

## Board and Key Management Appointments as Challenger targets development of its Hualilan Gold Project.

### Highlights

- **Appointment of Mr Brett Hackett, Australian Ambassador to Argentina, until January 2023 to the Challenger Board as a Non-Executive Director.**
- **Appointment of Dr Sonia Delgado as Argentina Country Manager. Sonia has a Master's Degree in labour law and is the former Secretary of Mining of the Province of San Juan, Argentina.**
- **Appointment of Mike Zivcic as Company COO. Mike is a mining engineer and was the General Manager of Barrick's ~400 kOz Veladero mine, located in San Juan, Argentina, prior to joining CEL.**
- **Mike is based in San Juan and has been advising with the Hualilan Scoping Study since February. He has requested to take 100% of his remuneration, including salary, for the first 3-years in CEL Shares.**

#### **Commenting on the results, CEL Managing Director, Mr Kris Knauer, said**

*"I am delighted to be able to announce three significant appointments for the Company each of which will assist as we aim to move our Hualilan Gold Project into production.*

*Brett was the Australian Ambassador to Argentina when the Company acquired Hualilan. He is well regarded by both sides of politics in Argentina and his advice and contacts will be invaluable.*

*Sonia is a perfect fit as our Country Manager for Argentina. Her role as the former Secretary of Mining in San Juan, and her time running one of the leading Labour law firms in San Juan, provide her with a unique and valuable skill set and perspective.*

*Mike is the missing piece we need. For the past 2 years he has run a 400,000 ounce per annum gold mine four hours by road from Hualilan. The fact that after significant due diligence he requested his remuneration to be paid all in shares is a real vote in confidence in both Challenger and Hualilan.*

#### **Commenting on his appointment as COO of the Company, Mr Mike Zivcic, said**

*"I am excited to take on this role to move Hualilan through study phase into construction and production. I have driven past the project on the way to Veladero for the past 2-years and have seen it go from one drill rig to eight, and then to a significant resource with both grade and scale.*

*I have spent the past few months lending my experience and local expertise to the Hualilan Scoping Study and I am confident that the project will progress to construction over the coming years. I am personally excited by the challenge of building and operating Argentina's next gold mine and the fact that it is located in the San Juan province of Argentina, where I have already put down roots is an added bonus."*

**Challenger Exploration (ASX: CEL)** (“CEL” the “Company”) is pleased to announce the following Board and Executive appointments as the Company prepares to transition into production at its Flagship Hualilan Gold Project in San Juan, Argentina. These include the appointment of a Non-Executive Board member, Country Manager for Argentina, and an experienced Mining Engineer as Chief Operations Officer of the Company.

#### **Brett Hackett - Non Executive Director**

Brett has 33 years of experience as an Australian diplomat. For the last 13 years, his principal focus has been on expanding Australia’s economic and political relationships with the countries of Latin America.

He has served as Ambassador on three occasions; as Australia’s first resident Ambassador in Afghanistan (2006-2008), as Ambassador to Brazil (2011-2014), and most recently as Ambassador to Argentina (2018-2023).

In Brett's role as Ambassador to Argentina he accrued considerable experience in promoting Australian interests, particularly in Argentina’s mining sector. Brett is highly regarded on both sides of politics in Argentina and, as the most recently returned Ambassador, he maintains a current and enviable list of contacts in Argentina. As the Company moves through studies into negotiation of fiscal terms for the Hualilan Project at the National Government level Brett's experience and contacts will be of great assistance to the Company.

Brett's remuneration, which will be 100% by way of Challenger Shares, is detailed in schedule 1.

#### **Sonia Delgado - Country Manager Argentina**

Dr. Sonia Delgado graduated with honours as a lawyer and has a Master’s degree in labour law from the National University of Cordoba. Her work experience in the private sector began in 2004 when she opened her own law firm specialising in Argentinian Labour law which she has maintained until her appointment by Challenger.

Over a distinguished career in the Argentinian public sector, Sonia has occupied positions including: Assistant Office of the State Prosecutor of the Province of San Juan; Undersecretary of Planning and Promotion of Mining Development; Chief of Advisors (Argentina National Mining Ministry) and, most recently, Secretary of Mining for the province of San Juan, Argentina.

Sonia was appointed as Vice President and local Director of the Company’s wholly owned Argentinian subsidiary in December 2022 and for the past 6 months Sonia has been consulting to CEL via her private law firm, managing all non-geology related matters at Hualilan. This has included: permitting and the award of several additional exploration licences expanding Hualilan; Human Resources and Labour; and, the Company's Environmental and Community Program. The Company is delighted that Sonia has agreed to accept the full-time role as Country Manager for Argentina.

### **Michael Zivcic - Company Chief Operations Officer**

Challenger Exploration is pleased to announce the appointment of Mr Michael (Mike) Zivcic as Chief Operations Officer (COO) of the Company. Mr Zivcic is a resident of San Juan, Argentina, where he has lived since 2020. Mike is an Australian citizen, and has dual Bachelor's Degrees in Engineering (Mining) and Science (Geology) from the University of Queensland. He has spent the past 12 years in operational and technical roles in mines in Australia, West Africa, Papua New Guinea, and most recently Argentina.

Prior to joining the Company Mike was the General Manager of the Veladero mine. The Veladero mine is also located in the San Juan province of Argentina and is a 50:50 joint venture between the Canadian Barrick Gold Corporation ("**Barrick**") and Chinese Shandong Gold Mining Corporation, and is operated by Barrick. Veladero is a large open pit mining and heap leach processing operation, which in 2022 produced just under 400,000 ounces of gold.

Prior to joining Barrick, Mike held mining technical and operational leadership roles in Papua New Guinea with Harmony Gold Corporation, and in Burkina Faso and Guinea-Conakry with Nordgold.

Mike holds a West Australian Quarry Manager's Certificate of Competency, is a Member of the Australian Institute of Mining and Metallurgy (AusIMM), and is a Graduate Member of the Australian Institute of Company Directors (AICD), having completed the Company Director Course in 2010.

Mike's extensive operational and technical mining experience, coupled with his recent leadership experience in Argentina and extensive local networks, provide an excellent foundation to lead the development of the Company's Hualilan project, located in the same San Juan province of Argentina.

Mike will take carriage of the current Hualilan Scoping Study, where he has been advising the Company since February, and the subsequent Prefeasibility and Bankable Feasibility Studies. He will also be responsible for the Hualilan Project's eventual construction and subsequent operation. Mike's role will also encompass similar responsibilities for the Company's El Guayabo Project in Ecuador.

Mike has elected to take 100% of his base salary in shares for the initial 3-years with his salary to be satisfied by the issue of 250,000 shares monthly for the first 3 year of his employment. Additionally, Mike's remuneration package includes long term incentives outlined below:

1. 2.5M Performance Rights - on completion of a Scoping Study for the Hualilan Gold Project
2. 2.5M Performance Rights - on completion of a PFS for the Hualilan Gold Project
3. 2.0M Performance Rights - on completion of a BFS or DFS for the Hualilan Gold Project
4. 2.0M Performance Rights - on commissioning of a processing plant for the Hualilan Gold Project

### Resignation of Scott Funston as Director of the Company

In line with Corporate Governance guidelines for a majority of Non-Executive Directors, it has been resolved that Mr Scott Funston will step down from the board effective 4 May 2023.

Mr Funston will continue as an executive of the Company in his capacity as Chief Financial Officer and Company Secretary.

The board thanks Mr Funston for his contribution at board level, commencing before the Company's re-compliance listing in July 2019 and looks forward to continuing its strong working relationship with him in his continuing executive capacities.

### Ends

*This ASX announcement was approved and authorised by the Board.*

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#### Challenger Exploration Limited

ACN 123 591 382

ASX: **CEL**

Website: [www.challengerex.com](http://www.challengerex.com)

#### Issued Capital

1,106.6m shares

10m options

60m perf shares

16m perf rights

#### Australian Registered Office

Level 1

1205 Hay Street

West Perth WA 6005

#### Directors

Mr Fletcher Quinn, Non-Exec Chairman

Mr Kris Knauer, MD and CEO

Mr Sergio Rotondo, Exec. Director

Mr Pini Althaus, Non-Exec. Director

Mr Brett Hackett, Non-Exec. Director

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### **Schedule 1 - Brett Hackett**

<b>Commencement Date</b>	4 May 2023
<b>Term</b>	From the Commencement Date, subject to shareholder approval at the next AGM under the Company's constitution and will continue until terminated in accordance with the terms of appointment.
<b>Remuneration</b>	<p>\$5,000 per month payable in shares. The price for the issue of shares to be determined at the end of each month based on the Volume Weighted Average share price for that month and in accordance with the Salary Share Plan of the Company and ASX Listing Rules.</p> <p>Director incentive package of performance rights to be issued by the Company, subject to receipt of Shareholder approval at the Company's next Annual General Meeting, which will convert into fully paid ordinary shares in the Company, on a one for one basis, as follows:</p> <p>(a) Milestone 1: 333,333 performance rights will convert into shares upon formal grant of a Mining Licence and successful negotiation of Financial Stability Agreement for the Hualilan Gold project.</p> <p>(b) Milestone 2: 333,333 performance rights will convert into shares upon closing of Financing for the Hualilan Gold Project.</p> <p>(c) Milestone 3: 333,333 performance rights will convert into shares upon the Company declaring commercial production for the Hualilan Gold Project</p>
<b>Termination</b>	The Company providing three months' notice, or Mr Hackett providing one months' notice in writing.

## About Challenger Exploration

Challenger Exploration Limited's (ASX: CEL) aspiration is to become a globally significant gold producer. The Company is developing two complementary gold/copper projects in South America with a **2.8 million ounce gold Resource Estimate** recently announced for the Hualilan Gold Project in San Juan, Argentina.

The Company strategy is for the 100% owned Hualilan Gold Project to provide a high-grade low capex operation in the near term while it prepares for a much larger bulk gold operation at El Guaybo in Ecuador.

- Hualilan Gold Project**, located in San Juan Province Argentina, is a near term development opportunity. It has extensive drilling with over 150 historical and almost 900 CEL drill-holes. The Company has released an Interim JORC 2012 Compliant resource of 2.8 Moz AuEq which remains open in most directions. This resource contains a high-grade core **9.9 Mt at 5.0 g/t AuEq for 1.6 Moz AuEq within 40.3Mt at 1.9 g/t AuEq for 2.5 Moz AuEq**. The resource was based on 216,000 metres of CEL's 264,000 metre drill program. Prior to CEL acquiring the project in 2019 it was locked up in a dispute for the 15 years and as a consequence had seen no modern exploration. In the past 3 years CEL has completed almost 900 drill holes for more than 200,000 metres of drilling. Results have included **6.1m @ 34.6 g/t Au, 21.9 g/t Ag, 2.9% Zn, 67.7m @ 7.3 g/t Au, 5.7 g/t Ag, 0.6% Zn, and 63.3m @ 8.5 g/t Au, 7.6 g/t Ag, 2.8% Zn**. This drilling intersected high-grade gold over 3.5 kilometres of strike and extended the known mineralisation along strike and at depth in multiple locations. Recent drilling has demonstrated this high-grade skarn mineralisation is underlain by a significant intrusion-hosted gold system with intercepts including **209.0m at 1.0 g/t Au, 1.4 g/t Ag, 0.1% Zn and 110.5m at 2.5 g/t Au, 7.4 g/t Au, 0.90% Zn** in intrusives. CEL's current program which is fully funded will include Scoping Study followed by a PFS.
- El Guayabo Gold/Copper Project** covers 35 sq kms in southern Ecuador and is located 5 kilometres along strike from the 22-million-ounce Cangrejos Gold Project<sup>1</sup>. Prior to CEL the project was last drilled by Newmont Mining in 1995 and 1997 targeting gold in hydrothermal breccias. Historical drilling demonstrated potential to host significant gold and associated copper and silver mineralisation. Historical drilling has returned a number of intersections including 156m @ 2.6 g/t Au, 9.7 g/t Ag, 0.2% Cu and 112m @ 0.6 % Cu, 0.7 g/t Au, 14.7 g/t Ag which have never been followed up. CEL's maiden drilling program confirmed the discovery of a major Au-Cu-Ag-Mo gold system spanning several zones of significant scale. results from CEL's maiden drill program included **257.8m at 1.4 g/t AuEq including 53.7m at 5.3 g/t AuEq and 309.8m at 0.7 g/t AuEq including 202.1m at 0.8 g/t AuEq, and 528.7m at 0.5 g/t AuEq** from surface to the end of the hole including **397.1m at 0.6 g/t AuEq** from surface. The Company has drilled fifteen regionally significant Au-soil anomalies with over 500 metres of mineralisation intersected at seven of these fifteen anomalies, confirming the potential for a major bulk gold system at El Guayabo. The Company has two rigs on site completing an additional 25,000 metres of diamond core drilling designed to allow the reporting of a maiden JORC 2012 Compliant resource for the main GY-A discovery zone.

<sup>1</sup> Source : Lumina Gold (TSX : LUM) July 2020 43-101 Technical Report

Domain	Category	Mt	Au g/t	Ag g/t	Zn %	Pb %	AuEq g/t	AuEq (Mozs)
<b>US\$1800 optimised shell &gt; 0.30 ppm AuEq</b>	Indicated	45.5	1.0	5.1	0.4	0.06	1.3	1.9
	Inferred	9.6	1.1	7.3	0.4	0.06	1.2	0.4
<b>Below US\$1800 shell &gt;1.0ppm AuEq</b>	Inferred	5.5	2.1	10.7	1.0	0.06	2.6	0.5
	<b>Total</b>	<b>60.6</b>	<b>1.1</b>	<b>6.0</b>	<b>0.4</b>	<b>0.06</b>	<b>1.4</b>	<b>2.8</b>

Note: Some rounding errors may be present

**Table 1: Upgraded Hualilan MRE, March 2023**

Total MRE	Category	Mt	Au g/t	Ag g/t	Zn %	Pb %	AuEq g/t	AuEq (Mozs)
<b>2022 MRE (0.25 g/t cut-off)</b>	<b>Total</b>	<b>47.7</b>	<b>1.1</b>	<b>6.0</b>	<b>0.45</b>	<b>0.06</b>	<b>1.4</b>	<b>2.1</b>
<b>2023 MRE (1.0 g/t cut-off)</b>	<b>Total</b>	<b>21.1</b>	<b>2.5</b>	<b>10.9</b>	<b>1.0</b>	<b>0.10</b>	<b>3.1</b>	<b>2.1</b>

Note: Some rounding errors may be present

**Table 2: Comparison 2022 MRE with Upgraded MRE (reported at a 1.0 g/t Cut-off)**

**<sup>1</sup> 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.

**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. 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.