining and metals industry and qualifies as a Competent Person as defined in the JORC Code (2012).

Dr. Hughes 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. Hughes 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.

COMPETENT PERSON STATEMENT – MINERAL PROCESSING, METALLURGICAL TESTING, RECOVERY METHODS

The information that relates to mineral processing, metallurgical testing, recovery methods and the processing operating costs has been compiled by Jeremy Ison, B.Eng. (Metallurgical Engineering), FAusIMM who is employed by Ison Design Pty Ltd and is a consultant metallurgical engineer for the project. Mr Ison is a Fellow of the AusIMM. Mr Ison has over 30 years' experience in the mining and metals industry and qualifies as a Competent Person as defined in the JORC Code (2012).

Mr. Ison 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. Mr Ison 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.

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.

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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 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.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the estimates in the relevant original market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

HUALILÁN MINERAL RESOURCE ESTIMATE

All references to the Hualilan Project MRE in this announcement relate to the ASX Announcements of 1 June 2022 and 29 March 2023 update. Please refer to the announcements for full details and supporting documentation.

All references to the Scoping Study and its outcomes in this report relate to the announcement dated 8 November 2023 "Hualilan Gold Project Scoping Study". Please refer to that announcement for full details and supporting information

Table 1 - Hualilán Gold Project Mineral Resource Estimate (March 2023)

[Note: Some rounding errors may be present]

Domain	Category	Mt	Au (g/t)	Ag (g/t)	Zn (%)	Pb (%)	AuEq ¹ (g/t)	AuEq (Moz)
US\$1800 optimised shell	Indicated	45.5	1.0	5.1	0.38	0.06	1.3	1.9
> 0.30 ppm AuEq	Inferred	9.6	1.1	7.3	0.43	0.06	1.4	0.44
Below US\$1800 shell	Indicated	2.7	2.0	9.0	0.89	0.05	2.5	0.22
>1.0ppm AuEq	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: $AuEq (g/t) = Au (g/t) + [Ag (g/t) \times 0.012106] + [Zn (\%) \times 0.46204] + [Pb (\%) \times 0.19961]$
- 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.

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