# ASX MARKET RELEASE

## Challenger Gold sharpens Hualilán development pathway

**A$85 million funding support, strengthened leadership and disciplined transition plan reinforce Hualilán's long-term value pathway following operational review**

**Perth, Western Australia — 13 August 2026** — Challenger Gold Limited (ASX: CEL) ('Challenger' or 'the Company') is pleased to provide a market update on the Company's 100%-owned Hualilán Gold Project in San Juan Province, Argentina, following completion of an operational review that reinforces the strategic rationale for advancing Hualilán toward a larger, integrated mine and processing development pathway.

The operational review confirms that Hualilán remains a robust and strategic gold development asset. This view is supported by the recently disclosed Pre-Feasibility Study ('PFS'), which outlined a 14.25-year life-of-mine production target of 1.84Moz AuEq, average annual production of approximately 135koz AuEq after the staged start-up period, a pre-tax NPV5 of US$1.45 billion and post-tax NPV5 of US$1.10 billion at a US$3,500/oz gold price, and a life-of-mine AISC of US$1,618/oz payable gold. The positive development case is further reinforced by the commencement of Challenger's first exploration drilling program at Hualilán in more than three years, with an initial minimum 35,000-metres of diamond drilling now underway to test extensions of known mineralisation, support Mineral Resource conversion and provide geotechnical information for the proposed Phase 1 standalone Heap Leach project. Importantly, the initial small-scale mining and third-party processing campaign has generated valuable reconciliation, mining, grade-control, metallurgical, and cost information that is now being directly incorporated into mine planning, engineering and development workstreams. This work is expected to support a sustainable operating model designed around on-site processing, improved mining flexibility, stronger cost control and greater long-term value capture.

## STRENGTHENED LEADERSHIP AND INVESTMENT SUPPORT

Challenger has entered this next phase with a significantly strengthened leadership and funding platform. The Company has announced an A$85 million equity raising to support Hualilán's advancement, including resource growth drilling, feasibility work, selected development preparation and working capital. The placement is supported by existing institutional shareholders and new global mining investors, including a lead commitment from Peter Marrone and associated investors.

The appointment of Peter Marrone as Non-Executive Chairman, together with the appointment of Yohann Bouchard as Chief Operating Officer, Felipe Riquelme as Chief Financial Officer, and Luke Buchanan as VP Project and Strategic Planning, brings deep mine development, financing, construction and operating experience to Challenger. This enhanced leadership capability is expected to be particularly important as the Company progresses Hualilán through feasibility optimisation, permitting, financing, early works and construction readiness.

Challenger considers the combination of new leadership, institutional backing and a disciplined technical reset to be a strong endorsement of Hualilán's potential. The Company's objective is to apply this experience and capital support to convert operational learnings into a clearer development plan, stronger execution capability and a more compelling pathway to long-term shareholder value.

**CHALLENGER GOLD**
ACN 123 591 382
ASX: **CEL**

**AUSTRALIAN OFFICE**
Level 1
100 Havelock St
West Perth
WA 6005

**CONTACT**
T: +61 8 6385 2743
E: admin@challengergold.com
www.challengergold.com

## POSITIVE TRANSITION TOWARD INTEGRATED DEVELOPMENT

The Company is implementing a disciplined transition from the current third-party toll treatment model toward a structure that better supports the long-term development of Hualilán. The operational review has confirmed that the current small-scale, selective mining model is less suited to the broader, more disseminated grade distribution now better understood within the orebody. Challenger believes this outcome strengthens the case for an integrated mining and processing operation, where mine planning, processing strategy, cost management and value capture can be more closely aligned.

During an orderly transition period of approximately four months, the Company intends to focus activity on mining, preparing, stockpiling and commercialising ore that is confirmed to be technically and economically suitable. Challenger is also assessing replacement of the existing toll treatment structure with an ore purchase arrangement with Casposo. If implemented, this arrangement is expected to reduce direct exposure to third-party processing cost risk while maintaining a commercial pathway for cashflow generation.

To accelerate the Stage 1 Heap Leach the mining contractor's resources may also be reassigned, where appropriate, to earthworks for the construction phase and to mining areas requiring smaller equipment, including areas that may generate high-grade ore suitable for sale to Casposo under the proposed ore purchase agreement.

The PFS provides important additional context for this transition. It contemplated a larger, integrated open-pit development with a conventional 1.5Mtpa flotation plant and an 8Mtpa heap leach circuit, designed to improve ore routing flexibility and reduce operational risk compared with a narrow toll-treatment model. The study also highlighted low upfront capital requirements, with estimated start-up capital of US$232 million excluding contingency, and a payback period of approximately 2.25 years from commencement of production.

Importantly, this transition is not a reduction in Challenger's commitment to Hualilán. It is a proactive operating adjustment intended to maximise cashflow, improve standalone project value, retain critical operating knowledge, maintain key supplier relationships where appropriate and align near-term activity with the future standalone development contemplated by the Company's feasibility work.

## PATHWAY TO CONSTRUCTION AND OPERATIONS

Challenger's development plan is focused on advancing the Hualilán Project toward construction readiness and future operations. The Company is progressing updates to its pre-feasibility work, mine plan optimisation, engineering design, detailed engineering, permitting, financing and early procurement activities, including planning for long-lead equipment where appropriate. The PFS production profile provides a clear reference case for this work, with more than 105koz AuEq targeted in each of Years 1 and 2 during the staged start-up phase, followed by 12 years averaging approximately 135koz AuEq per annum. These workstreams are intended to support a staged and investable development pathway as Hualilán advances toward its next major milestone.

## EXPLORATION CAMPAIGN ADDS GROWTH AND DE-RISKING POTENTIAL

Challenger has commenced an initial minimum 35,000-metre diamond drilling campaign at Hualilán, marking the first exploration drilling program at the Project in more than three years. The program is designed to add both growth and development value: the majority of drilling will test extensions of known mineralisation at depth and along strike, while also advancing Mineral Resource conversion within the existing open pit design. Approximately 5,000 metres will be dedicated to geotechnical drilling to support the accelerated development pathway for the proposed Phase 1 standalone Heap Leach project.

The campaign provides a clear near-term catalyst for the Company and is aligned with the larger Hualilán development strategy. The existing 2.8Moz AuEq Mineral Resource remains open both along strike and at depth, and the new drilling is intended to systematically test this upside while improving the Company's understanding of the scale, geometry and continuity of the mineralised system. In parallel, Challenger has commenced a comprehensive compilation and reinterpretation of existing geophysical datasets across the broader property to support a district-scale exploration strategy and generate new targets capable of adding further value beyond the current resource base.

Subject to completion of engineering studies, permitting, financing, project approvals and regulatory processes, including potential approval under Argentina's Incentive Regime for Large Investments, Challenger is targeting a pathway that supports commencement of construction activities during 2027 and rapid progression toward stand-alone production in early 2029.

## EXECUTIVE COMMENTARY

Challenger Gold said the recent investment support and leadership additions provide a strong platform for the next stage of Hualilán's development. The Company believes the project's scale, location in San Juan Province, established technical base and strengthened funding position provide a compelling foundation for creating long-term shareholder value.

"Hualilán remains a high-quality gold development opportunity with the potential to become a meaningful, long-life operation," the Company said. "The published PFS demonstrates the scale of the opportunity, including a 1.84Moz AuEq production target, a 14.25-year mine life, low upfront capital intensity, a competitive AISC profile and significant NPV leverage to the gold price environment. The commencement of the 35,000-metre drilling campaign is an important next step in unlocking further value, with drilling focused on resource growth, conversion within the open pit design, geotechnical support for the Phase 1 standalone Heap Leach project and the generation of broader district-scale exploration targets. The operational learning from the initial campaign has sharpened our understanding of the orebody and reinforced the merits of an integrated processing strategy. With new leadership, a strengthened balance sheet, a fully funded exploration program and a clear technical pathway, Challenger is well positioned to advance Hualilán toward construction and operations."

## OUTLOOK

Challenger will continue to provide market updates as the transition program, 35,000-metre drilling campaign, engineering studies, permitting, financing and development workstreams progress. The Company's near-term focus is to maximise cashflow through the current operational transition, apply the lessons from early mining activity and accelerate the work required to position Hualilán for its next major phase of development. Progressive results from the drilling campaign are expected to provide important technical inputs and potential value catalysts as Challenger tests extensions to the known mineralisation, advances resource conversion and refines district-scale exploration targets. In doing so, Challenger intends to align near-term decisions with the larger PFS value case, including the project's long-life production profile, low-cost objectives and significant NPV potential.

**This announcement has been authorised for release by the Board of Challenger Gold Limited.**

**For further information contact:**

**Investor Enquiries**
**Yohann Bouchard**
**Chief Operating Officer**
**yohann.bouchard@challengergold.com**

**Media Enquiries**
**Jane Morgan**
**+ 61 405 555 618**
**jm@janemorganmanagement.com.au**

## 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.

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 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.

### COMPETENT PERSON STATEMENT – ORE RESERVES

The information that relates to Ore Reserves has been compiled Grant Carlson, P.Eng., who is not a full-time employee of the Company. Mr. Carlson is a registered professional engineer with Engineers and Geoscientists British Columbia. Mr. Carlson has over 20 years experience in the mining and metals industry and qualifies as a Competent Person as defined in the JORC Code (2012).

Mr. Carlson 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. Mr. Carlson 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 or 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 Gold Ltd 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. All dollar amounts in this report refer to United States Dollar unless otherwise stated.

## HUALILAN GOLD PROJECT MRE AND PRE-FEASIBILITY STUDY

This announcement contains references to the Company's PFS announced to the ASX on 18 May 2026 entitled 'Hualilan Gold Project Pre-Feasibility Study'. The Company confirms that all material assumptions underpinning the production target, forecast financial information, Mineral Resources and Ore Reserves contained in that announcement continue to apply and have not materially changed. The Company is not aware of any new information or data that materially affects the information included in that announcement.

*Table 1 PFS Hualilan MRE depleted for planned Toll Milling 1 mining (using a 0.06 g.t cut-off)*

| Domain | Category | Mt | Au g/t | Ag g/t | Zn % | AuEq[1] g/t | AuEq (oz) |
|---|---|---|---|---|---|---|---|
| **US$3500 optimised shell ≥ 0.1 g/t AuEq** | Indicated | 73.3 | 0.74 | 3.7 | 0.27 | 0.82 | 1,932,540 |
| | Inferred | 56.9 | 0.32 | 2.5 | 0.13 | 0.37 | 669,033 |
| **Below US$3500 shell ≥1.0 g/t AuEq** | Indicated | 0.61 | 1.7 | 8.4 | 1.1 | 2.0 | 38,191 |
| | Inferred | 1.3 | 2.0 | 11.4 | 1.2 | 2.3 | 95,659 |
| **Total** | | 132.1 | 0.57 | 3.3 | 0.21 | 0.64 | 2,735,422 |

*Table 2 PFS Hualilan MRE Reported via > or < 0.8 g/t AuEq components*

| Domain | Category | Mt | Au g/t | Ag g/t | Zn % | AuEq[1] g/t | AuEq (oz) |
|---|---|---|---|---|---|---|---|
| | Indicated | 16.9 | 2.14 | 8.33 | 0.79 | 2.35 | 1,275,588 |
| | Inferred | 4.3 | 2.59 | 14.78 | 0.97 | 2.90 | 402,690 |
| **In pit MRE >0.8 g/t AuEq** | **Total** | **21.2** | **2.23** | **9.64** | **0.83** | **2.46** | **1,678,279** |
| | Indicated | 56.4 | 0.32 | 2.31 | 0.12 | 0.36 | 656,951 |
| | Inferred | 52.6 | 0.13 | 1.50 | 0.06 | 0.16 | 266,343 |
| **In pit MRE <0.8 g/t AuEq** | **Total** | **109.0** | **0.26** | 1.9 | 0.09 | **0.26** | 923,294 |
| | Indicated | 0.61 | 1.70 | 8.44 | 1.07 | 1.95 | 38,191 |
| | Inferred | 1.28 | 2.03 | 11.43 | 1.06 | 2.33 | 95,659 |
| **Total Below the Pit** | **Total** | **1.89** | **1.92** | **10.46** | **1.13** | **2.21** | **133,850** |

The MRE is reported to two significant figures to reflect appropriate precision and may not sum precisely due to rounding. A AuEq cut-off of 0.06 g/t has been used to reflect an expected cut-off given the metal price assumptions and metallurgical information for all processing routes. The MRE is inclusive of reserves.

1 Gold Equivalent (AuEq) values:

- Assumed commodity prices for the calculation of AuEq is Au US$3,500 /oz, Ag US$58.33 /oz, Zn US$2,976/t (US$ 1.35/lb),
- Life of mine weighted average metallurgical recoveries are estimated to be Au (84.8%), Ag (59.1%), Zn (33.7%) across all mineralised material types based on metallurgical test work.
- The formula used: is AuEq (g/t) = Au (g/t) + [Ag (g/t) x 0.01161490] + [Zn (%) x 0.14712530]
- CEL confirms that it is the Company's opinion that all the elements included in the metal equivalents calculation have reasonable potential to be recovered and sold. The AuEq differs from the calculation used in the previous MRE by the removal of Pb as a metal of economic interest and changes in metal price assumptions.

**CHALLENGER GOLD**
ACN 123 591 382
ASX: CEL

**AUSTRALIAN OFFICE**
Level 1
100 Havelock St
West Perth
WA 6005

**CONTACT**
T: +61 8 6385 2743
E: admin@challengergold.com
www.challengergold.com