



ASX: CEL

May Corporate Update

Hualilan Gold Project : Cerro Sur looking north to Cerro Norte

Challenger Exploration Limited
Argentina and Ecuador Gold / Copper Projects

IMPORTANT NOTICES AND DISCLAIMER



DISCLAIMER

This presentation is for informational purposes only and does not constitute an offer to sell, or solicitation to purchase, any securities. Such Offer can be made only through proper subscription documentation and only to investors meeting strict suitability requirements. Any failure to comply with these restrictions may constitute a violation of applicable securities laws. In providing this presentation Challenger Exploration Limited ("CEL") has not considered the financial position or needs of the recipient. Persons needing advice should consult their stockbroker, bank manager, solicitor, attorney, accountant or other independent financial and legal advisors.

FORWARD LOOKING STATEMENTS

Various statements in this presentation constitute statements relating to intentions, future acts and events. Such statements are generally classified as "forward looking statements" and involve known and unknown risks, uncertainties and other important factors that could cause those future acts, events and circumstances to differ materially from what is presented or implicitly portrayed herein. Words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates" and similar expressions are intended to identify forward-looking statements. CEL caution shareholders and prospective shareholders not to place undue reliance on these forward-looking statements, which reflect the view of CEL only as of the date of this presentation. The forward-looking statements made in this presentation relate only to events as of the date on which the statements are made.

COMPETENT PERSON STATEMENT EXPLORATION RESULTS

The information in this release is an accurate representation of the available data and studies for the material mining project. The information that relates to sampling techniques and data, exploration results and geological interpretation 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. 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

COMPETENT PERSON STATEMENT HISTORICAL MINERAL ESTIMATES

The information in this release provided under ASX Listing Rules 5.12.2 to 5.12.7 is an accurate representation of the available data and studies for the material mining project. The information that relates to Mineral Resources has been compiled by 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 and has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration to qualify as Competent Person as defined in the 2012 Edition of the JORC Code for Reporting of, Mineral Resources and Ore Reserves. 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.

JORC CODE

It is a requirement of the ASX Listing Rules that the reporting of ore reserves and mineral resources in Australia comply with the Joint Ore Reserves Committee's Australasian Code for Reporting of Mineral Resources and Ore Reserves ("JORC Code"). Investors outside Australia should note that while ore reserve and mineral resource estimates of the Company in this document comply with the JORC Code (such JORC Code-compliant ore reserves and mineral resources being "Ore Reserves" and "Mineral Resources" respectively), they may not comply with the relevant guidelines in other countries and, in particular, do not comply with Industry Guide 7, which governs disclosures of mineral reserves in registration statements filed with the SEC. Information contained in this document describing mineral deposits may not be comparable to similar information made public by companies subject to the reporting and disclosure requirements of US securities laws. In particular, Industry Guide 7 does not recognise classifications other than proven and probable reserves and, as a result, the SEC generally does not permit mining companies to disclose their mineral resources in SEC filings. You should not assume that quantities reported as "resources" will be converted to reserves under the JORC Code or any other reporting regime or that the Company will be able to legally and economically extract them.

EXPLORATION RESULTS

Refer to Company Announcements for full details on Exploration Results. CEL is not aware of any new information or data that materially effects the information contained in those announcements

OVERVIEW

Two complementary assets being aggressively advanced



Challenger aspires to become a globally significant gold producer supported by the Company's current assets

HUALILAN GOLD PROJECT

 Argentina  Earning 75%

 Historical resource 627,000 oz Au at 13.7 g/t¹

- Locked up in a dispute for 15 years prior to CEL
- Recent drilling by CEL includes:
 - 8.3m @ 17.7 g/t Au, 257g/t Ag, 0.3% Zn
 - 7.0m @ 13.3 g/t Au, 12.6 g/t Ag, 0.8% Zn
- Intrusion-hosted gold discovery:
 - 39.0m @ 5.5 g/t Au, 2.0 g/t Au, 0.3% Zn
 - 130.8m @ 2.3g/t Au, 1.6g/t Ag, 0.4%Zn
 - 104m @ 1.5 g/t Au, 2.7 g/t Ag, 0.4% Zn
- 150,000m program designed to extend existing mineralisation and support maiden resource – 5 rigs drilling increasing to 8
- ▶ Open in all directions with several recent discoveries

EL GUAYABO/COLORADO V PROJECT

 Ecuador  Earning up to 100%

 World Class Bulk Gold Target

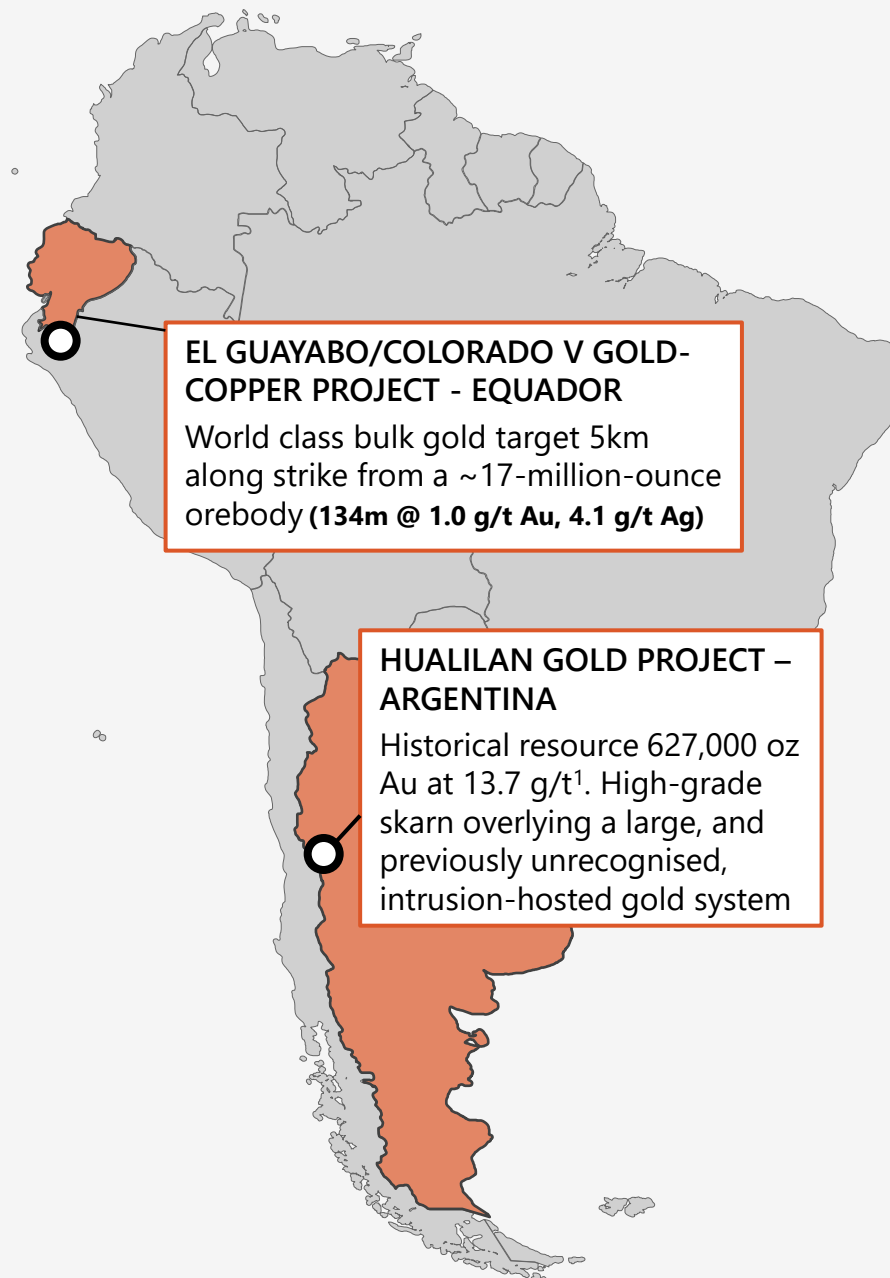
- 5km along strike from a +17 million ounce orebody
- Regional scale with a 35 km² footprint
- Scout drilling 25 years ago defined multiple targets:
 - 156m @ 2.6 g/t Au + 9.7 g/t Ag + 0.2% Cu
 - 112m @ 0.7 g/t Au +14.7 g/t Ag + 0.6 % Cu
- Geophysics and soil geochemistry has defined a number of undrilled large (km²) near surface porphyry targets
- ▶ New discovery in first historical drill holes assayed
 - 134m @ 1.0 g/t Au, 4.1 g/t Ag
 - 146m @ 1.5 g/t Au, 1.8 g/t Ag

¹For details of the foreign non-JORC compliant resource and to ensure compliance with LR 5.12 please refer to Slide 16

INVESTMENT HIGHLIGHTS

World class projects + management with a proven track record

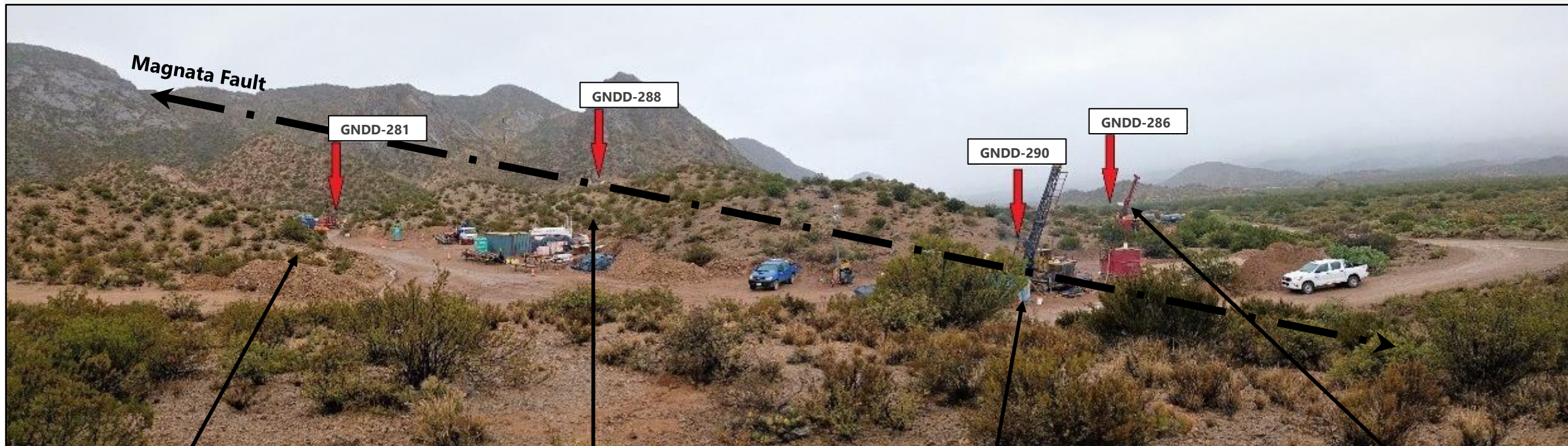
- Hualilan Gold Project earning up to 75%, with a Historical resource 500,000 oz Au at [10 g/t¹], with an underlying intrusion-hosted system - **116m @ 1.1 g/t Au**
- Five rig high impact 30,00m drill program currently underway. Better results being returned as we understand the system. Most recent results including:
 - **130.8m at 2.5 g/t AuEq, including 12m at 20.9 g/t AuEq (intrusives)**
 - **110.5m at 3.0 g/t AuEq, including 40.0m at 6.2 g/t AuEq (intrusives)**
 - **69.2m at 3.4 g/t AuEq, including 9.2m at 22.2 g/t AuEq (intrusives)**
 - **209.0m at 1.1 g/t AuEq including 49.0m at 3.0 g/t AuEq (intrusives)**
 - **21.8m at 4.5 g/t AuEq including 3.6m at 16.2 g/t AuEq (skarn)**
 - **4.3m at 36.6 g/t AuEq including 3.5m at 45.5 g/t AuEq (skarn).**
- CEL controls 80 km² surrounding the Hualilan Project which captures 18 km of strike compared to the current 2 km of strike where CEL's drilling has been focused
- Excellent metallurgy with better than 90% gold recoveries via the sale of a clean high-grade gold concentrate and this is likely to improve
- Recently Completed \$42 Capital Raise will allow:
 - Additional 150,000 metre 8 rig drill program at Hualilan over 10-12 months
 - Accelerate the move to 100% of the Hualilan project
 - Mining and metallurgical studies prior to PFS
 - Certainty to explore aggressively for 2 years regardless of market conditions



¹ to ensure compliance with LR 5.12 please refer to the Company's ASX Release dated 25 February 2019. 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 that materially impacts 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 25 February 2019 continues to apply and is not materially changed. Refer to Slide 16 for Foreign Resource Estimate. ² Source: Lumina Gold NI 43-101 Technical Report Cangrejos Project July 2020

WHY DID WE RAISE \$42 MILLION VIA AN INSTITUTIONAL PLACEMENT

So we can drill with 8-10 rigs for the next 12 months which will demonstrate the true scale of Hualilan



GNDD-281 Magnata Fault (196.5-198m)



GNDD-288 Magnata Fault (217-220m)



GNDD-290 Magnata Fault (162-166m)



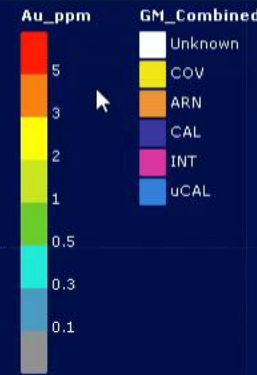
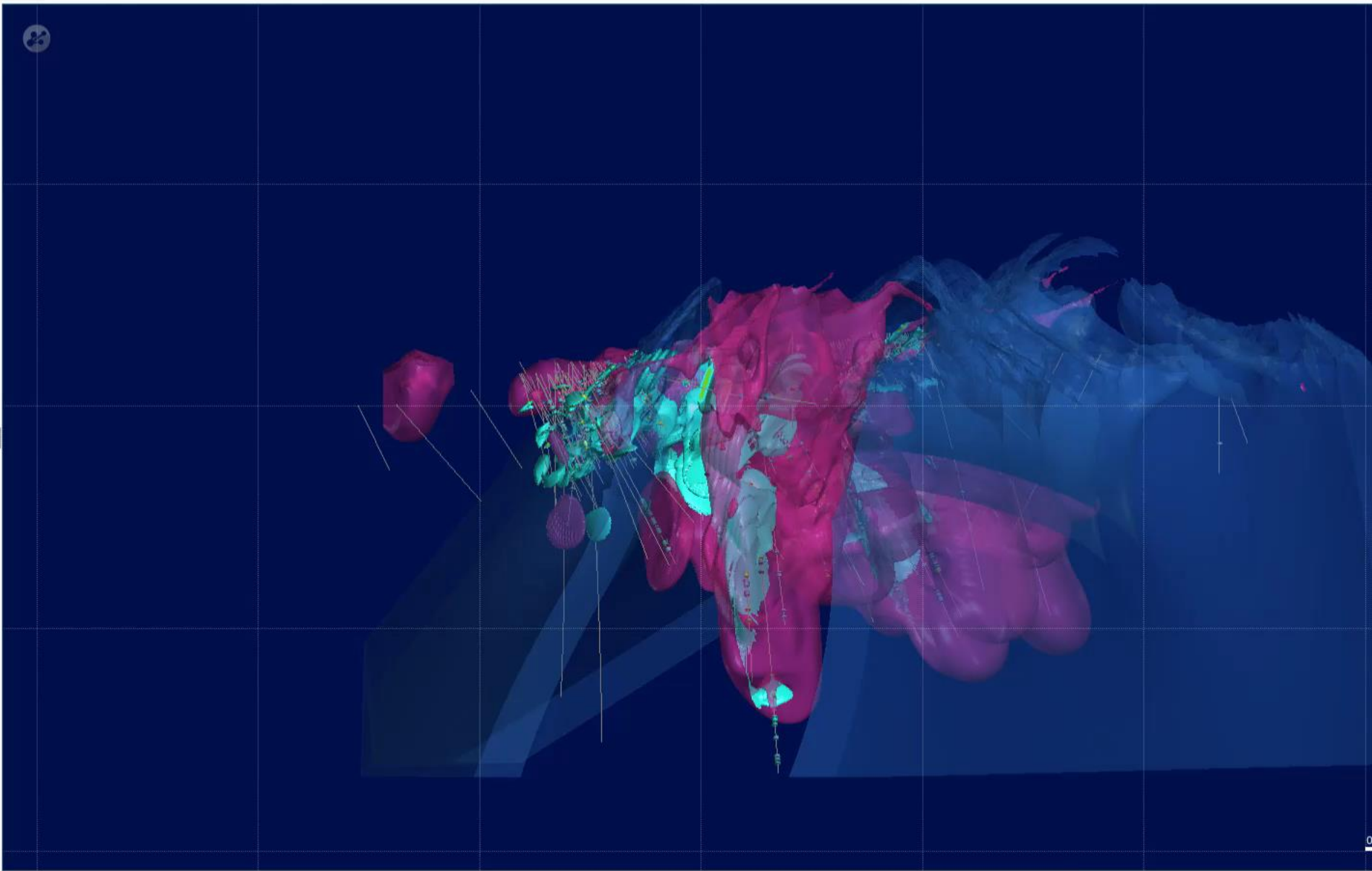
GNDD-286 Magnata Fault (170-176.5m)

Grade shells for Norte, Magnata & Sentazon;
Au mineralisation only; 0.3 lower cutoff

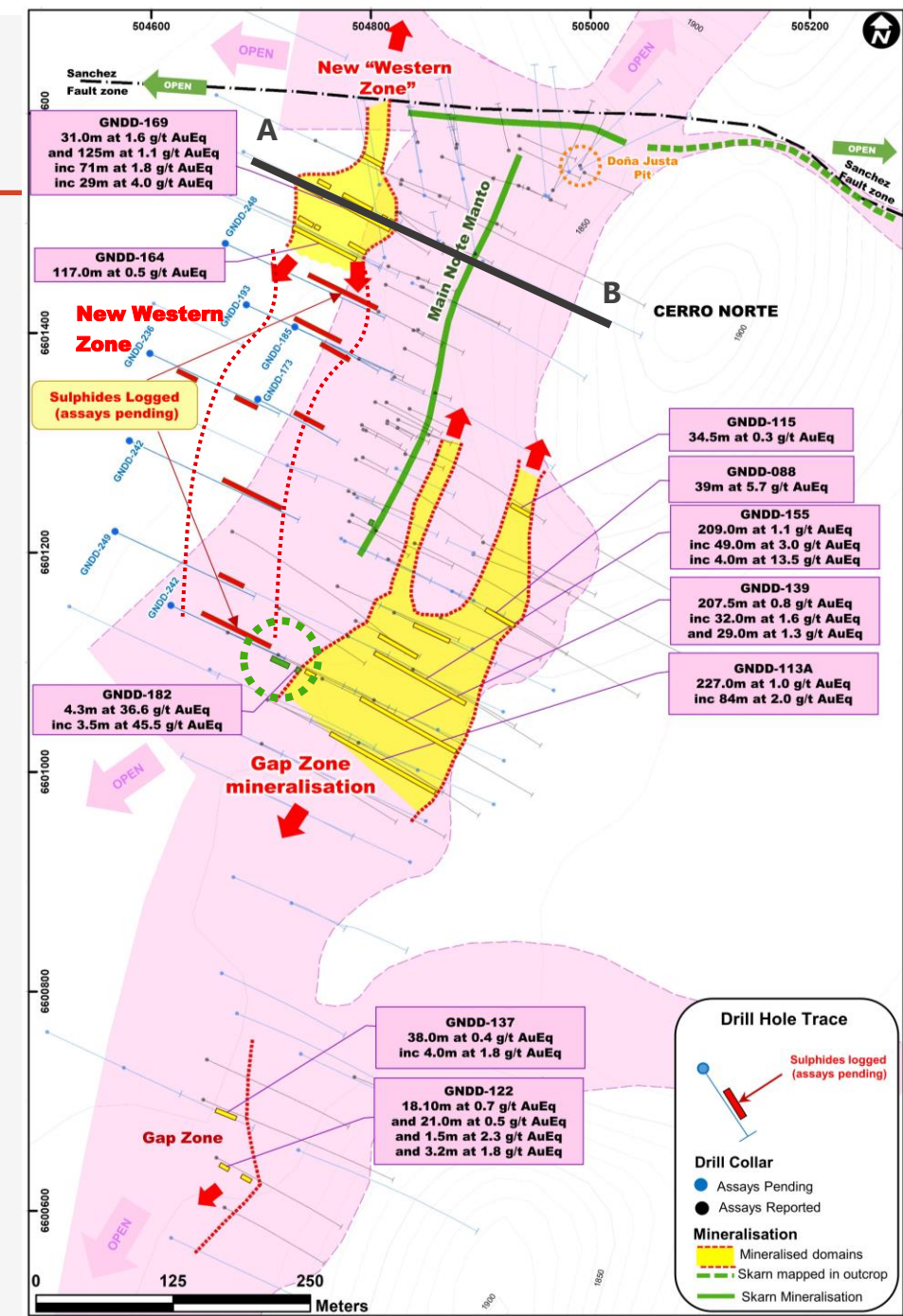
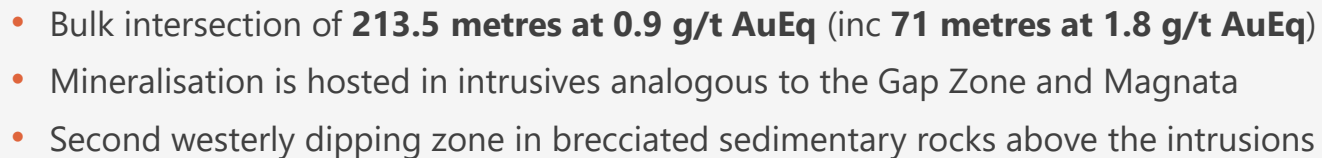
> Slicing plane
> Moving plane

Shapes

- ☒ Au_Norte: 0.3 - 0.5
- ☒ Au_Norte: 0.5 - 1.0
- ☒ Au_Norte: 1.0 - 1.5
- ☒ Au_Norte: > 1.5
- ☒ Au_Sentazon: 0.3 - 0.5
- ☒ Au_Sentazon: 0.5 - 1.0
- ☒ Au_Sentazon: 1.0 - 1.5
- ☒ Au_Sentazon: > 1.5
- ☒ GM_Combined: ARN
- ☒ GM_Combined: CAL
- ☒ GM_Combined: INT
- ☒ GM_Combined: uCAL



Repeat zone 200 metres west of the existing mineralisation



GAP ZONE INFILL CONFIRMS WIDTH AND A GRADE SURPRISE

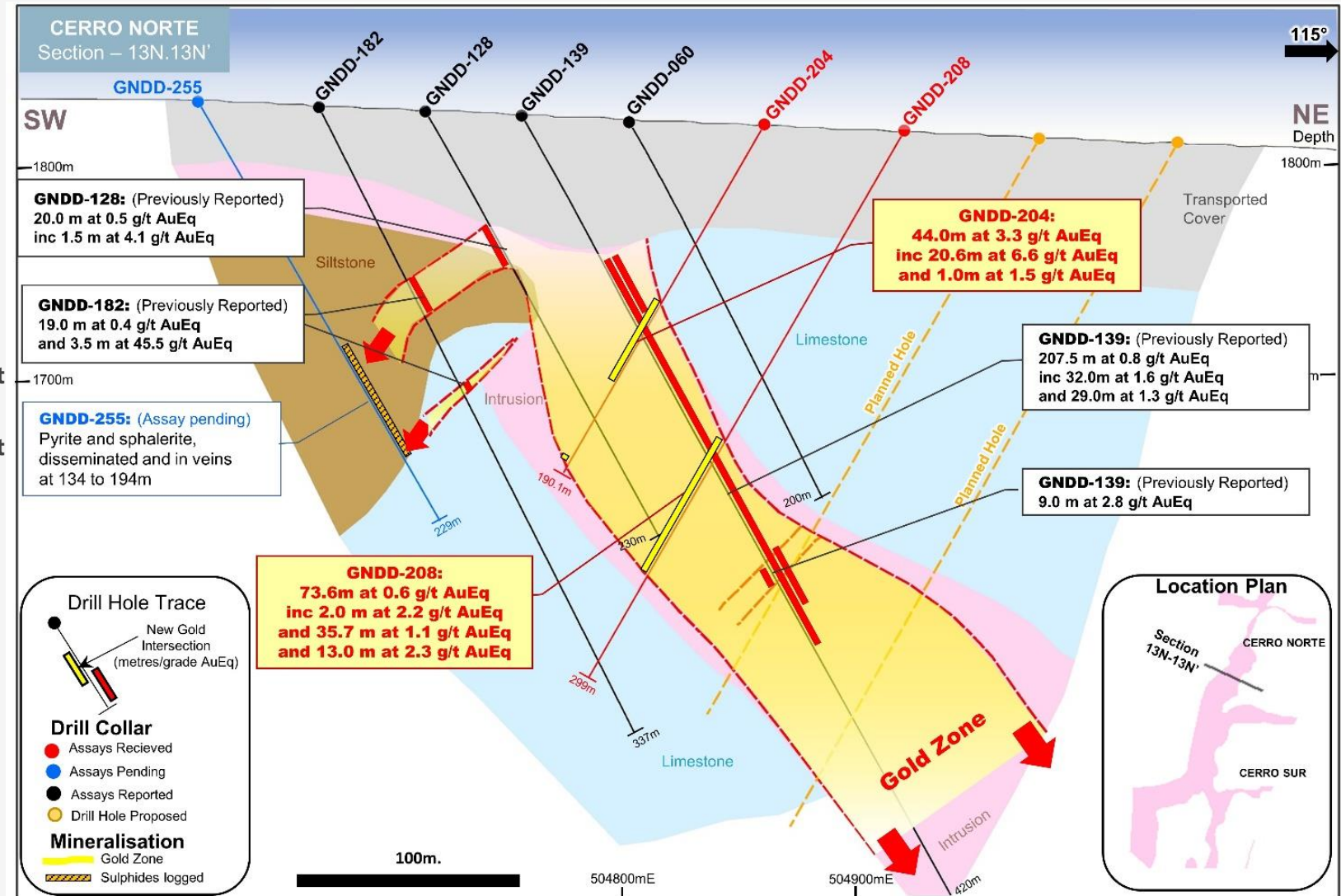
Grade likely to be better than anticipated in the intrusion-hosted mineralisation in the Gap Zone

Extension of the high-grade skarn

- GNDD-182 extended the high grade skarn mineralisation 200 metres along strike and west of the the intrusives with an intercept of **3.5m at 45.5 g/t AuEq**

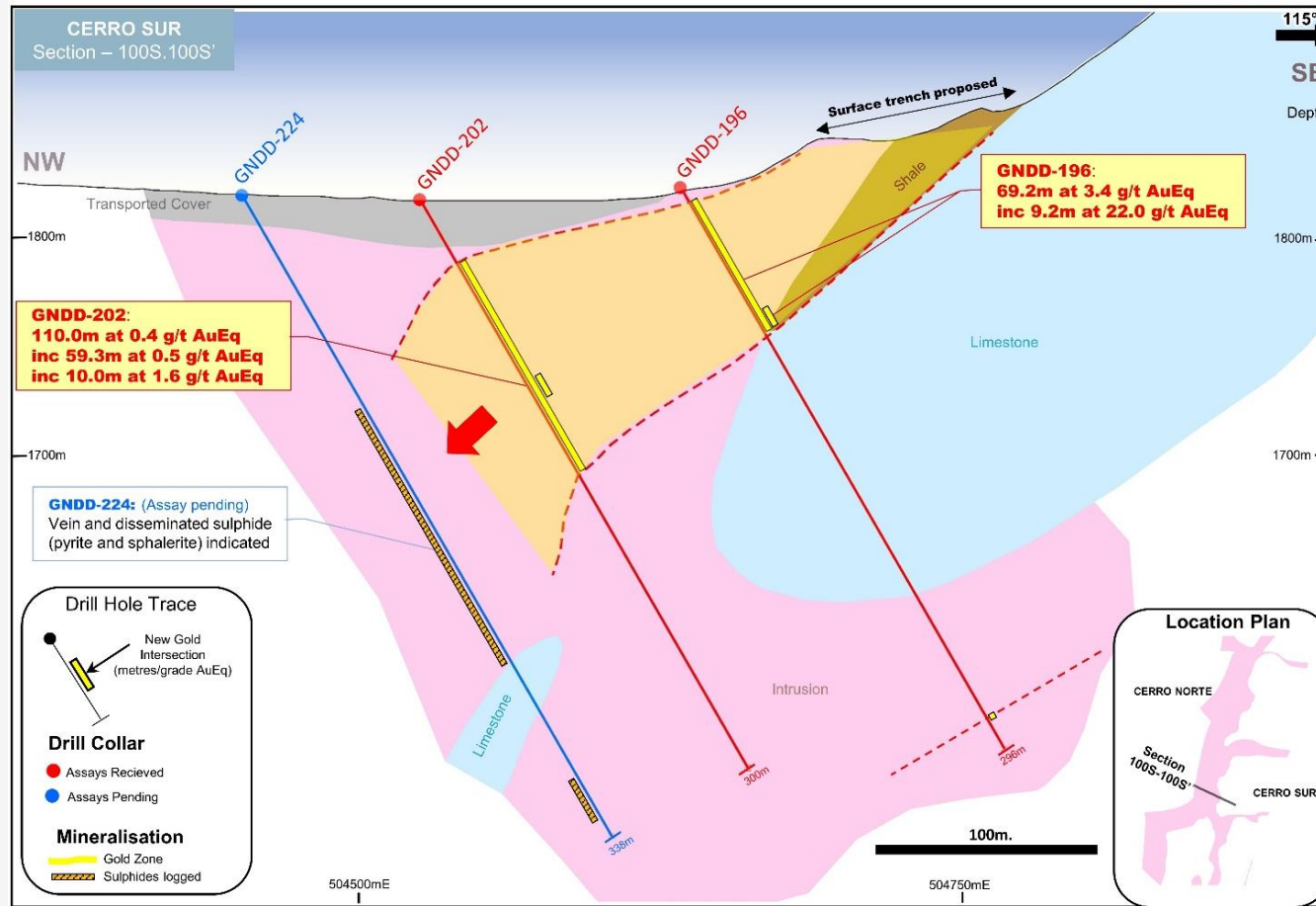
Gap Zone infill drilling program

- series of 16 holes which has been drilled in the reverse orientation of the earlier drilling to determine true width
 - 44.0m at 3.3 g/t AuEq** including **20.6m at 6.6 g/t AuEq** (GNDD-204)
 - 73.7m at 0.6 g/t AuEq** including **35.7m at 1.1 g/t AuEq** (GNDD-208)
 - 66.8m at 0.7 g/t AuEq** (GNDD-200)
- GNDD-204 and 208 across the upper part of GNDD-139 (**207.5m at 0.8 g/t AuEq**) in what was believed to be the lower grade part of the mineralisation
- GNDD-200 was drilled back across GNDD-082 (**110.0m at 0.5 g/t AuEq**) from 156.0m to the end of the hole
- demonstrates the high-grade shoots within the intrusive more extensive than anticipated

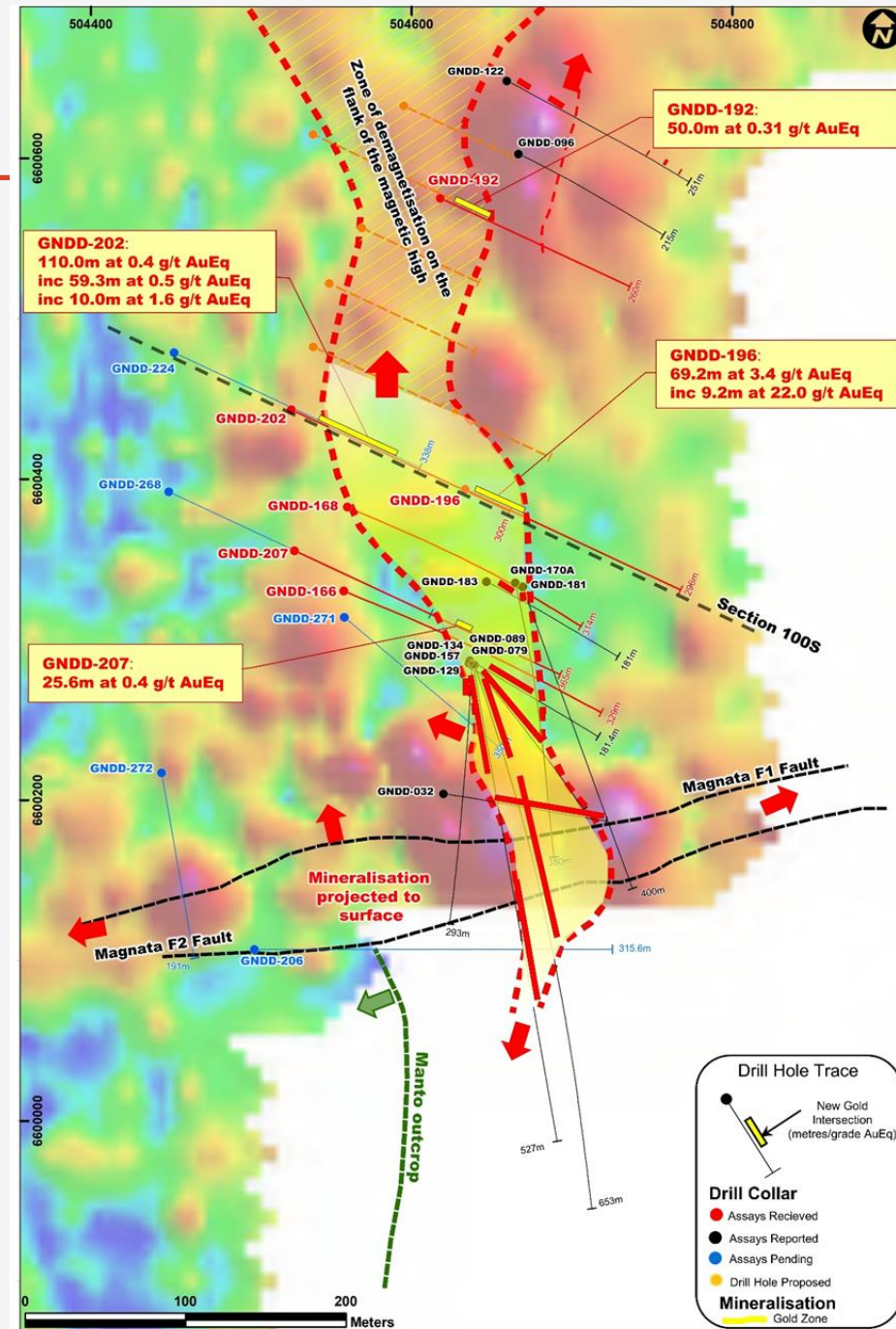


SIGNIFICANT EXTENSION TO THE NORTH

Zone extended across a fence of holes which appeared to close it to the north



- GNDD-196 (69.2m at 3.4 g/t AuEq) and GNDD-202 extended the near surface mineralisation at Magnata 200 metres north along strike and open a significant drill target to the north
- GNDD-202 confirms this zone 100 metres thick down dip to the west of GNDD-196 with the **geophysical target extending for at least another 400 metres to the north**

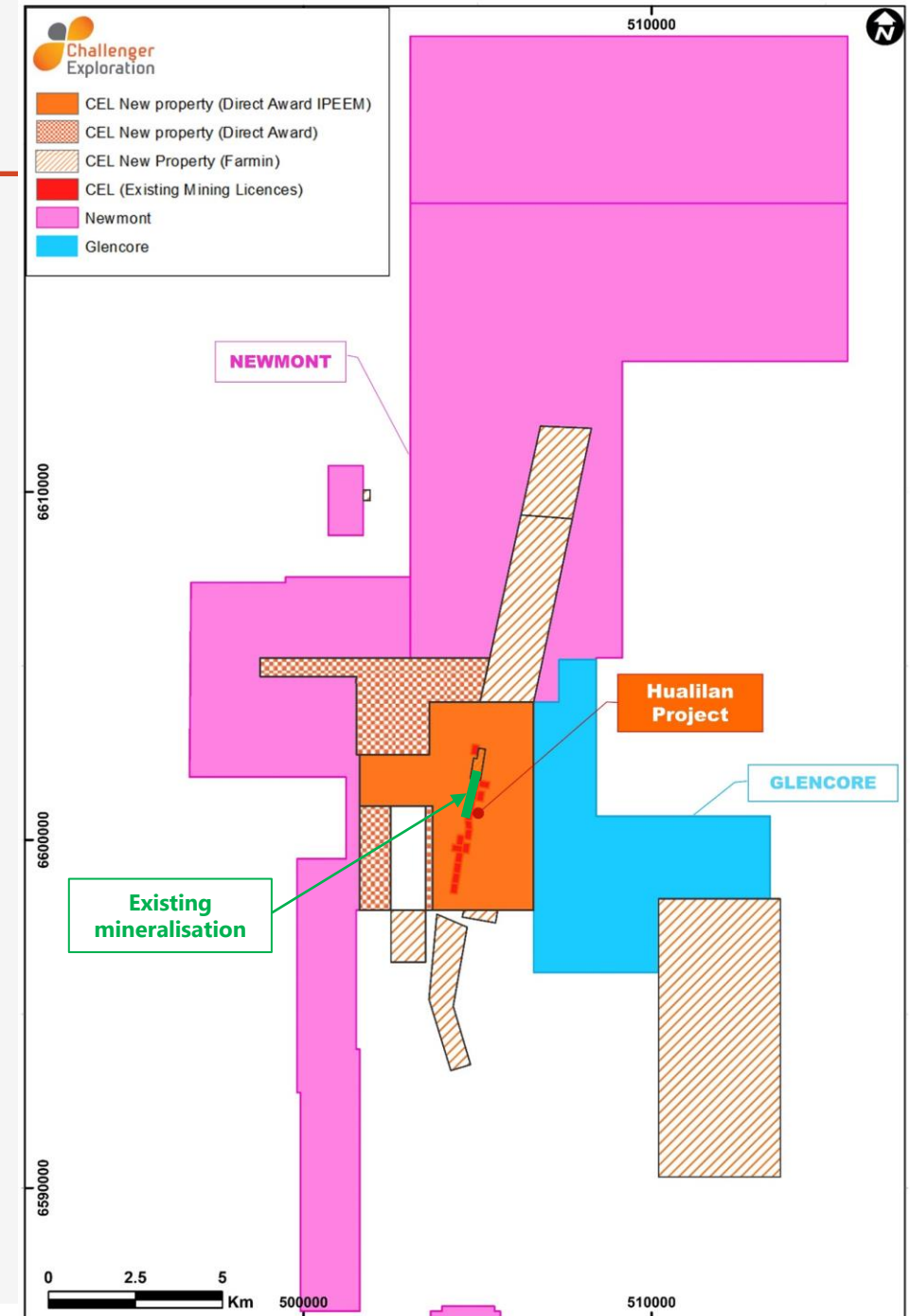


4 FOLD INCREASE IN FOOTPRINT

District scale tenement position of 80 square kilometres

- Formal Grant of the 20.6 square kilometre "**Ayen**" Exploration Licence which surrounds the existing Mining Licences via the IPEEM^{#1}
- Award of three additional Exploration Licences which cover 12.6 square kilometres
- Farmin deal over an additional 46 square kilometres of concessions
 - Fund 100% of annual tenement rentals and mining licence fees
 - present a 5-Year work plan for the concessions to the Mining Ministry
 - fund 100% of this 5 year work program to earn a 90% interest
 - The option to acquire the final 10% for US\$450,000 cash
- Increases the Company's ground position surrounding Hualilan 4 fold:
 - we now have a district scale land position of 80 square kilometres
 - mineralisation open in all directions and emerging as a discovery of significance.
 - tenements cover 18 kilometres strike of the Hualilan Trend compared current drilling which has been concentrated on 2km of strike
- Geophysics covering the expanded footprint to start immediately with IP and Ground magnetics crews expected on site in 2 weeks

^{#1} IPEEM - Provincial Institute of Mining Exploration and Exploitation in San Juan Province.



A FAR BIGGER PLAY THAN EXTENDING WITHIN 2KM STRIKE

Exploration has only focussed on one side of the intrusion responsible for Hualilan

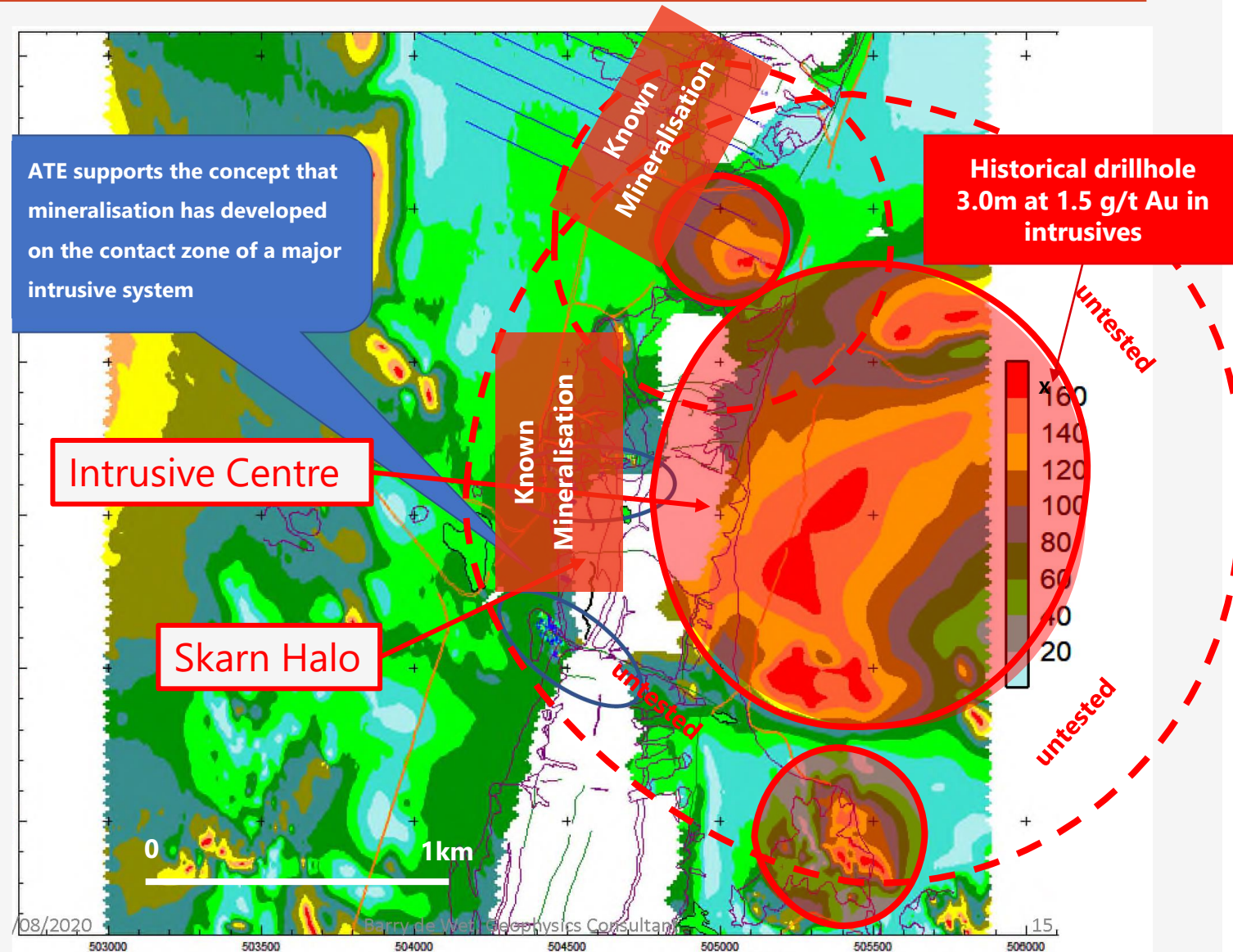
✓ Excellent results from initial metallurgical testing

High-grade Skarn material

- Recoveries of **87-94% (gold)** and **84-86% (silver)**
- P₈₀ of 100 micron grind – **no fine grind required**
- Attractive concentrate containing 43-56 g/t gold and 120 g/t silver, 14% zinc
- Possibility to capture Cu, Pb, Zn credits with via production of Cu, Pb, ZN concentrates
- <30ppm Arsenic no deleterious elements
- 70% recovery of Au/Ag in float tails via leaching

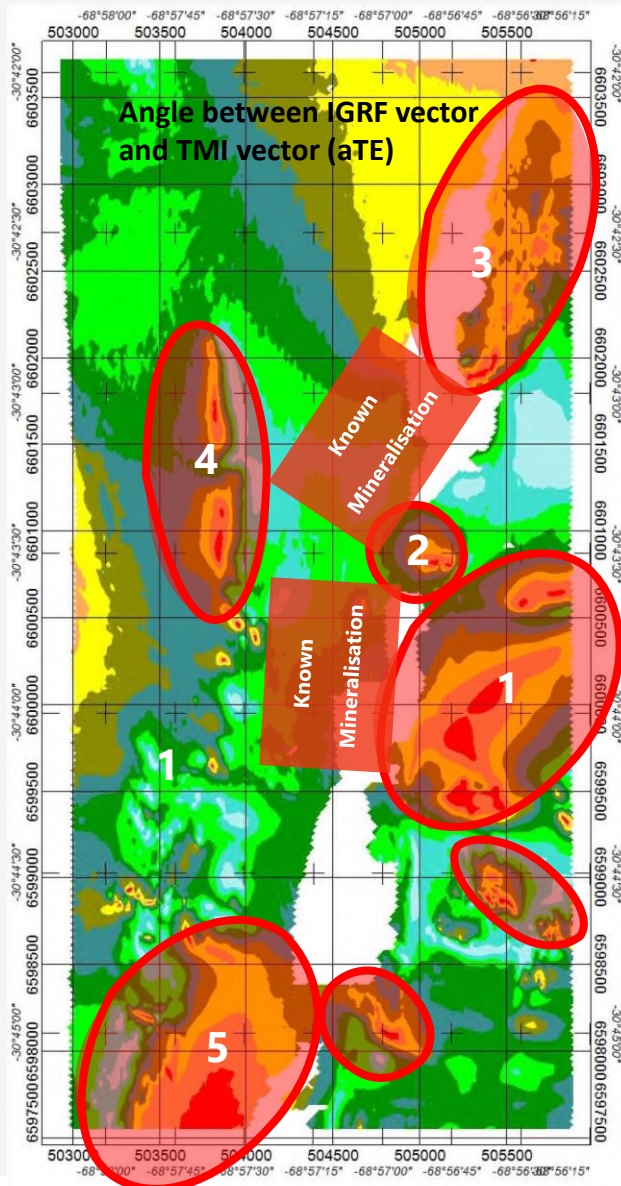
Intrusion-hosted material

- Recoveries of **94.9% (gold)** and **86.9% (silver)** at a 3% mass pull
- P₈₀ of 80 micron grind – **no fine grind required**
- Attractive concentrate containing 32 g/t gold and 274 g/t silver with no deleterious elements expected
- 85% of Zn and 60% Cu/Pb recovered
- Expect to further improve the concentrate grade with minimal reduction in gold recovery



REGIONAL MAG DATA (ATE FEATURES)

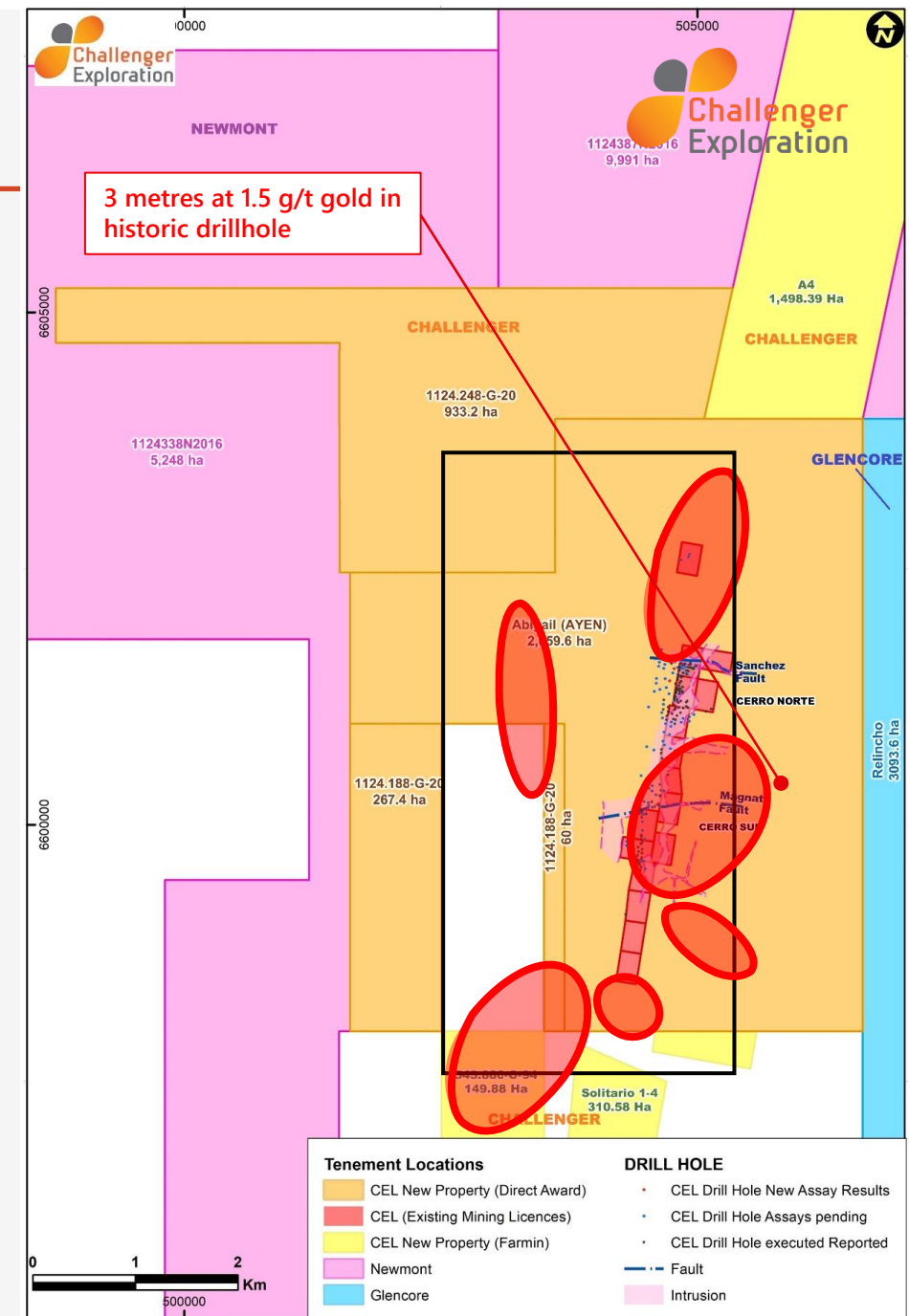
At least 5 intrusive centres of the same age



Processing of surface magnetic data indicates there are at least 5 major intrusive centres the same age as the Hualilan

1. major intrusive centre (source of the mineralisation) located to the east of mineralisation at Cerro Sur.
2. smaller porphyry in the gap zone
3. major intrusive centre (source of the mineralisation) located to the north-west of Cerro Norte
4. an intrusive centre to the west of the Gap Zone
5. a second large intrusive centre at the southern end of the survey

- These intrusions are all largely unexplored and provide greater than 20 kilometres of prospective Hualilan type stratigraphy.
- The existing Hualilan mineralisation is confined to 2 kilometres of strike



Our Aspiration is to become a globally significant gold producer

Company Strategy

- Hualilan to provide a high-grade low capex operation in the near term
- Underpins CEL with a low risk, cashflow while we prepare for a much larger bulk gold operation in underlying porphyry and Ecuador
- Hualilan makes execution of a large bulk gold deposit in Ecuador achievable

Hualilan Gold Project Argentina

- High-grade historical resource
- Significant exploration potential
- Excellent infrastructure in place
- Strategy to aggressively add ounces
- Production will be pursued once we have the benefit of scale

El Guayabo Project Ecuador

- Exciting traditional near surface Porphyry/Breccia targets
- Wild card of near-term results from assaying historical core
- Potentially significant bulk gold discovery
- Sensible low risk approach to porphyry exploration

Near term catalysts and continual news flow from both projects

SUMMARY

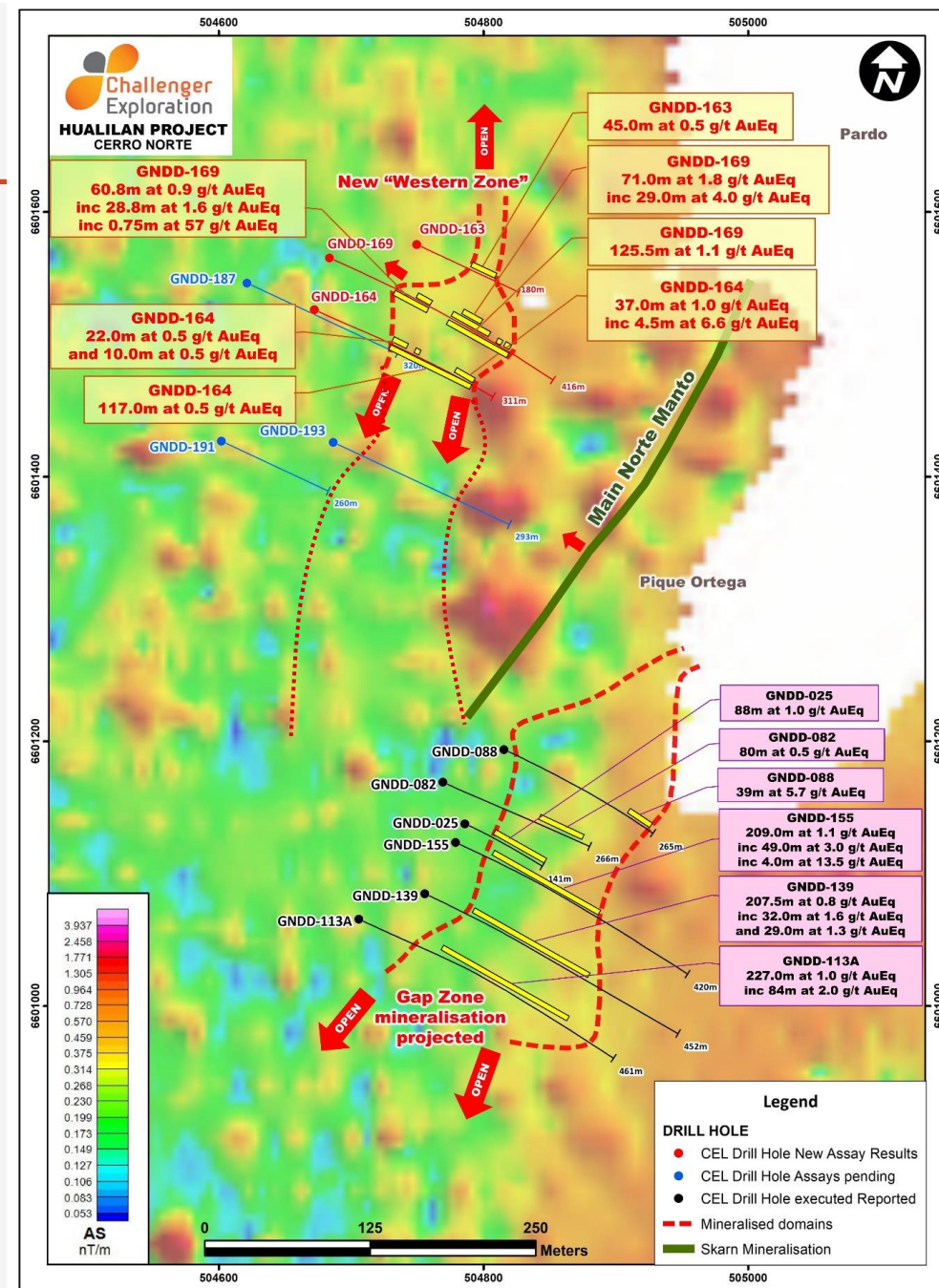
A significant gold system underlies the historical high-grade skarn

Hualilan Project, Argentina

- Ongoing news flow that comes with at 8-10 rigs drilling
- A number of new zones and higher success rates as we better understand the mineralisation – magnetics and IP are important
- We are getting comfortable that Hualilan is large
- View the intrusion-hosted gold in the context of Fort Knox¹ (0.4 g/t Au) or Cadia² (0.35 g/t Au, 0.26% Cu) where the combination of a large low grade resource with a high-grade starter resource provide a long life low cost asset
- Current drilling focus:
 - 3 (+1) rigs; infill and extension of the high grade skarn mineralisation
 - 1-rig; regional exploration
 - 1 (+2) rigs; intrusive hosted mineralisation

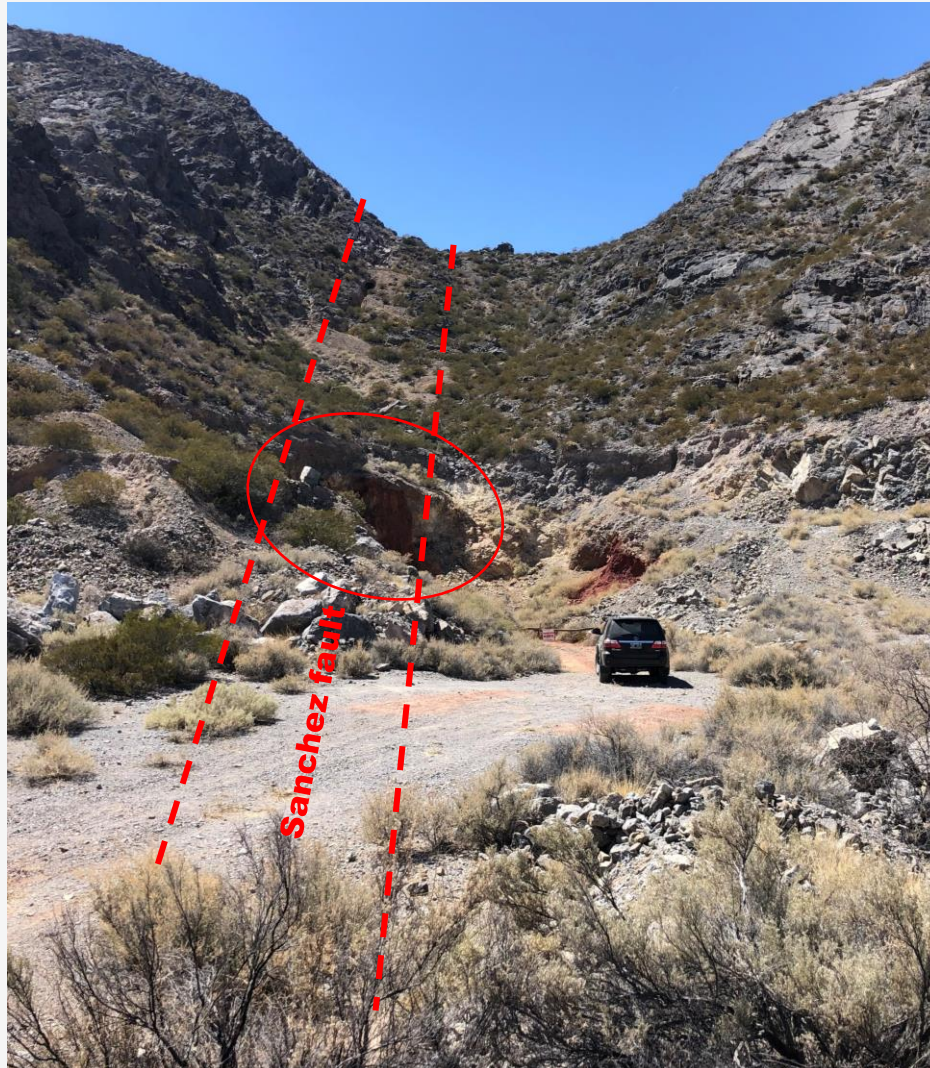
El Guayabo/Colorado V Project, Ecuador

- Regional soil sampling and integration of magnetic data is nearing completion
- Channel sampling/assaying historical core ongoing
- Several holes submitted for assay and channel sampling of the Humedos and Adriano Adit complete and Ecuaba Vein ongoing
- This will allow CEL to finalise targets for the upcoming drilling program



CURRENT HISTORICAL NON-JORC RESOURCE

Historical drilling failed to test the Sanchez fault due to the topography



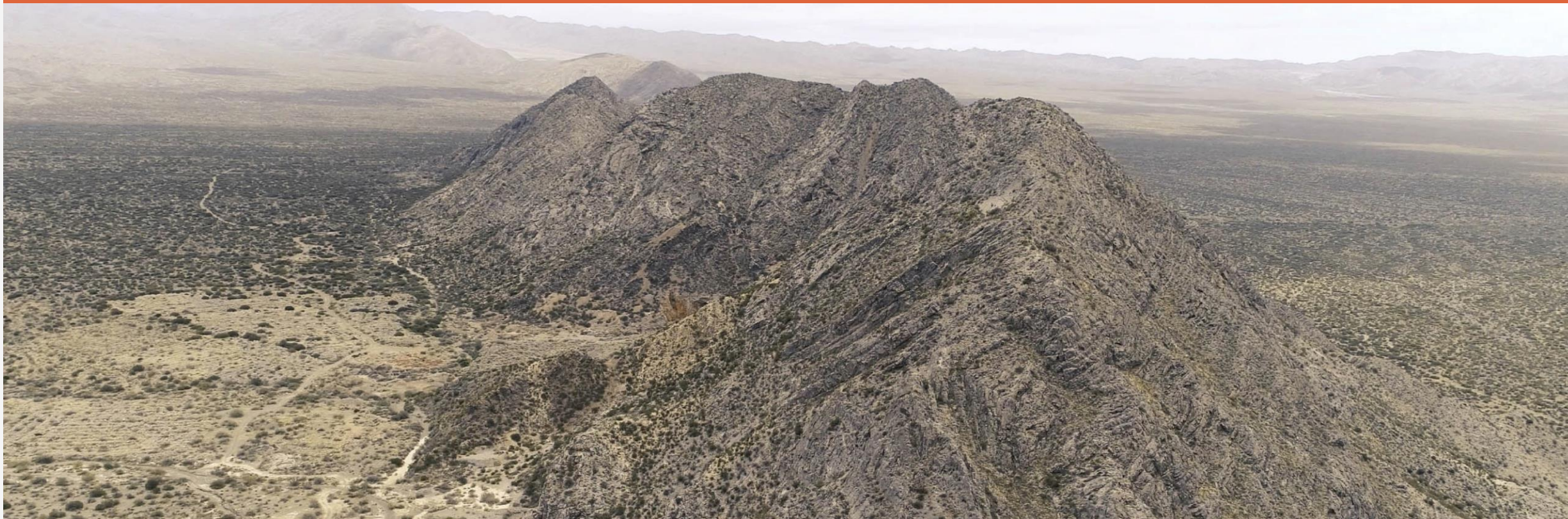
La Mancha Resources 2003 foreign resource estimate for the Hualilan Project ^

Category	Tonnes (kt)	AuEq Grade (g/t)	Gold Equivalents (koz)
Measured	218	14.2	100
Indicated	226	14.6	106
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

#1 For details of the foreign non-JORC compliant resource and to ensure compliance with LR 5.12 please refer to the Company's ASX Release dated 25 February 2019. 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 that materially impacts 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 25, 2019 continues to apply and is not materially changed.

CHALLENGER EXPLORATION LIMITED (ASX:CEL) ACN 123 591 382
Level 1, 1205 Hay Street, West Perth WA 6005 | P: +61 8 6380 9235



Kris Knauer

CEO & Managing Director

+61 411 885 979

kris.knauer@challengerex.com

Scott Funston

CFO & Finance Director

+61 413 867 600

scott.funston@challengerex.com

Elvis Jurcevic

Investor Relations

+61 408 268 271

ej@irxadvisors.com

Jane Morgan

Media Relations

+61 405 555 618

jm@janemorganmangement.com.au

www.challengerex.com