Challenger Exploration

ASX: CEL

Hualilan Gold Project
Maiden JORC 2102 Compliant MRE
June 1 2022

Hualilan Gold Project : Cerro Sur looking north to Cerro Norte

Challenger Exploration Limited
Argentina and Ecuador Gold / Copper Projects

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COMPETENT PERSON STATEMENT – EXPLORATION RESULTS AND MINERAL RESOURCES
The information in this report that relates to sampling techniques and data, exploration results and geological interpretation and Mineral Resources 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.

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EXPLORATION RESULTS
Refer to Company Announcements for full details on Exploration Results. CEL is not aware of any new information or data that materially effects the information contained in those announcements

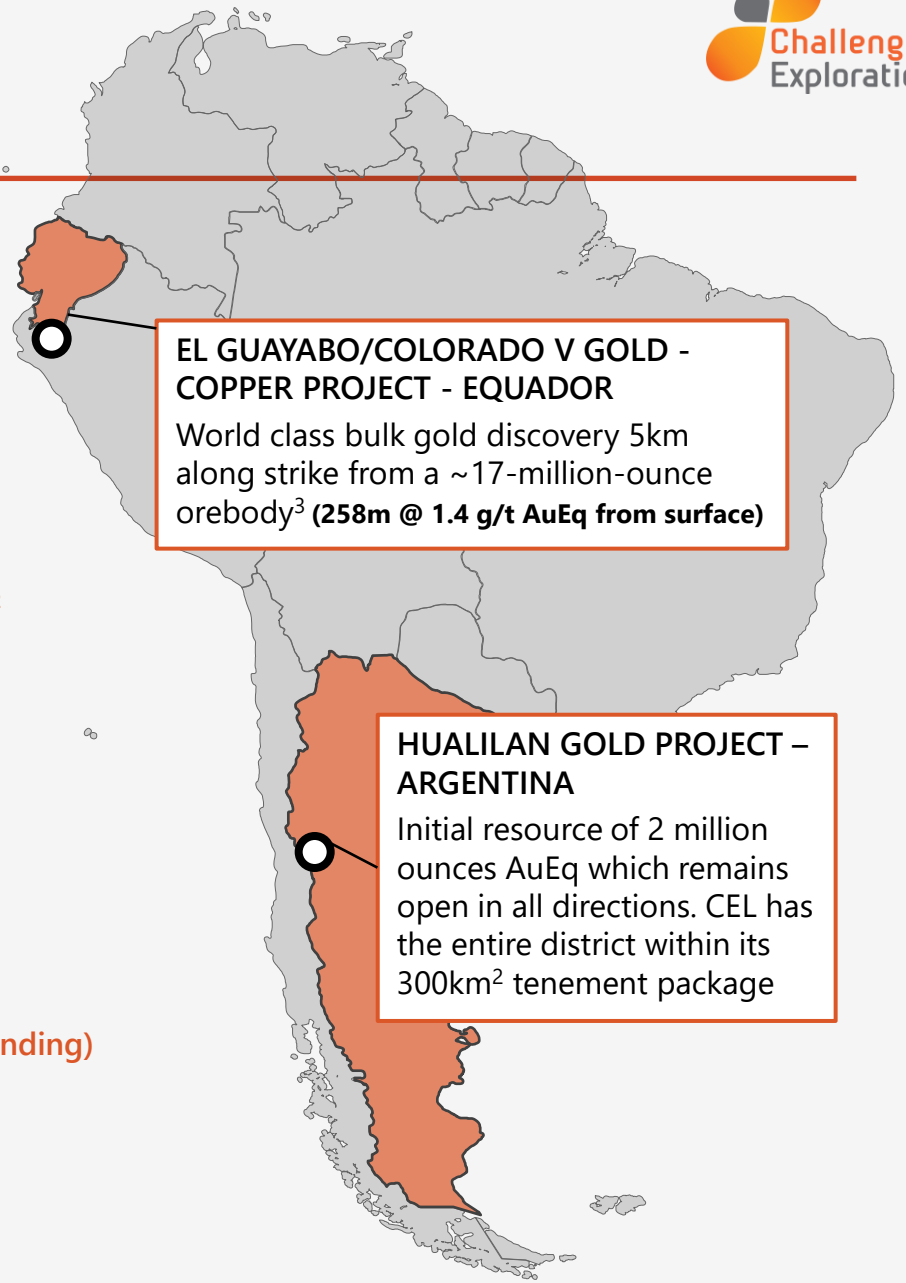
CHALLENGER EXPLORATION SNAPSHOT

Two significant discoveries with both grade and scale in Ecuador and Argentina

- **Hualilan Gold Project** (100% - San Juan) - **2.1 Moz resource open in all directions**
- High-grade skarn overlying a large previously unrecognised, intrusion-hosted system
- Skarn component of resource **1.1 Moz at 5.6 g/t AuEq** (at a 2.2 g/t cut-off)
- Better results as we understand the system.
  - 97.8m at 2.2 g/t AuEq[2] - 1.7 g/t Au, 11.9g/t Ag, 0.9% Zn; inc 16.8 at 9.7 AuEq[2]
  - 67.7m at 7.7 g/t AuEq[2] - 7.3 g/t Au, 5.7 g/t Ag, 0.6% Zn ; inc 32.1m at 15.9 g/t AuEq[2]
  - 63.3m at 9.8 g/t AuEq[2] - 8.5 g/t Au, 7.9 g/t Ag, 2.9% Zn; inc 24.1m at 23.3 g/t AuEq[2]

- **El Guayabo Gold-Copper Project** (100% - El Oro; Ecuador) - Challengers new discovery
- Intrusive breccia/porphyry system directly along strike from a 17 Moz gold discovery
- Initial results indicate the Potential to become a Tier 1 asset:
  - 257.8m at 1.4 g/t AuEq[2] - 0.8 g/t Au, 7.9g/t Ag, 0.3% Cu; inc 53.7 at 5.3 AuEq[2]
  - 309.8m at 0.7 g/t AuEq[2] - 0.3 g/t Au, 6.5 g/t Ag, 0.3% Cu ; inc 201.1m at 0.8 g/t AuEq[2]
  - First two Colorado V holes logged as intercepting over 500 metres of sulphides (assays pending)

- Cash balance of $19.5 million with a fully diluted market capitalisation of $300 million



[2] Information regarding AuEq's reported under the JORC Code is provided on Slide 24 of this presentation.
[3] Source: Lumina Gold NI 43-101 Technical Report Cangrejos Project July 2020

COMPANY STRATEGY

Our Aspiration is to become a globally significant gold producer

Company Strategy

- Hualilan to provide a high-grade low capex operation in the near term
- Allows a sensible staged expansion (out of cashflow) to a larger and long life bulk gold operation based on the underlying intrusion-hosted mineralisation
- Hualilan makes execution of a large bulk gold deposit in Ecuador achievable

Hualilan Gold Project Argentina

- Maiden 2.1 million ounce MRE
- Updated MRE 4Q this year
- Material increase expected
- Scoping Study start 4Q this year
- Focus shift to progressing to production in completion of Scoping Study in H1 2023

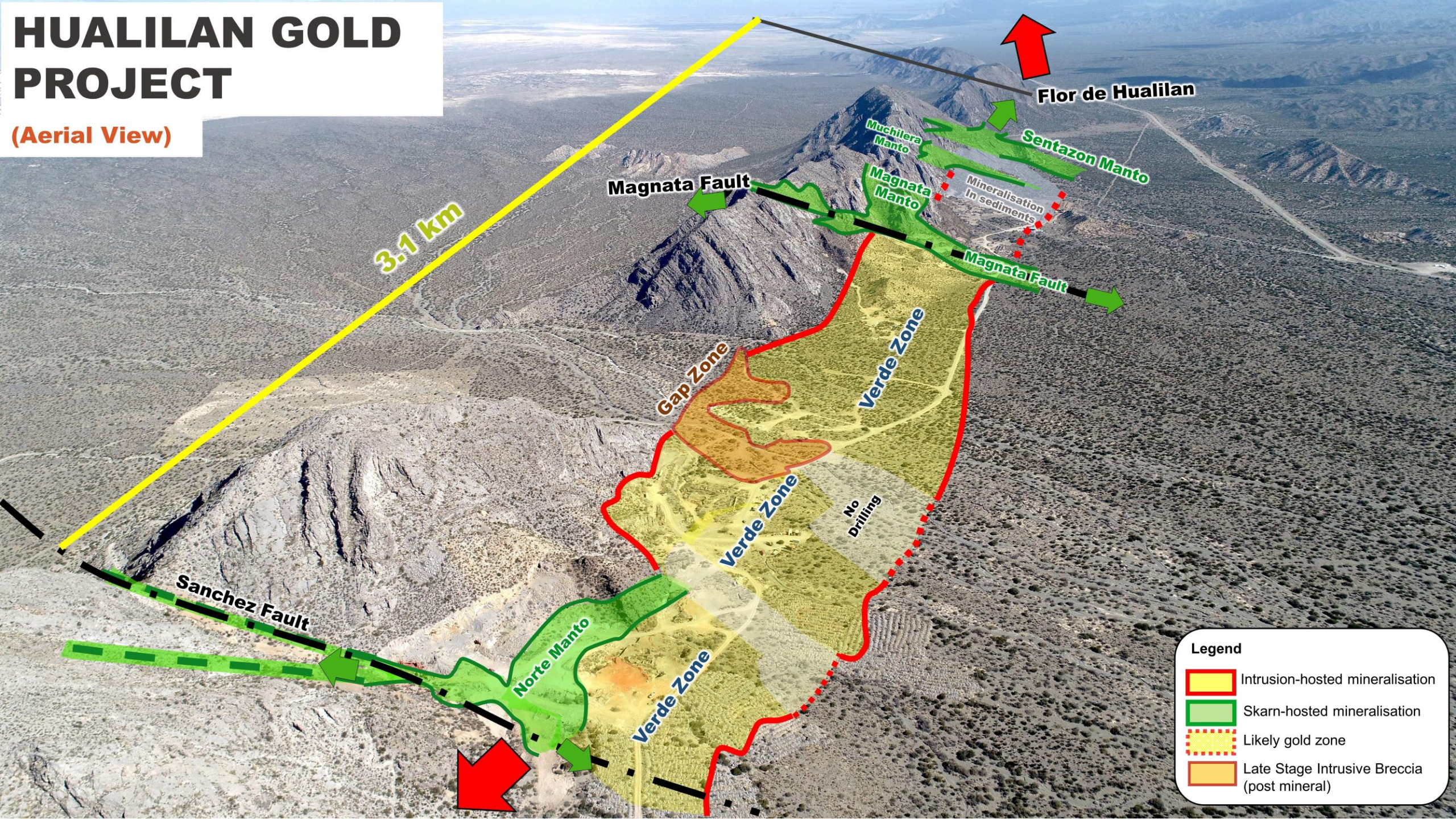
El Guayabo Project Ecuador

- Exciting traditional near surface Porphyry/Breccia targets
- Drill results indicate a series significant bulk gold discoveries of similar scale to the adjoining 17Moz Cangrejos project
- Sensible low risk approach to porphyry exploration

Our existing assets have the potential to create a significant gold company

HUALILAN GOLD PROJECT

(Aerial View)



INTERIM RESOURCE ESTIMATE (126,000 of 204,000m drilling)

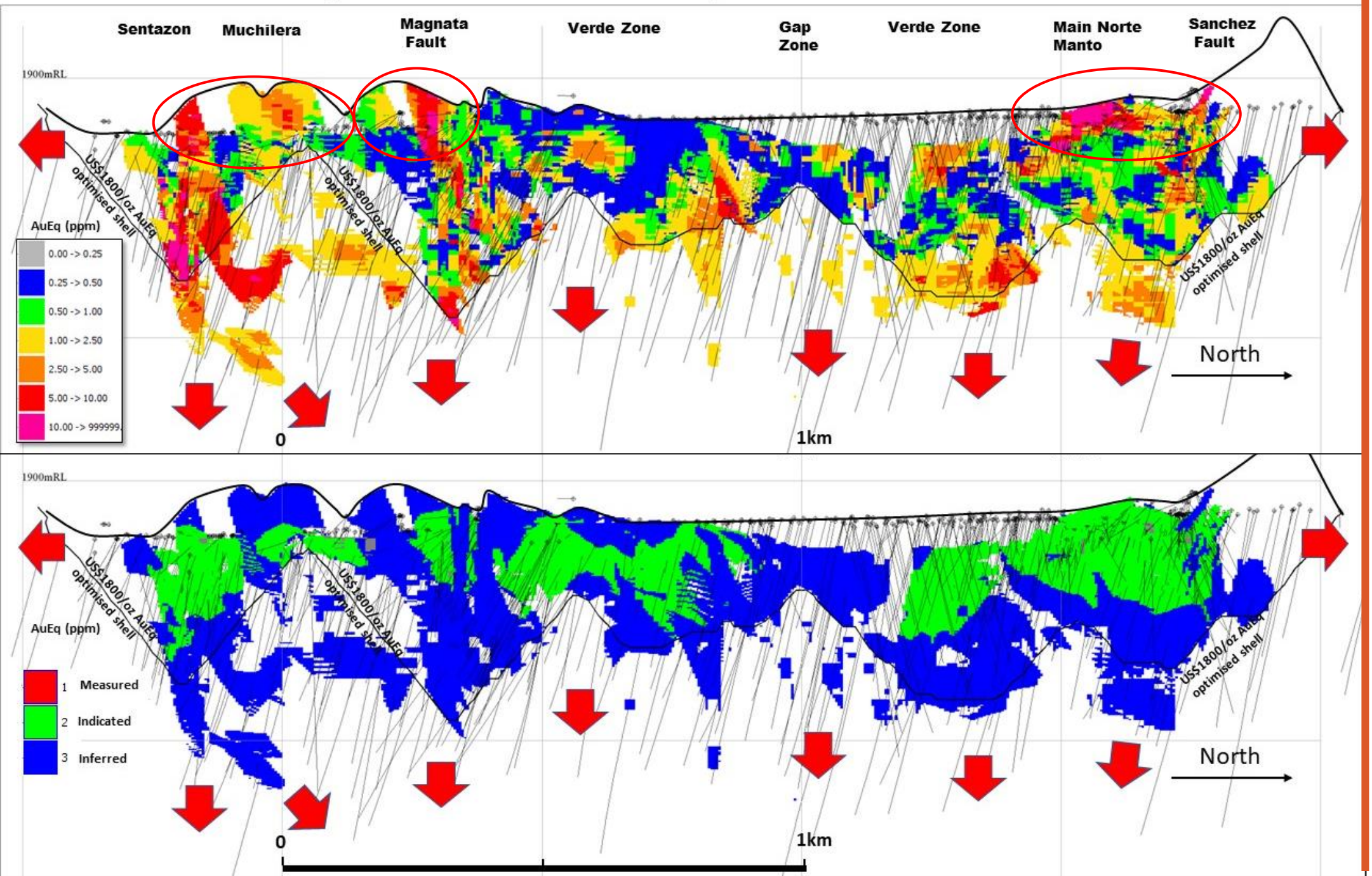
Dial in your preferred grade – grade tonnage distribution provides significant flexibility

- Interim Resource of **2.1 million ounces** comprising:
  - Skarn component: **6.3 Mt at 5.6 g/t AuEq1 for 1.1 MOz AuEq**
  - Intrusion/sediment-hosted: 41.5Mt at 0.8 g/t AuEq1 for 1.0 MOz AuEq
- Based on 125,700 metres of CEL's current 204,000 metre drill program – 62%
- Reported at 0.25 g/t AuEq cut-off due to low cost structure
- Clear potential for resource to grow significantly via both extension and infill drilling with some of the more significant intersections not in the in the resource including (refer Table Y):
  - 13.0m at 15.5 g/t AuEq (FHNV10-02): 600 metres south of the resource limit
  - 5m at 8.7 g/t AuEq (GNDD-394): 400m north of the resource
  - 4.0m at 5.8 g/t (GNDD-308e): 700m vertically below the resource limit
  - 26.6m at 2.5 g/t AuEq (GNDD-437): new zone below Verde extension ongoing
  - 39.0m at 5.6 g.t AuEq (GNDD-088A): below the pit shell requires additional infill
  - 104.0m at 1.7g/t (GNDD-113A): top 30 metres only falls within the pit shell
- Scoping will commence at the completion of the 204,000 metre drill program as the company expects this additional drilling will materially increase the interim resource
- **Discovery cost ~ US$8.20/Oz** which is well below industry averages

Domain	Category	Mt	Au g/t	Ag g/t	Zn %	Pb %	AuEq g/t	AuEq (mozs)
US$1800 optimised shell	Indicated	18.7	1.1	5.4	0.41	0.07	1.3	0.80
> 0.25ppm AuEq	Inferred	25.0	1.0	5.6	0.39	0.06	1.2	1.00
Below US$1800 shell >1.0ppm AuEq	Inferred	4.0	1.9	11.5	1.04	0.07	2.6	0.33
	Total	***47.7***	***1.1***	***6.0***	***0.45***	***0.06***	***1.4***	***2.13***

Cut-off (AuEq)	Tonnes	AuEq Cut (g/t)	Ounces (AuEq)
0.25	47,741,605	1.39	2,134,981
0.3	42,683,020	1.52	2,089,897
0.4	**35,116,598**	**1.78**	**2,005,050**
0.5	**29,611,685**	**2.02**	**1,925,878**
0.6	25,304,355	2.27	1,849,931
0.7	22,193,323	2.5	1,785,169
0.8	19,772,298	2.72	1,727,096
0.9	17,958,609	2.91	1,677,792
1.0	**16,539,897**	**3.07**	**1,634,049**
1.1	15,033,581	3.28	1,583,347
1.2	13,560,144	3.51	1,529,303
1.3	12,393,125	3.72	1,482,155
1.4	11,615,689	3.88	1,448,554
1.5	10,838,058	4.05	1,412,554
1.6	10,168,613	4.22	1,379,244
1.7	9,514,472	4.4	1,344,353
1.8	8,938,634	4.57	1,312,130
1.9	8,468,794	4.72	1,284,273
2.0	**7,970,221**	**4.89**	**1,252,994**
2.1	7,629,331	5.02	1,230,553
2.2	7,225,085	5.18	1,202,516
2.3	6,873,445	5.33	1,177,137
2.4	6,535,171	5.48	1,151,560
2.5	**6,292,282**	**5.6**	**1,132,429**
2.6	5,850,822	5.83	1,096,430
2.7	5,624,343	5.96	1,077,133
2.8	5,374,314	6.11	1,055,166
2.9	5,151,232	6.25	1,034,552
3.0	**4,919,156**	**6.4**	**1,012,614**

Long Section Hualilan Gold Project MRE – Grade Distribution

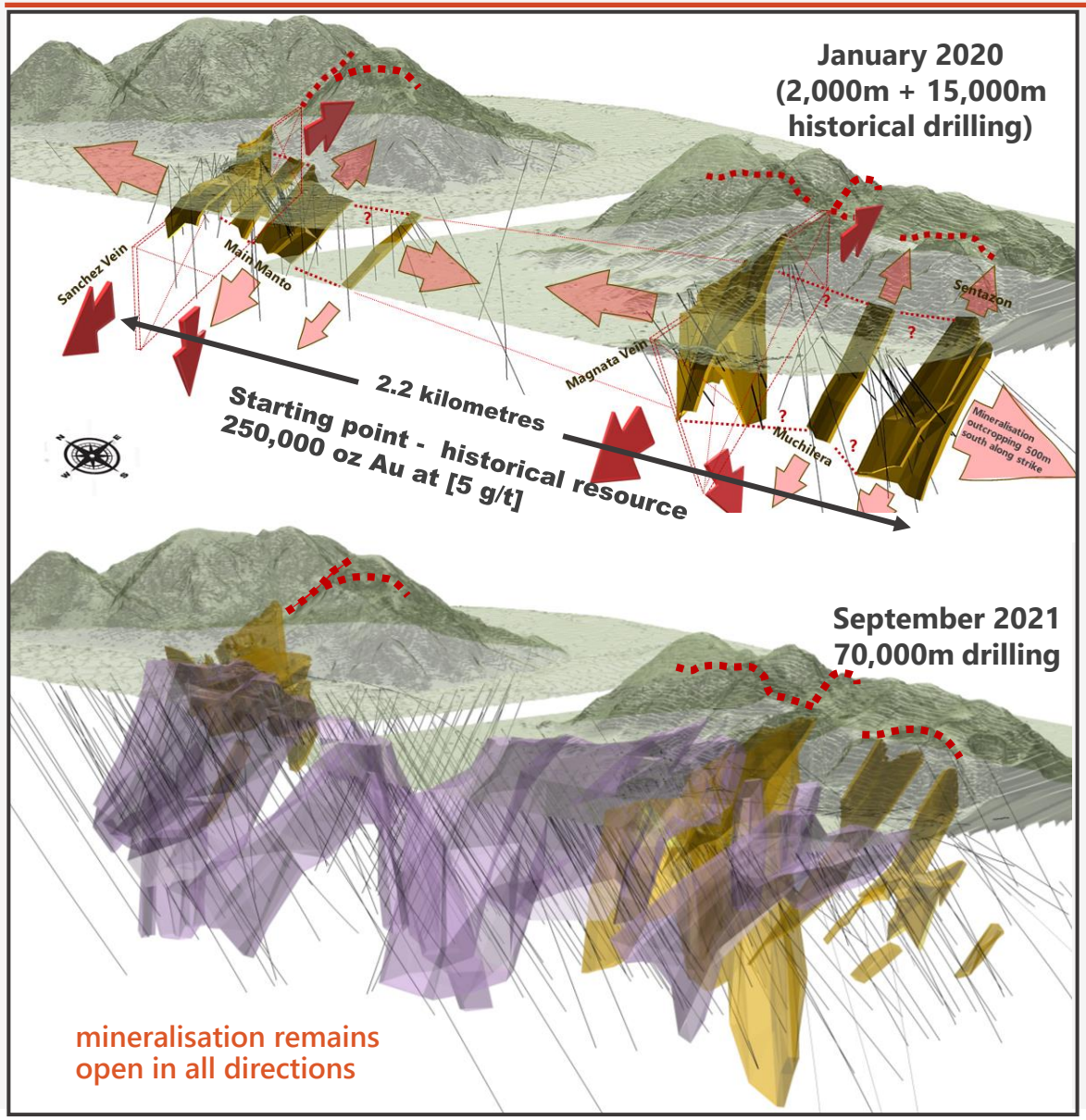


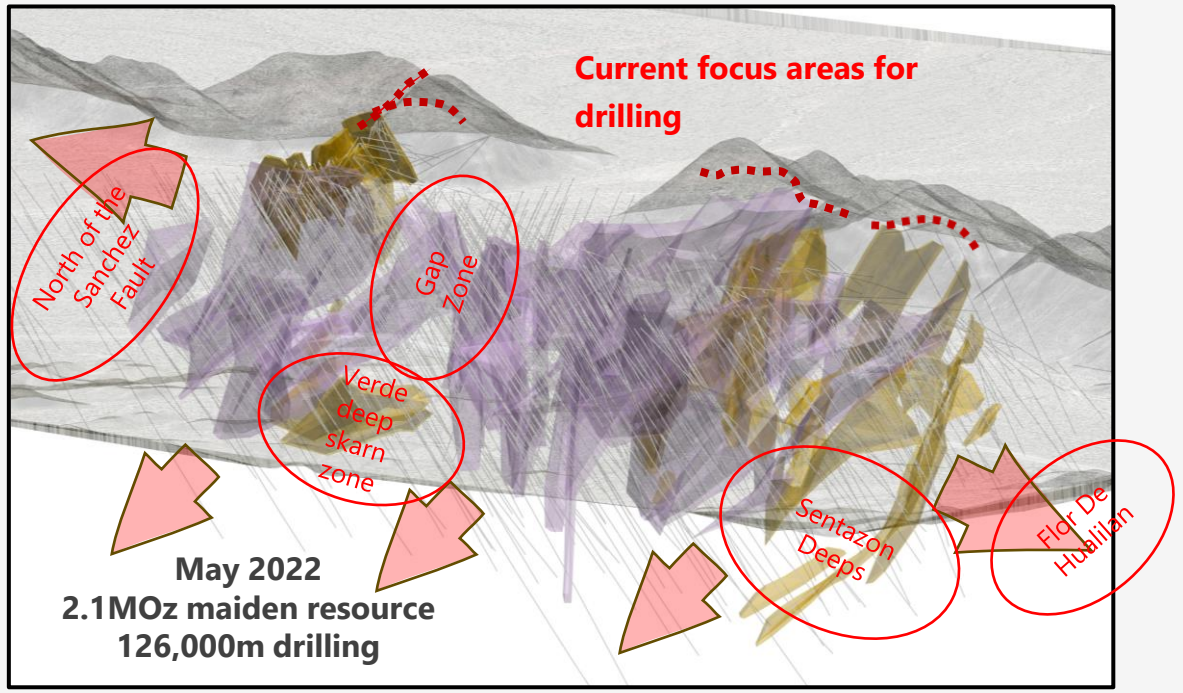
Key Points

- A number of coherent zones of near surface high-grade mineralisation at Sentazon. Magnata Fault and Main Norte manto
- These high-grade and near surface zones generally correlate to the indicated section of the MRE which will support a scoping study
- Provides a potential high-grade starter pit
- This high-grade starter pit is confirmed by lower gold price pit shell optimisations
- Mineralisation remains open in all directions
- Significant high-grade domain developing at depth at Sentazon
- Significant high-grade domain of limestone hosted skarn developing at depth at Verde
- Post the final 15,000 metres of drilling an upgraded MRE

HUALILAN IS RARE - IT HAS BOTH GRADE AND SCALE

We have come a long way in 2-years but we have much further to go



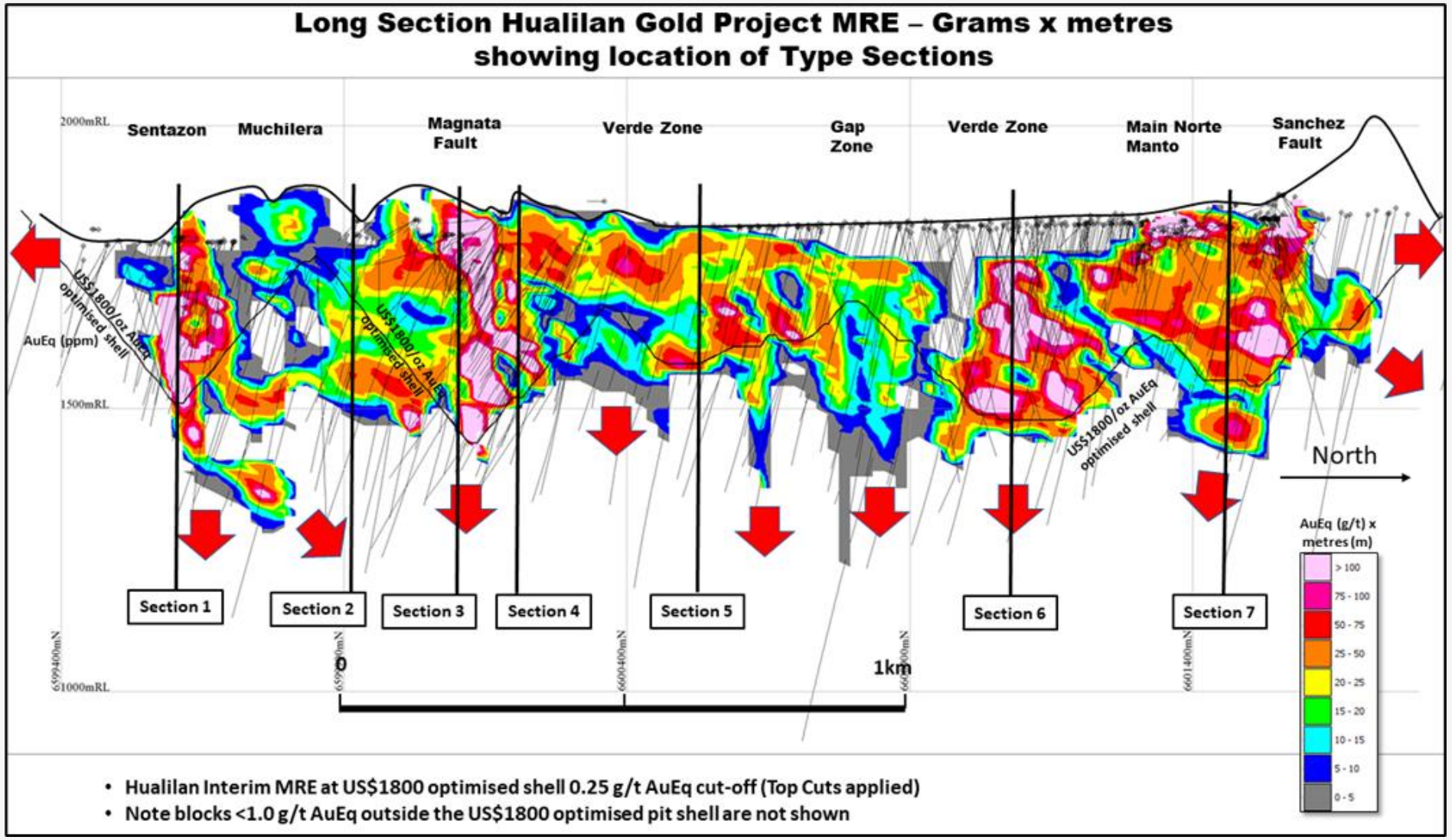


- Historical underground resource of 250,000 oz Au at [5 g/t]
- Discovery of intrusion-hosted gold mineralisation (in altered dacite) which contains a significant endoskarn component
- Skarn mineralisation significantly extended and hangs together well
- CEL - Maiden resource 2.1 Moz from 126,000m drilling
- 189,000 of 204,000 metres completed – 204,000m completed in July
- Mineralisation remains open in all directions
- Updated Resource Estimate at completion of 204,000m drill program

TYPE CROSS SECTIONS

Mineralisation open in all directions and significant increase in this Interim MRE from the full 204,000 metres

- Flor De Hualilan recent drilling
- Located 600 metres south of the MRE

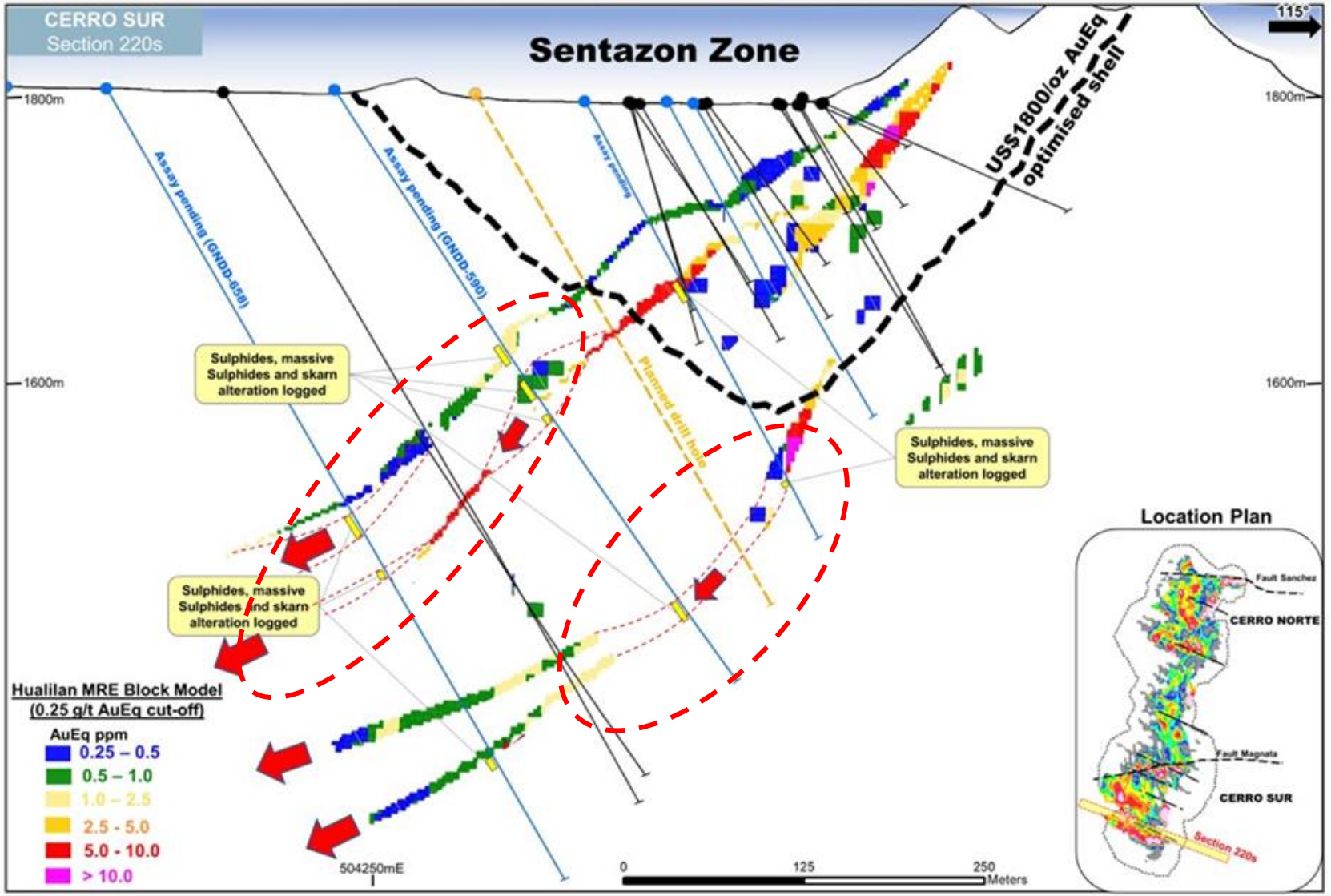


SENTAZON TYPE SECTION

Located at the extreme southern end of the MRE and contains the most consistent and highest-grade mineralisation

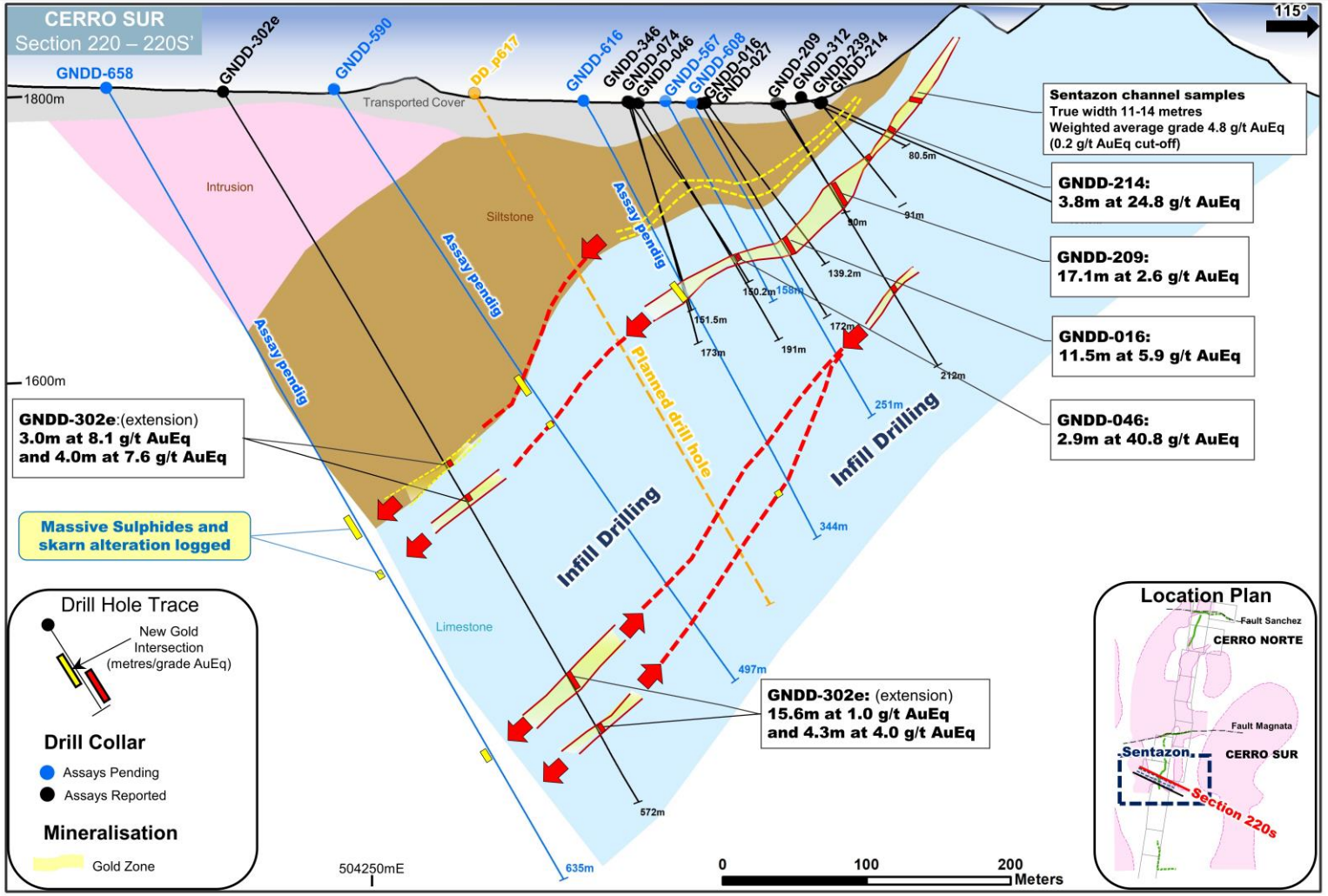
Sentazon

- Contribution to the MRE:
  - i. **Open Pit – 246,000 Oz**
  - ii. **Underground – 89,000 Oz**
  - iii. **Total - 335,000 Oz**
- Open to the south along strike
- Open at depth
- New deep high-grade skarn target identified at depth with many assays pending
- Appears the Sentazon and Muchilera Manto's are joining at depth
- Current infill drilling demonstrating the continuity of the Sentazon mineralisation
- Expect a significant increase in the MRE component at Sentazon in the final MRE based on 204,000 metres of drilling

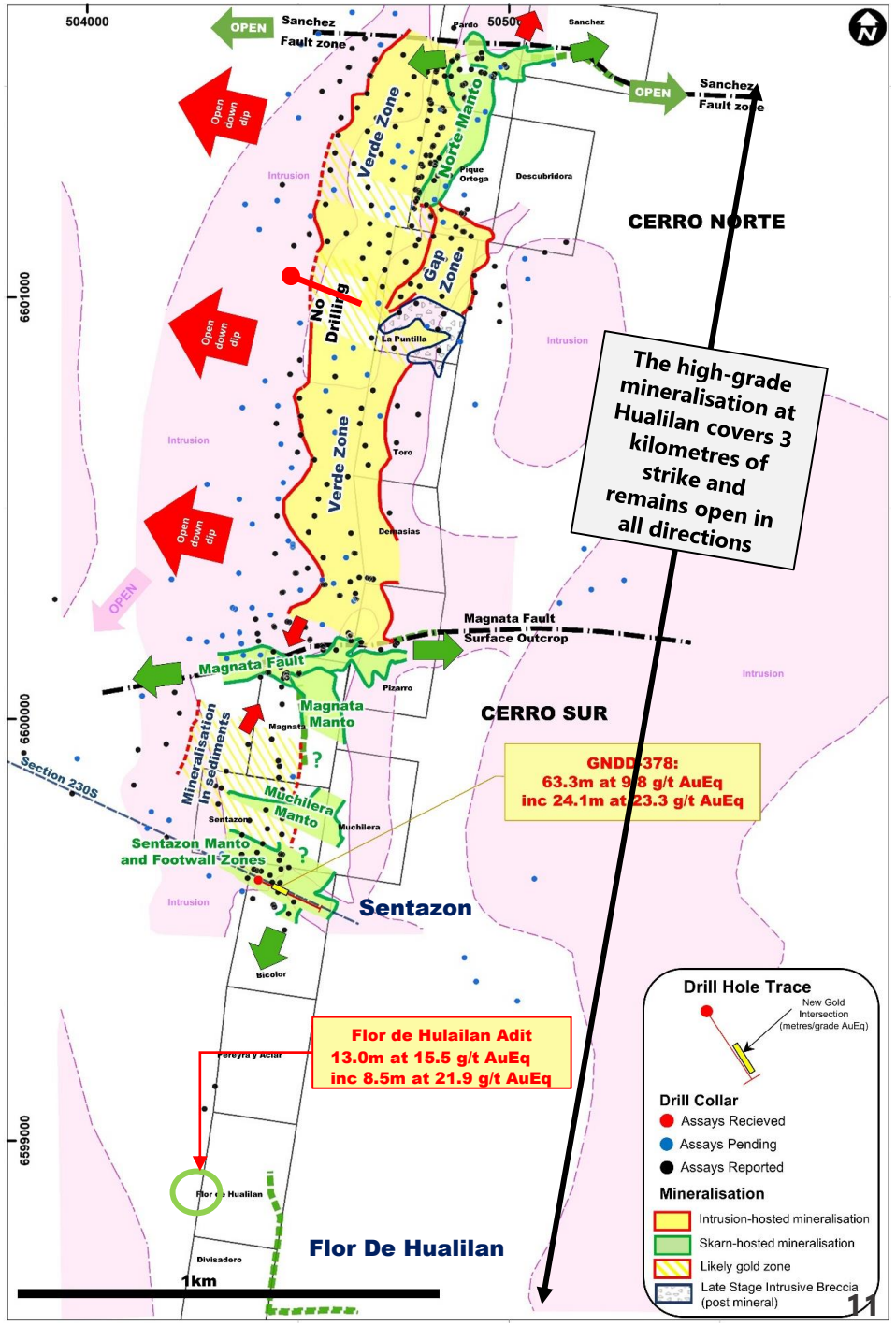


HIGH-GRADE SKARN OVER 3.5 KM STRIKE

Interim MRE covers 2.2 kilometres of this 3.5 kilometre strike



Type Section 1 – Showing Geology

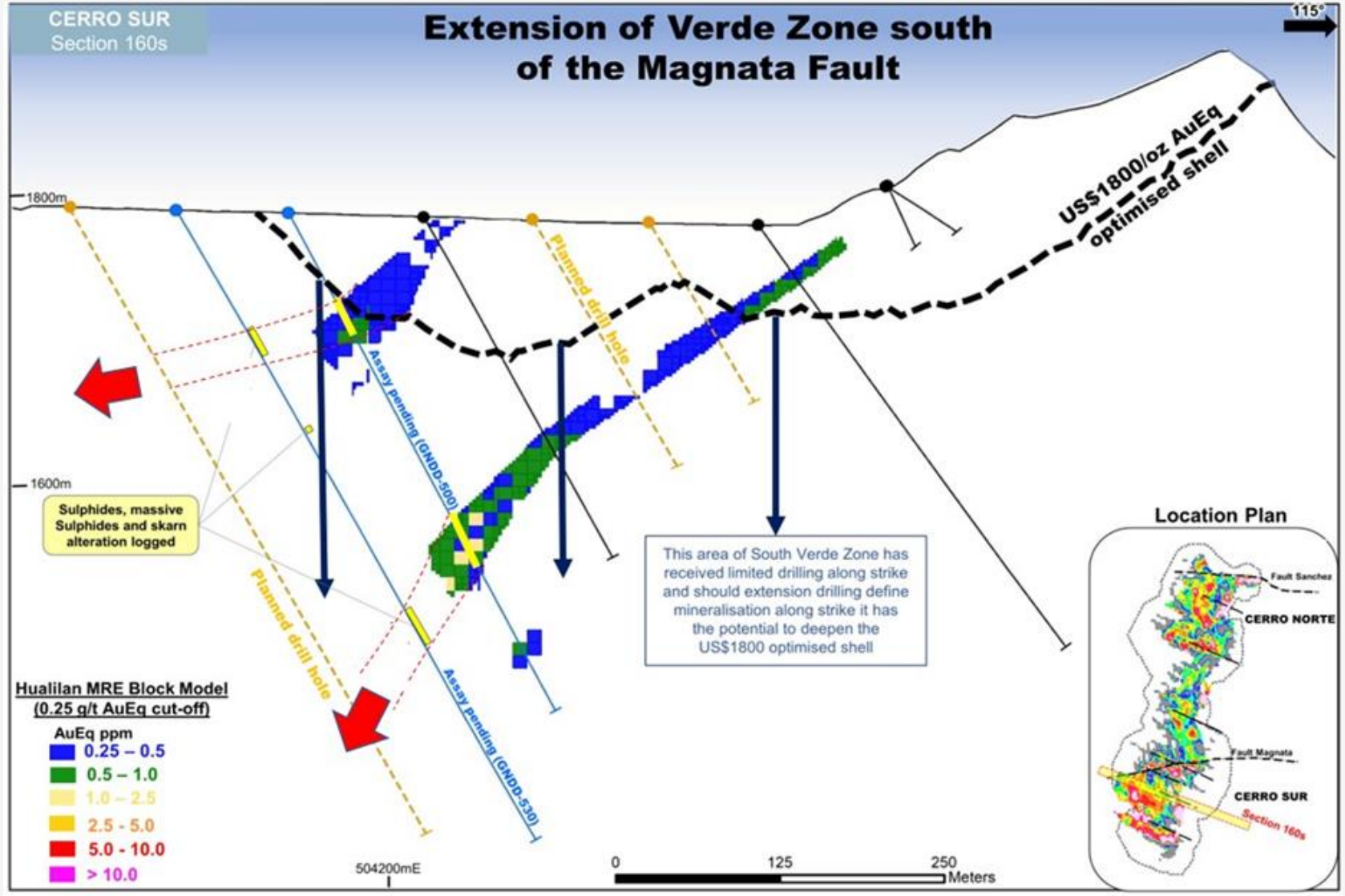


VERDE ZONE SOUTH OF THE MAGNATA FAULT

Verde now extended across the Magnata Fault and open to the south

Muchilera Sediment-hosted

- Contribution to the MRE:
  - i. **Open Pit – 37,000 Oz**
  - ii. **Underground – 56,000 Oz**
  - iii. **Total - 93,000 Oz**
- This zone is only lightly drilled
- Open to the north and south along strike and at depth
- Recent holes have intersected zones of massive sulphides in skarn alteration at depth
- May be extending and joining with the new deeper zone at Sentazon
- Some higher-grades at depth or additional mineralisation along strike has the potential to deepen the optimised pit shell
- Bringing significantly more mineralisation into the MRE

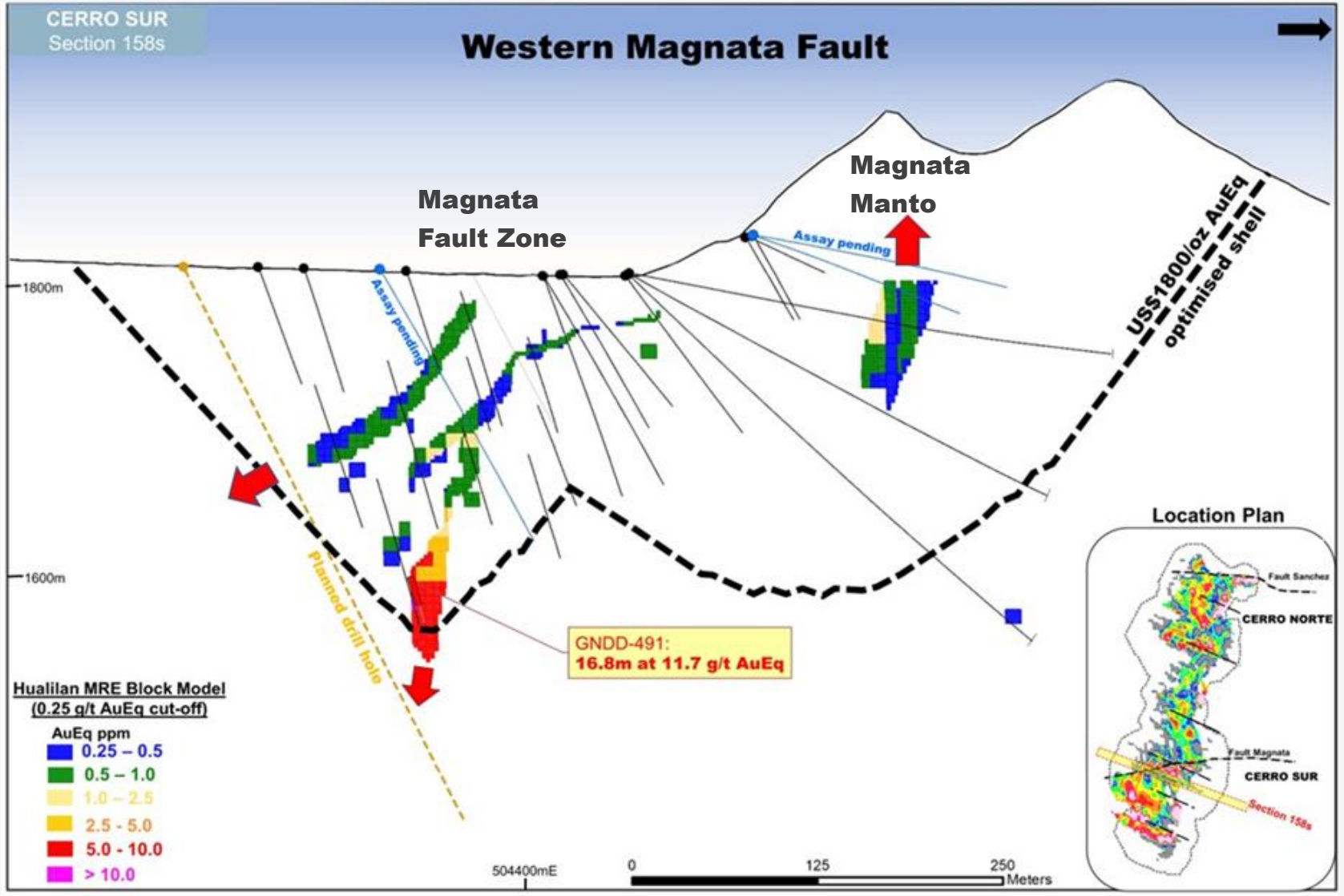


WESTERN EXTENSION OF THE MAGNATA FAULT

New high-grade zone discovered below shallow low grade intercepts

Magnata Fault (Western)

- Contribution to the MRE:
  - i. **Open Pit – 370,000 Oz**
  - ii. **Underground – 35,000 Oz**
  - iii. **Total - 404,000 Oz**
- Open to the east and the west strike along strike
- Open at depth
- Provides a significant component of the high-grade skarn mineralisation
- Recent intersection of high-grade mineralisation at depth below low grade surface intersections
- Recent step-out holes further west (assays pending) have been logged as intersecting significant sulphides

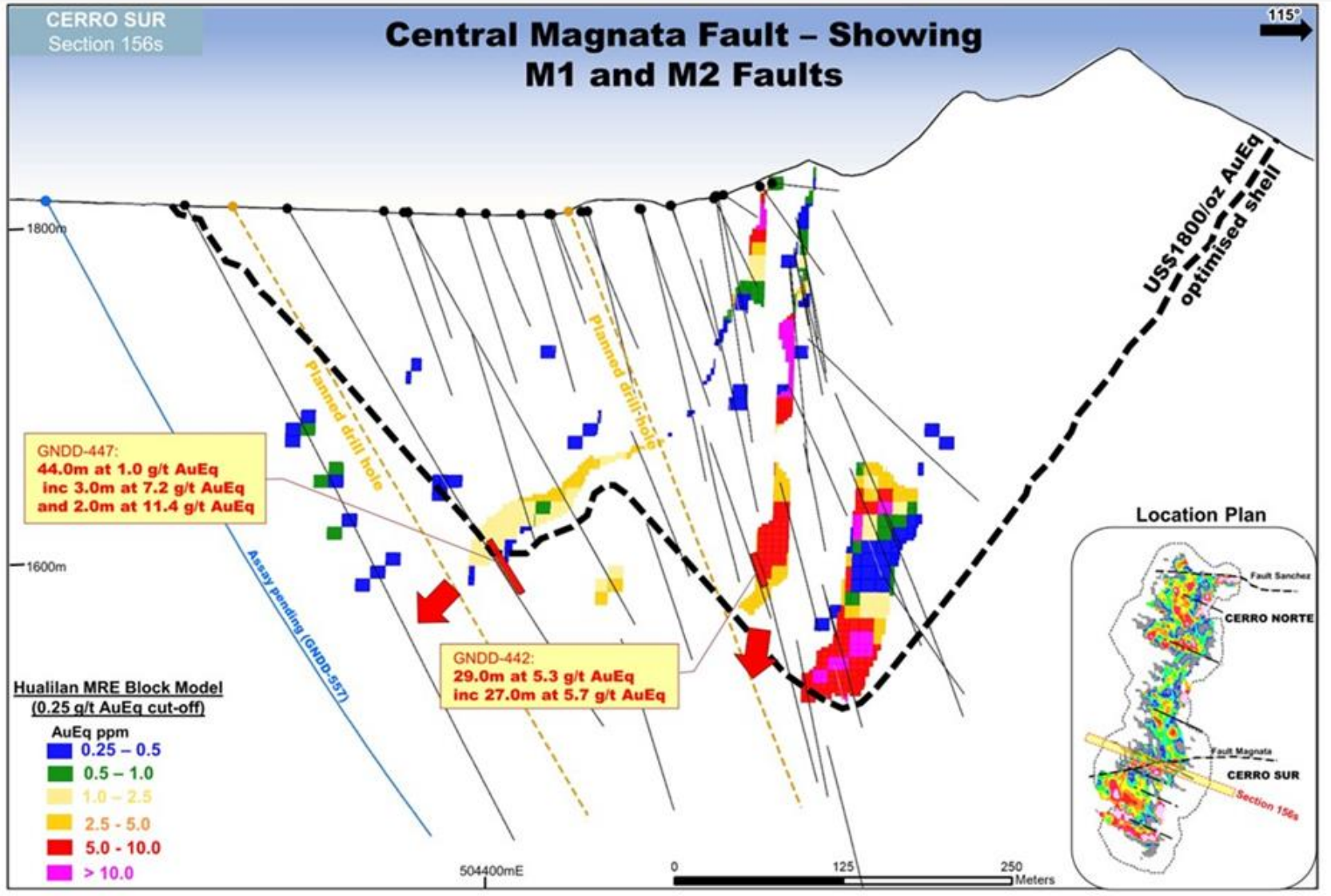


CENTRAL MAGNATA FAULT ZONE

Multiple Fault zones extends over 500 metres vertical extent and still open at depth

Magnata Fault (Central)

- The Magnata Fault is a regional structure that can be mapped for over 10km either side of Hualilan
- Mineralisation is open to the east and the west strike along strike
- Open at depth along the 700 metres strike drilled to date
- The Magnata splits in the M1 and M2 Faults both of which are mineralised
- High-grade mineralisation is often intersected below holes with minimal intersection
- Confirms that mineralisation on the fault is related to the presence of open space along the fault
- Examples of planned follow-up drilling includes drilling planned under GNDD-442 **(29.0m at 5.3 g./t AuEq)**

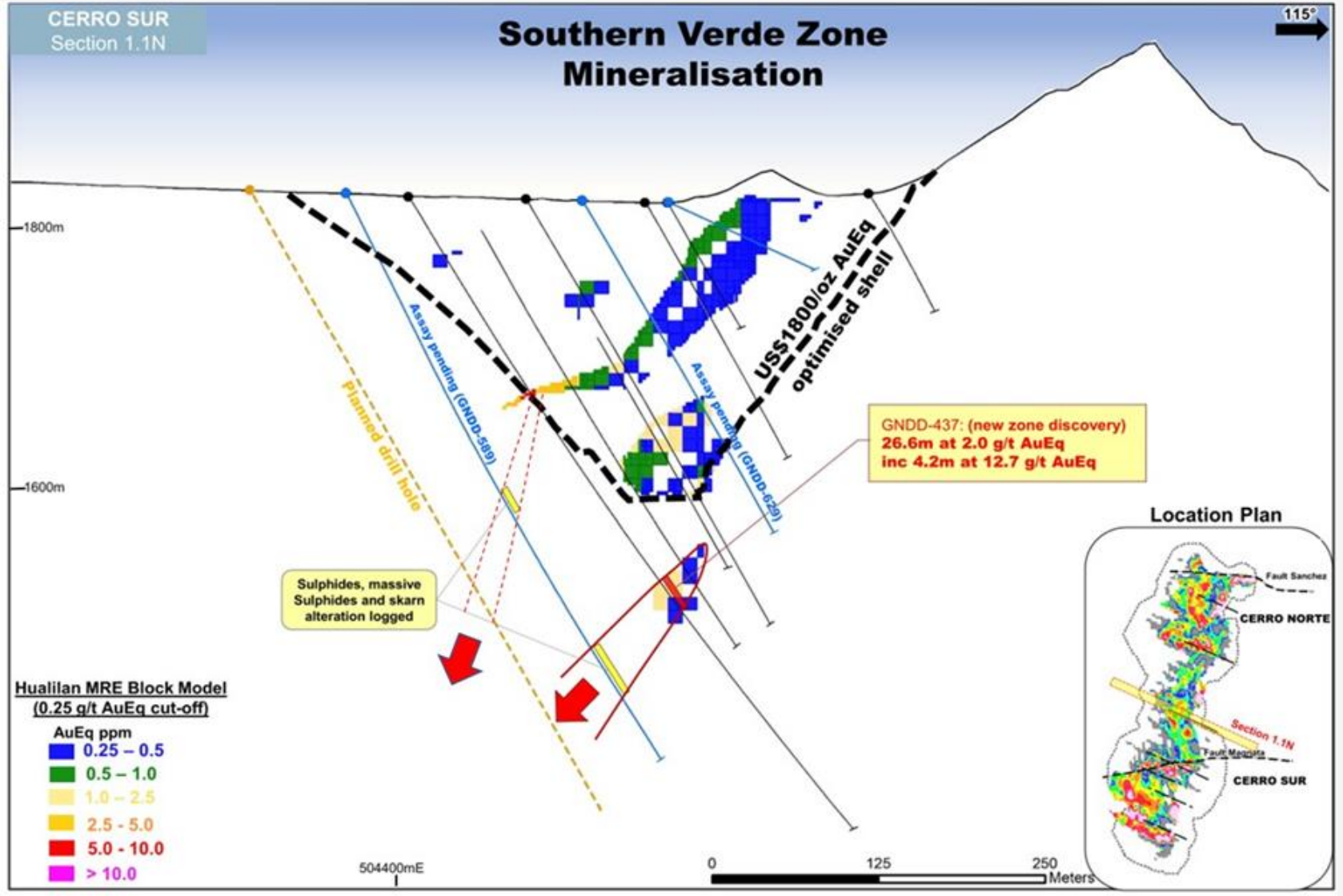


SOUTHERN VERDE ZONE

New high-grade zones emerging below the lower grade intrusion hosted mineralisation

Verde Zone (South)

- Contribution to the MRE:
  - i. **Open Pit – 300,000 Oz**
  - ii. **Underground – 37,000 Oz**
  - iii. **Total - 337,000 Oz**
- Open to the north and south along strike and open at depth
- Results from a significant amount of extension and infill holes pending
- New higher grade mineralisation at depth in new zones below the original Verde Zone
- We are continuing to se the ongoing trend of skarn mineralisation at depth
- Any higher grade mineralisation at depth has the potential to significantly increase the depth of the optimised pit shell

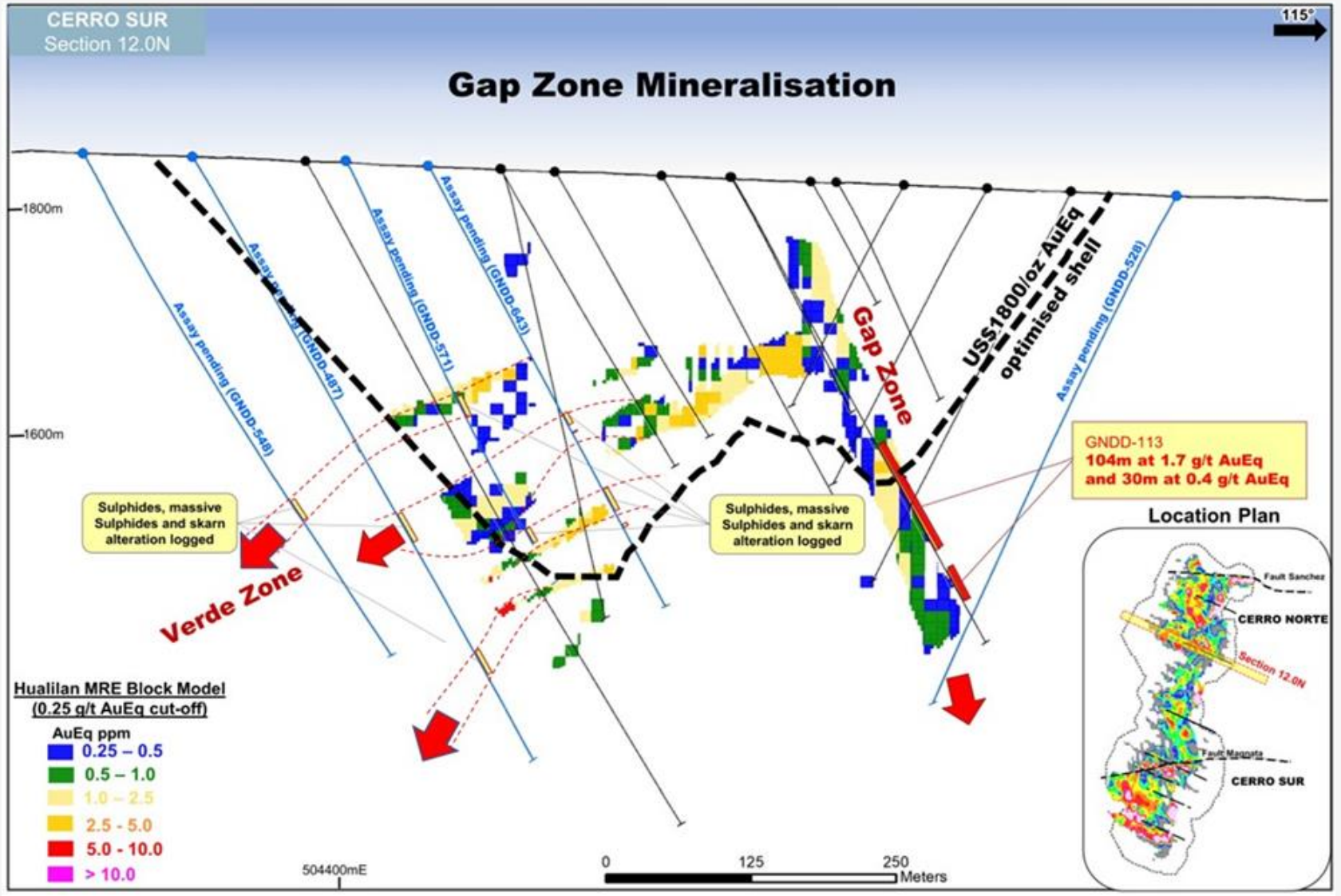


GAP ZONE MINERALISATION

Significant ounces currently below the optimised pit shell

Gap Zone

- Contribution to the MRE:
  - i. **Open Pit – 118,000 Oz**
  - ii. **Underground – 23,000 Oz**
  - iii. **Total - 141,000 Oz**
- Open to the south along strike and at depth
- Significant amount of mineralisation < 1 g/t under the optimised pit – not in MRE
- This mineralisation has >50 metres true width so bulk underground mining may move this into the MRE
- Intercepts under the optimised pit shell include:
  - **66.8m at 0.7 g/t AuEq from 168.3m**
  - **40.0m at 0.8 g/t AuEq from 267.9m**
  - **55.0m at 0.7 g/t AuEq from 190.0m**
  - **68.0m at 0.5 g/t AuEq from 282.0m**
  - **36.8m at 0.6 g/t AuEq from 258.3m**
  - **34.1m at 1.6 g/t AuEq from 193.4m**

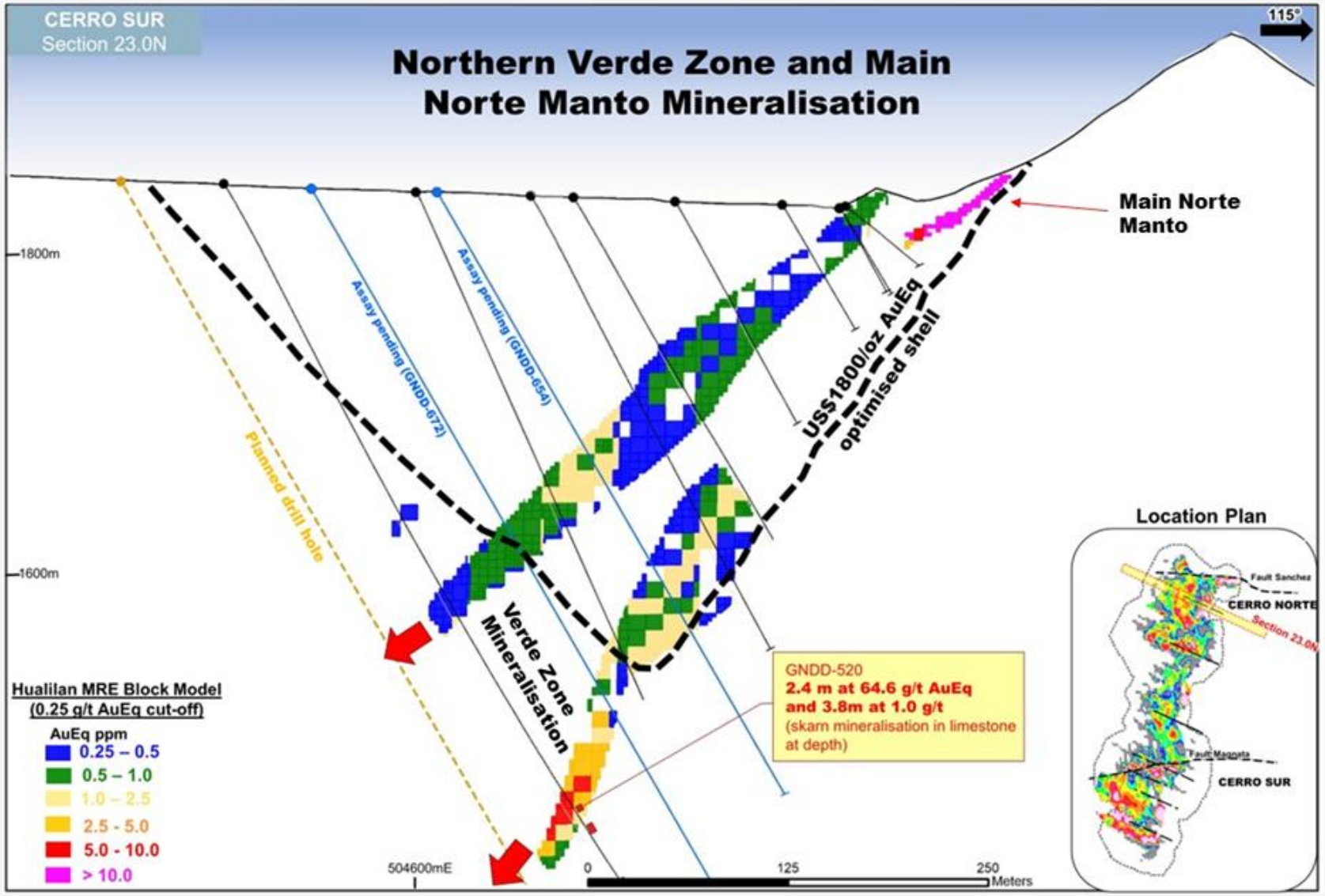


NORTHERN VERDE ZONE

New high-grade target at depth

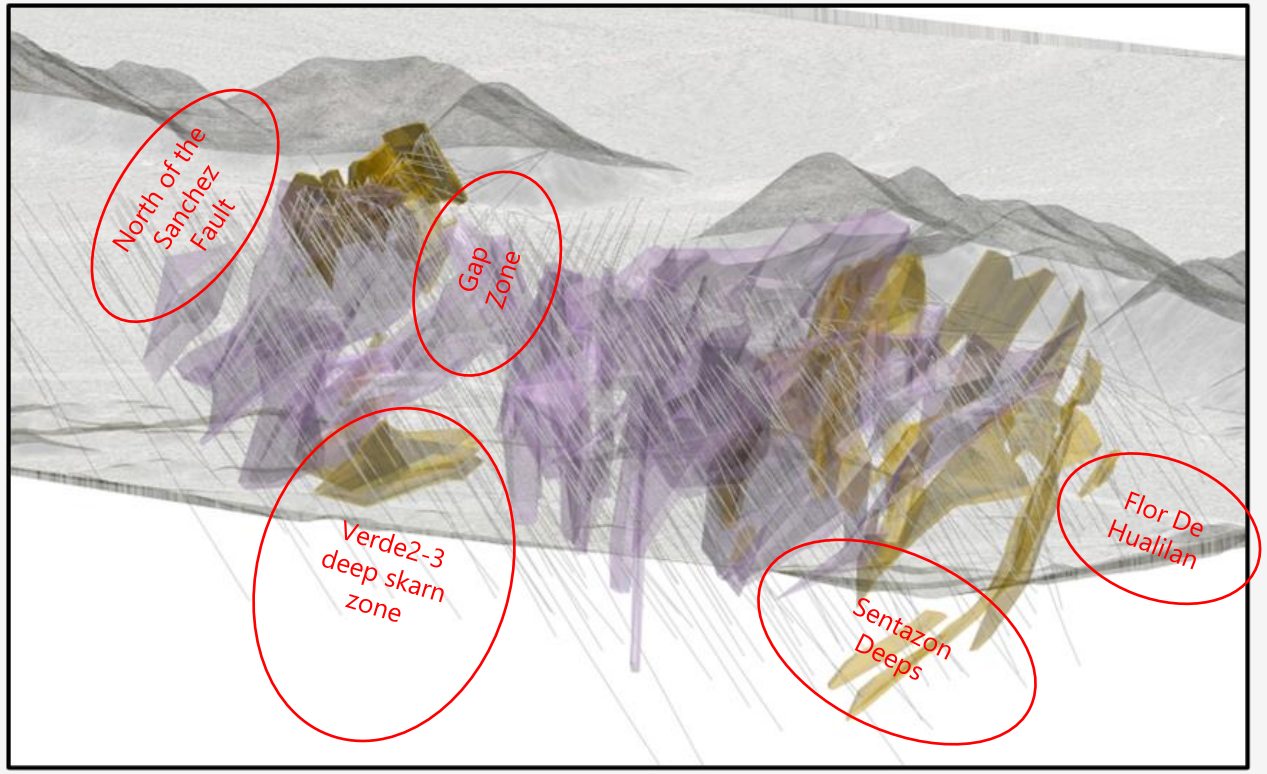
Verde Zone (North)

- Contribution to the MRE:
  - i. **Open Pit – 473,000 Oz**
  - ii. **Underground – 66,000 Oz**
  - iii. **Total - 539,000 Oz**
- Open to the north (south into Gap Zone) and open at depth
- Results from a significant amount of extension and infill holes pending
- Significant high-grade target developing at depth
- Verde 2-3 domain (83,000 Oz in current MRE) now looking like a continuation of the Norte Main Manto at depth
- This domain is open at depth and several recent holes (assays pending) have intersected massive sulphides in skarn alteration
- Potential to add significant high-grade ounces to the MRE



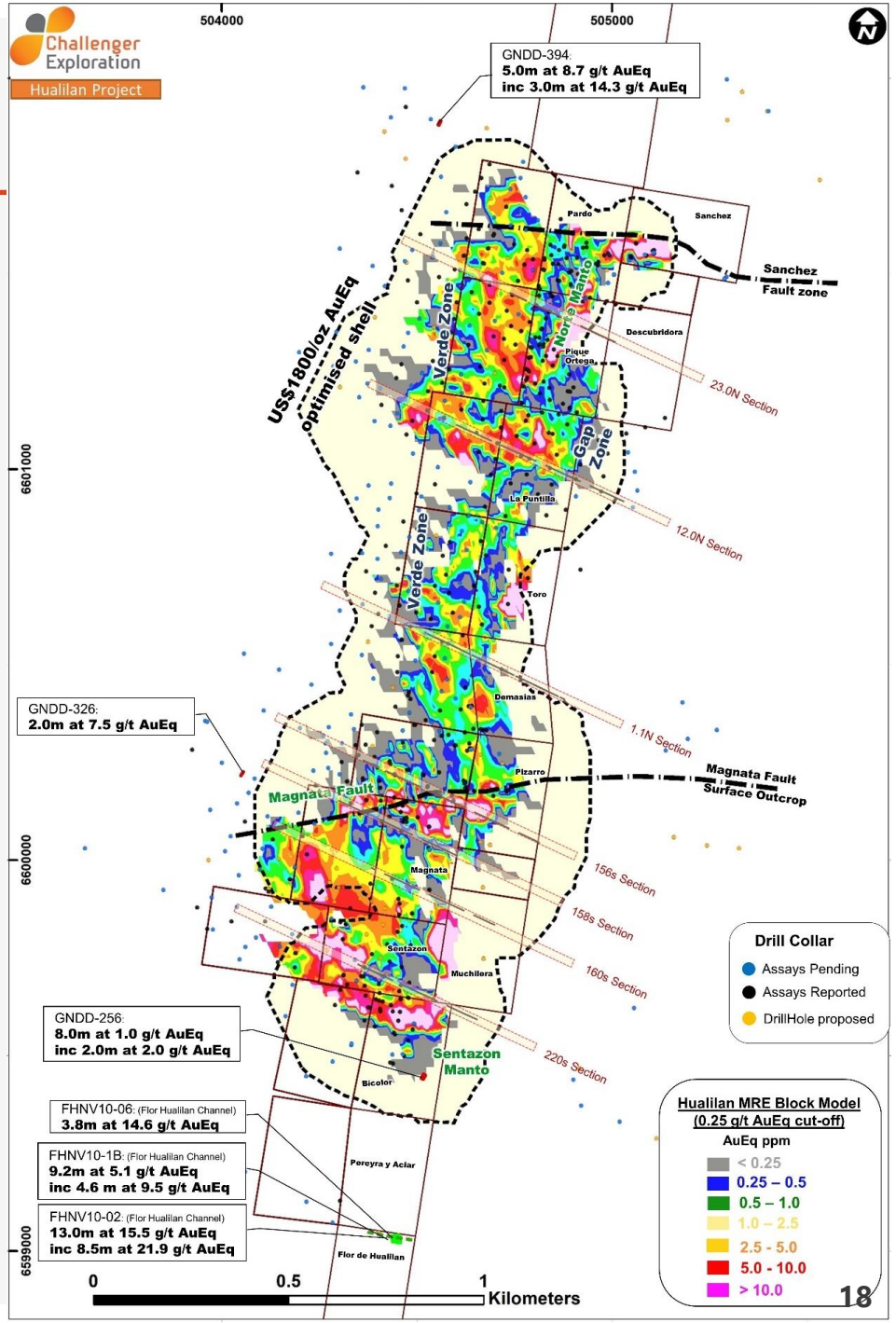
POTENTIAL TO INCREASE THE MRE

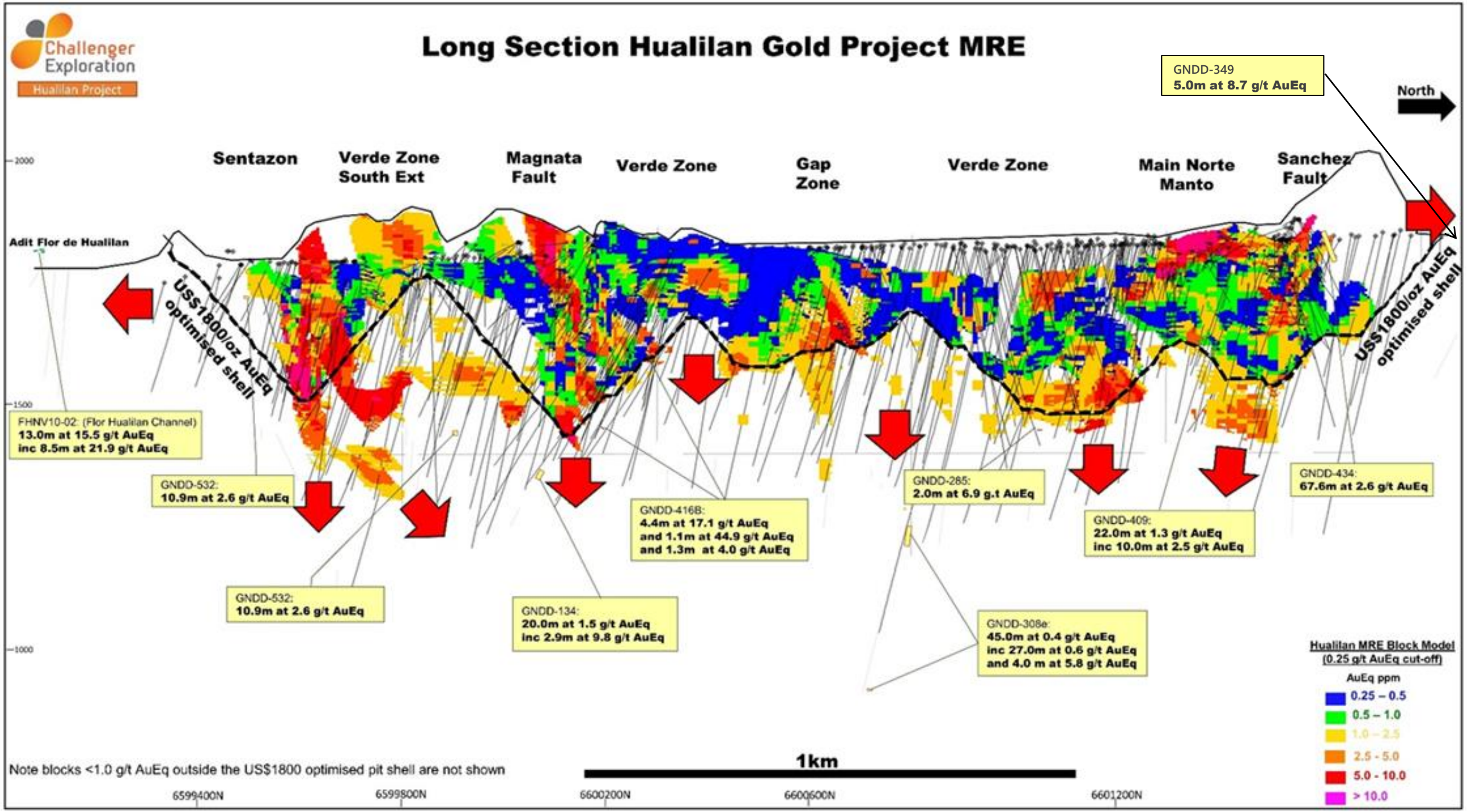
Mineralisation remains open in all directions



Mineralisation Style	Mt (0.25 g/t AuEq cut-off)	Au (g/t)	Ag (g/t)	Zn (%)	Pb (%)	Au Eq (g/t)
skarn	6.3	5.5	21.9	2.0	0.2	6.8
intrusion/sediment hosted	41.4	0.7	4.5	0.2	0.0	0.8
Mineralisation Style	**Implied Metal**	**Au (Moz)**	**Ag (Moz)**	**Zn (kt)**	**Pb (kt)**	**Au Eq (Moz)**
skarn		1.11	4.4	128	13	1.4
intrusion/sediment hosted		0.87	6.0	99	20	1.1
Total Contained metal		**1.98**	**10.4**	**227**	**33**	**2.5**

- Resource increase to 2.5 Moz with no Top-Cuts applied




Challenger Exploration
Hualilan Project
Long Section Hualilan Gold Project MRE
GNDD-349
5.0m at 8.7 g/t AuEq
North
Sentazon
Verde Zone South Ext
Magnata Fault
Verde Zone
Gap Zone
Verde Zone
Main Norte Manto
Sanchez Fault
Adit Flor de Hualilan
US$1800/oz AuEq optimised shell
US$1800/oz AuEq optimised shell
FHNV10-02: (Flor Hualilan Channel)
13.0m at 15.5 g/t AuEq
inc 8.5m at 21.9 g/t AuEq
GNDD-532:
10.9m at 2.6 g/t AuEq
GNDD-532:
10.9m at 2.6 g/t AuEq
GNDD-416B:
4.4m at 17.1 g/t AuEq
and 1.1m at 44.9 g/t AuEq
and 1.3m at 4.0 g/t AuEq
GNDD-134:
20.0m at 1.5 g/t AuEq
inc 2.9m at 9.8 g/t AuEq
GNDD-285:
2.0m at 6.9 g.t AuEq
GNDD-308e:
45.0m at 0.4 g/t AuEq
inc 27.0m at 0.6 g/t AuEq
and 4.0 m at 5.8 g/t AuEq
GNDD-409:
22.0m at 1.3 g/t AuEq
inc 10.0m at 2.5 g/t AuEq
GNDD-434:
67.6m at 2.6 g/t AuEq
Hualilan MRE Block Model
(0.25 g/t AuEq cut-off)
AuEq ppm
0.25 – 0.5
0.5 – 1.0
1.0 – 2.5
2.5 - 5.0
5.0 - 10.0
> 10.0
2000
1500
1000
1km
Note blocks <1.0 g/t AuEq outside the US$1800 optimised pit shell are not shown
6599400N
6599800N
6600200N
6600600N
6601200N

ROBUST STARTER PIT AND EXCELLENT METALLURGY

Produces high value and saleable concentrates at excellent recoveries

Skarn Material (Gravity + Cu/Pb and Zn Sequential Float)

- Payable Recoveries into concentrate of **95% Au, 93% Ag, 90% Zn, +77% Pb**
- P_{80} of 60-70 micron primary grind prior to gravity and float
- P_{80} of 20-25 micron re-grind on the Zn rougher concentrate with gravity after regrind and 2 stages of Zn cleaning.
- Three concentrate streams for marketing:
  i. **Gold/Silver concentrate: 125 g/t Au, 260 g/t Ag, (2.6% Zn)**
  ii. **Cu/Pb Clnr concentrate: 230 g/t Au, 1160 g/t Ag, 62%Pb, (3% Zn)**
  iii. **Zn Clnr concentrate: 10 g/t Au, 150 g/t Ag, 51% Zn, (1.3% Cu)**
- No penalizable deleterious elements and **ultra low arsenic**

Potential High-Grade Starter Pit

- Lower price pit shell optimisation confirms coherent zone of high-grade near surface mineralisation that has the potential for a high-grade starter pit

Au Price (US$Oz)	> 1.0 g/t AuEq	Mt	Au (g/t)	Ag (g/t)	Zn (%)	Pb (%)	AuEq (g/t)	Moz (AuEq)
	Indicated	1.52	4.4	22.8	1.7	0.22	5.5	0.27
	Inferred	0.45	3.8	19.6	1.2	0.31	4.7	0.07
$600	**Total**	***1.97***	***4.3***	***22.1***	***1.6***	***0.24***	***5.3***	***0.34***
	Indicated	2.93	3.7	16.1	1.4	0.16	4.6	0.43
	Inferred	0.93	3.0	21.9	0.88	0.21	3.7	0.11
$800	**Total**	***3.86***	***3.6***	***17.5***	***1.2***	***0.17***	***4.4***	***0.54***
	Indicated	3.97	3.3	14.1	1.2	0.15	4.0	0.52
	Inferred	1.99	2.5	16.0	0.94	0.14	3.2	0.20
$1000	**Total**	***5.96***	***3.0***	***14.7***	***1.1***	***0.14***	***3.7***	***0.72***

Intrusion-hosted material (Gravity + Single Stage Float)

- Recoveries of **92-93% (gold)** and **70-83% (silver)** at a 2% mass pull
- P_{80} of 80 micron grind prior to gravity and float – with 20 micron regrind and second stage float
- Attractive concentrate containing **45-53 g/t gold and 284-375 g/t** silver
- No deleterious elements and **ultra low arsenic**
- Payability above 95% for Au and 90% for Ag
- 70% recovery of Au/Ag via tails leach lifts recovery **to 96% Au, 88% Ag**
- Sequential Floatation testing in progress to determine if this can generate concentrates with higher Au/Ag grades
- Intrusion-hosted material is ~ 33% of Hualilan gold endowment

Sediment-hosted material (Gravity Single Stage Float)

- Recoveries of **83% (gold)** and **80% (silver)** at a 2.3% mass pull
- P_{80} of 80 micron grind prior to gravity and float – with 20 micron regrind and second stage float
- Concentrate containing **24 g/t gold and 234 g/t silver**
- Analysis of final compositions/deleterious elements pending
- 70% recovery of Au/Ag via tails leach lifts recovery **to 85% Au, 87% Ag**
- Sediment-hosted mineralisation is ~ 5% of Hualilan gold endowment

A FAR BIGGER PLAY THAN EXTENDING WITHIN 3.5KM STRIKE

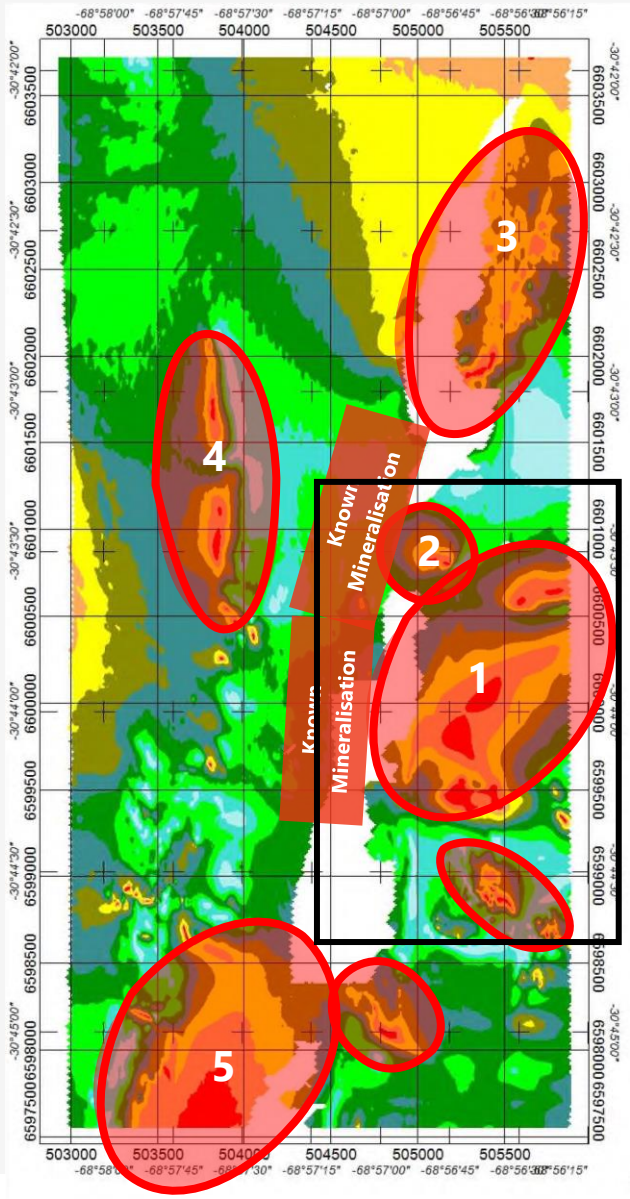
Exploration has only focussed on one side of the intrusion responsible for Hualilan

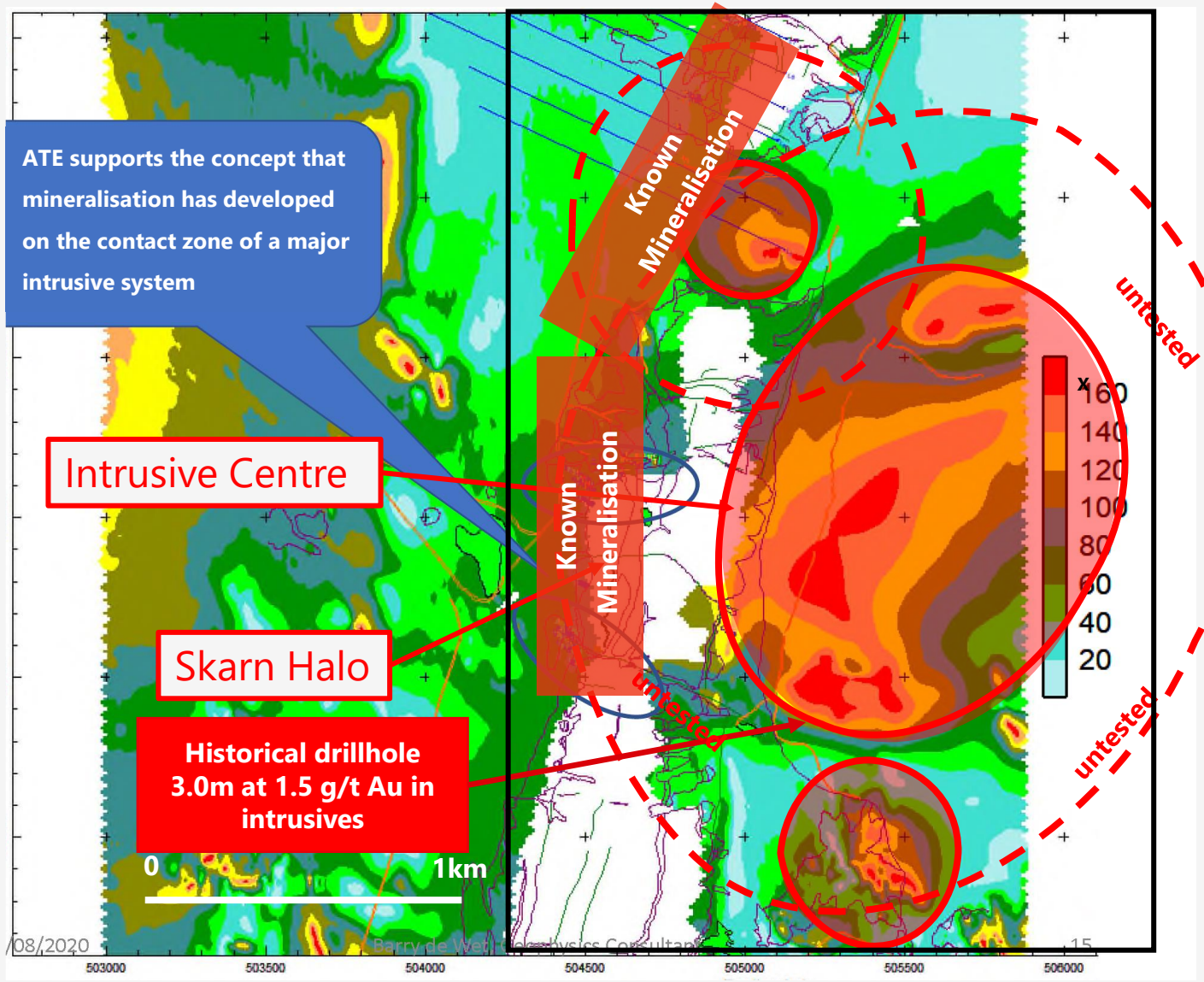
Processing of surface magnetic data indicates there are at least five major intrusive centres the same age as the Hualilan which are largely unexplored

These intrusions are largely unexplored and provide greater than 20 kilometres of prospective Hualilan stratigraphy

Mineralisation is defined over 3.1 kilometres of strike defined by drilling and underground channel sampling

Systematic drilling has been confined to 2.1 kilometres of this mineralised strike extent

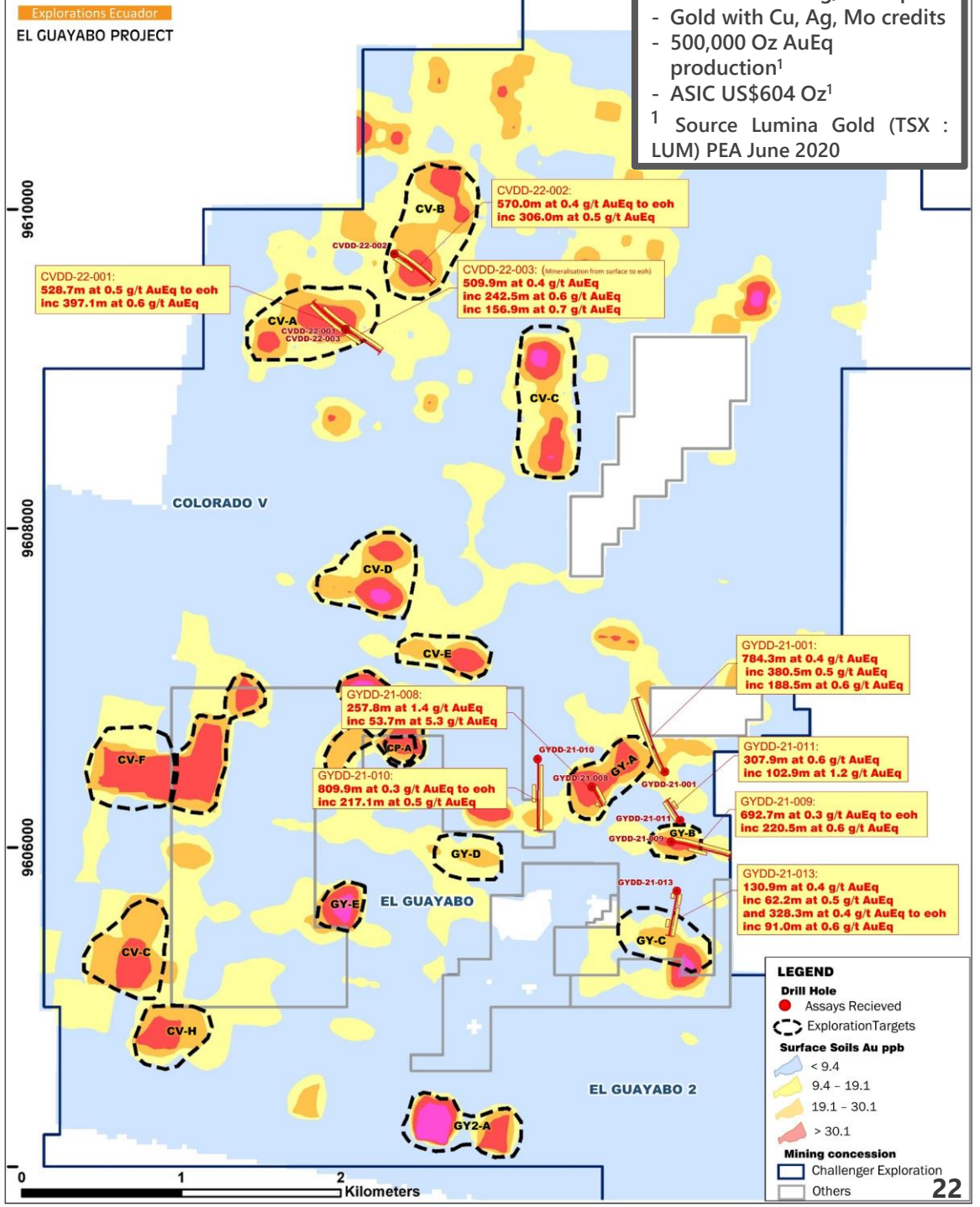




Ecuador Drilling Update

- Directly along strike from a 22 Moz orebody
- Same geology and surface footprint
- 15 regionally significant Au-Cu soil anomalies
- Over 500 metres of mineralisation in the each of the first five drilled
- Results include 257.8m at 1.4 g/t AuEq inc 53.7m at 5.3 g/t AuEq
- Potential Tier 1 asset as drilling proceeds

Challenger Exploration



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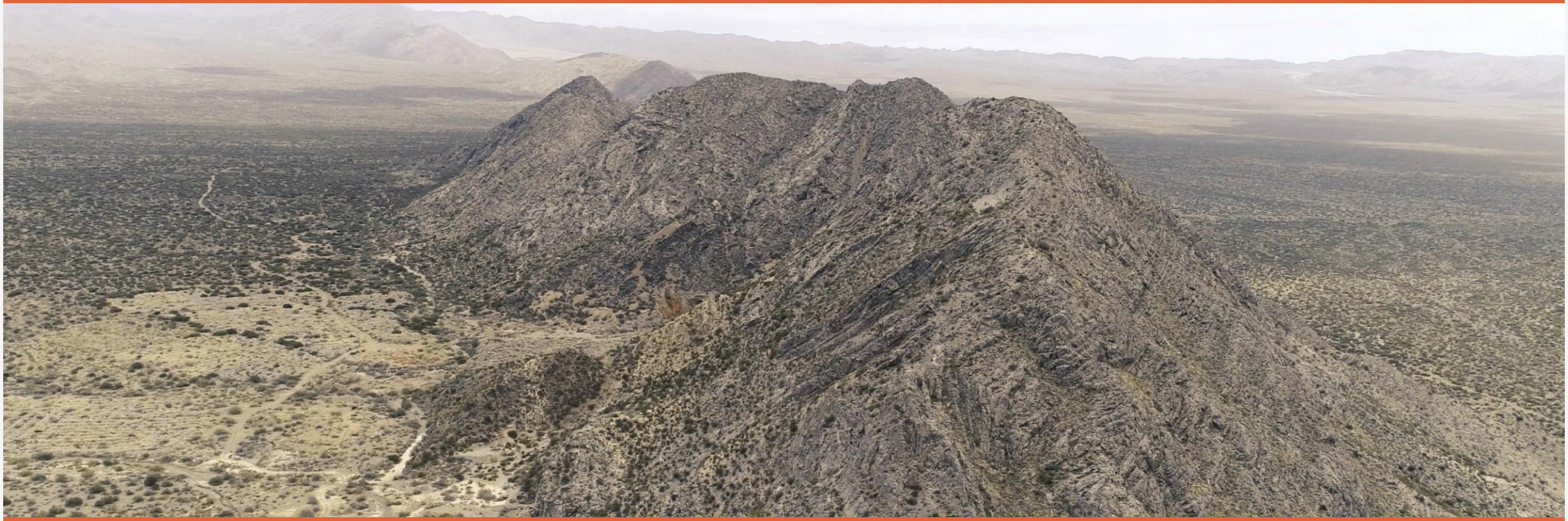

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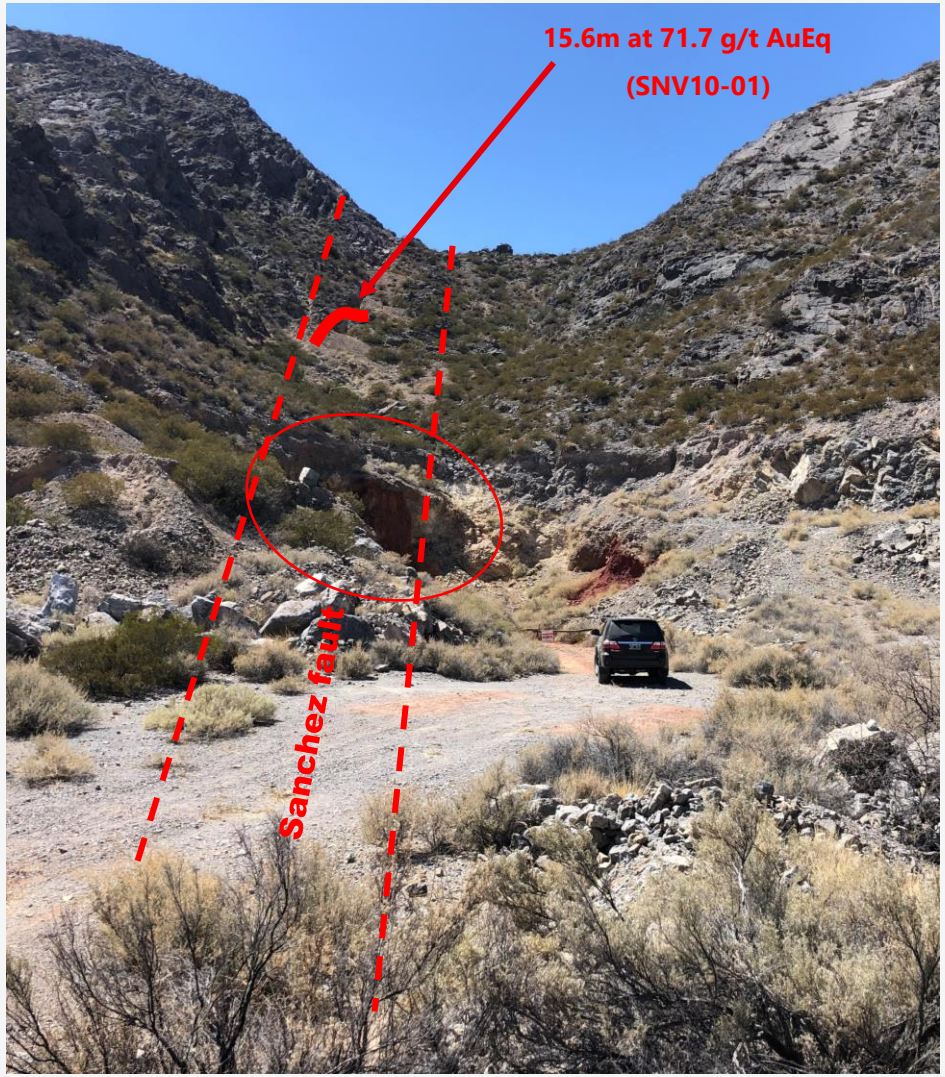
JORC MINERAL RESOURCE ESTIMATE



JORC 2012 Mineral Resource Estimate for the Hualilan Gold Project								
Domain	**Category**	**Mt**	**Au g/t**	**Ag g/t**	**Zn %**	**Pb %**	**AuEq g/t**	**AuEq (mozs)**
US$1800 optimised shell > 0.25ppm AuEq	Indicated	18.7	1.1	5.4	0.41	0.07	1.3	0.80
	Inferred	25.0	1.0	5.6	0.39	0.06	1.2	1.00
Below US$1800 shell >1.0ppm AuEq	Inferred	4.0	1.9	11.5	1.04	0.07	2.6	0.33
Total		***47.7***	***1.1***	***6.0***	***0.45***	***0.06***	***1.4***	***2.13***

Gold Equivalent (AuEq) values - Requirements under the JORC Code

- Assumed commodity prices for the calculation of AuEq is Au US$1780 Oz, Ag US$24 Oz, Zn US$2,800 /t
- Metallurgical recoveries for Au, Ag and Zn are estimated to be 89%, 84% and 79% respectively (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 (24/1780) x (0.84/0.89)] + [Zn (%) x (28.00*31.1/1780) x (0.79/0.89)]
- *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.*