

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2024

Highlights

Hualilan Gold Project - San Juan, Argentina

- Executed strategic A\$6.6M private placement and toll milling agreement with Dolphin Real Assets Fund SPC Ltd.
 - Agreement expected to accelerate project timeline to production
 - Enables early cash flow generation amid record gold prices
 - Cash flow to fund larger Hualilan stand-alone development
 - Currently completing due diligence. Extensive due diligence to date includes:
 - Metallurgical testing of Hualilan ore
 - Detailed economic analysis of tolling terms
 - Design of toll milling pits
- Obtained historic Environmental Impact Assessment ("EIA") approval through Resolution No. 688-MM-2024
 - First gold project in San Juan Province to receive EIA approval in 17 years
 - Approval covers 19 mining rights, including Hualilán Groups No. 1 and No. 2
 - Enables commencement of mine construction and development activities

El Guayabo/Colorado V Gold/Copper Projects - El Oro, Ecuador

- Completed resource drilling program at Colorado-V
- Initial results from 5 holes reported in previous quarter
- Drilling extended across western half of CV-A and southern half of CV-B anomalies
- Results pending for remaining 10 diamond core holes

CORPORATE DEVELOPMENTS

Capital Raising Activities

- **Strategic Private Placement**
 - Binding term sheet executed with Dolphin Real Assets Fund SPC Ltd.
 - Placement of 147,726,678 ordinary shares with attached warrant
 - Placement price: Lower of AUD\$0.045 or 30-day VWAP
 - Expected to raise A\$6.6M at \$0.045 per share
 - Two-year warrants with tiered strike price structure
 - First 12 months: Placement price plus 10%
 - After 12 months: Placement price plus 20%
 - Warrants subject to 19.99% voting power cap
- **Share Purchase Plan ("SPP")**
 - Offered at \$0.045 per share
 - Circa 8x oversubscribed with \$7.8M in total applications
 - Board accepted \$4M in subscriptions
 - Funds allocated to toll milling commencement and working capital

Financial Summary

- Exploration expenditure: \$4.2M for the quarter including \$2.0M associated with programs that are complete or near complete
 - Argentina: \$2.9M (including \$0.7M one-off costs for geotechnical/hydrological drilling and EIA)
 - Ecuador: \$1.3M (\$0.8M associated with the now complete Colorado V drill program)
- Administration and corporate costs: \$1.2M (down from \$1.4M in the previous quarter)
 - In accordance with Listing Rule 5.3.1, there were no substantive mining production and development activities undertaken during the quarter.
 - In accordance with Listing Rule 5.3.5, the Company advises that the payments to related parties as advised in the Appendix 5B pertain to \$258k in Directors' fees.

Note: All currency amounts are in Australian Dollars unless otherwise stated.

Strategic Initiatives

- Planning TSX listing application
- Board renewal strategy targeting 1-2 Canadian-based Independent Directors
- Strategic review of Ecuador assets for potential monetization or spin-off

OUTLOOK

- Reduced exploration spending expected in future quarters
 - Focus shifting to toll milling activities in Argentina
 - Continuing strategic review of Ecuador assets
 - Advancing TSX listing process and board renewal
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Hualilan Gold Project - San Juan, Argentina

Toll Milling Agreement - Targeting Production in Q2 2025

Subsequent to the Reporting Period, CEL executed a binding term-sheet including a A\$6.6M Strategic Private Placement with existing shareholders that is expected to facilitate the processing of metals from the Hualilan project through a tolling agreement.

The Toll Milling Agreement would guarantee CEL a minimum of 450,000t of high-grade near surface Hualilan ore containing approximately 85,000 oz of gold and 495,000 oz silver (79,044 Oz Au Indicated, 18,240 Oz Au Inferred 448,861 Oz Ag Indicated, 88782 Oz Ag Inferred) over 3-years for processing. The execution and successful implementation of Toll Milling Agreement will be a transformational event for the Company.

The primary objective of this strategy is to capitalise on the current high gold price (above US\$2,700/oz) to generate early cash flow. This cashflow will be allocated towards the construction of the standalone Hualilan Gold project including a Flotation with Tails Leach ("FTL") circuit, a potential Heap Leach ("HL") pad at Hualilan, and open pit mining fleet.

CEL plans to release an interim desktop study focused on the Toll Milling startup. Following this the company intends to incorporate the results of the Toll Milling startup into the larger life-of-mine ("LOM") plan for Hualilan. This data will be included in the Pre-Feasibility Study.

Mining Inventory

The Scoping Study reported open pit inventory of 1.4mt at 3.6 g/t Au, 23 g/t Ag in three pits, the North, Central, and South open pits. These pits had a combined strip ratio of 6 to 1. The Company has completed a series of pit optimizations focused on Toll Milling which identified four low strip high-grade starter pits at Sanchez, Cerro Norte, Magnata and Sentazon suitable for Toll Milling (Figure 1).

Open pit designs have been completed for these pits generating Potential Mining Inventory (PMI) for Toll Milling of 478,000t which starts at surface (Table 1). The average grade of this Toll Milling Inventory is 5.8 g/t Au, 32.2 g/t Ag containing 85,550 Oz (Au) and 495,334 oz (Ag) (79,044 Oz Au Indicated, 18,240 Oz Au Inferred and 448,861 Oz Ag Indicated, 88782 Oz Ag Inferred). This represents 3% of the total Hualilan mineral resource of 2.8Moz AuEq¹.

Figure 1 - Location of Toll Milling pits within PFS base case Open Pit



The Hualilan PMI intended to be treated via Toll Milling is predominantly oxide material which is better suited to treatment via the Toll Milling Plant rather than the flotation plant planned in the larger stand-alone Hualilan development.

¹ See Table 5 - Hualilan Hold Project Mineral Resource Estimate (March 2023)

Table 1 - Toll Milling open pit design (Toll Milling Inventory)

Potential Mineral Inventory	Material (t)	Au (g/t)	Ag (g/t)	Au Contained (oz)	Ag Contained (oz)	Strip Ratio (PMI vs. SP + Waste)
Sanchez Pit - Indicated	93,655.91	6.92	11.81	20839.19	35565.15	2.2
Sanchez Pit - Inferred	1,175.01	3.42	4.99	129.21	188.53	2.2
Norte Pit - Indicated	98,873.64	8.14	48.37	25878.82	153778.71	3.5
Norte Pit - Inferred	46,371.46	3.80	14.78	5665.97	22037.63	3.5
Magnata Pit – Indicated	153,363.51	4.65	42.82	22930.56	211158.38	4.2
Magnata Pit - Inferred	24,133.59	3.93	23.45	3049.68	18197.19	4.2
Sentazon Pit -Indicated	53,030.53	5.51	28.36	9395.44	48358.39	6.6
Sentazon Pit - Inferred	7,821.85	2.65	24.29	20839.19	35565.15	6.6
Total Indicated category	398,923.59	6.16	34.99	79,044.01	448,860.63	3.9
Total Inferred category	124,710.59	4.55	22.14	18,240.30	88,781.74	3.9
Total PMI – Toll Treated	478,426	5.76	32.20	88,550	495,334	3.9
Total PMI - Stockpiled	387,064	1.33	11.71	16,606	145,721	
Waste	1,480,359					
Total Material Moved	2,345,849					

Note waste includes the following lower grade mineralisation that will be stockpiled at Hualilan for later processing in the stand-alone Hualilan plant:

- 148,531t Heap Leach material (0.3 g/t Au, 4.7 g/t Ag)
- 238,533t Floatation material (2.0 g/t Au, 16.1 g/t Ag)

Supporting Metallurgical Testwork

CEL Leach testwork

During and subsequent to the Scoping Study the Company has undertaken an extensive body of metallurgical testwork that validates the economic recovery of gold and silver in the toll treatment plant. This includes testing on a composite designed to be representative of the higher-grade (predominantly skarn) mineralisation in the Scoping Study mine plan which is representative of the proposed Toll Milling mineralisation. The results of this testwork indicate gold recoveries of 83-84% and silver recoveries up to 68.5% from a combination of gravity and cyanide leach in the high-grade skarn mineralisation (Table 2).

The Company has commenced a series of leach testwork designed to mirror the flow sheet in the Toll Treatment plant on a series of different grade composites designed to be representative of the start-up mineralisation. Results from this series of metallurgical testwork are pending.

Table 2 - Summary CEL gravity/cyanide leach Metallurgical testwork

Test	Sample ID	Mass g, ml	Grade (g/t, mg/l)		Distribution (%)	
			Au	Ag	Au	Ag
75 microns (72 hour)	Gravity Conc	15.3	224	662	30.2	10.4
	Leach Liquor	2484	2.32	0.48	53.1	2.6
	Leach Residue	1961	0.97	43.0	16.8	86.9
	Recovery				83.2	13.1
	Head (calc)	1976	5.74	49.1	100.0	100
	Head (direct)		5.20	47.6		
109 microns (72 hour)	Gravity Conc	14.4	174	643	23.2	9.7
	Leach Liquor	2461	2.55	22.0	60.8	58.8
	Leach Residue	1959	0.88	15.4	16.0	31.5
	Recovery				84.0	68.5
	Head	1973	5.47	48.5	100.0	100
	Head (direct)		5.20	47.6		
154 microns (72 hour)	Gravity Conc	8.7	217	820	16.6	7.1
	Leach Liquor	2442	2.77	22.6	62.0	57.4
	Leach Residue	1985	1.23	17.9	21.4	35.5
	Recovery				78.6	64.5
	Head	1994	5.71	50.2	100.0	100
	Head (direct)		5.20	47.6		

Metallurgical testwork undertaken by the Toll Milling Plant owner

The Toll Treatment plant owner undertook a series of independent metallurgical testwork using three 50kg bulk samples taken from Cerro Norte/Sanchez area. The RDJ sample, located within the proposed Norte starter pit, and the CHM and UG samples located further south in the main Cerro Norte Manto. The assay results of the three bulk samples are shown in Table 3.

Cyanide Leach tests were undertaken on each of the three samples at a grind of 75 microns (P_{80} of 75 μ) and 106 microns (P_{80} of 106 μ) at a Cyanide concentration of 2.5 g/l. The Gold and silver recoveries from this test are outlined in Table 4. The RDJ and UG samples returned average recoveries of 94% (RDJ) and 91% (UG) for gold and 79% (RDJ) and 67% (UG) for silver. These samples are considered representative of the oxide material on the Sanchez and Dona Justa starter pits. The CHM sample returned lower average recoveries of 66% (Au) and 78% (Ag). This bulk sample was from the Main Cerro Norte Manto which is not captured in the two Cerro Norte starter pits.

Table 3 - Composite samples taken by Toll Milling Plant operator for metallurgical testing

SAMPLE	Au (g/t)	Ag (g/t)	Pb (%)	Zn (%)	As (ppm)
RDJ	4.4	66.7	0.08%	>1%	92
CHM	8.5	108.6	>1%	>1%	1028
ESC-UG	4.6	62.4	0.77%	>1%	52

Table 4 - Summary cyanide leach testwork on Hualilan material undertaken by the Toll Mill owner

Sample/Test	Leach Time (hours)	Au Recovery (%)	Ag Recovery (%)
RDJ 106-micron grind	24	90.1%	82.1%
	48	95.9%	81.2%
RDJ 106-micron grind	24	91.9%	76.4%
	48	95.4%	78.5%
RDJ 74-micron grind	24	95.1%	78.0%
	48	96.6%	80.1%
UG 106-micron grind	24	89.5%	63.5%
	48	90.9%	67.6%
UGO 74-micron grind	24	89.7%	67.0%
	48	92.0%	69.0%
CHM 106-micron grind	24	65.0%	77.5%
	48	66.4%	77.0%
CHM 106-micron grind	24	65.5%	75.0%
	48	67.8%	77.0%
CHM 76-micron grind	24	65.2%	78.0%
	48	67.0%	82.0%
Average	24	81.5%	74.7%
	28	84.0%	76.6%

Key terms of the Toll Treatment Agreement

The treatment of Hualilan ore will be governed by a Toll Treatment Agreement. The Toll Treatment Agreement will contain mutually agreeable and customary terms and conditions for a transaction of this nature, including, but not limited to the following key commercial terms:

Minimum Tonnage: guaranteed toll treatment capacity available the CEL of 450,000t (over 3 years).

Minimum throughput: guaranteed toll treatment of 150,000t annually.

Type of Processing: The Toll Milling agreement contemplates processing via campaign milling however, based on the studies and reports, the Technical Committee of both parties may determine to combine the process of gold and silver materials from Hualilan and the Plant at the same time, if the conclusion is that that is the most efficient way to operate

Title to ore and subsequent minerals: title to the Ore delivered by CEL, and gold or silver derived from such Ore, will remain with CEL at all times. CEL will be the exporting party for gold and silver produced from Hualilan material-

Payment for gold sales: CEL's sale proceeds will be based on the gold and silver dore produced during the processing each parcel that is campaigned plus a gold in circuit (GIC) correction.

Sale proceeds: CEL's sale proceeds will be received by them being credited in US\$ into its own Mint account by the purchasing mint.

Force Majeure: The agreement will include typical Force Majeure clauses in favor of both parties for an agreement of this type

Termination: The agreement will include typical Termination clauses in favor of both parties for an agreement of this type.

Next Steps

The milestones prior to the commencement of Toll Milling are:

- Initial Diligence report on the Toll treatment plant and the viability of the restart - Status 2-day site visit completed final report pending.
- Receipt of metallurgical testwork undertaken to mirror the Toll Treatment plant flow sheet - Status results pending.
- Execution of the Toll Treatment Agreement, anticipated in 45 days.
- Completion of Private Placement by Dolphin Real Assets Fund SPC Ltd, with the execution of the Subscription Agreement and Investor Rights Agreement, anticipated in 45 days.
- Completion of final mine design and schedule for the startup/toll treatment open pits - status pending.
- Detailed discussions with local mining contractors' receipt of final contract mining quotes- following delivery of final startup mine plan and schedule.
- Generation owner operated mining cost model using available rental equipment.
- Ausenco Toll Treatment plant audit and generation processing costs - status start pending receipt of local engineering report.

El Guayabo/Colorado V Gold/Copper Projects - El Oro, Ecuador

Resource Drilling at Colorado V

During the last quarter, Challenger published the results from the initial five holes of its drilling program at the CV-A and CV-B anomalies. This program aims to establish a maiden Mineral Resource Estimate ("MRE") in accordance with the JORC 2012 Code.

The Company completed the drill program on September 18th with the final rig mobbed from site in September 19th. The results for the final 10 holes of the 15-hole program are pending.

The Company expected to release a maiden Mineral Resource Estimate ("MRE") at Colorado V in Ecuador during November 2024. In expectation of this MRE, the Company has initiated a strategic process to explore options to monetise, or spin-off, its Ecuador assets.

This ASX release was approved by the Board.

Ends

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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.

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 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.

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.

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 Avanco Resources Ltd, its officers, employees, agents and associates, which may cause actual results to differ materially from those expressed of 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. Avanco 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. All dollar amounts in this report refer to United States Dollar unless otherwise stated.

SCOPING STUDY

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 5: Hualilan Hold Project Mineral Resource Estimate (March 2023)

Domain	Category	Mt	Au (g/t)	Ag (g/t)	Zn (%)	Pb (%)	AuEq (g/t)	AuEq (Mozs)
US\$1800 optimised shell > 0.30 ppm AuEq	Indicated	45.5	1.0	5.1	0.38	0.06	1.3	1.9
	Inferred	9.6	1.1	7.3	0.43	0.06	1.4	0.44
Below US\$1800 shell >1.0ppm AuEq	Indicated	2.7	2.0	9.0	0.89	0.05	2.5	0.22
	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.

Table 6: El Guayabo Interim MRE, June 2023

Domain	Category	Mt	Au (g/t)	Ag (g/t)	Cu (%)	Mo (ppm)	AuEq (g/t)	AuEq (Mozs)
US\$1800 optimised shell > 0.3 g/t AuEq	Inferred	212.2	0.36	2.8	0.07	6.5	0.50	3.4
Below US\$1800 shell >0.4 g/t AuEq	Inferred	56.5	0.46	1.8	0.07	7.5	0.59	1.1
Total	Inferred	268.7	0.38	2.6	0.07	7.2	0.52	4.5

Note: Some rounding errors may be present

² Gold Equivalent (AuEq) values - Requirements under the JORC Code

- Assumed commodity prices for the calculation of AuEq is Au US\$1800 Oz, Ag US\$22 Oz, Cu US\$9,000/t, Mo US\$44,080/t
- Metallurgical recoveries are estimated to be Au (85%), Ag (60%), Cu (85%) Mo (50%) across all ore types (see **JORC Table 1 Section 3 Metallurgical assumptions**) based on metallurgical test work.
- The formula used: $AuEq (g/t) = Au (g/t) + [Ag (g/t) \times 0.012222] + [Cu (\%) \times 1.555] + [Mo (\%) \times 4.480026]$
- 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.

Appendix 1 - Schedule of Tenements

Project	Property Name	Tenure Title	Interest (no change in quarter)	Area	DNPM No	Status of
		Holder	%	(ha)	of Area	Tenure
El Guayabo	El Guayabo	Torata Mining Resources S.A	100%	281	COD225	Granted
El Guayabo	Colorado V	Goldking Mining Company S.A	earning 50%	2331	COD3363.1	Granted
El Guayabo	El Guaybo 2	Mr. Segundo Ángel Marín Gómez	earning 80%	957	COD300964	Granted
Hualilan	Divisadero	Golden Mining S.R.L.	100%	6	5448-M-1960	Granted
Hualilan	Flor de Hualilan	Golden Mining S.R.L.	as above	6	5448-M-1960	Granted
Hualilan	Pereyra y Aciar	Golden Mining S.R.L.	as above	6	5448-M-1960	Granted
Hualilan	Bicolor	Golden Mining S.R.L.	as above	6	5448-M-1960	Granted
Hualilan	Sentazon	Golden Mining S.R.L.	as above	6	5448-M-1960	Granted
Hualilan	Muchilera	Golden Mining S.R.L.	as above	6	5448-M-1960	Granted
Hualilan	Magnata	Golden Mining S.R.L.	as above	6	5448-M-1960	Granted
Hualilan	Pizarro	Golden Mining S.R.L.	as above	6	5448-M-1960	Granted
Hualilan	La Toro	CIA GPL S.R.L.	as above	6	5448-M-1960	Granted
Hualilan	La Puntilla	CIA GPL S.R.L.	as above	6	5448-M-1960	Granted
Hualilan	Pique de Ortega	CIA GPL S.R.L.	as above	6	5448-M-1960	Granted
Hualilan	Descrubidora	CIA GPL S.R.L.	as above	6	5448-M-1960	Granted
Hualilan	Pardo	CIA GPL S.R.L.	as above	6	5448-M-1960	Granted
Hualilan	Sanchez	CIA GPL S.R.L.	as above	6	5448-M-1960	Granted
Hualilan	Andacollo	CIA GPL S.R.L.	as above	6	5448-M-1960	Granted
Hualilan	North of "Pizarro" Mine	Golden Mining S.R.L.	as above	1.9	195-152-C-1981	Granted
Hualilan	South of "La Toro" Mine	CIA GPL S.R.L.	as above	1.9	195-152-C-1981	Granted
Hualilan	Josefina	Golden Mining S.R.L.	as above	2570	30.591.654	Granted
Hualilan		Armando J. Sanchez	100% Option	721.90	414-998-M-05	Granted
Hualilan	Guillermana	Armando J. Sanchez	100% Option	2,921.05	1124-045-S-19	Granted
Hualilan	Agu 3	Armando J. Sanchez	100% Option	1,500.00	1124-114-S-14	Granted
Hualilan	Agu 5	Armando J. Sanchez	100% Option	1443.50	1124-343-S-14	Granted
Hualilan	Agu 6	Armando J. Sanchez	100% Option	1500.00	1124-623-S-17	Granted
Hualilan	Agu 7	Armando J. Sanchez	100% Option	1459.00	1124-622-S-17	Granted
Hualilan	El Petiso	Armando J. Sanchez	100% Option	18.00	2478-C-71	Granted

Appendix 2 - ASX Waivers

The ASX granted the Company a waiver from ASX Listing Rule 7.3.2 to permit the notice of meeting (the "Notice") seeking shareholder approval for the issue of up to 245,000,001 fully paid ordinary shares in the Company ("Waiver Securities") upon the Company satisfying the milestones in relation to each of the Projects ("Milestones") not to state that the Waiver Securities will be issued within 3 months of the date of the shareholder meeting.

The Waiver Securities must be issued no later than 60 months after the date of reinstatement of the Company's securities to official quotation. All Waiver Securities agreements were amended, received shareholder approval and have been issued.

Performance Shares

The Company issued 60,000,000 Class A Performance Shares and 60,000,000 Class B Performance Shares.

A summary of the terms and conditions of the Performance Shares are as follows:

The Performance Shares shall automatically convert into Shares, provided that if the number of Shares that would be issued upon such conversion is greater than 10% of the Company's Shares on issue as at the date of conversion, then that number of Performance Shares that is equal to 10% of the Company's Shares on issue as at the date of conversion under this paragraph will automatically convert into an equivalent number of Company Shares. The conversion will be completed on a pro rata basis across each class of Performance Shares then on issue as well as on a pro rata basis for each Holder. Performance Shares that are not converted into Shares under this paragraph will continue to be held by the Holders on the same terms and conditions.

(No Conversion if Milestone not Achieved): If the relevant Milestone is not achieved by the required date (being seven years from the date of the Proposed Acquisition or such other date as required by ASX), then all Performance Shares held by each Holder shall lapse.

(After Conversion): The Shares issued on conversion of the Performance Shares will, as and from 5.00pm (WST) on the date of issue, rank equally with and confer rights identical with all other Shares then on issue and application will be made by the Company to ASX for official quotation of the Shares issued upon conversion (subject to complying with any restriction periods required by the ASX).

(Milestones): The Performance Shares will, convert upon the satisfaction of the following milestones:

(Class A): A JORC Compliant Mineral Resource Estimate of at least Inferred category on either Project of the following:

a minimum 500,000 ounces of gold (AU) or Gold Equivalent (in accordance with clause 50 of the JORC Code) at a minimum grade of 6 grams per tonne Gold Equivalent; or

a minimum 1,500,000 ounces of gold (AU) or Gold Equivalent (in accordance with clause 50 of the JORC Code) at a minimum grade of 2.0 grams per tonne Gold Equivalent; or

a minimum 3,000,000 ounces of gold (AU) or Gold Equivalent (in accordance with clause 50 of the JORC Code) at a minimum grade of 1.0 grams per tonne Gold Equivalent.

(Class B): The Class B Performance Shares held by the holder will convert into an equal number of Shares upon the Company:

Completion and announcement by CEL (subject to the provision of information allowable at the time of completion) of a positive Scoping Study (as defined in the JORC Code) on either Project by an independent third-party expert which evidences an internal rate of return of US Ten Year Bond Rate plus 10% (using publicly available industry assumptions, including deliverable spot commodity / mineral prices, which are independently verifiable) provided that the total cumulative EBITDA over the project life is over US\$50m.

Class A Performance Shares and Class B Performance Shares have vested, with 60 million ordinary shares issued on 14 April 2023 and 60 million ordinary shares issued on 8 November 2023.

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 million ounces gold equivalent**.

1. **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 Ag, 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.
2. **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 Project¹. 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 were not 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 eight 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** with mineralisation remaining open in all directions. This MRE is based on 34 drill holes, for 22,572 metres, from the Company's Phase 1 and 2 diamond core drill programs at its 100% owned El Guayabo concession. The drilling has focussed on 3 of the 7 anomalies that have returned plus 500 metre drill intercepts. CEL has recently commenced an 8,000m drill program designed to allow the reporting of a maiden Mineral Resource Estimate on two additional anomalies in the Colorado V concession. At the completion of this program the company intends to initiate a strategic process to explore options to monetise, or spin-off, its Ecuador assets.

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