

ASX: CEL

# Noosa Mining Conference Presentation July 2023

Hualilan Gold Project : Cerro Sur looking north to Cerro Norte

**Challenger Gold Limited**  
Argentina and Ecuador Gold / Copper Projects

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## **COMPETENT PERSON STATEMENT – EXPLORATION RESULTS AND MINERAL RESOURCES**

The information in this report that relates to sampling techniques and data, exploration results and geological interpretation and Mineral Resources 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.

## **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

# CURRENT MARKET CONDITIONS

Massive disconnect between explorers and producers that will eventually normalise



# Challenger Gold SNAPSHOT

Two significant discoveries, both with grade and scale, provide strategic flexibility



## Hualilan Gold Project

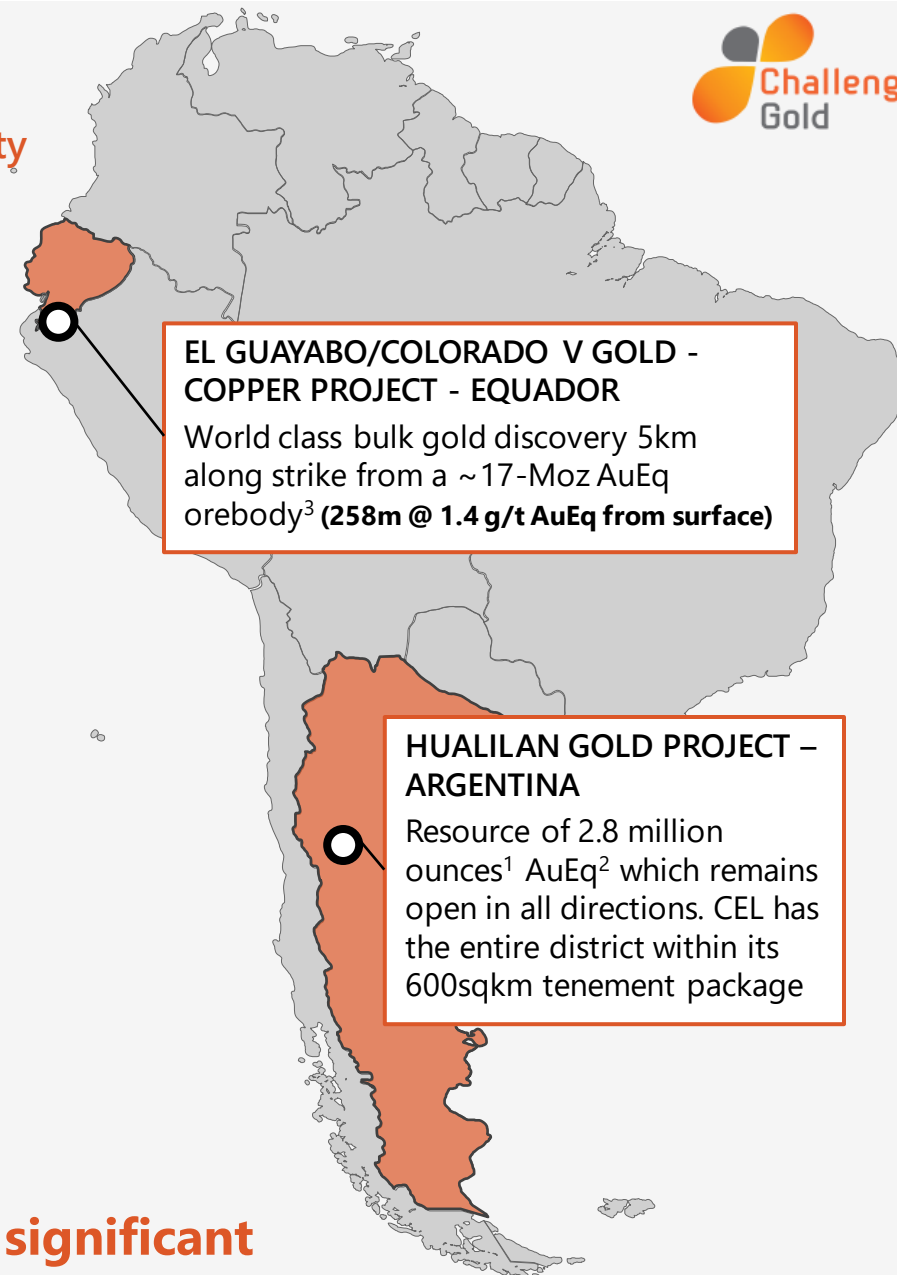
100%

2.8 Moz<sup>1</sup> AuEq<sup>2</sup> Gold Resource  
Expansion through exploration

## El Guayabo Gold-Copper Project

50-100% - El Oro; Ecuador

4.5 Moz<sup>4</sup> AuEq<sup>2</sup> Gold Resource  
Potential to become a Tier-1 asset



**ASX Ticker**  
CEL

**250,000m**  
Drilled to Date

**7.2m Oz**  
Total Gold Resources<sup>1,2</sup>

**1189m**  
Shares

**1373m**  
Fully Diluted Shares

**\$0.10**  
Share Price

**\$137m**  
Market Cap Fully Diluted

**A\$13m**  
Cash

**A\$124m**  
Diluted EV

**12-month runway following recent capital raise with several significant value accretive milestones over next 9 months**

<sup>1</sup> information regarding the Hualilan Gold Project MRE required under the JORC Code is provided on Slide 18 (Appendix 1) of this presentation.

<sup>2</sup> information regarding AuEq's required under the JORC Code is provided on Slide 18 (Appendix 1) of this presentation.

<sup>3</sup> Source: Lumina Gold NI 43-101 Technical Report Cangrejos Project July 2020

<sup>4</sup> information regarding the El Guayabo Gold-Copper Project MRE required under the JORC Code is provided on Slide 18 (Appendix 1) of this presentation

# CORPORATE SNAPSHOT

An experienced Board & Management team with a proven track record

## Key Executives



**Kris Knauer**  
CEO & Director

- Exploration geologist.
- Investment banking experience, initially as a mining analyst.
- Led the listing of a package of copper/gold assets in Saudi Arabia to create Citadel Resources (ASX : CGG) becoming the founding Managing Director.



**Sergio Rotondo**  
Exec Director

- Background in construction having managed billion-dollar projects from design through completion.
- Core competencies are logistics, Government relations, safety.
- Original owner the Hualilan Gold Project in Argentina selling the project to CEL in an all-share deal.



**Mike Zivcic**  
COO

- **Mining Engineer and has spent the past 12 years in operational roles in mines in Australia, West Africa, & PNG.**
- **Based in San Juan and for the 2-years prior to joining CEL was GM of Barrick Gold's 400,000 Oz Veladero mine in San Juan 5 hours by road from Hualilan**



**Scott Funston**  
CFO

- Qualified Accountant and Company Secretary/CFO with twenty years' experience in the mining industry.
- Recently CFO of Avanco Resources and responsible for the financial component of the Avanco Resources DFS from start-up to a A\$0.5Bn takeover.



**Stuart Munroe**  
Exploration Manager

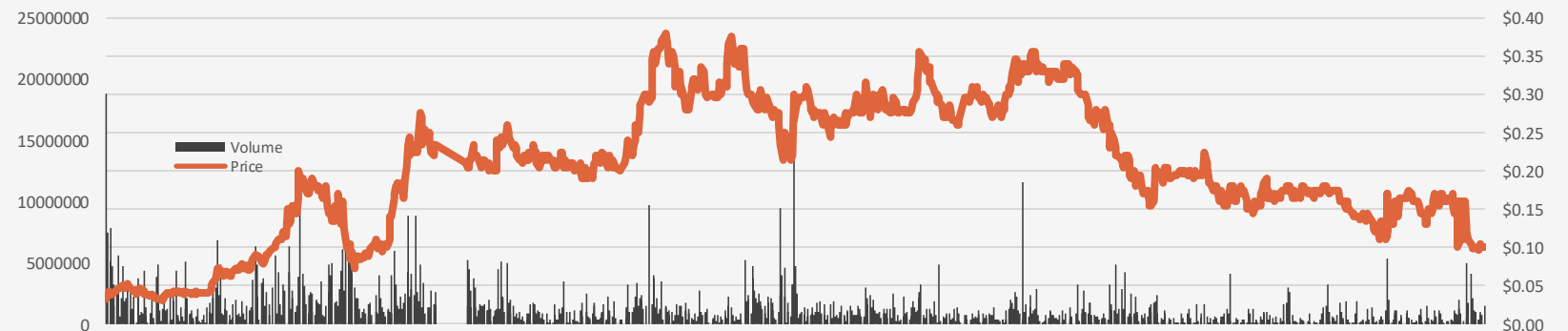
- Geologist with 25+ years experience and involved in detailed studies of controls on mineralisation, resource model assessment, and strategic planning.
- Extensive experience in the mining industry including roles as Exploration Manager for ASX Listed companies.

## Major Shareholders

Shareholder	Shares	(%)
<b>Top 20 Shareholders</b>	<b>487.9m</b>	<b>46.7</b>
BlackRock Group	140.8m	13.5
Kris Knauer (Director/CEO)	89.3m	8.5
Sergio Rotondo (Director/COO)	89.0m	8.5
Fletcher Quinn (Chairman)	24.2m	2.3
Queen's Road Capital	83.5 <sup>1</sup> m	8.0
<b>Board and Management</b>	<b>231.6m</b>	<b>22.2</b>

<sup>1</sup> QRC estimated holding after debenture conversion

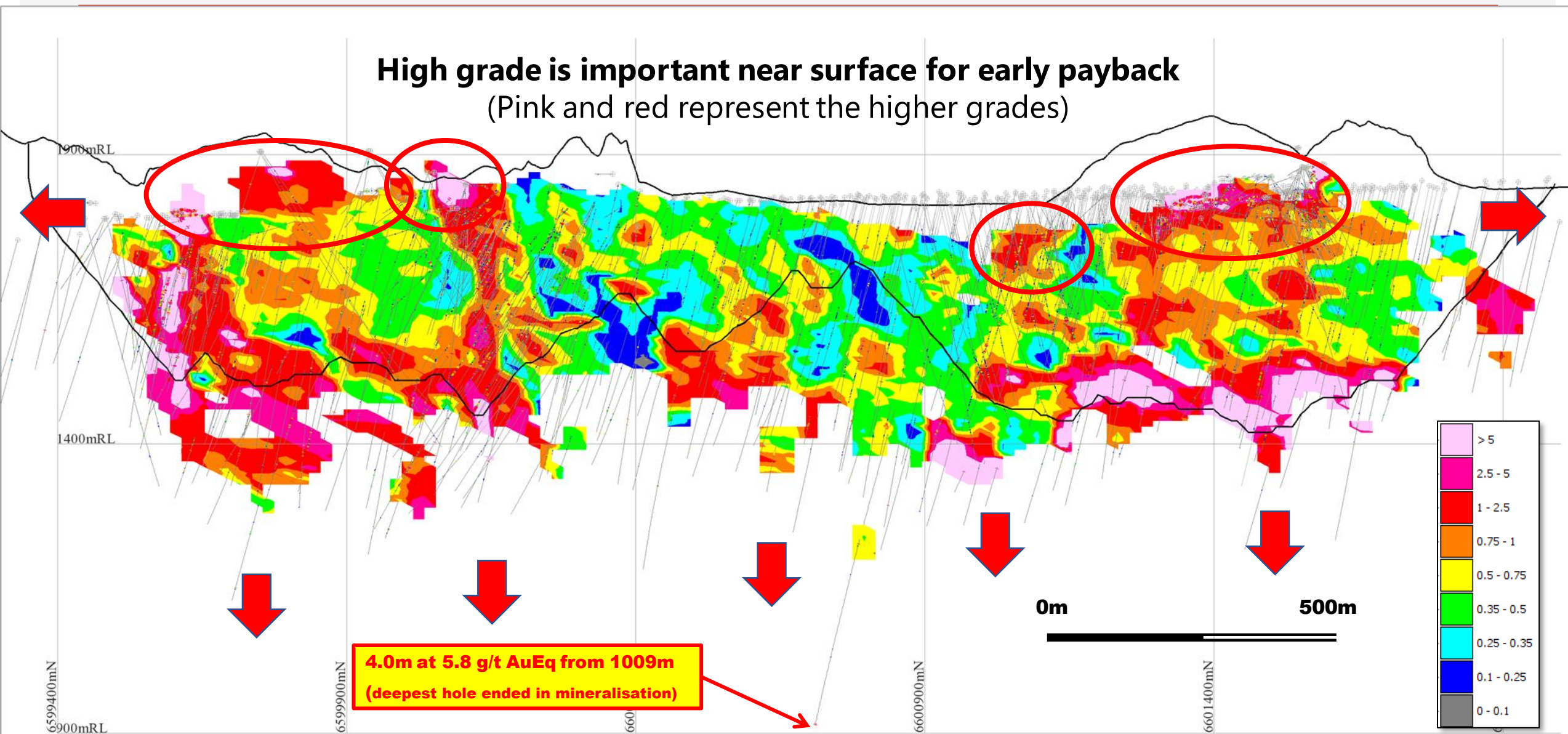
## Share Price Since Listing (July 2019)



# 2.8 MILLION OUNCE (AUEQ) RESOURCE THAT REMAINS OPEN

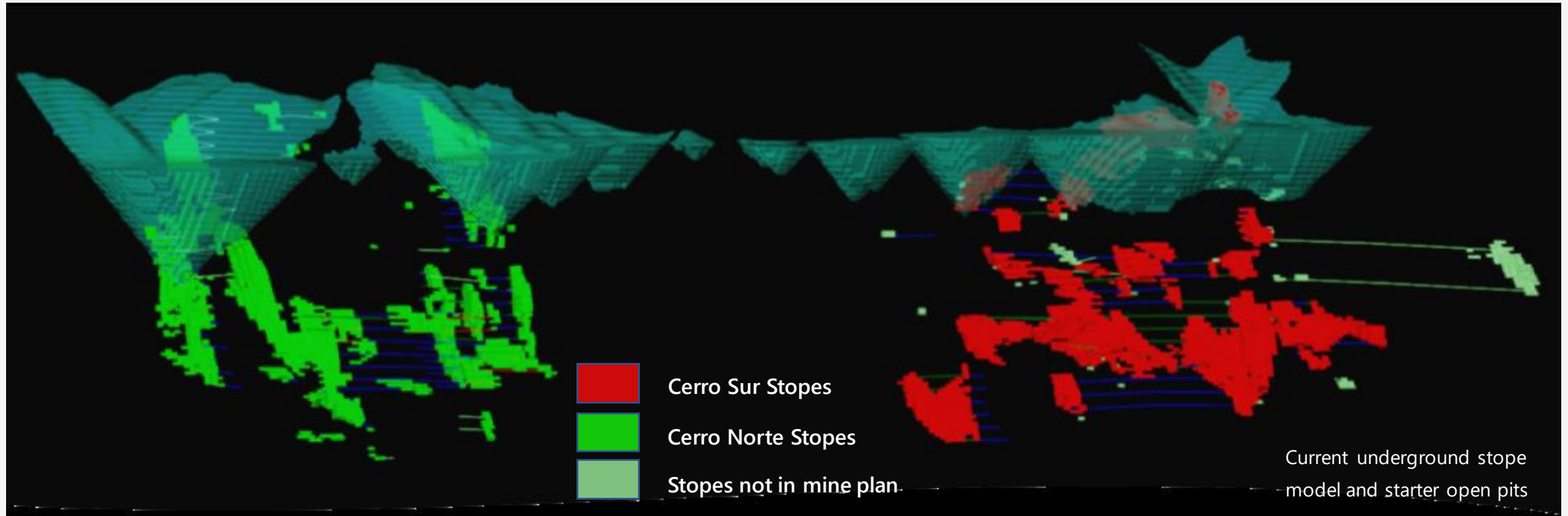
High-grade core of 1.6Moz at 5.0 g/t AuEq

**High grade is important near surface for early payback**  
(Pink and red represent the higher grades)



# Scoping Study – Continues to Make Excellent Progress

Scoping Study designed to optimise for earnings/cashflow per share and produce a project CEL can deliver



- Scoping Study must tick certain boxes in the current market conditions
  1. Low up front capital requirements – a project that is fundable in the current market conditions
  2. Low cost and high cashflow – short payback period (1-2 years) and high IRR
  3. maximise earnings/cashflow per share from the project to best benefit shareholders
- Accordingly, the Scoping Study will focus on the high-grade core of Hualilan
- Sensible Approach : Aim is to deliver a low capex, low-cost project (not capture the last 5-10% of NPV) and risk CEL's ability to deliver the Project

# BUILDING A DISTRICT SCALE FOOTPRINT AT HUALILAN

Discoveries like Hualilan seldom occur in isolation – hence a 600 sqkm footprint which is unexplored

**2.8 Moz<sup>1</sup>**  
Resource  
(marked in red)

**2.2 km**  
Resource  
Strike

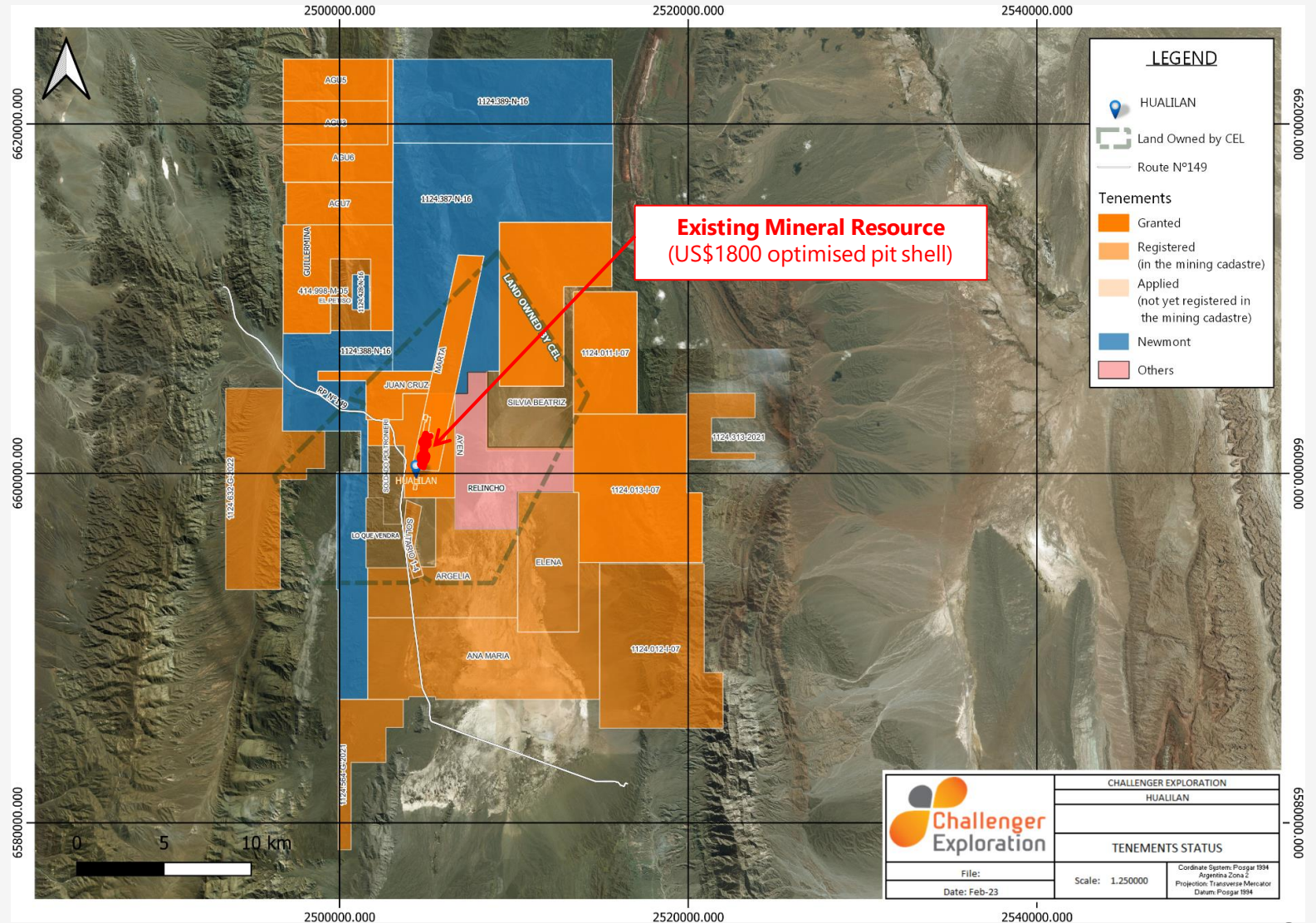
**3.5km**  
Mineralised  
Strike

**564 km<sup>2</sup>**  
District Scale  
Footprint

**30 km**  
Known Strike  
unexplored

**+50 g/t**  
material 10km  
north

**Purchased 20,000 Ha of  
underlying land**

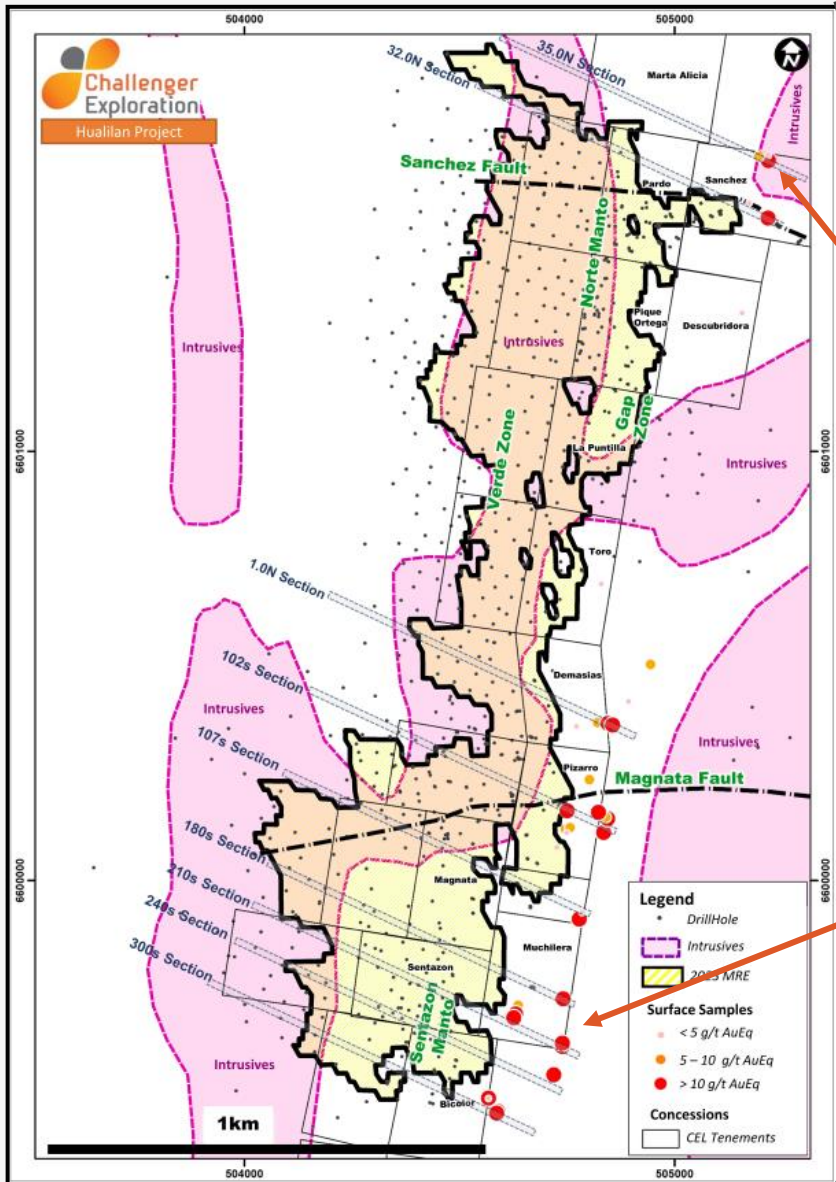


<sup>1</sup> information regarding the Hualilan Gold Project MRE required under the JORC Code is provided on Slide 18 (Appendix 1) of this presentation



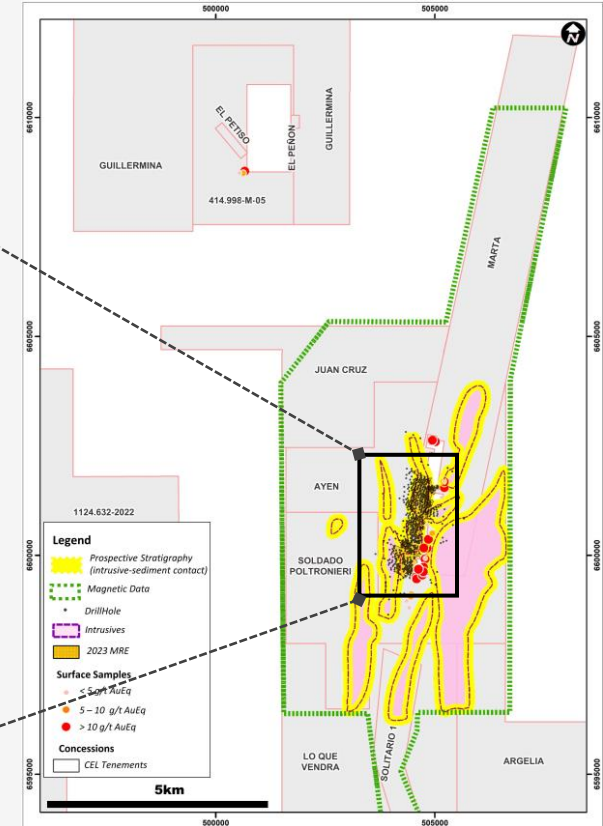
# THE EXCITING OPPORTUNITY AT HUALILAN

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



## Near resource exploration delivers

- Rock chip samples located several hundred metres east of the current resource along its 2.2km length:
  - 90.7 g/t Au, 42.8 g/t Ag
  - 46.7 g/t Au, 31.4 g/t Ag
  - 26.7 g/t Au, 183 g/t Ag
  - 25.5 g/t Au, 11.6g/t Ag
  - 13.5 g/t Au, 185g/t Ag

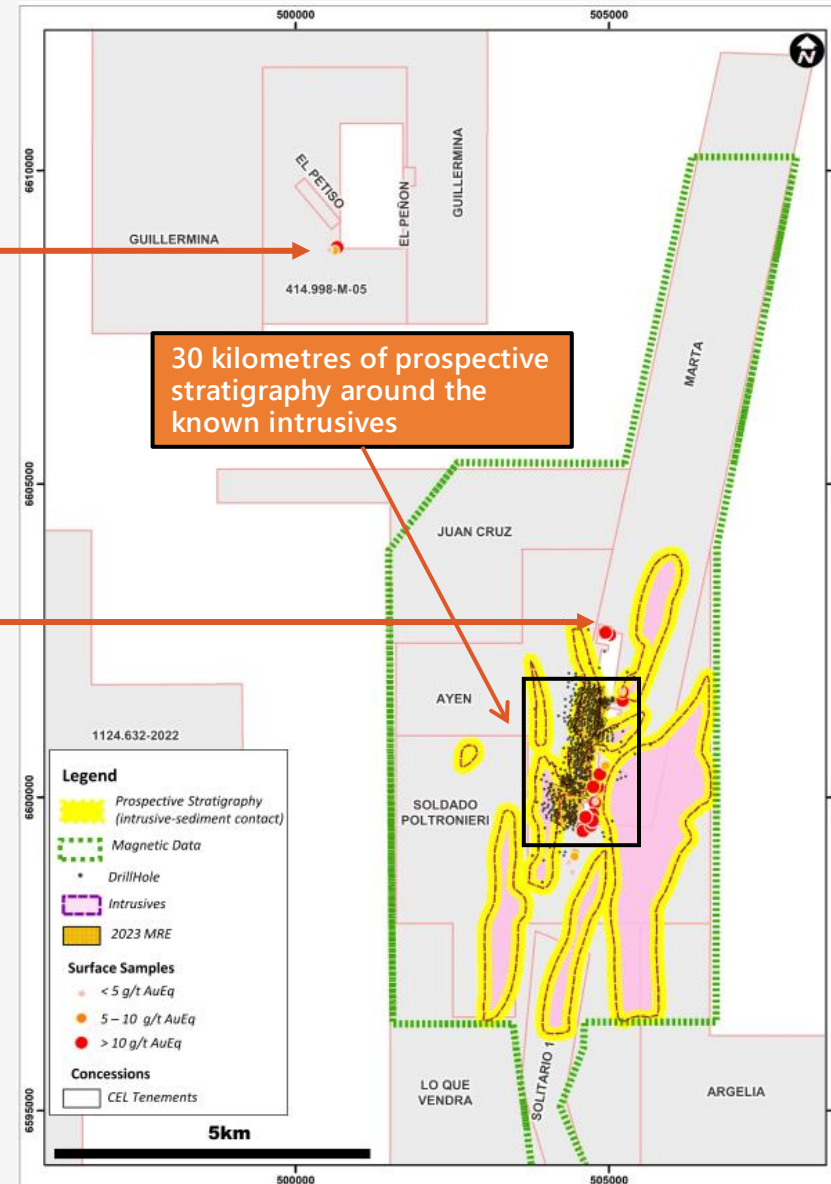


# THE EXCITING OPPORTUNITY AT HUALILAN

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

## Initial regional exploration delivers

- Less than 5% into the program with early results developing significant new targets.
- High-grade Au-Ag stream sediment samples 10km northwest of Hualilan:
  - 54.4 g/t Au, 151 g/t Ag
  - 12.1 g/t Au, 62.1 g/t Ag
  - 7.9 g/t Au, 33.1 g/t Ag
- High-grade rock chip samples in a series of old workings 2km north of Hualilan at Andacollo:
  - 26.9 g/t Au, 423 g/t Ag
  - 20.6 g/t Au, 1785 g/t Ag
  - 12.9 g/t Au, 23.8 g/t Ag
- 30 kilometres of prospective stratigraphy around the known intrusives
- Ground magnetics to be extended to El Penon to help define drilling targets



# El Guayabo/Colorado V Project Ecuador

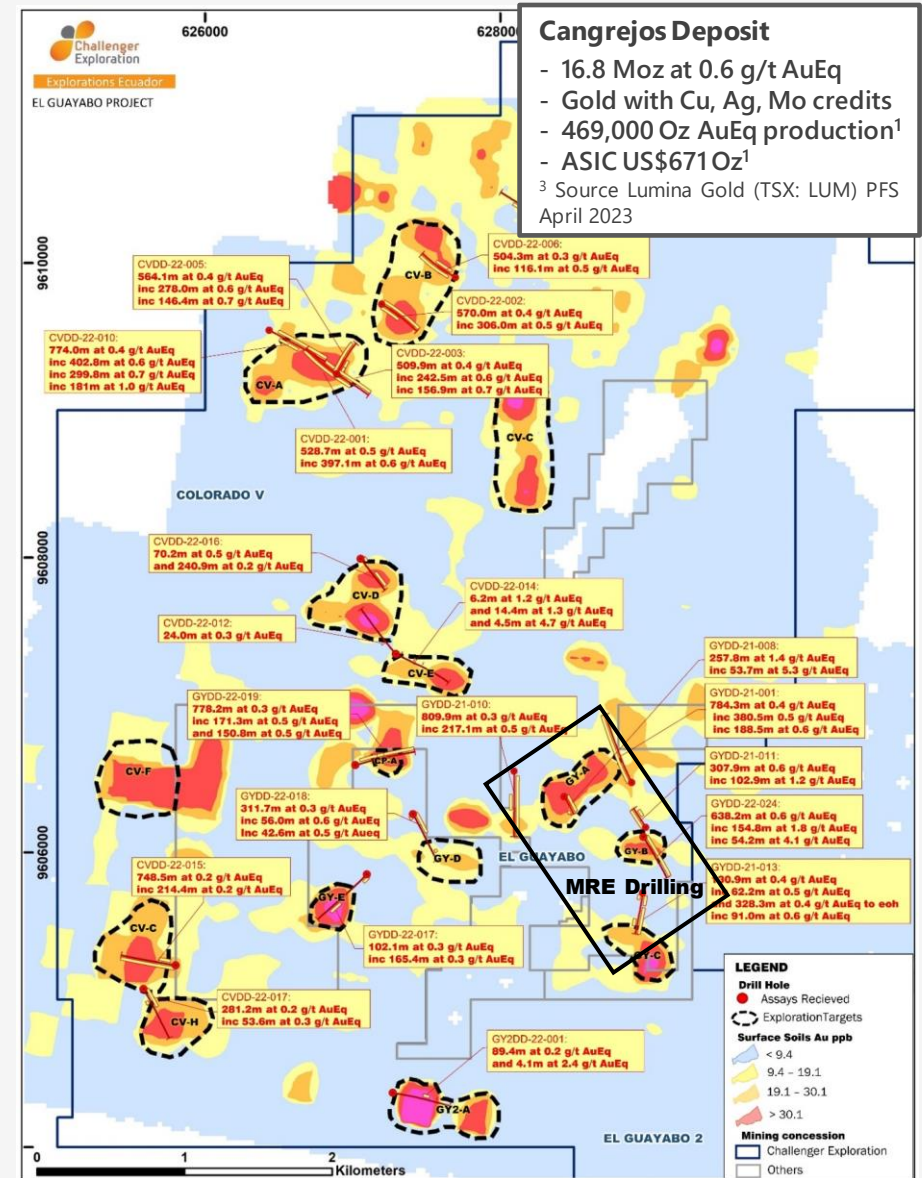
# MAIDEN ECUADOR MINERAL RESOURCE ESTIMATE (MRE)

Just a start - Based on 2 of the 7 anomalies to produce significant drill intersections

- Maiden El Guayabo MRE of **4.5Moz<sup>1</sup> at 0.52 g/t** (AuEq)<sup>2</sup>
  - 270mt at 0.4 g/t Au, 2.6 g/t Ag, 0.1% Cu, 7.2 ppm Mo (0.3 g/t AuEq cut-off)
- Contains a coherent high-grade core of mineralisation MRE:
  - 1.5 Moz at 1.0 g/t AuEq<sup>2</sup>** (0.65 g/t AuEq cut-off)
  - 1.0 Moz at 1.2 g/t AuEq<sup>2</sup>** (0.80 g/t AuEq cut-off)
- 4.5Moz MRE is from 2 of the 7 main Au-Cu anomalies to produce significant drill intersections. Results on other anomalies include:
  - GY-C : 805.3m at 0.5 g/t AuEq inc. 546.7m at 0.7 g/t AuEq**
  - CV-A : 773.9m at 0.4 g/t AuEq inc. 402.8m at 0.6 g/t AuEq**
  - CV-B : 570.0m at 0.4 g/t AuEq inc. 307.0m at 0.5 g/t AuEq**
  - CP-A : 778.2m at 0.3 g/t AuEq inc 322.1m at 0.5 g/t AuEq**
- MRE to be updated following the assays from the final 5 holes of the program
- Adjoins the 17Moz Cangrejos Project owned by Lumina Gold (TSX : LUM)

**Cangrejos Snapshot <sup>3</sup>**

- Resource:** 1,080Mt at 0.48 g/t Au, 0.09% Cu, 0.7 g/t Ag for 16.8Moz Au
- PFS (May 23):** production of 469Koz AuEq annually at ASIC US\$671/oz
- Capex:** US\$925 million with initial feed of 0.71 g/t Au and 0.12% Cu
- NPV:** US\$2.2Bn after tax at US\$1650 Au
- US\$300m stream financing with Wheaton Precious Metals May 16<sup>th</sup> 2023**



1 information regarding the Hualilan Gold Project MRE required under the JORC Code is provided on Slide 18 (Appendix 1) of this presentation.

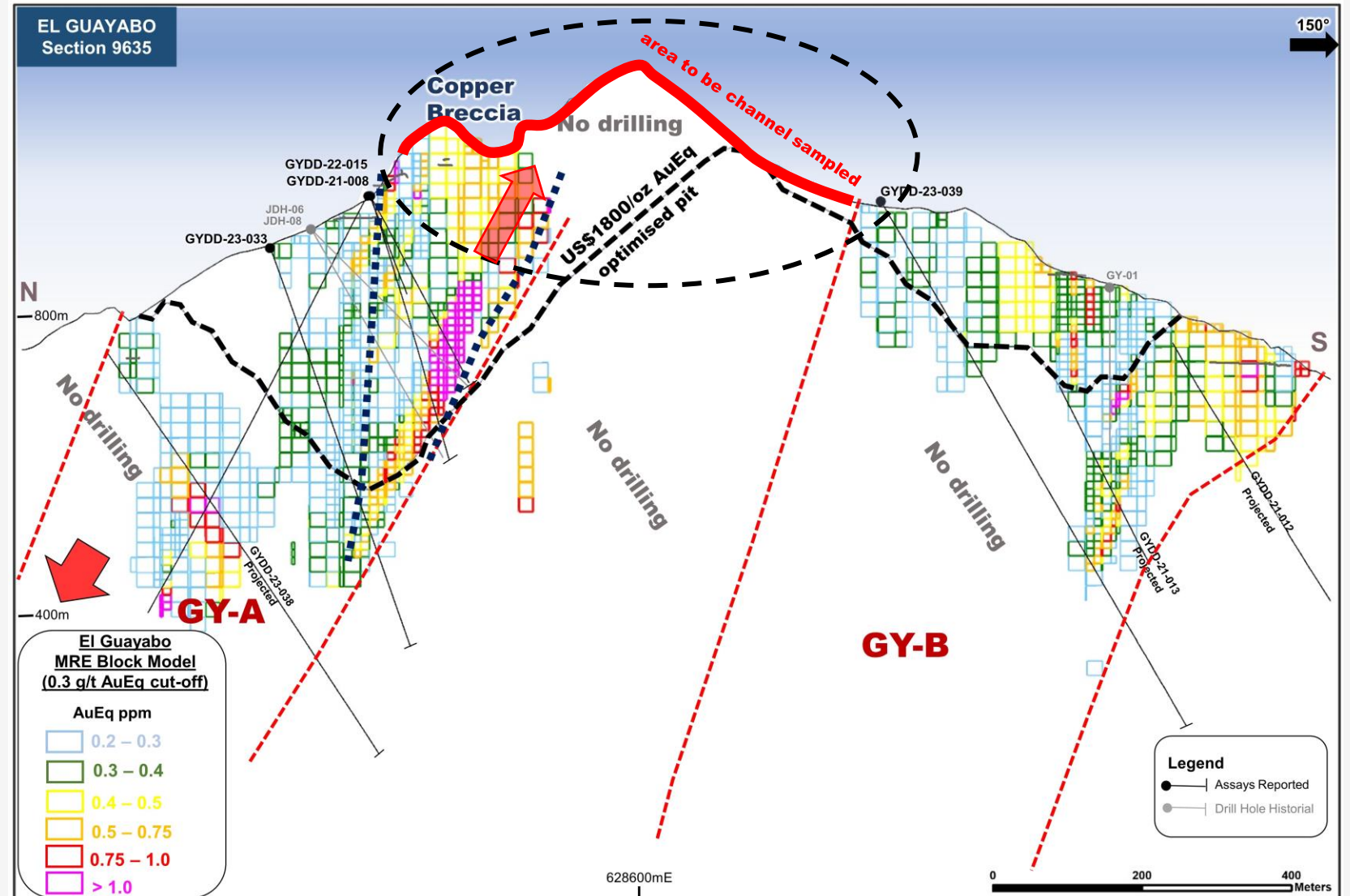
2 information regarding AuEq's required under the JORC Code is provided on Slide 18 (Appendix 1) of this presentation.

3 Source Lumina Gold (TSX: LUM) PFS April 2023

# ONGOING ECUADOR WORK PROGRAM

## Rock-saw channel sampling up-dip of the MRE where drilling was difficult due to the terrain

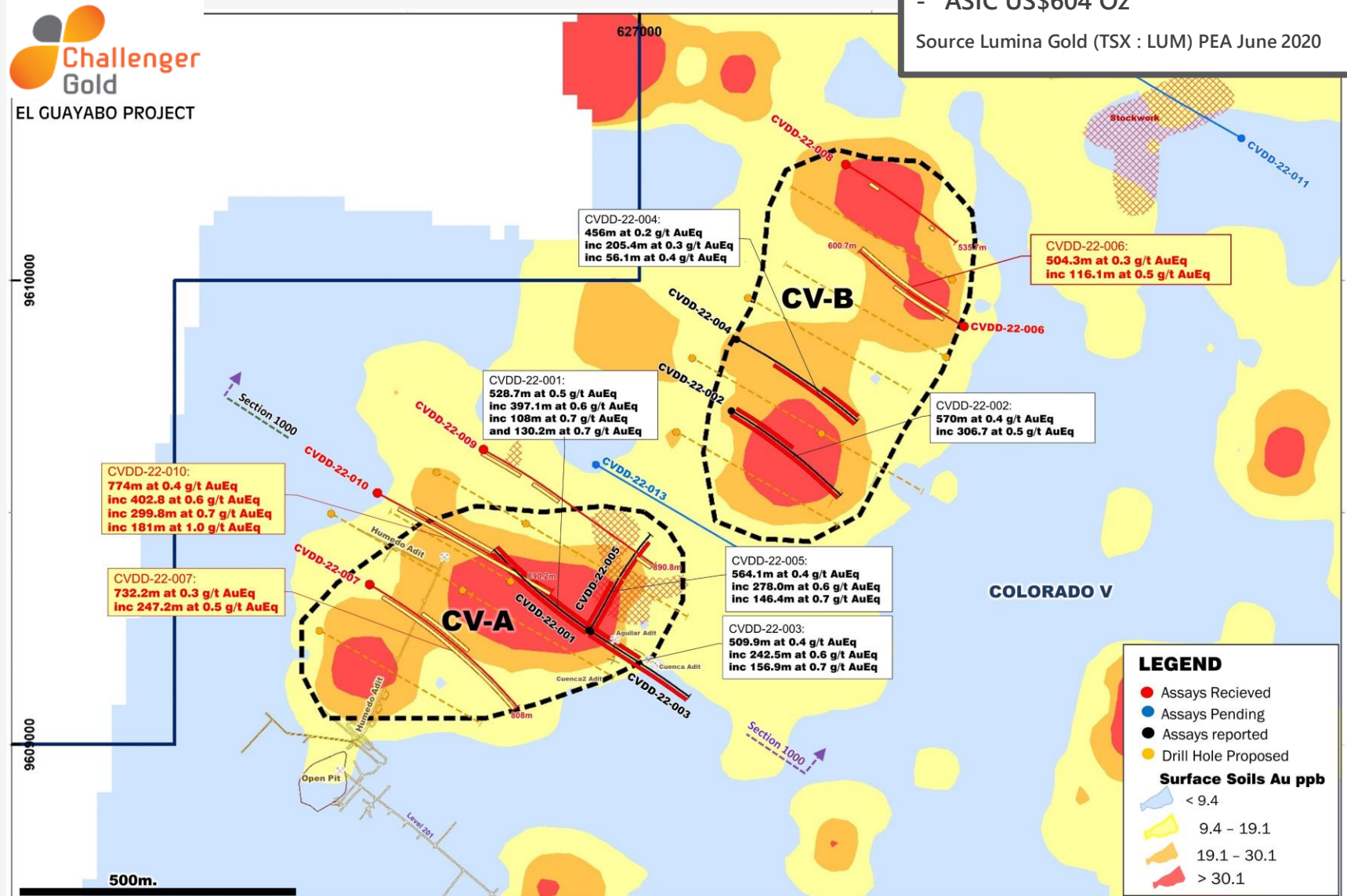
- The high-grade core of the MRE was constrained into two high-grade sub-domains with a smaller search radius
- this limited the extent of the high-grade up-dip where drilling was not possible
- rock chip samples indicates the high-grades extend to surface which could significantly increase the high-grade core
- rock saw channel sampling underway to include this near-surface mineralisation in an MRE upgrade
- sampling on 50 metre lines with the same orientation as the MRE drilling
- rock saw used to recover a continuous sample ~ 40cm x 40cm
- logged and assayed with QAQC using the same procedure as drill core.
- analogous to a drill core sample.
- data can be incorporated into a resource estimation in the same way as drilling results



# COLORADO V DRILL PROGRAM UPDATE

Exploration drilling produces two additional discoveries ready for immediate resource drill-out

- Au-Cu soil anomalies 1km x 0.5km
- Outstanding results with first 10 holes intersecting mineralisation including several with mineralisation from surface to eoh:
  - 773.9m\* at 0.4 g/t AuEq<sup>4</sup> incl 402.8m at 0.6 g/t AuEq<sup>4</sup> incl 180.9m at 1.0 g/t AuEq<sup>4</sup> and 62.4m at 1.8 g/t AuEq<sup>4</sup> (CV-A)
  - 528.7m\* at 0.5 g/t AuEq<sup>4</sup> incl 397.1m at 0.6 g/t AuEq<sup>4</sup> incl 108.0m at 0.7 g/t AuEq<sup>4</sup> and 130.2m at 0.7 g/t AuEq<sup>4</sup> (CV-A)
  - 564.1 m at 0.4 g/t AuEq<sup>4</sup> incl 278.0m at 0.6 g/t AuEq<sup>4</sup> incl 146.5m at 0.7 g/t AuEq<sup>4</sup> and (CV-A)
  - 570.0m\* at 0.4 g/t AuEq<sup>4</sup> incl 306.0m at 0.5 g/t AuEq<sup>4</sup> (CV-B)
- Combined Exploration Target defined for CV-A and CV-B of:
  - 442-468 Mt at 0.5-1.0 g/t Au (refer ASX Release 21 August 2020)



## Cangrejos Deposit

- 21.8 Moz AuEq at 0.6 g/t AuEq
- Gold with Cu, Ag, Mo credits
- 500,000 Oz AuEq production
- ASIC US\$604 Oz

Source Lumina Gold (TSX : LUM) PEA June 2020

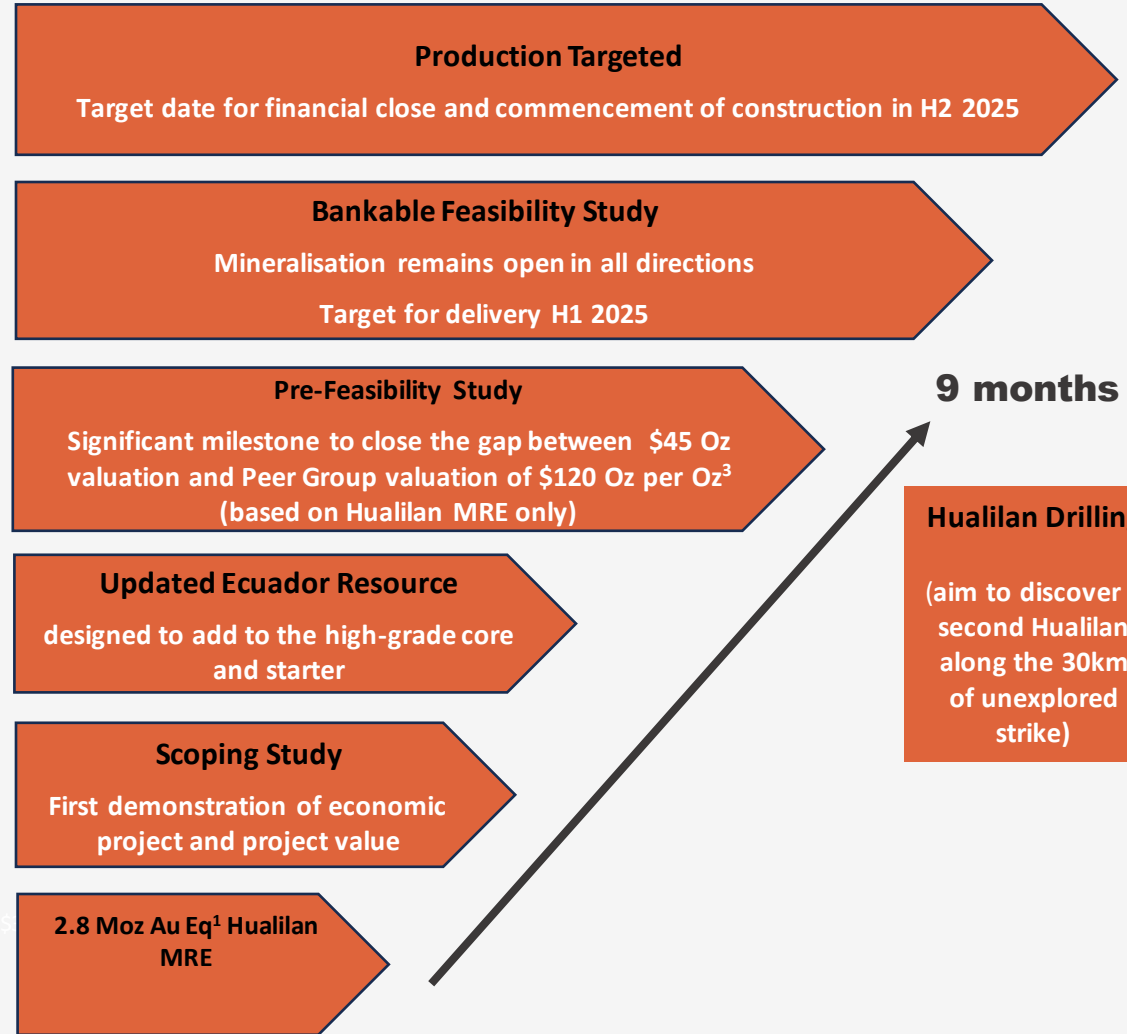
# Valuation and Milestones

# Where are we and where are we going as a company

The current fund raising provides a 12-month runway and meaningful value drivers

## Where are we now

- same share price as early 2020
- Before CEL had delivered:
  - Hualilan MRE – 2.8 Moz<sup>1</sup> AuEq
  - Ecuador MRE – 4.5 Moz<sup>2</sup> AuEq
- Challenger is now:
  - a company with a combined resource base of 7.2 Moz AuEq<sup>1,2</sup>
  - funded to deliver value



Jun 19

June 23

1 information regarding the Hualilan Gold Project MRE required under the JORC Code is provided on Slide 18 (Appendix 1) of this presentation.

2 information regarding AuEq's required under the JORC Code is provided on Slide 18 (Appendix 1) of this presentation.

3 Source weighted average EV/Ounce resource gold for ASX listed gold stocks not in production with a market capitalisation >\$100 million – data Gold Nerds



# Appendix 1

Mineral Resource Estimate and information  
required under JORC Code

# MINERAL RESOURCE ESTIMATES AND AUEQ INFORMATION



## JORC 2012 Compliant MRE'S released March 2023 and June 2023

### 1 Gold Equivalent (AuEq) values Hualilan Gold Project- Requirements under the JORC Code (El Guayabo Gold-Copper Project)

- 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.**

### 2 Gold Equivalent (AuEq) values El Guayabo Project- Requirements under the JORC Code (Hualilan Gold Project)

- Assumed commodity prices for the calculation of AuEq is Au US\$1800 Oz, Ag US\$22 Oz, Cu US\$9,000/t, Mo US\$44,080/t
- Metallurgical recoveries are estimated to be Au (85%), Ag (60%), Cu (85%) Mo (50%) across all ore types (see JORC Table 1 Section 3 Metallurgical assumptions) based on metallurgical test work.
- The formula used:  $AuEq (g/t) = Au (g/t) + [Ag (g/t) \times 0.012222] + [Cu (\%) \times 1.555] + [Mo (\%) \times 4.480026]$
- 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.**

Domain	Category	Mt	Au g/t	Ag g/t	Zn %	Pb %	AuEq g/t	AuEq (Mozs)
<b>US\$1800 optimised shell &gt; 0.30 ppm AuEq</b>	Indicated	45.5	1.0	5.1	0.4	0.06	1.3	1.9
	Inferred	9.6	1.1	7.3	0.4	0.06	1.2	0.4
<b>Below US\$1800 shell &gt;1.0ppm AuEq</b>	Inferred	5.5	2.1	10.7	1.0	0.06	2.6	0.5
<b>Total</b>		<b>60.6</b>	<b>1.1</b>	<b>6.0</b>	<b>0.4</b>	<b>0.06</b>	<b>1.4</b>	<b>2.8</b>

Note: Some rounding errors may be present

**Table 1 : 1 Upgraded Hualilan MRE, March 2023**

The MRE 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.

Domain	Category	Mt	Au (g/t)	Ag (g/t)	Cu (%)	Mo (ppm)	AuEq (g/t)	AuEq (Mozs)
<b>US\$1800 optimised shell &gt; 0.3 g/t AuEq</b>	Inferred	212.2	0.36	2.8	0.07	6.5	0.50	3.4
<b>Below US\$1800 shell &gt;0.4 g/t AuEq</b>	Inferred	56.5	0.46	1.8	0.07	7.5	0.59	1.1
<b>Total</b>		<b>268.7</b>	<b>0.38</b>	<b>2.6</b>	<b>0.07</b>	<b>7.2</b>	<b>0.52</b>	<b>4.5</b>

Note: Some rounding errors may be present

**Table 2 : Maiden El Guayabo MRE, June 2023**

The MRE 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.

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