

Challenger Draws Down First US\$2M Under a US\$20M Project Finance Facility

Challenger Gold Limited (ASX: **CEL**) ("**CEL**" or the "**Company**") is pleased to announce that it has drawn down an initial US\$2M from a Project Finance Facility for Toll Milling of US\$20M¹. The facility was arranged by Middlegate Securities Inc ("**MSI**") and ECM Capital Advisors Inc. ("**ECM**" and together the "**Advisory Team**").

The initial US\$2M (~AUD \$3.2M) Tranche 1 proceeds will be used for early works associated with preparation for mining to support Toll Milling, general corporate overheads and working capital. The Advisory Team will be paid a 4% fee on the initial US\$2M drawn down under Tranche 1 of the facility. The Material Terms of the Tranche 1 drawdown are detailed in Table 1 below and are in line with usual terms for a facility of this nature.

Table 1 - Terms and Conditions Tranche 1 of the Project Finance Facility	
Tranche 1 Loan amount:	US\$2M (Two million US Dollars)
Interest Rate:	8.5% if repaid before December 7, 2025 12.75% if repaid after December 7, 2025
Collateral:	Unsecured
Term:	Repayable after receipt of first cashflow from Toll Milling
Mandatory Amortisation:	One bullet payment with first cash flow under the toll-milling agreement. - Subject to a best-efforts intention to subsume the initial \$2m Tranche into the larger Project Finance Facility prior to December 7, 2025, and amortize the larger facility over 24-36 months of Toll Milling
Repayment:	101% of principal amount plus accrued interest
Voluntary prepayment:	Allowed in whole at any time without penalty
Use of Proceeds:	Early works associated with preparation for mining to support Toll Milling and general corporate and working capital purposes
Fees:	4% of Gross Proceeds, payable in cash to Middlegate and ECM Capital Advisors
Subsequent Drawdowns: ¹	Each subsequent drawdown Tranche under the Project Finance Facility is subject to satisfactory completion of due diligence by the Advisory team and mutual agreement with the Company.

Special Conditions:	<ul style="list-style-type: none"> - Export proceeds from Toll Milling to be deposited in an Escrow Account opened in the name of the Company with Banco Comafi. - Banco Comafi to carry out export collections and exchange settlement related to export in accordance with the present and/or future provisions issued and/or to be issued by the Central Bank of the Argentine Republic. Banco Comafi as Escrow Agent is authorised to settle outstanding obligations under the Project Finance Facility as a priority - Banco Comafi will verify that there are no outstanding payment obligations under the Project Finance Facility and release the remaining funds to the Company.
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About Middlegate Securities and ECM Capital Advisors.

ECM Capital Advisors is a boutique investment banking firm with a global footprint, operating across Europe, North America, Latin America, and the Caribbean. The firm was founded by Gene McBurney, co-founder of GMP Securities, a premier global investment bank specializing in natural resources before its acquisition by a U.S. financial services firm. The firm specializes in natural resources and technology, offering deep sector expertise, strategic advisory, and global market insights. Middlegate Securities Inc has offices in New York and Miami. Middlegate is a full-service Investment brokerage firm with services focussed on equities, corporate bonds, and government securities.

This ASX release was approved by the Board of Directors.

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Previous announcements referred to in this release include:

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.

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.

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 Challenger Gold 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. Challenger 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.

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.

HUALILAN GOLD PROJECT MRE AND SCOPING STUDY

All references to the Scoping Study and its outcomes in this announcement relate to the ASX Announcement of 8 November 2023 'Hualilan Gold Project Scoping Study'. Please refer to that announcement for full details and supporting documentation.

Table 2: 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.