

REFURBISHMENT OF TOLL MILLING PLANT ON TRACK

Highlights

- Casposo Plant refurbishment remains on-track and nearing completion.
- Plant commissioning targeted for August 2025.
- On track to for processing of CEL's ore in November 2025 under the Toll Milling Agreement.

Challenger Gold Limited (ASX: CEL) ("CEL" or the "Company") notes the ASX Release by Austral Gold Limited (ASX: AGD) ("Austral") titled "Update on Casposo Plant Refurbishment" today. The release provides an update on the refurbishment of the Casposo Processing Plant and reports that the refurbishment is progressing to plan with plant commissioning targeted during August 2025 and Austral on track to commence Toll processing of Hualilan material under the Toll Milling Agreement in November 2025.

Refurbishment Update

The majority of the key activities scheduled for Q2 2025 have been completed, with the remainder underway and expected to be finalised in the first half of August 2025, ahead of commissioning.

Status of Q2 2025 planned activities:

- **Primary crusher refurbishment:** Completed. The Primary Crusher has been completed and is ready for operation. Installation of a sampling tower is currently underway in this area to improve grade control of the material to be sourced from the Hualilán Project.
- **SAG mill relining:** Underway; expected to be completed with recently arrived materials.
- **SAG engine repair:** Completed. The SAG mill engine, part of the Grinding Circuit, has been repaired, and the inching system was successfully tested.
- **Installation of new hydrocyclones:** Underway; awaiting vendor's committed delivery date.
- **Engines and reducers for leaching tanks and CCD's repair:** Completed. The engines and reducers for the leaching tanks and CCDs (Counter Current Decantation) have been repaired.

- **Filter band refurbishment:** Underway; all purchased materials received.
- **Modifications and improvement of piping and ducts:** Completed.

Main works planned before Commissioning:

- Finalise SAG mill relining and complete its full installation.
- Complete Installation of new hydrocyclones.
- Finalise Filter band refurbishment.
- Complete testing of the Plant's electrical circuits.

Background to Toll Milling

The Company has executed a binding Agreement with Casposo Argentina Mining Limited (refer to ASX Announcement "Toll Processing Agreement & Strategic Placement Completion" dated 30 December 2024), the operator of the Casposo Plant located in San Juan Argentina. This Toll Milling Agreement secures processing of a minimum of 450,000t of near surface Hualilan mineralised material over 3 years.

The Casposo Plant, located 165km from Hualilan via established roads, has historically produced over 323,000 ounces of gold and 13.2 million ounces of silver. During operations, the plant achieved average annual production of 40,000 ounces of gold and 1.6 million ounces of silver at recoveries of 90% for gold and 79% for silver. The plant has been on care and maintenance.

The primary objective of the Toll Milling strategy is to capitalise on the current high gold price (above US\$3,300/oz) to generate early cash flow. This cashflow will be allocated towards the construction of the larger standalone Hualilan Gold project. The Company recently released a Pre-Feasibility Study ("PFS") for Toll Milling demonstrating outstanding economics from toll milling delivering (refer to ASX Announcement "Completion of Hualilan Toll Milling Pre-Feasibility Study" dated 4 June 2025):

- **Robust margins:** at today's spot prices of ~US\$3,300/oz Au and US\$33/oz Ag, the three-year toll-milling plan generates EBITDA of US \$142.8M and post-tax NPV₅ to US\$82.2M, with post-tax-free cash flow of US\$91.8M.
- **Robust margins on conservative commodity prices:** using US\$2,500/oz Au and US\$27.50/oz Ag, the three-year toll-milling plan generates EBITDA of US\$88.0M, post-tax NPV₅ of US\$50.5M, and cumulative post-tax-free cash flow of US\$56.7M.

- **Low upfront capital and quick payback:** total upfront spend is just US\$8.9M (A\$13.8M) which is US\$4.2M upfront capex and US\$4.7M working capital and achieves payback by December 2025 (or 3 months from the commencement of mining).
- **Competitive cost structure:** forecast All-In Sustaining Cost ("AISC")¹ is ~US\$1,454/oz AuEq, comfortably below spot prices and achievable thanks to toll milling and a short haulage distance.
- **Financing risk removed:** recent A\$37.5M equity placement funds development through to first cash flow and acceleration the development of the larger stand-alone Hualilan development.
- **Significant upside:** Toll Milling is based on extracting only 3% of the 2.8 Moz Hualilan MRE.

This ASX release was approved by the Board of the Company.

For further information contact:

Investor Enquiries

Kris Knauer

Managing Director

+61 411 885 979

kris.knauer@challengergold.com

Media Enquiries

Jane Morgan

+ 61 405 555 618

jm@janemorganmanagement.com.au

US/Argentina Enquiries

Sergio Rotondo

Executive Vice Chairman

+1 646 462 9273

sergio.rotondo@challengergold.com

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.

On 4 June 2025 the results of the Toll Milling Pre-Feasibility Study were first announced to the market. 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 PFS continue to apply and have not materially changed.

¹ Calculated based on the World Gold Council definition.

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 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 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.