



ASX: CEL

Virtual Gold Conference

19 August 2021

Hualilan Gold Project : Cerro Sur looking north to Cerro Norte

Challenger Exploration Limited
Argentina and Ecuador Gold / Copper Projects

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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.

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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

INVESTMENT HIGHLIGHTS

World class projects + management with a proven track record

- Hualilan Gold Project acquired 100%, with a Historical resource 500,000 oz Au at [10 g/t¹], with an underlying large intrusion-hosted system
- 9-rig 120,00m drill program underway. Better results as we understand the system.
- **Results in the past two weeks include:**
 - 51.6m at 4.5 g/t AuEq² - 3.9 g/t Au, 11.8 g/t Ag, 1.0% Zn; inc 7.9m at 27.2 g/t AuEq²
 - 96.0m at 2.0g/t g/t AuEq² - 1.8g/t Au, 2.9g/t Ag, 0.3% Zn; inc 44.0m at 4.1 g/t AuEq²
 - 27.8m at 7.3 g/t AuEq² - 5.5 g/t Au, 12.9g/t Ag, 3.9% Zn; inc 14.2m at 13.6 g/t AuEq²
 - 21.0m at 7.6 g/t AuEq² - 5.7g/t Au, 32.1 g/t Ag, 3.4% Zn; inc 4.4m at 29.9 g/t AuEq²
 - 16.9m at 16.9 g/t AuEq² - 14.1 g/t Au, 18.3 g/t Ag, 5.8% Zn; inc 7.1m at 32.2 g/t AuEq²
 - 50.0m at 1.9g/t AuEq² - 1.8g/t Au, 1.0g/t Ag, 0.1% Zn; inc 2.4m at 17.3 g/t AuEq²
- CEL controls 80 km² surrounding the Hualilan Project which captures 20 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
- Cash balance of \$42.5 million post the acquisition of 100% Hualilan will allow:
 - New 120,000 metre 8-10 rig drill program at Hualilan over 12 months (as at Aug 15th CEL had completed 84,000m of a planned 204,000m of drilling)
 - 20,000 metres drilling in Ecuador



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 February 25 2019 continues to apply and is not materially changed. Refer to Slide 20 for Foreign Resource Estimate

² information regarding AuEq's reported under the JORC Code is provided on Slide 19 (Appendix 1) of this presentation.

³ Source: Lumina Gold NI 43-101 Technical Report Cangrejos Project July 2020

SIGNIFICANT VALUE ADD IN THE NEXT 24 MONTHS

Fully funded for 140,000 metres of drilling with cash of \$42.5 million post move to 100% of Hualilan

Corporate

ASX Ticker	CEL
Share Price (19 Aug 2020)	26.5c
Current Shares on Issue	975.4m
Performance Shares	136.5m
Unlisted Options (4c)	50.7m
Fully Diluted	1162.6m
Fully diluted EV	\$260.6
Cash at bank (June 30) ¹	\$47.5m

Key Executives

Fletcher Quinn Chairman

Over 35 years experience in venture capital, corporate finance and investment banking.

Fletcher was the foundation Chairman for Citadel Resources and remained as a Board member for the majority of Citadel's history prior to it being taken over for A\$1Bn.

Kris Knauer CEO

Kris started his career as an exploration geologist before moving into investment banking, initially as a mining analyst.

He led the listing of a package of copper/gold assets in Saudi Arabia to create Citadel Resources (ASX : CGG) becoming the founding Managing Director.

Scott Funston CFO

Scott is a qualified Chartered Accountant and Company Secretary/CFO with twenty years' experience in the mining industry.

Most recently he was CFO of Avanco Resources where he was responsible for the financial component of the Avanco Resources Definitive Feasibility Study from start-up to a A\$0.5Bn takeover.

Stuart Munroe Exploration Mgr

As a geologist, with over 25 years experience, he was involved in detailed studies of controls on mineralisation, resource model assessment, and strategic planning.

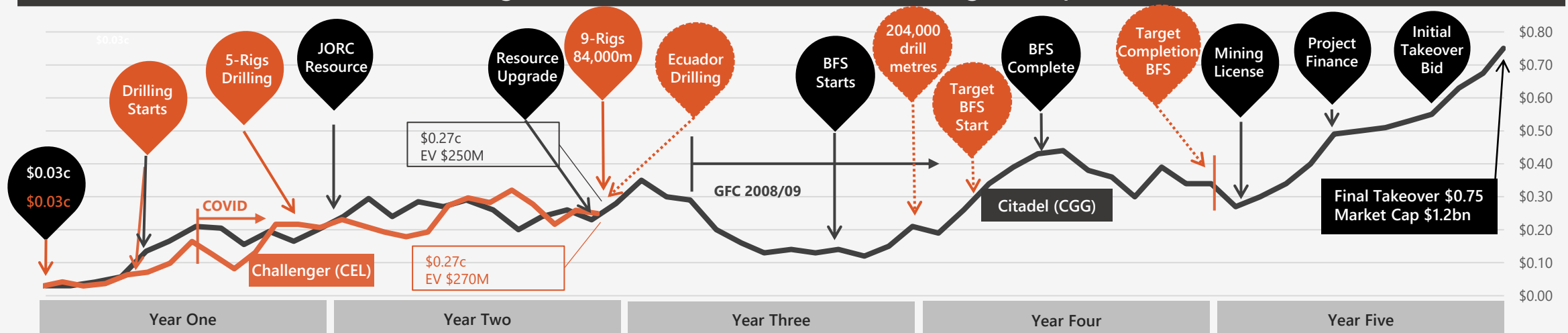
Stuart has extensive experience in the mining industry including roles as Exploration Manager for ASX Listed companies.

Sergio Rotondo COO

Sergio has a background in construction having managed billion-dollar projects from design through completion. His core competencies are logistics, Government relations, OHS, safety.

Sergio is also the majority owner of the final 25% of Challengers Hualilan Gold Project in Argentina.

Management Performance – Citadel vs Challenger Comparison



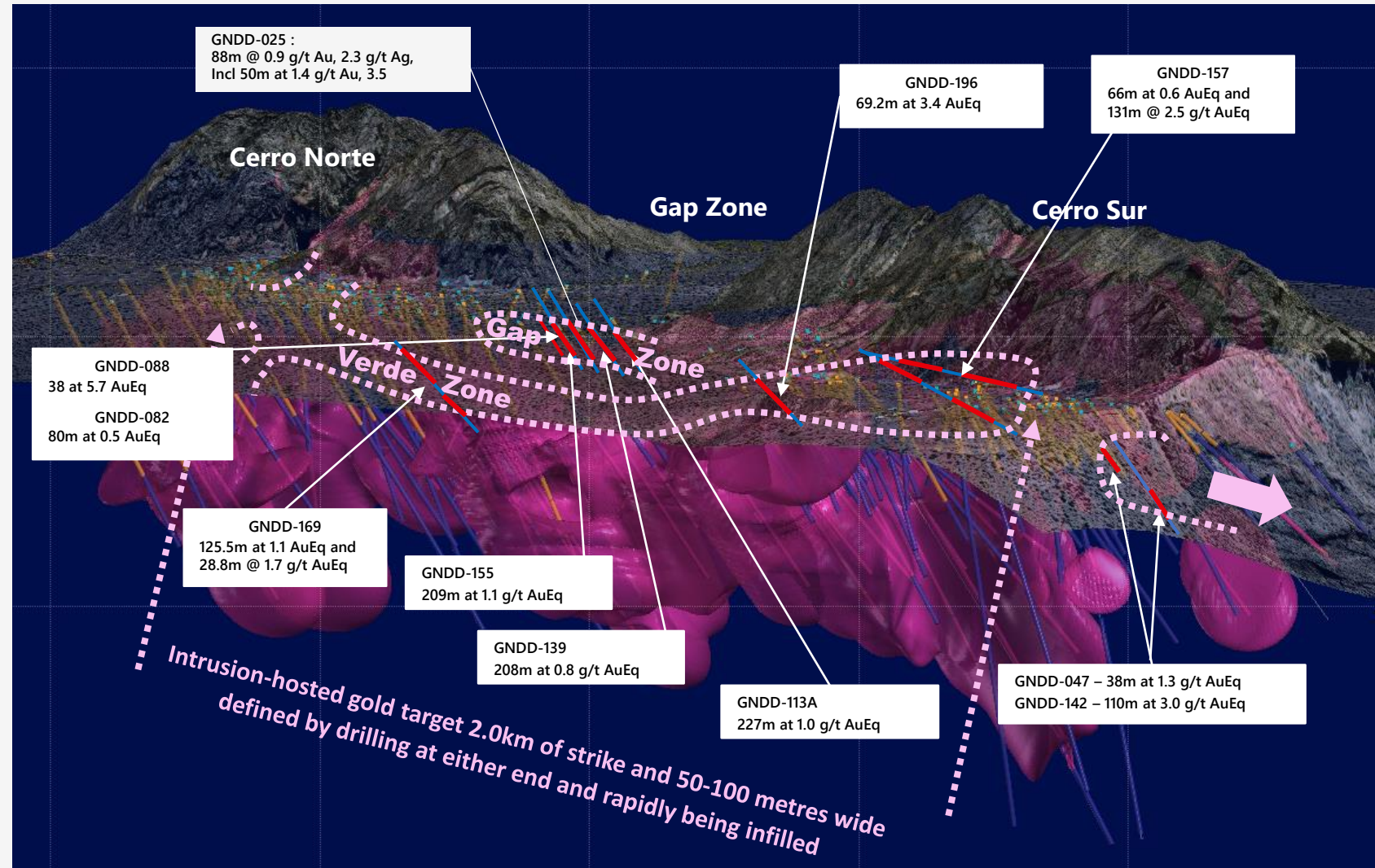
¹ Cash at Bank June 30 \$47.5m with a \$5.0m cash payment to move to 100% ownership of the Hualilan Gold Project made subsequent to June 30

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SIGNIFICANT INTRUSION-HOSTED TARGET

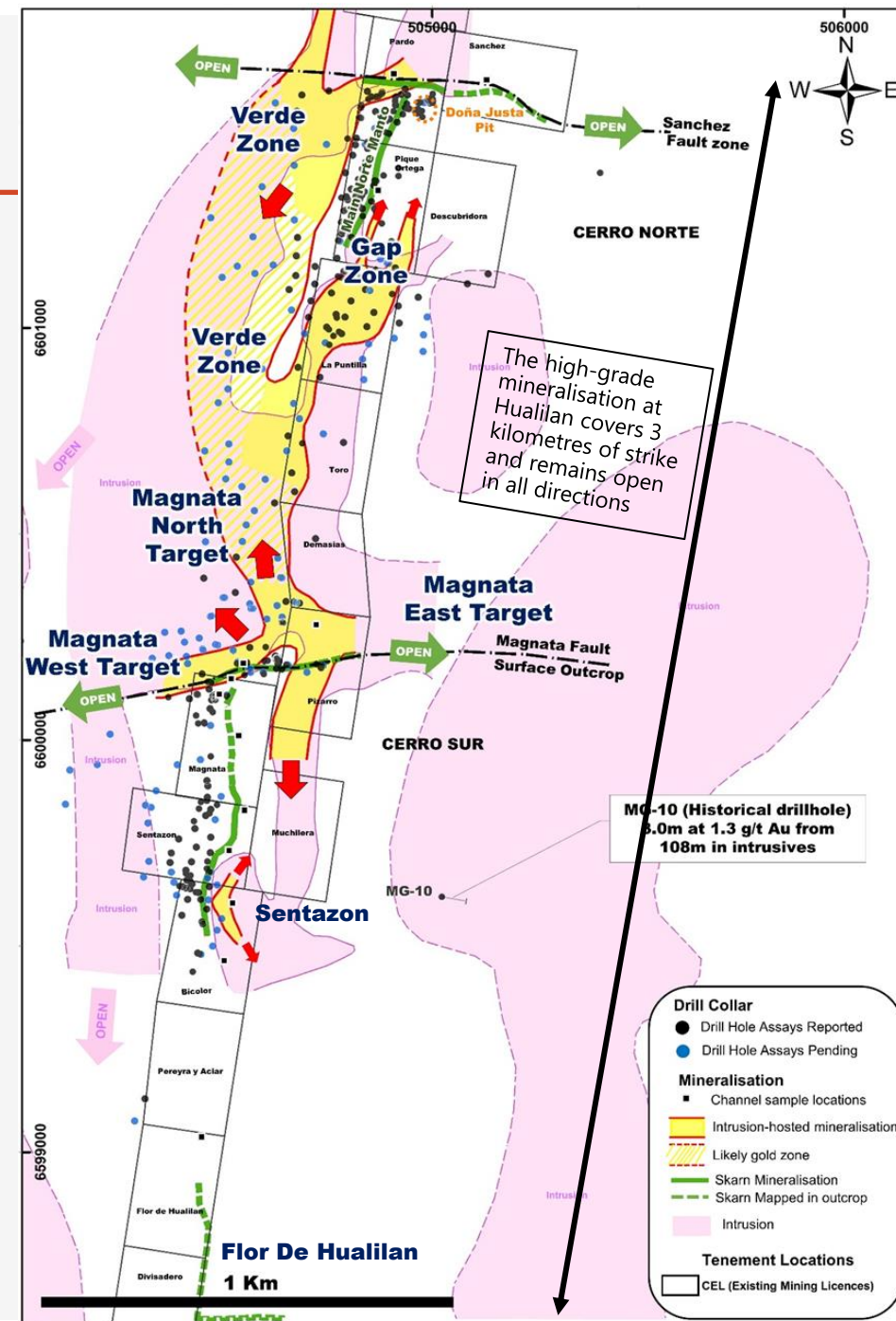
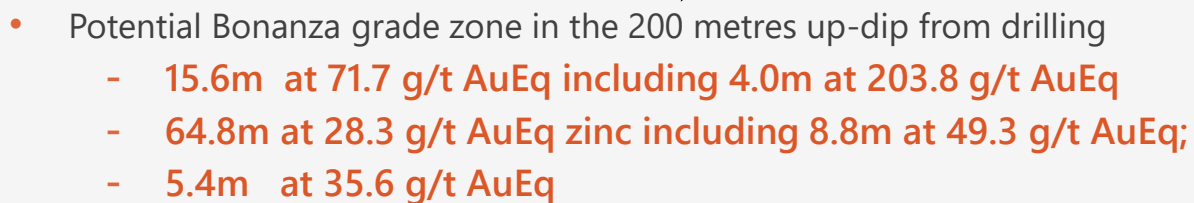
Covering 2.5km of strike under the high-grade mineralisation with the potential to be significantly larger

- Discovery of Intrusion-hosted Gold (in altered porphyry dacite)
 - 88m at 0.9 g/t Au, 2.3 g/t Ag - GNDD025
 - 116m at 1.1 g/t Au, 4.0 g/t Ag - GNDD032
- Now intersected gold in intrusives over 2.5km of strike below and adjacent to the high-grade skarn mineralisation
- Major synergies from an exploration perspective as skarn overlies porphyry
- With limited control on the distribution of the intrusives (previous explorers policy was terminating holes upon reaching intrusives) this program has effectively been stratigraphic drilling
- Exceptional results from the drilling targeting this intrusion hosted mineralisation including:
 - 131.0m at 2.5 g/t AuEq
 - 227.0m at 1.0 g/t AuEq inc 84.0 at 2.0 g/t AuEq
 - 209.0m at 1.1 g/t AuEq inc 49.0 at 3.0 g/t AuEq
 - 207.5m at 0.8 g/t AuEq inc 32.0m at 1.6 g/t AuEq
 - 29.0m at 1.3 g/t AuEq
 - 155.5m at 0.7 g/t AuEq inc 59.0m at 1.0 g/t AuEq



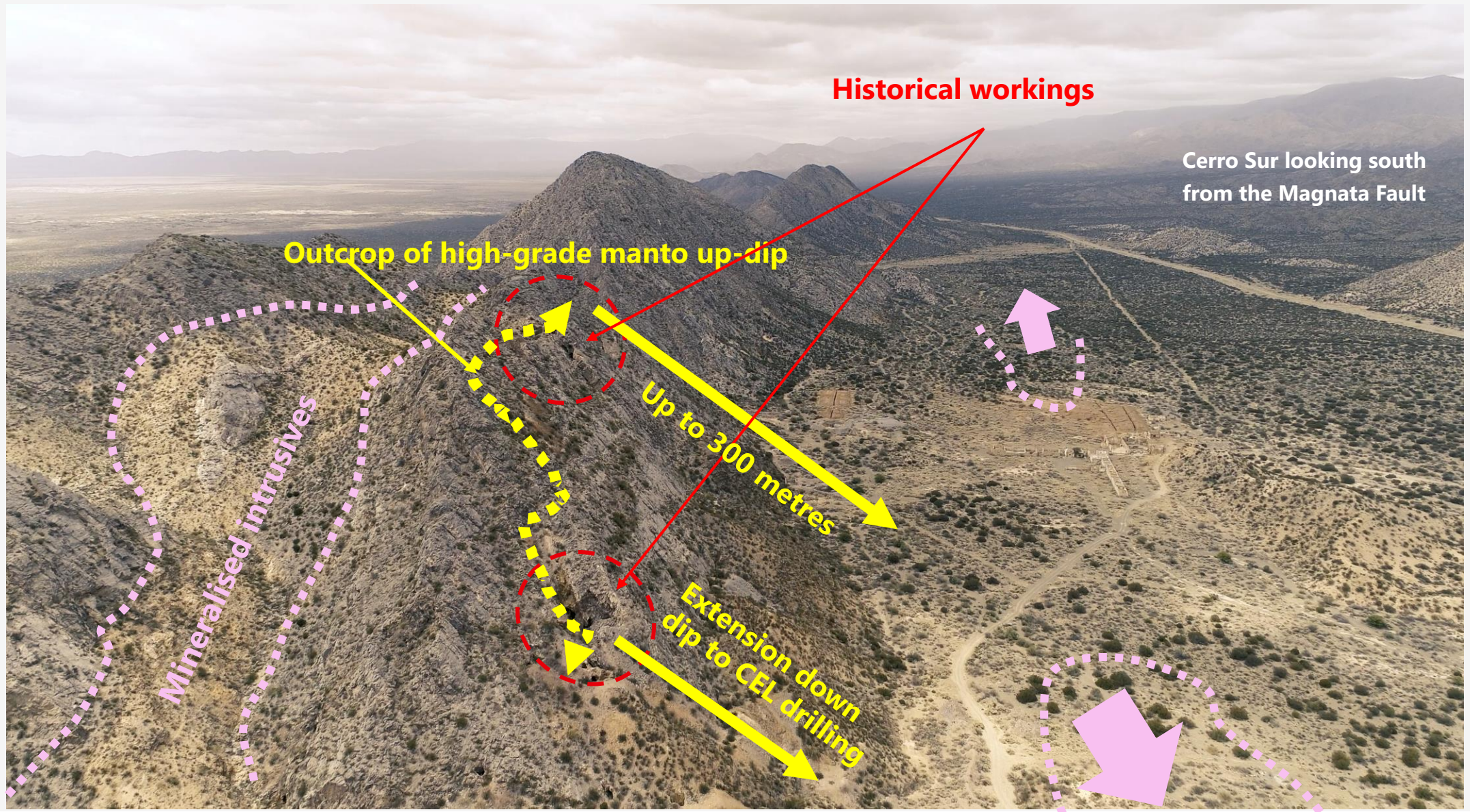
Geophysics (IP) conducted at Cerro Norte shows an interpreted dacite intrusion of significant scale underlying the high-grade mineralisation

Large-scale intrusion-hosted gold system underlying a high-grade skarn



HUALILAN GOLD PROJECT – UPDIP POTENTIAL

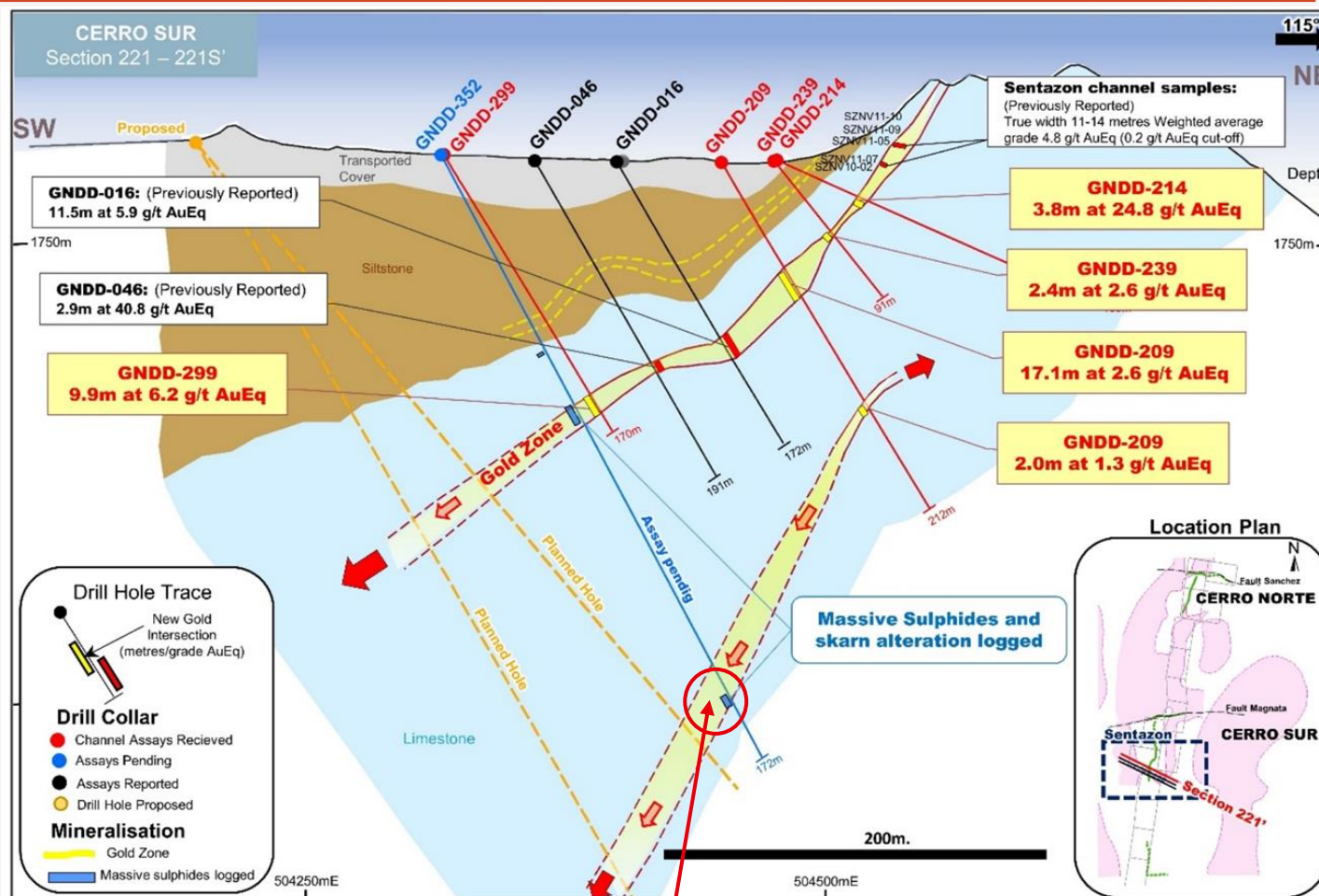
Up to 300 metres of mineralisation up plunge from current drilling



SENTAZON DRILLING CONFIRMS A SECOND DEEPER ZONE

Doubles the vertical extent of high-grade mineralisation at Sentazon

- Most recent Sentazon drill results include:
 - 16.9m at 16.9 g/t AuEq including 7.1m at 32.2 g/t AuEq (GNDD-296)
 - 50.0m at 1.9 g/t AuEq including 2.4m at 17.3 g/t AuEq (GNDD-253).
 - 3.8m at 24.8 g/t (GNDD-214)
 - 9.9m at 6.2 g/t (GNDD-299)
- Doubled the dip extent of the main high-grade mineralisation at Sentazon to 200 metres, with mineralisation open along strike and at depth.
- Confirmed the earlier intersection in GNDD-142 (40.5 metres at 6.2 g/t AuEq) is a new zone in the Footwall 50 metres below the existing mineralisation in the footwall
- Confirmed that a number of earlier CEL drill holes were not drilled deep enough to test both the main Manto and Footwall Zone at Sentazon
- New Zone in the footwall has significant width and extent with deeper drilling (assays pending) intersecting this new footwall zone a further 200 metres down dip
- Ten additional holes completed (assays pending) with another nine holes planned in the current Sentazon drilling which, based on these early results, is likely to be extended.



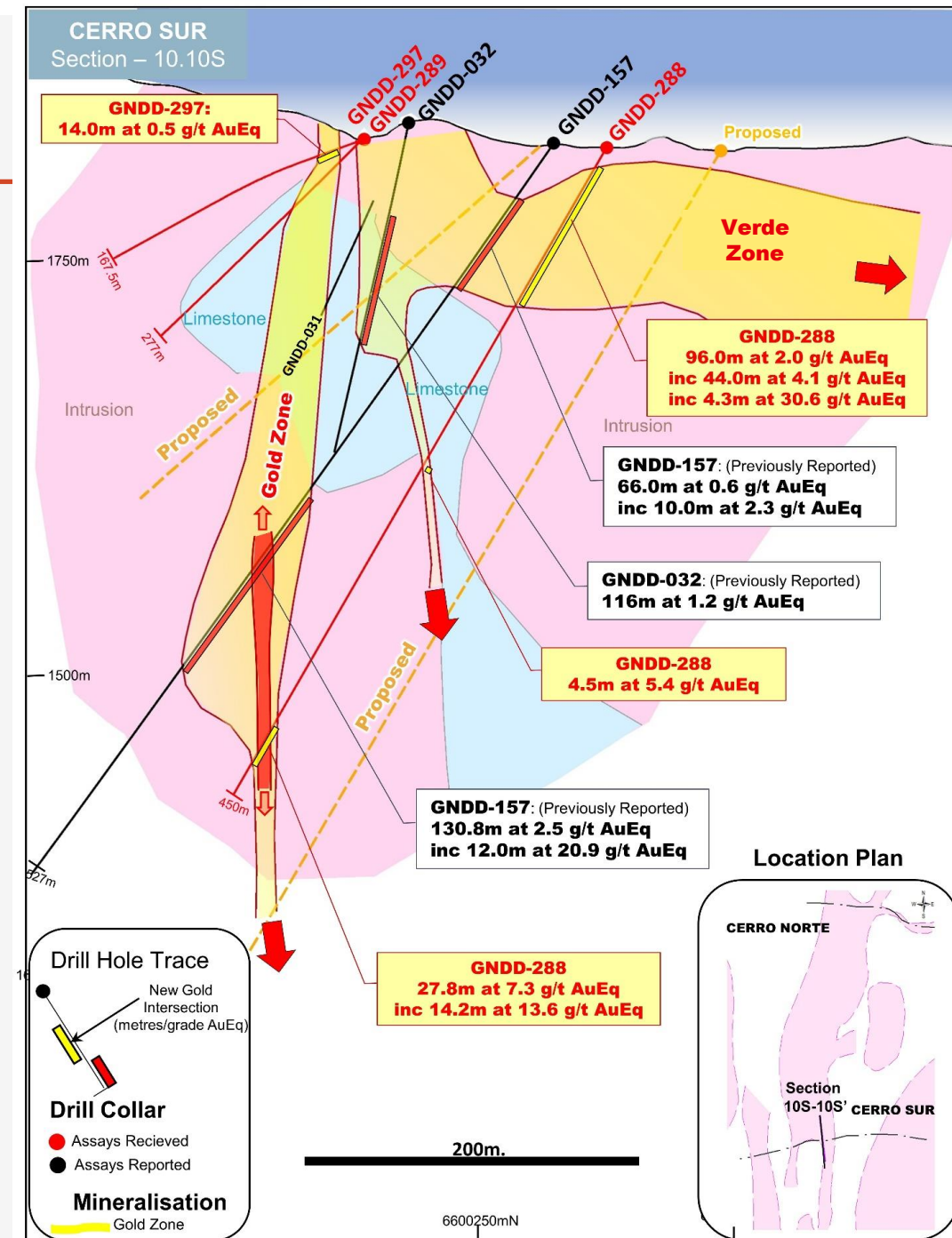
Footwall Zone mineralisation intersected in GNDD-352 from 324-326m (assays pending). Interval logged as massive sulphides containing 20% pyrite-20% shalerite-5% pyrrhotite in strong garnet-silica-pyroxene (skarn) alteration.



RECENT MAGNATA FAULT DRILLING

Significantly extends high-grade mineralisation

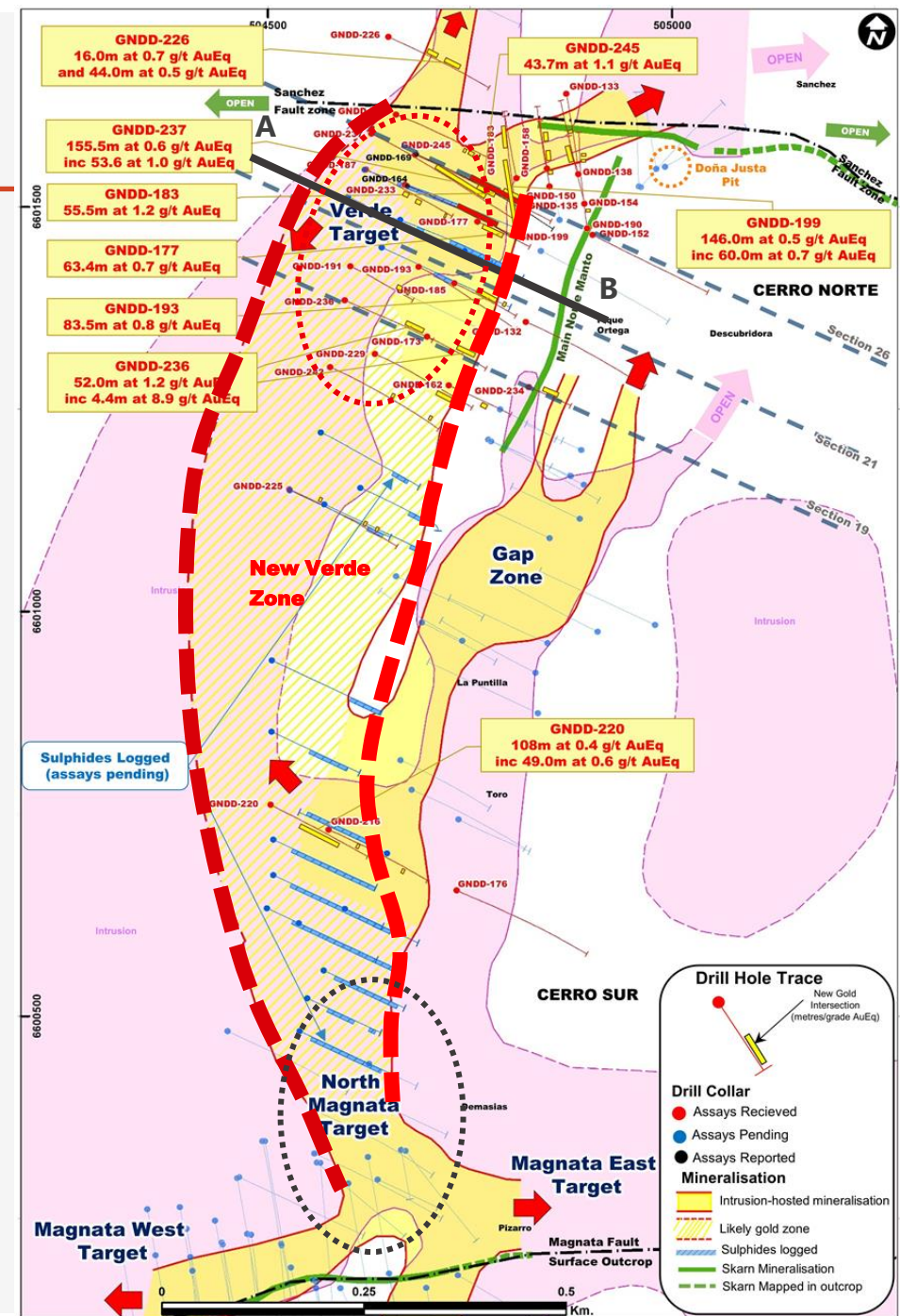
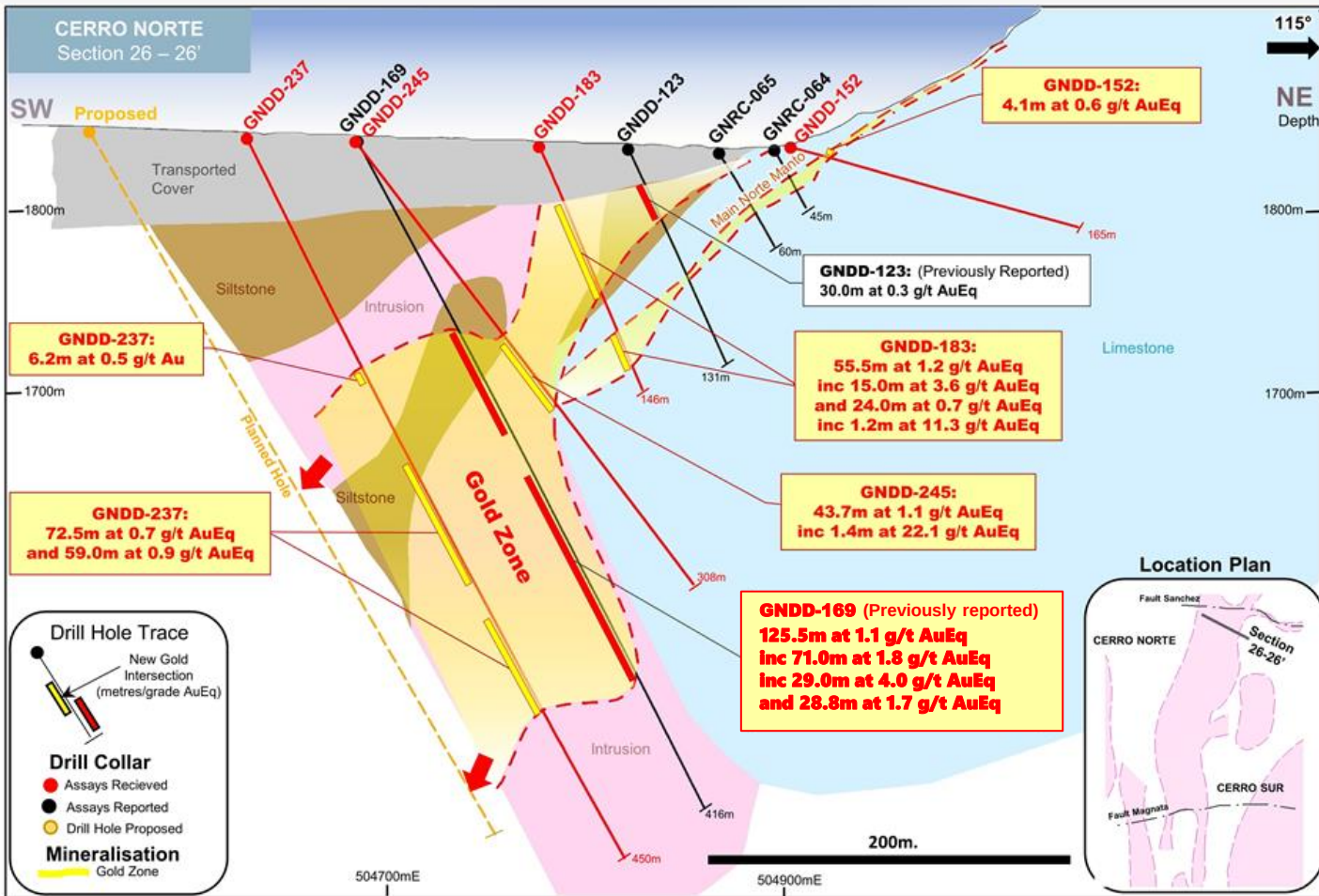
- All 33 step out holes on the Magnata Fault successfully intersected mineralisation with results including:
 - 51.6m at 4.5 g/t AuEq including 7.9m at 27.2 g/t AuEq (GNDD-272)
 - 96.0m at 2.0g/t AuEq including 4.3m at 30.6 g/t AuEq; and
27.8m at 7.3 g/t AuEq including 2.0 metres at 53.4 g/t AuEq (GNDD-288)
 - 21.0m at 7.6 g/t AuEq including 4.4m at 29.9 g/t AuEq (GNDD-217)
 - 10.2m at 6.2 g/t AuEq including 2.2m at 18.5 g/t AuEq (GNDD-286)
- Significantly extended the high-grade Magnata Fault mineralisation along strike and at depth.
- GNDD-288 (14.2 metres at 13.6 g/t AuEq) confirms mineralisation is strong at depth and pushed mineralisation more than 100 metres below the previous deepest hole
- Drilling has confirmed a third high-grade zone of mineralisation associated with the Magnata Fault
- Significant halo of lower grade mineralisation not recognised in historical drilling which may be economically important in an open pit operation
- Magnata Fault mineralisation now covers 400 metres strike and 400 metres vertically with mineralisation mapped in outcrop, another 200 metres to the east.
- Mineralisation remains open in all directions



RECENT VERDE DISCOVERY

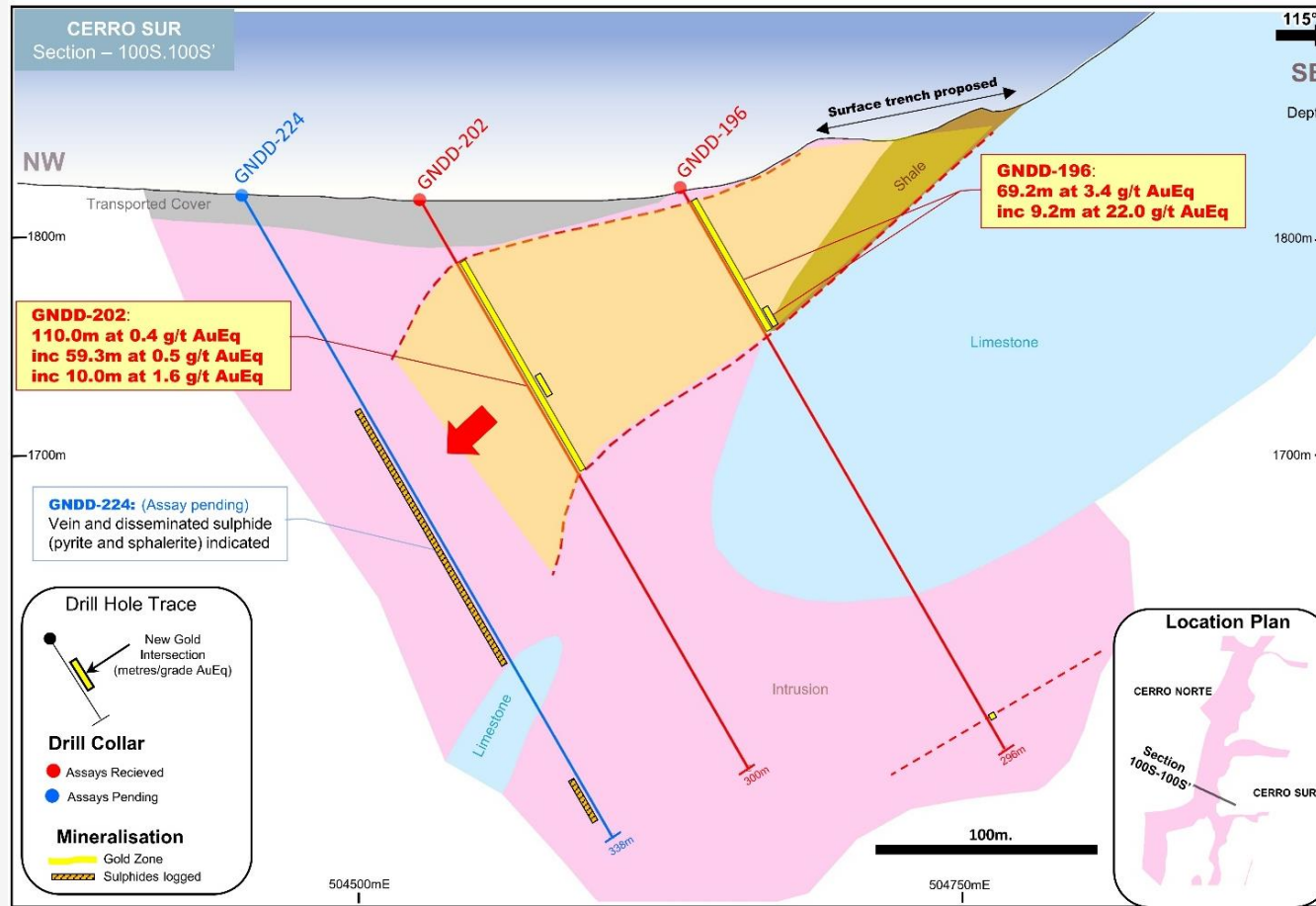
From a discovery to a 1.2km long continuous zone in 3 months

- West of the Gap Zone mineralisation in an area of no drilling completely under cover
- Mineralisation is hosted in intrusives analogous to the Gap Zone and Magnata
- 50-100 metres wide, open below 300 metres, and at least 1.2 km in length
- Results include 125.5m at 1.1 g/t AuEq (GNDD-169) and 55m at 1.2 g/t AuEq (GNDD-183)

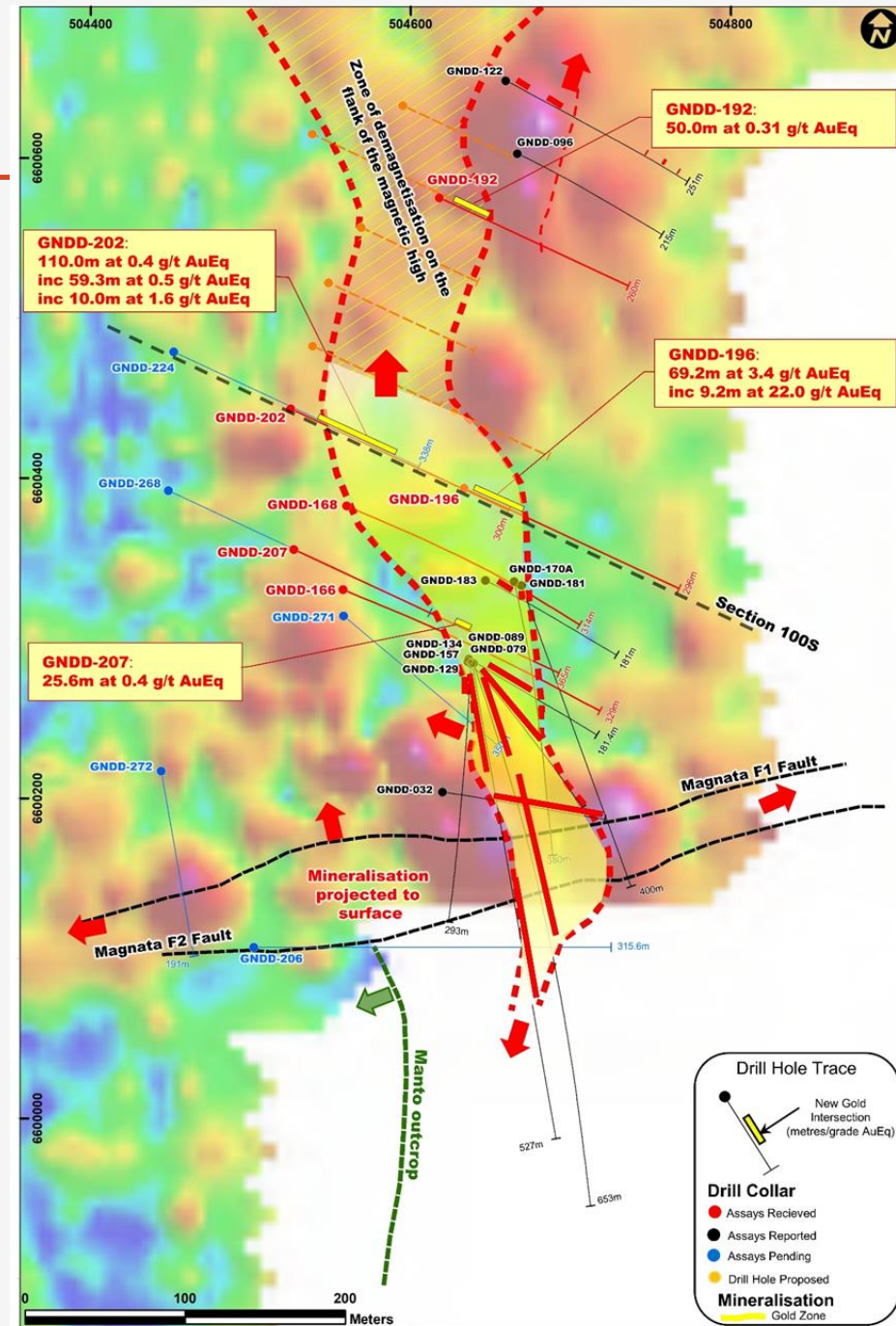


NORTH MAGNATA INTRUSIVES

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) extended mineralisation at Magnata 200 metres
- Mineralisation on the flanks of a positive magnetic anomaly due to demagnetisation by alteration of the intrusions associated with the mineralisation.
- Could join Verde to form a continuous zone of intrusion-hosted mineralisation, 1.5km in length



A FAR BIGGER PLAY THAN EXTENDING WITHIN 2KM STRIKE

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

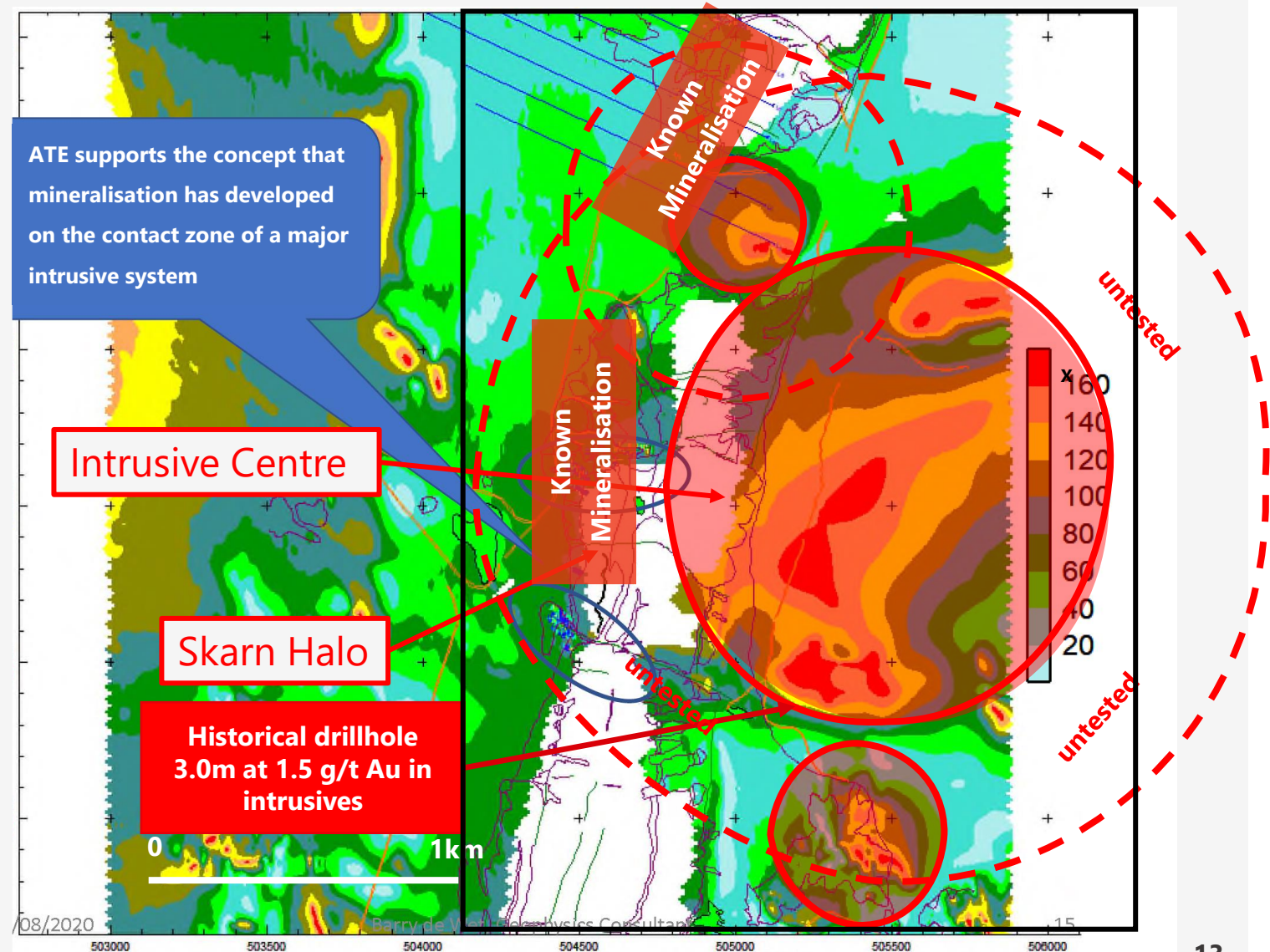
✓ Improved results from Met testing

Intrusion-hosted material

- Recoveries of **93.49% (gold)** and **70.4% (silver)** at a 2% mass pull
- P₈₀ of 80 micron grind – with 20 micron regrind
- Attractive concentrate containing 53 g/t gold and 284 g/t silver with no deleterious elements expected
- Increases payability above 90%
- Cuts concentrate transportation costs in half

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



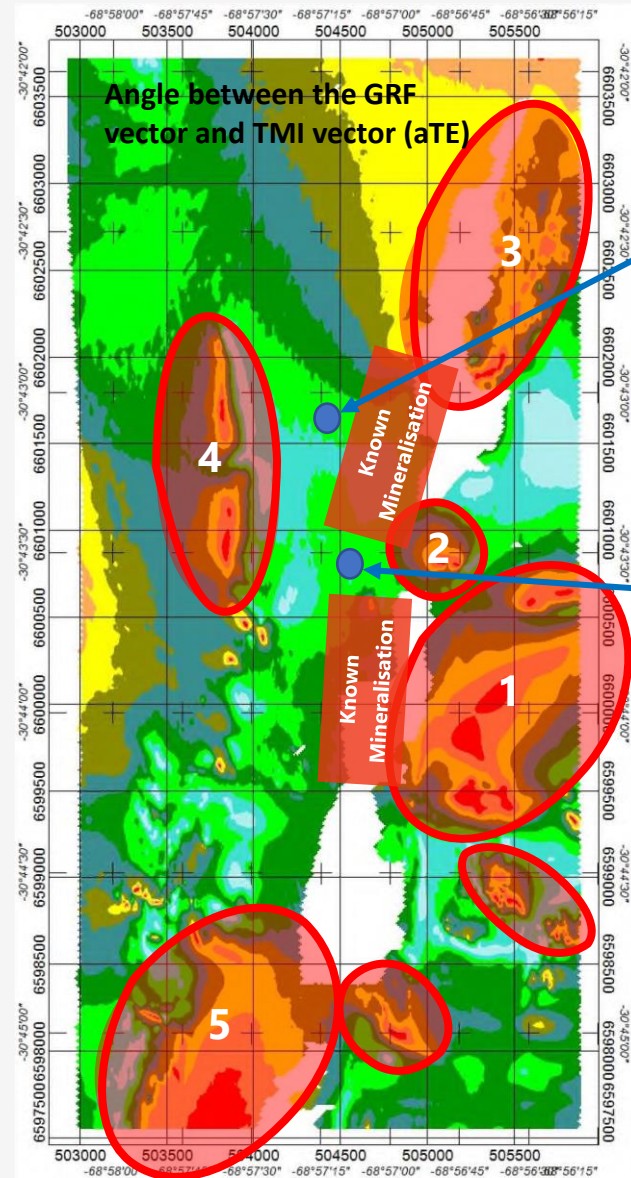
REGIONAL MAG DATA (MAGNETIC FEATURES) – FIVE CENTRES

20km unexplored stratigraphy and five 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 which are largely unexplored

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



- In some of the deeper and more westerly drilling at Verde we are seeing a higher temperature skarn assemblage.
- Higher temperature could be interpreted as closer to the source of mineralisation which upgrades aTE Anomaly 4



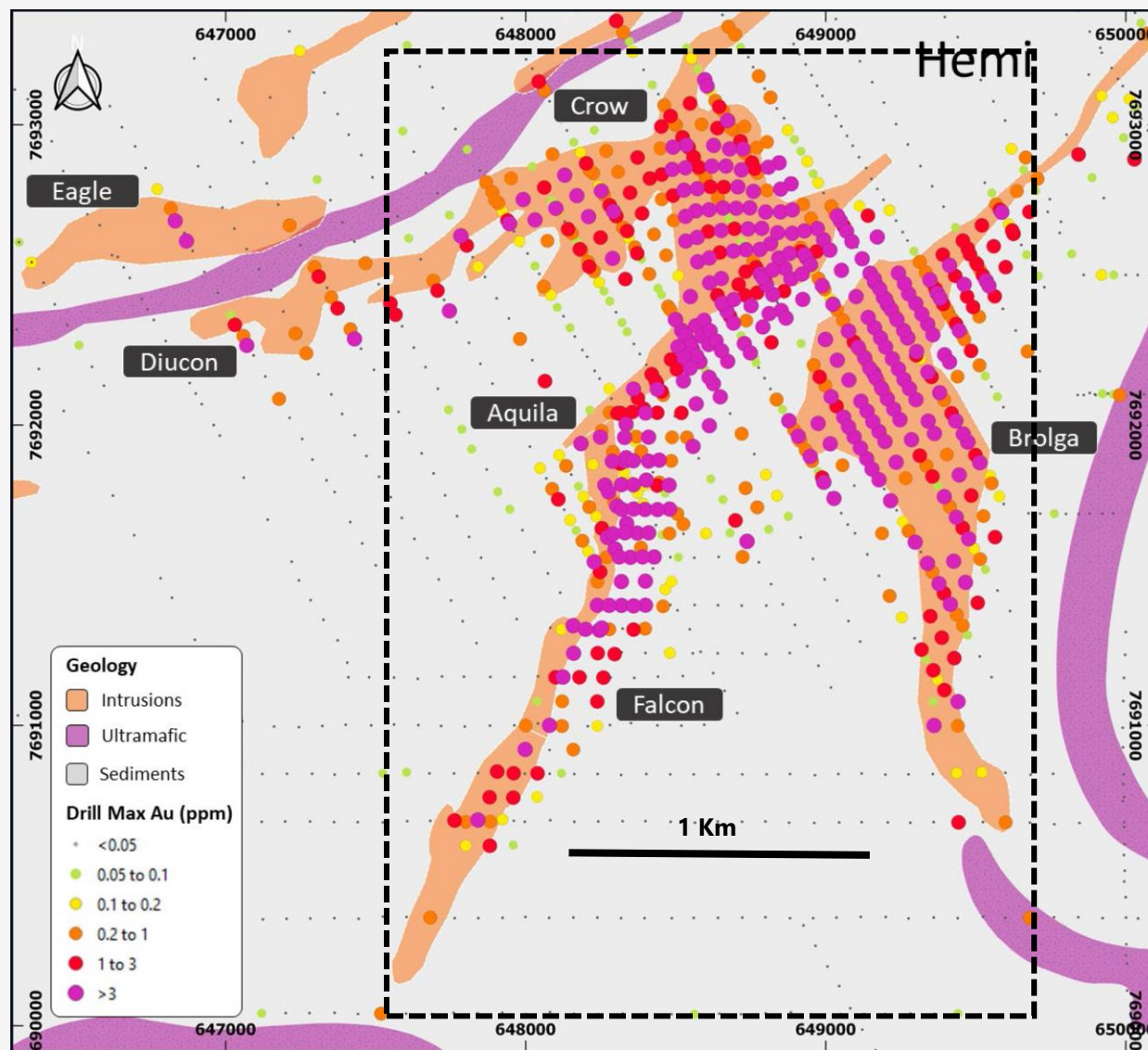
GNDD-336 : (349.5-356.0m (North Verde - assays pending)



GNDD-332 : 263.2-263.8m (South Verde - assays pending)

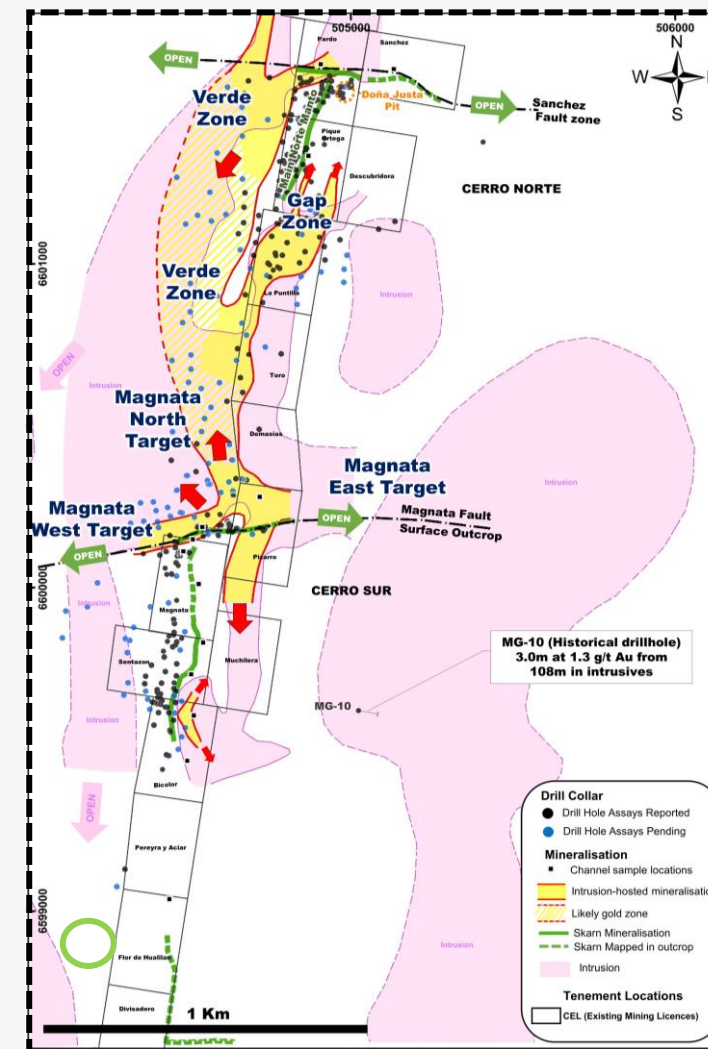
SIMILAR FOOTPRINT TO DE GREY MINING HEMI DISCOVERY

Hemi and Hualilan to scale



DEG
\$1.5Bn market
capitalisation

CEL
<\$300m market
capitalisation



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
- Allows a sensible staged expansion (out of cashflow) to a larger and long life bulk gold operation based on the underlying intrusion-hosted mineralisation
- Hualilan makes execution of a large bulk gold deposit in Ecuador achievable

Hualilan Gold Project Argentina

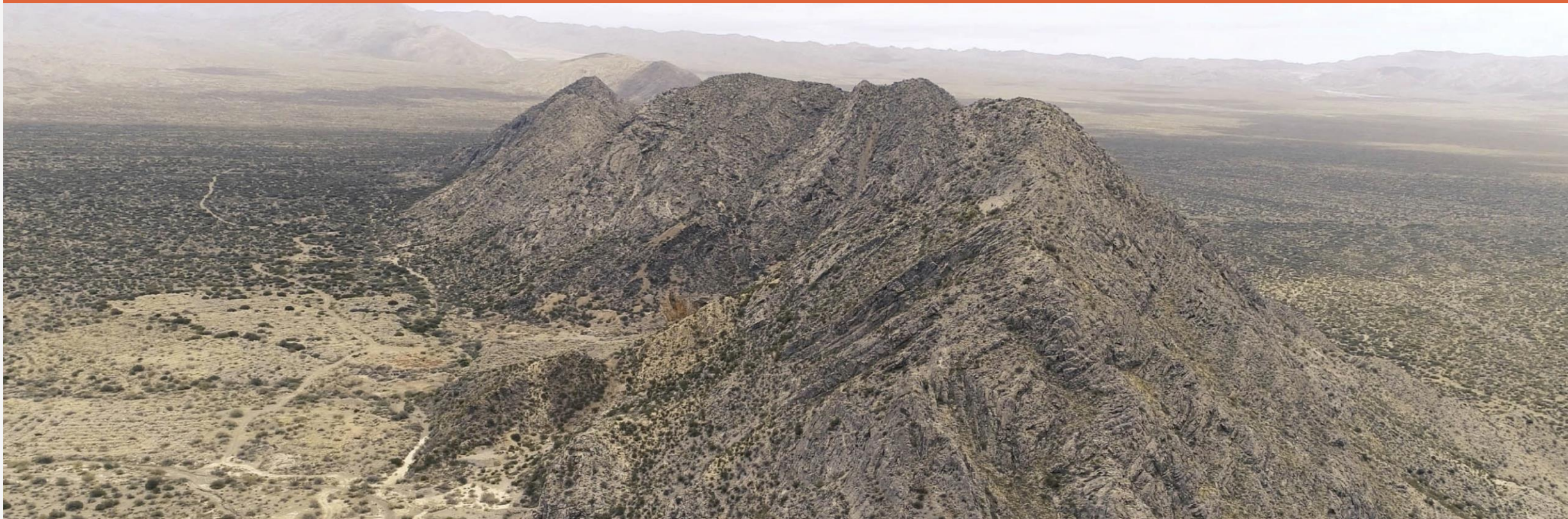
- High-grade historical resource
- Significant exploration potential
- Excellent infrastructure in place
- Strategy to aggressively add ounces
- Production will be pursued once we have the benefit of scale

El Guayabo Project Ecuador

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

Near term catalysts and continual news flow from both projects

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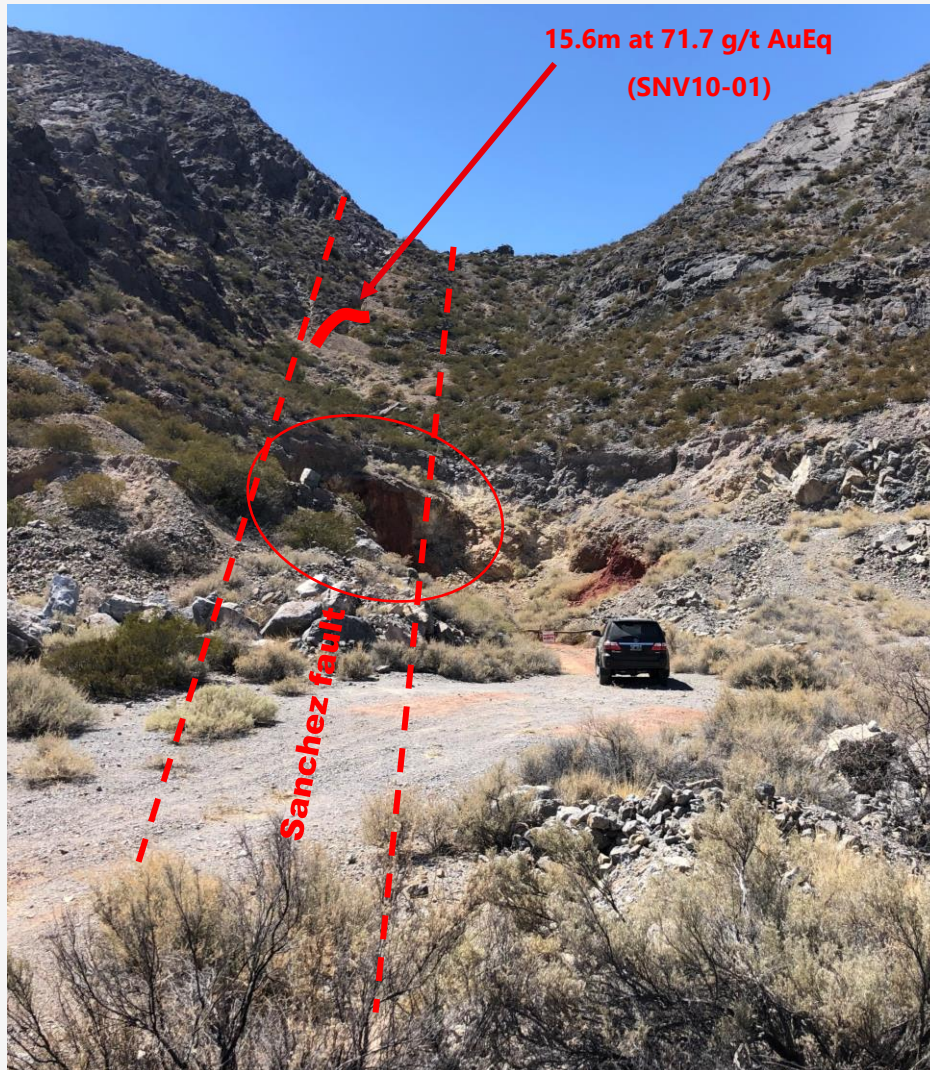
Appendix 1 Hualilan Gold Project

Foreign Historical Resource and References



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.

^{#2} Gold Equivalent (AuEq) values - Requirements under the JORC Code

- Assumed commodity prices for the calculation of AuEq is Au US\$1780 Oz, Ag US\$24 Oz, Zn US\$2,800 /t
- Metallurgical recoveries for Au, Ag and Zn are estimated to be 89%, 84% and 79% respectively (see **JORC Table 1 Section 3 Metallurgical assumptions**) based on metallurgical test work.
- The formula used: $\text{AuEq (g/t)} = \text{Au (g/t)} + [\text{Ag (g/t)} \times (24/1780) \times (0.84/0.89)] + [\text{Zn (\%)} \times (28.00 \times 31.1/1780) \times (0.79/0.89)]$
- 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.

REFERENCE TO PREVIOUS ASX RELEASES



Verde and Gap Zone drilling at night
(taken August 10th 2021)

Previous ASX Releases referred to in this presentation

Date	Title
12 Aug 2021	Hualilan drilling confirms a second deeper zone and doubles the vertical extent of high-grade mineralisation at Sentazon
29 Jul 2021	High grade mineralisation substantially extended at the Hualilan Gold Project
21 Jul 2021	Further outstanding metallurgical results from the Hualilan Gold Project
9 Jul 2021	CEL Acquires 100% of Flagship Hualilan Gold Project
1 Jul 2021	CEL Delivers Bonanza Grades at Hualilan Gold Project
16 Jun 2021	Challenger continues to receive positive drilling results from its flagship Hualilan Gold Project
3 Jun 2021	New Zone of High-Grade mineralisation extends strike 50% to 3.1 kilometres at Challenger's Hualilan Gold Project
5 May 2021	Exceptional drilling results extend intrusive-hosted mineralisation at CEL's Hualilan Gold Project
2 Mar 2021	Discovery of a second trend of mineralisation at Hualilan with 126m at 1.1 g/t Au including 71m at 1.7 g/t Au
22 Feb 2021	Gold recoveries of 91-94% from Phase 1 metallurgical testing at Challenger's Hualilan Gold Project
2 Feb 2021	131 metres at 2.5 g/t AuEq2 in new zone at Hualilan
30 Oct 2020	Drilling Confirms Major Intrusion-Hosted Gold System
8 Jul 2021	CEL Makes New Gold Discovery at Hualilan
25 Feb 2019	Challenger to Acquire Rights to Two South American Au/Cu Projects