

CLARIFICATION OF ASX RELEASE DATED 16 JULY 2019

In the ASX Release dated 16 July made by **Challenger Exploration (ASX: CEL)** ("CEL" or the "Company") titled "**CEL RECEIVES SPECTACULAR GRADES FROM SAMPLING PROGRAM AT HUALILAN GOLD PROJECT**" the company made reference to the Historical Non JORC Compliant Resource reported at the Hualilan Project by then TSX Listed La Mancha Resources on 14 May 2003. This historical resource is detailed in this release for clarity.

The company would like to clarify that this foreign non JORC resource was first disclosed to the ASX on 22 February 2019 and the July 16 ASX Release should have cross referenced this 22 February Release rather than Section 10 of the Prospectus (Independent Geologist Report - SRK) released to the ASX on 16 May 2019.

Foreign Resource Estimate Hualilan Project

La Mancha Resources 2003 foreign resource estimate for the Hualilan Project ^			
Category	Tonnes (kt)	Gold Grade (g/t)	Contained Gold (koz)
Measured	218	14.2	100
Indicated	226	14.6	106
Total of Measured & Indicated	445	14.4	206
Inferred	977	13.4	421
Total of Measured, Indicated & Inferred	1,421	13.7	627

[^] Source: La Mancha Resources Toronto Stock Exchange Release dated 14 May 2003 -Independent Report on Gold Resource Estimate.
Rounding errors may be present. Troy ounces (oz) tabled here

These estimates are foreign estimates and not reported in accordance with the JORC Code. A competent person has not done sufficient work to clarify the foreign estimates as a mineral resource in accordance with the JORC Code. It is uncertain that following evaluation and/or further exploration work that the foreign estimate will be able to be reported as a mineral resource.

The company is not in possession of any new information or data relating to the foreign estimates that materially impact on the reliability of the estimates or CEL's ability to verify the foreign estimates estimate as minimal resources in accordance with Appendix 5A (JORC Code).

The company confirms that the supporting information provided in the initial market announcement on February 22 2019 continues to apply and has not materially changed.

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About Challenger Exploration

Challenger Exploration Limited (ASX : CEL) is developing two key gold/copper projects in South America.

1. **Hualilan Project**, located in San Juan Province Argentina, is a near term development opportunity. It has extensive historical drilling with over 150 drill-holes and a Non-JORC historical resource ^(#1) of >500,000 Oz @ 10 g/t gold which remains open in most directions. In the 15 years prior to being acquired by CEL the project was dormant. CEL's focus over the coming 12 months will be to redefine the scope of the Hualilan Project to better determine the best means of development to seek to achieve early cash-flows.
2. **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. Historical drilling has returned a number of intersections of plus 100m of intrusion related breccia and vein hosted mineralisation. The Project has multiple targets including breccia hosted mineralization, an extensive flat lying late stage vein system and an underlying porphyry system target neither of which has been drill tested.
3. **Karoo Basin** provides a wildcard exposure to 1 million acres shale gas application in the world class Karoo Basin in South Africa in which Shell is the largest application holder in the basin.