

CHALLENGER GOLD ANNOUNCES IMPORTANT MILESTONE TOWARD TOLL MILLING: CASPOSO PLANT RESTART FINANCED

Challenger Gold (ASX: CEL) (“CEL” the “Company”) acknowledges the announcement from Austral Gold Limited (ASX : AGD) regarding the successful financing of US\$7 million to refurbish the Casposo Plant for toll milling material from Challenger's Hualilan Project.

The funding was secured by Austral Gold Limited's subsidiary, Casposo Argentina Mining Ltd. (Casposo), through a US\$7 million secured loan from Banco San Juan S.A. in Argentina. These funds will be allocated to refurbish the Casposo Plant, supporting the Binding Memorandum of Understanding signed by the Company to process mineralised material from CEL's Hualilan Project.

Key Terms of the Loan:

- **Amount:** US\$7.0 million
 - Initial disbursement: US\$1.5 million within 5 business days of signing
 - Second disbursement: US\$2.5 million (60-75 days after signing)
 - Subsequent disbursements: US\$1 million, US\$0.5 million, US\$1.5 million at Intervals of 30-45 days following prior disbursements
- **Interest Rate:** 8% per annum
- **Term:** 24 months from each loan disbursement with 6-months grace period each
- **Use of proceeds:** Capital Expenditures and Working Capital required to refurbish the Casposo Plant
- **Condition:** All disbursement (except for the initial US\$1.5 million) require compliance with the allocated use of funds

CEL previously announced the results of an Independent Audit of the Casposo plant and restart plan¹ which estimated refurbishment costs of US\$4 million for spares and replacement parts.

¹CEL ASX Release 13 December 2024

This ASX release was approved by the Board of Directors.

For further information contact:

Kris Knauer
Managing Director
+61 411 885 979

kris.knauer@challengerex.com

Sergio Rotondo
Chairman
+1 646 462 9273

sergio.rotondo@challengerex.com

Media Enquiries
Jane Morgan
+ 61 405 555 618

jm@janemorganmanagement.com.au

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.