

19 July 2022

Sandra Wutete
Principal Adviser
Listings Compliance (Perth)

VIA E-MAIL

Dear Sandra,

RE: CHALLENGER EXPLORATION LIMITED – PRICE QUERY

We refer to the Price query issued by the Australian Securities Exchange on Tuesday 19 July 2022 and comment as follows (using your numbering):

1. Challenger Exploration Limited (the Company or CEL) is not aware of any information that has not been announced that would explain the recent trading in the securities of the Company.
2. Not Applicable.
3. The Company is not aware of any explanation for the recent trading in the Company's securities however would like to make the following comments:

The Company notes that since 1 June 2022 (using prices as at close of market yesterday) the share price of CEL had fallen 48% from its highs. This is significantly more than its industry peers with the gold index down 26% over the same period. The price appreciation recorded on market today may be related to the partial reversal of this overselling of CEL.

In light of the pending assay results as disclosed in CEL's announcement dated 4 July 2022, and as requested by ASX, we address the following further queries in this price query response:

(a) Please advise when the drilling was completed.

The final drill hole mentioned in the ASX Release dated 4 July 2022 was completed as of 17 June 2022.

(b) Please advise when the assay results are expected to be received by CEL. Please provide detailed information in relation to the timing of these results.

The timing of assays results is dependent on logging and sampling times, which the Company is in control of, as well as turn-around times (TAT) in the third-party assay lab. In line with industry conditions assay TAT's are generally higher than traditional industry averages and can also vary significantly based on the load in the sample prep lab from week to week making timing of the receipt of assay results difficult to estimate with any degree of certainty.

(c) *Please advise what arrangements (if any) CEL has in place to maintain confidentiality of its assay results? Please provide detailed information.*

Assay results are only available to the Company's Exploration Manager, the Company's CEO, and the Company's COO in South America. Any partial results remain available only to these three Company Officers. All three executives are familiar with the Companies policies relating to Continuous Disclosure, specifically Listing Rule 3.1. ASX releases are prepared by CEL's Exploration Manager and CEO and only made available to the Board, and the Company's Public Relations Consultants, after market close with the ASX Release made prior to market open the following day.

4. The Company confirms that in its opinion it is, and has been at all times, in compliance with listing rule 3.1.
5. The Company confirms this announcement has been approved by the Managing Director and the Company Secretary having appropriate authority to respond to ASX on disclosure matters.

Should you have any queries, please call me on 0413 867 600 or by email at scott.funston@challengerex.com

Yours faithfully

Scott Funston
Company Secretary
+61 413 867 600
scott.funston@challengerex.com



19 July 2022

Reference: 55247

Mr Scott Funston
Director and Company Secretary
Challenger Exploration Limited

By email

Dear Mr Funston

Challenger Exploration Limited ('CEL'): Price - Query

ASX refers to the following:

A. The change in the price of CEL's securities from a close of \$0.155 to a high of \$0.205 today.

Request for information

In light of this, ASX asks CEL to respond separately to each of the following questions and requests for information:

1. Is CEL aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?
2. If the answer to question 1 is "yes".
 - (a) Is CEL relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1? Please note that the recent trading in CEL's securities would suggest to ASX that such information may have ceased to be confidential and therefore CEL may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is "yes", you need to contact us immediately to discuss the situation.
 - (b) Can an announcement be made immediately? Please note, if the answer to this question is "no", you need to contact us immediately to discuss requesting a trading halt (see below).
 - (c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
3. If the answer to question 1 is "no", is there any other explanation that CEL may have for the recent trading in its securities?
4. Please confirm that CEL is complying with the Listing Rules and, in particular, Listing Rule 3.1.
5. Please confirm that CEL's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of CEL with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than market open (i.e. before **8:00 AM AWST Wednesday, 20 July 2022**). You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, CEL's obligation is to disclose the

information ‘immediately’. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require CEL to request a trading halt immediately.

Your response should be sent to me by e-mail at **ListingsCompliancePerth@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Trading halt

If you are unable to respond to this letter by the time specified above, or if the answer to question 1 is “yes” and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in CEL’s securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in CEL’s securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to CEL’s obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that CEL’s obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release a copy of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A.

Questions

If you have any questions in relation to the above, please do not hesitate to contact me.

Yours sincerely

Sandra Wutete
Principal Adviser, Listings Compliance (Perth)