

## CHALLENGER EXPLORATION COMPLETES \$5M FUND RAISE TO PROGRESS EXCITING SOUTH AMERICAN GOLD PROJECTS

### HIGHLIGHTS

- Challenger Exploration Limited (ASX: CEL) successfully raises \$5 million at \$0.03 per share as part of re-compliance process
- Funds to be used to progress the Hualilan Gold Project in Argentina and the El Guayabo Copper Gold Project in Ecuador
- Both Projects have extensive historic drilling evidencing their highly prospective nature
- Appointment of experienced exploration and mining Executives - Kris Knauer, Scott Funston and Fletcher Quinn

---

Challenger Exploration Limited (ASX: CEL) ("CEL" or "the Company") is pleased to advise it will re-commence trading on the Australian Securities Exchange (ASX) at approximately 10am AEST today, after successfully raising \$5 million at \$0.03 per share.

#### CEL Managing Director and CEO, Mr Kris Knauer, commented:

*"We would like to welcome new shareholders and thank existing shareholders for their support. We are now in a position to quickly advance our two highly prospective South American gold and copper projects."*

*Importantly both projects have the benefit of significant historical exploration and expenditure that provides us with a lot of confidence we have two exceptional gold and copper opportunities."*

### PROJECTS

CEL is focussed on advancing its two highly prospective South American projects:

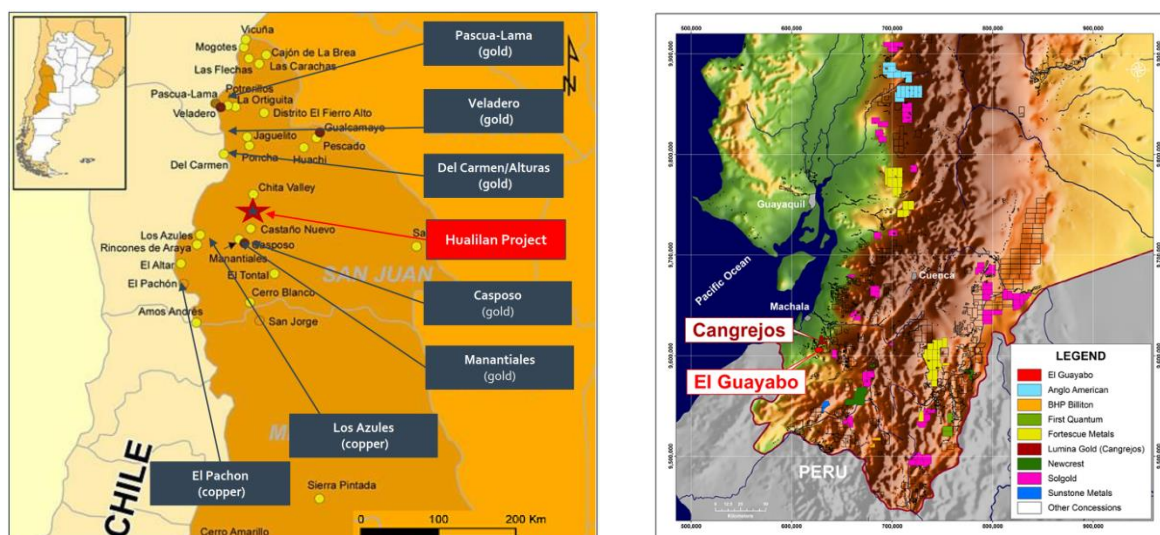
#### 1. Hualilan Gold Project

The Hualilan Gold Project which is located in San Juan Province Argentina. Hualilan is a near term development opportunity. It has extensive historical drilling with over 150 drill-holes and a high-grade Non-JORC (but NI 43-101 compliant) historical resource (Refer to Section 10 of CEL's Prospectus Released to the ASX on 16 May 2019) which remains open in most directions. In the 15 years prior to being acquired by CEL the project has lain dormant and forgotten. The property was last explored by La Mancha Resources, a Toronto Stock Exchange listed company. Exploration by La Mancha attempted to assess the continuity of mineralisation across the property, but this has yet to be tested by systematic drilling. CEL's focus over the coming 12 months will be to redefine the scope of the Hualilan Gold Project to better determine the best means of development.

#### 2. El Guayabo Gold Copper Project

The El Guayabo Project was last drilled by Newmont Mining in 1995 and 1997 targeting gold in hydrothermal breccias. Historical drilling has demonstrated potential to host significant copper and associated gold and silver mineralisation (Refer to Section 10 of CEL's Prospectus Released to the ASX on 16 May 2019). Historical drilling has returned a number of significant (plus 100m) intersections of intrusion related breccia and vein hosted mineralisation. The Project has multiple

targets including breccia hosted mineralisation, an extensive flat lying late stage vein system and an underlying porphyry system which has never been drill tested. In the past three months CEL has completed the acquisition of a 16km<sup>2</sup> geophysics (MT and test IP) and MMI sampling program to define targets for drilling.



**Figure 1: Maps showing location of projects in South America**

## COMPLETION OF RELISTING PROCESS

On 25 February 2019, the Company announced to the ASX it had entered into the Acquisition Agreement to acquire 100% of the issued share capital of AEP Pty Ltd ("Acquisition"). AEP owns the rights to earn in to 75% of the Hualilan Project in Argentina and 100% of the El Guayabo Project in Ecuador (collectively referred to as the Projects). The key terms of the acquisition agreement were disclosed in the prospectus released to the ASX on 16 May 2019.

The capital and escrow structure In Challenger post re-compliance is as follows:

Class	Escrow to 4 July 2021	No Escrow	Total
Ordinary shares	100,666,667	364,893,459	465,560,126
Options expiring 30 June 2022	85,444,444	-	85,444,444
Options expiring 30 June 2020	-	6,950,004	6,950,004
Performance Shares	120,000,000	-	120,000,000
Total	306,111,111	371,843,463	677,954,574

## For further information contact:

**Kris Knauer**  
**Managing Director**  
**+61 411 885 979**  
**kris.knauer@challengerex.com**

**Scott Funston**  
**Chief Financial Officer**  
**+61 413 867600**  
**scott.funston@challengerex.com**