

## Challenger Gold announces \$5.6M Private Placement at above market and Strategic Funding Update

### Highlights

- **Argentina's leading real assets' group, controlled by Mr. Eduardo Elsztain, a prominent Argentinean businessman and entrepreneur, takes an initial 5% stake in Challenger at a premium to market<sup>1</sup>.**
- **The group has extensive interests in real estate, agriculture, and mining in Argentina and other regional countries.**
- **Throughout the negotiation the investor has signalled an intention to take a larger stake in Challenger subject to, among other issues, the Company's funding requirements and a more detailed due diligence.**
- **Accordingly the placement, which was completed at price of 8.5 cents, has a 1 for 1 option exercisable at 14 cents for 12 months.**
- **This strategic placement has provided an immediate cash injection of A\$5.6 million with the option exercise to potentially inject an additional A\$9.3 million subject to exercise.**
- **This funding enables Hualian to continue to be advanced aggressively while the Strategic Funding process continues.**

### Commenting on the placement, CEL Executive Director, Ms Sonia Delgado, said

*"As Executive Director of Challenger Gold, I am delighted to welcome Mr. Eduardo Elsztain as a new shareholder of our Company. This partnership not only reinforces our strategic position in San Juan, Argentina but also underscores the confidence and shared vision in the potential of our gold project within Argentina.*

*The investment is a testament to the hard work of our team and the robust potential of our exploration efforts. We look forward to collaborating closely to unlock value for all stakeholders and contribute positively to the local community and economy. This marks a significant milestone in our journey, and we are excited about the opportunities this partnership will bring."*

<sup>1</sup> Based on last trading price of 8 cents and 20 day VWAP of 7.8 cents

**Challenger Exploration (ASX: CEL)** (“CEL” the “Company”) is pleased to announce that it has completed a strategic placement of 66,377,283 shares at a price of 8.5 cents per shares representing a 6% premium to the last trading price of 8.0 cents and a 9% premium to the 20 day VWAP of 7.8 cents.

The placement included a one for one option exercisable at a price of 14 cents per share for a period of 12 months. The placement, which represents a 5% stake in the Company, was made to an affiliate of Elsztain's group with the placement generating proceeds of A\$5,642,069.

Mr Elsztain is a prominent Argentine businessman who has built a huge portfolio of real assets in the last 3 decades, including rental and mixed-use properties in Argentina and farmland in Latin America. Mr Elsztain also has extensive interests in mining both inside and outside Argentina.

The strategic placement has been completed with the placement proceeds of A\$5,642,069 received. Under the terms of the placement the Company shall appoint one non-executive director nominee of the new shareholder to the Board of Directors. The new shareholder will also have the right to appoint a non-voting observer that may attend specific Board meetings along or in absence of the nominated Director.

The shares and options will be Issued under the Company's existing 7.1 and 7.1A placement capacity.

### **Strategic Funding Update**

During the last quarter the company commenced a process aimed at procuring funding to complete the Hualilan bankable Feasibility Study via either:

- A Strategic Investor; or
- Royalty or Stream Finance; or
- Other forms of non-dilutive finance

The process is progressing well with significant interest from strategic investors, royalty/streaming groups, and Project Financiers with several now progressing through due diligence. The immediate cash injection of A\$5.6 million from the strategic placement allows this process to continue.

Additionally, it provides the Company with the option to extend this process until after the completion of the Hualilan Pre-Feasibility Study should this be required. The successful completion of a PFS which will likely expand the range of potential funding alternatives and improve the terms.

A fee of 5% is payable on the placement, with consideration to be CEL ordinary shares.

Proceeds from the Placement will be used to accelerate exploration and development activities at the Company's Hualilan Gold Project and working capital, specifically:

Use of Funds	Amount (A\$m)
Hualilan Project – Pre-Feasibility Study	<b>\$2,000,000</b>
Hualilan Project – Metallurgical testwork	<b>\$250,000</b>
Hualilan Project – Expanded regional exploration program	<b>\$500,000</b>
Hualilan Project – Geotechnical drill program	<b>\$650,000</b>
Working Capital	<b>\$2,242,069</b>

**Ends**

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

**For further information contact:**

**Kris Knauer**  
Managing Director

+61 411 885 979

kris.knauer@challengerex.com

**Mr Sergio Rotondo**  
Chairman

+61 413 867 600

sergio.rotondo@challengerex.com

**Media Enquiries**

Jane Morgan

+ 61 405 555 618

jm@janemorganmanagement.com.au

**Challenger Gold Limited**

ACN 123 591 382

ASX: **CEL**

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

**Issued Capital**

1261.1m shares

10m options

43.2m perf rights

**Australian Registered Office**

Level 1

1205 Hay Street

West Perth WA 6005

**Directors**

Mr Kris Knauer, MD and CEO

Mr Sergio Rotondo, Chairman

Dr Sonia Delgado, Exec. Director

Mr Fletcher Quinn, Non-Exec Director

Mr Pinchas Althaus, Non-Exec. Director

Mr Brett Hackett, Non-Exec. Director

**Contact**

T: +61 8 6380 9235

E: [admin@challengergold.com](mailto:admin@challengergold.com)

## About Challenger Gold

Challenger Gold 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 the Company's flagship Hualilan Gold Project in San Juan, Argentina containing resources of **2.8 Moz AuEq**.

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 larger bulk gold operation at El Guayabo 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 a 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 and 29.1Mt at 2.2 g/t AuEq for 2.4 Moz AuEq** within the larger MRE of **60.6 Mt at 1.4 g/t AuEq for 2.8 Moz AuEq**. The resource was based on approximately 220,000 metres of CEL drilling. Drill 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. The Hualilan Scoping Study demonstrates production of 116,000 oz Au, 440,000 oz Ag, 9175t Zn (141,000 oz AuEq) at an ASIC of US\$830/oz over an Initial 7 year mine life. CEL's current program will include a Pre-Feasibility Study, and regional exploration along the previously unexplored 30 kilometres of prospective stratigraphy.
- El Guayabo Gold/Copper Project** covers 35 sq kms in southern Ecuador and is located 5 kilometres along strike from the 20.5 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. The Company has drilled thirteen regionally significant Au-soil anomalies with over 500 metres of mineralisation intersected at seven of these thirteen anomalies, confirming the potential for a major bulk gold system at El Guayabo. The Company reported a **maiden 4.5 Moz gold equivalent MRE**. This MRE is based on 34 drill holes, for 22,572 metres, from the Company's Phase 1 and 2 diamond core drill program at its 100% owned El Guayabo concession. The drilling has focussed on 2 of the 7 anomalies that have returned plus 500 metre drill intercepts and mineralisation remains open in all directions.

<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 2 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 3 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:  $AuEq (g/t) = Au (g/t) + [Ag (g/t) \times 0.012106] + [Zn (\%) \times 0.46204] + [Pb (\%) \times 0.19961]$
- 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.

## 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. 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.