

## QUARTERLY REPORT FOR THE PERIOD ENDED 31 DECEMBER 2022

### Highlights

#### • Hualilan Gold Project - San Juan, Argentina

- Drilling post CEL's Maiden Mineral Resource Estimate (MRE) of **2.1 million ounces (AuEq)<sup>1</sup>** continues to significantly expand the mineralisation with results Including (Table 4);
  - 50.0m at 3.4 g/t AuEq<sup>1</sup> - 2.4 g/t Au, 16.8g/t Ag, 1.8% Zn from 441.0m including,
  - 40.0m at 4.2 g/t AuEq<sup>1</sup> - 2.9 g/t Au, 20.9 g/t Ag, 2.2% Zn from 441.0m including,
  - 22.5m at 7.0 g/t AuEq<sup>1</sup> - 4.8 g/t Au, 33.5 g/t Ag, 3.8% Zn from 456.5m (GNDD-316 ext)
  - 65.3m at 2.4 g/t AuEq<sup>1</sup> - 2.3 g/t Au, 1.7 g/t Ag, 0.2% Zn from 209.0m and
  - 12.2m at 11.0 g/t AuEq<sup>1</sup> - 10.1 g/t Au, 11.7 g/t Ag, 1.5% Zn from 324.9m(GNDD-684)
  - 16.5m at 5.9 g/t AuEq<sup>1</sup> - 4.1 g/t Au, 18.9 g/t Ag, 3.4% Zn from 53.0 including,
  - 10.5m at 9.3 g/t AuEq<sup>1</sup> - 6.5 g/t Au, 29.6 g/t Ag, 5.3% Zn from 59.1m (GNDD-670),
  - 94.0m at 0.7 g/t AuEq<sup>1</sup> - 0.6 g/t Au, 1.2 g/t Ag, 0.1% Zn from 17.0m including
  - 2.0m at 8.8 g/t AuEq<sup>1</sup> - 8.8 g/t Au, 0.2 g/t Ag, 0.1% Zn from 109.0m and
  - 45.0m at 0.7 g/t AuEq<sup>1</sup> - 0.5 g/t Au, 6.3 g/t Ag, 0.2% Zn from 314.0m (GNDD-661);
- Additional 50,000 metre drill program (to take total metres at Hualilan to 250,000 metres) more that 50% complete (assays pending)
- Work on an updated MRE based on approximately 200,000 metres of assays underway with a March completion date to be followed by a third update, based on 250,000 metres, in H2 23.
- Scoping Study commenced with Mining Plus appointed as managers for the Study.

#### • El Guayabo/Colorado V Gold/Copper Projects - El Oro, Ecuador

- 11 hole exploration program targeting the next 8 regionally significant Au-soil anomalies in Ecuador completed with all holes intersecting mineralisation and discoveries on 4 of the 8 anomalies. Outstanding results from first Phase 2 drill holes on the GY-B anomaly (Table 5):
- 778.2 m at 0.3 g/t AuEq<sup>2</sup> - 0.2 g/t Au, 0.6 g/t Ag, 0.01% Cu, 0.8 ppm Mo from 77.3m including;  
171.3m at 0.5 g/t AuEq<sup>2</sup> - 0.5 g/t Au, 0.9 g/t Ag, 0.01% Cu, 2.1 ppm Mo from 328.1m including;  
98.4m at 0.7 g/t AuEq<sup>2</sup> - 0.6 g/t Au, 0.6 g/t Ag, 0.01% Cu, 2.3 ppm Mo from 328.1m and  
150.8m at 0.5 g/t AuEq<sup>2</sup> - 0.4 g/t Au, 0.6 g/t Ag, 0.02% Cu, 3.1 ppm Mo from 688.2m including;  
42.5m at 1.4 g/t AuEq<sup>2</sup> - 1.3 g/t Au, 1.2 g/t Ag, 0.1% Cu, 2.4 ppm Mo (GYDD-22-019)  
(First hole CP-A Anomaly - new gold discovery)
- 638.2m at 0.6 g/t AuEq<sup>2</sup> - 0.3 g/t Au, 2.1 g/t Ag, 0.1 % Cu, 10.5 ppm Mo from 10.1m including;  
304.3m at 1.0 g/t AuEq<sup>2</sup> - 0.5 g/t Au, 3.4 g/t Ag, 0.3 % Cu, 14.5 ppm Mo from 344.0m including;  
108.5m at 2.4 g/t AuEq<sup>2</sup> - 1.3 g/t Au, 7.8 g/t Ag, 0.6% Cu, 20.0 ppm Mo from 344.0m including;  
54.2 m at 4.0 g/t AuEq<sup>2</sup>-2.2 g/t Au, 12.9 g/t Ag, 1.0% Cu, 24.7 ppm Mo (GYDD-22-024)  
(GY-B Phase 2 drilling - hole ending in mineralisation)

Challenger Exploration (ASX: CEL) ("**CEL**" or the "**Company**") is pleased to provide its Quarterly Activities Report for the period ended 31 December 2022 ("Quarterly", "Reporting Period").

## **CORPORATE**

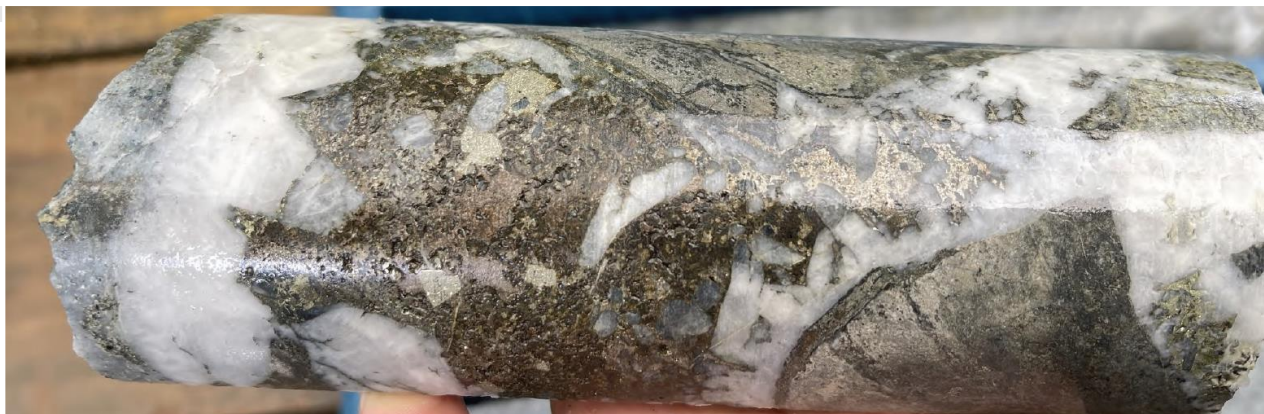
The exploration expenditure for the quarter was \$7.7 million including approximately \$0.9m Argentinian VAT which will be recouped. Exploration spend was primarily drilling and assay expenditure which accounted for 70% of the total exploration spend and Scoping Study activities of \$150k.

A total of 11,745 metres were drilled during the December Quarter in Hualilan with 3-rigs utilised full time and rig production ahead of budgeted metres. With the drill out for the Hualilan Mineral Resource Update now completed the rig count has been reduced to 2-rigs with a second rig programmed to depart at the end of the quarter. Budgeted drill metres during the current quarter are approximately 7,500 metres, a 40% reduction.

Total drill metres during the quarter in Ecuador were 7,041 metres. Approximately 4,500 metres remain in the program designed to produce a maiden Mineral resource estimate, in accordance with the JORC Code, over the GY-A and GY-B anomalies. Consequently, the company will move from 2-rigs to 1-rig during February with this program expected to be completed around the end of the quarter.

In line with the current drill programs at both projects nearing completion, budgeted exploration spend is forecast to reduce significantly in the current quarter and again into the June quarter.

Net spend during the quarter was \$9.1million which included the exploration spend of \$7.7 million and Administration and Corporate costs of \$1.2M including approximately \$0.9m Argentinian VAT which will be recouped. The \$1.2M administration and corporate costs included Interest associated with the Convertible Debenture with QRC of \$400k. The balance was related to administration and other corporate costs. Amounts payable for staff costs of (\$113k) and exploration staff costs (\$91K) were to related parties and their associates. Cash at bank at the end of the quarter was \$15.4 million.



**Photo: open space breccia intersected in GYDD-23-033 El Guayabo 209-370 metres downhole (assays pending)**

**Challenger Exploration Limited**  
ACN 123 591 382  
ASX: CEL

**Issued Capital**  
1,045.8m shares  
10.0M options  
120m perf shares  
16m perf rights

**Australian Registered Office**  
Level 1  
1205 Hay Street  
West Perth WA 6005

**Directors**  
Mr Kris Knauer, MD and CEO  
Mr Scott Funston, Finance Director  
Mr Fletcher Quinn, Chairman  
Mr Sergio Rotondo, Exec. Director

**Contact**  
T: +61 8 6380 9235  
E: admin@challengerex.com

For personal use only

## HUALILAN GOLD PROJECT - ARGENTINA

### ONGOING RESOURCE EXTENSION AND INFILL DRILLING

During the Quarter the Company released results from the ongoing drill program targeting extensions to the current 2.1 million ounce AuEq<sup>1</sup> Mineral Resource Estimate ("MRE")<sup>2</sup>. The results reported during the quarter comprised the first drilling at Sentazon Deeps, a new high-grade zone of mineralisation below the main Manto and Footwall Zone, mineralisation; extension drilling at Sentazon; holes targeting extensions on the Magnata Fault; and both infill and extension drilling on the Verde Zone.

All results were received after the completion of the maiden Hualilan Gold Project MRE. The current MRE, which includes a high-grade core of 1.1 Moz at 5.6 g/t AuEq<sup>1</sup>, was based on 125,700 metres of the Company's 204,000 metre diamond core drill program. The results continue to exceed the Company's expectations and mineralisation remains open in all directions and there is clear potential for the MRE to grow significantly via continued extension drilling.

Work has commenced on an updated MRE which is expected to be completed during March. Additionally, the Company has completed approximately 50% of a further 50,000 metres of drilling which will take total CEL drill metres at Hualilan to 254,000 metres. A second MRE update is planned once all assays have been received from the additional 50,000 metres drill program.

### CURRENT MINERAL RESOURCE ESTIMATE ("MRE")

Domain	Tonnes	'000 oz AuEq <sup>1</sup>	Comments
Sanchez Fault	673,754	87,212	Open at depth and to the east
Norte Manto	510,533	97,954	Open north along strike
Magnata Fault	4,309,440	406,521	Open to the east and west and at depth ( <a href="#">Drilling Focus</a> )
Magnata Manto	571,746	63,106	Open up dip and along strike
Muchilera Manto	299,504	18,532	Open along strike and at depth
Sentazon MM and FW	1,967,110	334,655	Significant depth extensions, open south ( <a href="#">Drilling Focus</a> )
Verde Skarn Zones	2,151,908	177,503	Open at depth and along strike ( <a href="#">Drilling Focus</a> )
<b>Skarn Mineralisation</b>	<b>10,483,995</b>	<b>1,185,484</b>	<b>Sub-total (high grade skarn domains)</b>
Verde	17,472,119	470,233	Open at depth and north along strike ( <a href="#">Drilling Focus</a> )
Gap Zone	5,063,971	140,228	Open at depth and along strike
South Verde	14,654,682	336,855	Open at depth and south along strike ( <a href="#">Drilling Focus</a> )
<b>Intrusion/Sediment-hosted</b>	<b>37,190,772</b>	<b>947,316</b>	<b>Sub-total (intrusion/sediment-hosted domains)</b>
<b>Total MRE</b>	<b>47,674,767</b>	<b>2,132,800</b>	(Refer Table 6, page 37 of this Quarterly for additional data)

**Table 1 - Maiden Hualilan Mineral resource estimate by domains**

Table 1 shows the contribution to the maiden 2.1Moz AuEq<sup>2</sup> MRE by domain. Drilling has been ongoing in all domains as mineralisation remains open in all directions.

## SENTAZON

Sentazon is the southernmost mineralisation defined historically at Hualilan and was described historically as;

*"Manto-style" high grade lenses, oriented parallel to the limestone beds, caused by the replacement of the limestone beds with massive sulphides. The Sentazon Manto is one of three en-echelon manto zones at Cerro Sur, over a combined strike interval of 330 metres, the others being the Muchilera and Magnata Manto's both to the north. Mineralisation dips 40 to 70 degrees west and is open at depth."*

Sentazon continues to grow in importance. It was historically lightly drilled as it was considered to be complex and of limited in extent. Sentazon contributed 333,655 ounces of gold equivalent at a grade of 5.3 g/t AuEq<sup>2</sup> to the current 2.1 Moz Mineral Resource Estimate and mineralisation at Sentazon remains open along strike and at depth and continues to expand.

<sup>2</sup> At a cut-off grade of 0.25 g/t AuEq in pit and 1 g/t AuEq outside the MRE US\$1800 pit shell

The current round of exploration drilling has extended the strike at Sentazon to 250 metres, increased the downdip extent to 500 metres, and confirmed that mineralisation remains open to the south along strike and at depth.

### Sentazon Deeps Discovery

The first indication of a new zone of mineralisation at depth at Sentazon was a 350 metre extension to drillhole GNDD-302 which intersected **15.6 metres at 1.0 g/t AuEq** from 467.0m including **1.7 metres at 6.4 g/t AuEq** and a second zone of **4.3 metres at 4.0 g/t AuEq from 510.8m including 1.1 metres at 14.4 g/t AuEq**.

This mineralisation was significantly deeper than previous mineralisation at Sentazon with the intersection 150 metres below, and almost 400 metres down-dip of, the main Sentazon Manto. Both zones of deeper mineralisation were located on the contact between the limestones and intrusives and associated with massive and semi-massive sulphides and pyroxene-garnet (skarn) alteration. The initial interpretation (Figure 1) was that this deep mineralisation at Sentazon had the same orientation as the main Sentazon Manto and underlying Footwall Zone.

### GNDD-316e

GNDD-316e, reported during the quarter, was a 217 metre extension to hole GNDD-316 located 80 metres north along strike from GNDD-302e. GNDD-316 was originally drilled to test for Verde Style mineralisation in the sediments above the limestone as, at the time, it was considered to be located both north and downdip of any Sentazon Manto mineralisation. The extension of GNDD-316 was designed to test for the presence of this new deeper zone mineralisation intersected in GNDD-302e.

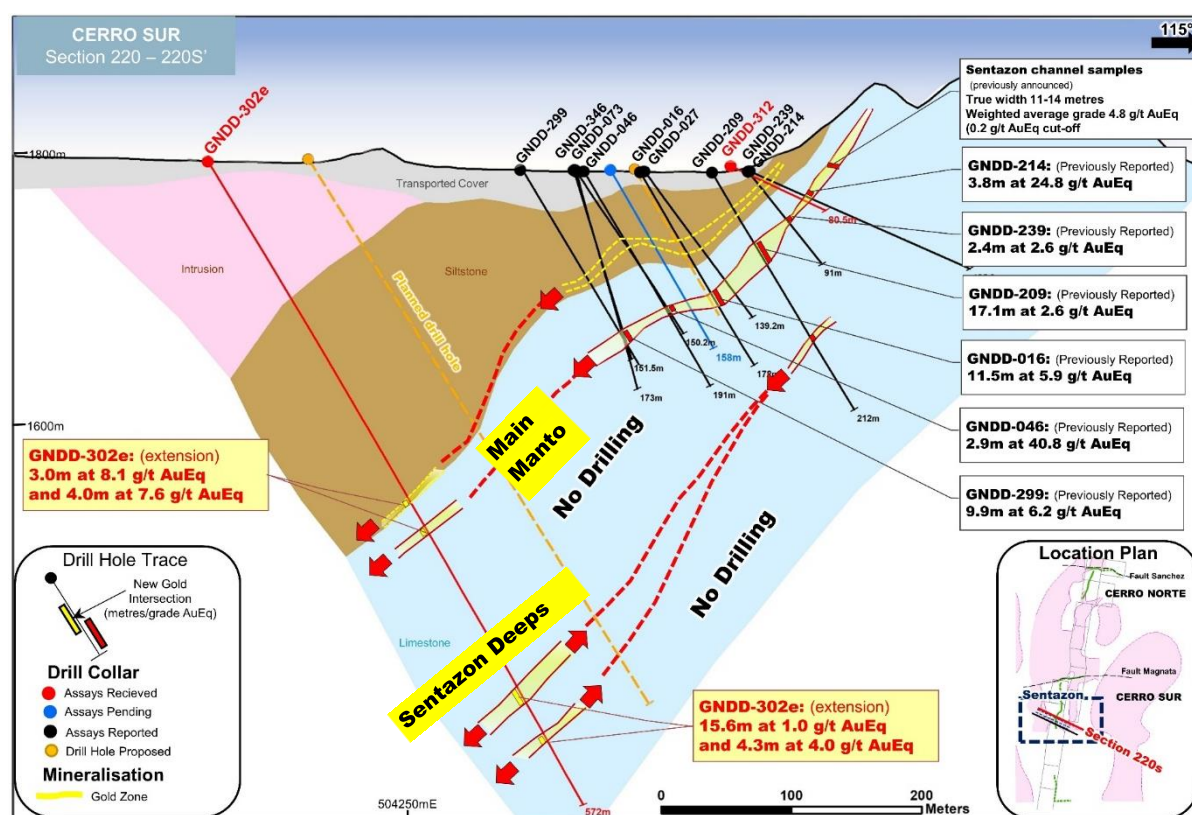
GNDD-316e intersected **1.6 metres at 7.9 g/t AuEq (2.9 g/t gold, 53.5 g/t silver, 9.0% zinc, 0.7% lead)** from 345.4m. This intersection is interpreted at the extension of the Main Sentazon Manto some 80 metres north and 300 metres downdip from the old Sentazon workings.



The hole then intersected **50.0m at 3.4 g/t AuEq (2.4 g/t gold, 16.8g/t silver, 1.8% zinc)** from 441.0m including **40.0m at 4.2 g/t AuEq (2.9 g/t gold, 20.9 g/t silver, 2.2% zinc)** from 441.0m including **22.5m at 7.0 g/t AuEq (4.8 g/t gold, 33.5 g/t silver, 3.8% zinc)** from 456.5m. Then a second deeper zone of mineralisation with an intersection of **9.1m at 2.4 g/t AuEq (2.2 g/t gold, 13.1 g/t silver, 0.1% zinc)** from 507.9m including **1.8m at 11.7 g/t AuEq (10.8 g/t gold, 62.3 g/t silver, 0.3% zinc)** from 507.9m.

These zones of deeper mineralisation in GNDD-316e occur at the contact between limestone and underlying intrusives which is analogous to the mineralisation intersected in GNDD302e. This new zone of deeper mineralisation "**Sentazon Deeps**" is interpreted as being controlled by the intrusion-limestone contact with the mineralisation open to both the east and west along this contact (Figure 2). Given the orientation of the Sentazon Deeps mineralisation, which appears to dip in the opposite direction to the main Sentazon Manto, many of the Company's previous drill holes were not optimally oriented, or were terminated too early, to test Sentazon Deeps.

Drill hole GNDD-647 will be extended as it is interpreted as having stopped short of intersecting the Sentazon Deeps mineralisation (Figure 2). GNDD-647 did, however, intersect **0.6 metres at 3.5 g/t AuEq (1.6 g/t gold, 14.5 g/t silver, 3.3% zinc, 1.6 % lead)** from 278.0m prior to it being stopped. This is interpreted as an extension to the main Sentazon Manto into the 150 metre gap between GNDD-316e and GNDD-246 which intersected 0.9 metres at 16.4 g/t AuEq in the main Sentazon Manto.



**Figure 1 – Cross Section showing GNDD-302(ext) and Sentazon Deeps intersection**

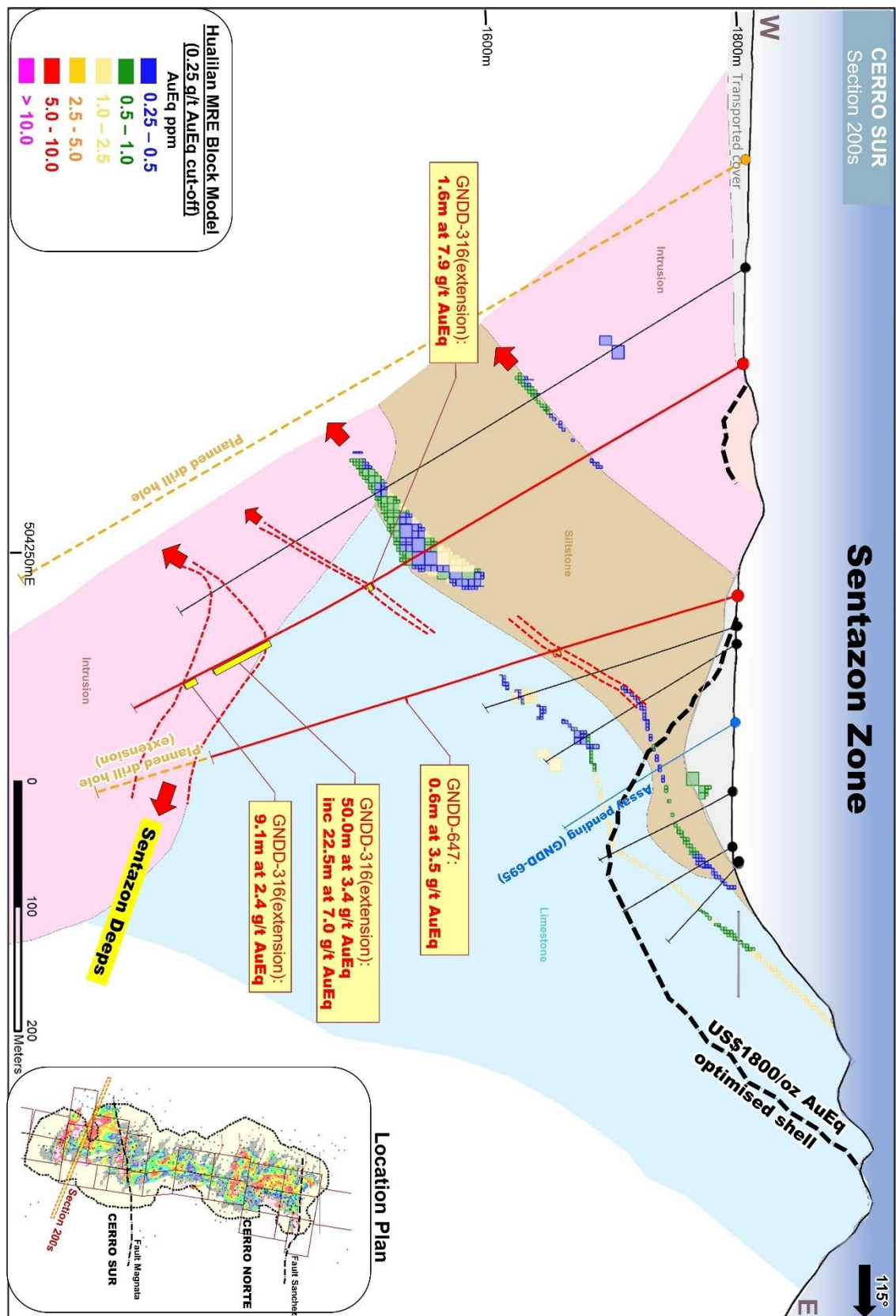


Figure 2 – Cross Section showing GNDD-316(ext) and Sentazon Deeps Discovery

Challenger Exploration Limited  
ACN 123 591 382  
ASX: CEL

Issued Capital  
1,045.8m shares  
10.0M options  
120m perf shares  
16m perf rights

Australian Registered Office  
Level 1  
1205 Hay Street  
West Perth WA 6005

Directors  
Mr Kris Knauer, MD and CEO  
Mr Scott Funston, Finance Director  
Mr Fletcher Quinn, Chairman  
Mr Sergio Rotondo, Exec. Director

Contact  
T: +61 8 6380 9235  
E: admin@challengerex.com

GNDD-316e intersected visible gold and massive sulphides from 456.5 to 457.25 metres, the first time visible gold has been observed in massive sulphide at Hualilan. This 456.5 to 457.25 metre interval containing visible gold assayed **107.0 g/t gold, 223 g/t silver and 16.6% zinc**. It should be noted that the half core containing the visible gold was retained and the alternative half was sent for assay as assaying the half core containing the visible gold may have produced extremely high and possibly non-representative results.

#### **GNDD-675 and GNDD-647**

GNDD-675 was collared 50 metres south of GNDD-316e to follow up on the mineralisation intersected in GNDD-316e. The hole intersected **21.2m at 2.7 g/t AuEq (2.1 g/t gold, 18.3 g/t silver, 0.7% zinc, 0.1% lead)** from 409.2 including **3.8m at 6.5 g/t AuEq (4.0 g/t gold, 68.9g/t silver, 3.5% zinc, 0.4% lead)** from 409.2m and **1.9m at 8.5 g/t AuEq(8.3 g/t gold, 10.3 g/t silver, 0.3% zinc)** from 428.5m.

This intersection is analogous to GNDD-316e with the mineralisation occurring at the contact between limestone and underlying intrusives and also has the same orientation, controlled by the limestone-intrusive contact which dips shallowly to the east. GNDD-726 (Figure 3) is believed to have been terminated above the new Sentazon Deeps target as are most of the drill holes on that section. The Company has programmed a new series of holes designed to test the Sentazon Deeps discovery.

Additionally, GNDD-675 intersected mineralisation hosted in sediments above the limestone with the intersection of 3.0 metres at **0.4 g/t AuEq (0.3 g/t gold, 3.1 g/t silver)** from 280.0m. This is the southern extension of the Verde Zone.

Below this Verde intersection GNDD-675 intersected **0.75 metres at 1.6 g/t AuEq (0.7 g/t gold, 8.5 g/t silver, 1.5% zinc, 0.2% lead)** from 345.2m and **1.7m at 2.4 g/t AuEq(1.7 g/t gold, 7.4 g/t silver, 0.9% zinc, 0.6% lead)** from 371.0m with these two intersections corresponding to the Main Sentazon Manto.

#### **Extension of Sentazon mineralisation south along strike**

##### **GNDD-628A**

GNDD-628A, reported during the quarter, is the first deep step-out hole at south of Sentazon. It was collared 40 metres south of the current MRE boundary. The intersection of **36.0m at 1.0 g/t AuEq(0.9 g/t gold, 4.5 g/t silver, 0.2% zinc)** from 301.0m including **6.5m at 4.0 g/t AuEq (3.3 g/t gold, 13.8 g/t silver, 1.0% zinc, 0.2% lead)** from 330.5m was hosted in sediments. This intersection is interpreted as the southern extension of the Verde Zone style mineralisation (Figure 4 and Figure 5).

Additionally, GNDD-628A returned a near surface intersection of **9.0m at 0.8 g/t AuEq (0.4 g/t gold, 9.5 g/t silver, 0.6% zinc)** from 56.0m including **1.8m at 1.4 g/t AuEq (0.6 g/t gold, 17.5 g/t silver, 1.2% zinc, 0.1% lead)**. This shallower zone of mineralization is associated with intrusive, under cover to the west of known mineralisation in the intrusive and close to a major N-S striking magnetic anomaly interpreted to be a dyke complex. It is not uncommon for three to four stacked zones of mineralisation to occur in the Verde Zone.



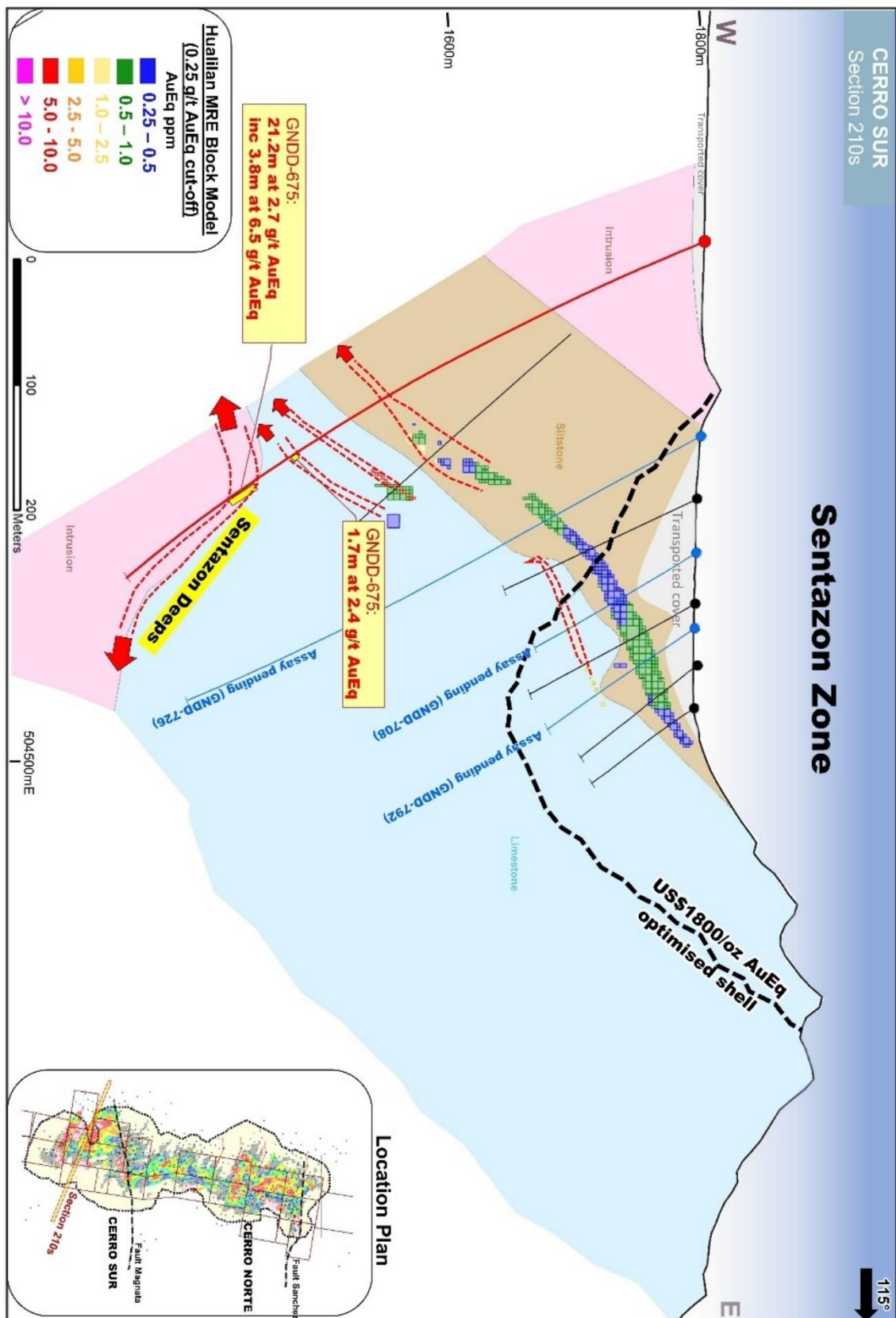


Figure 3 – Cross Section showing GNDD-675 and Sentazon Deepes Discovery

Challenger Exploration Limited  
ACN 123 591 382  
ASX: CEL

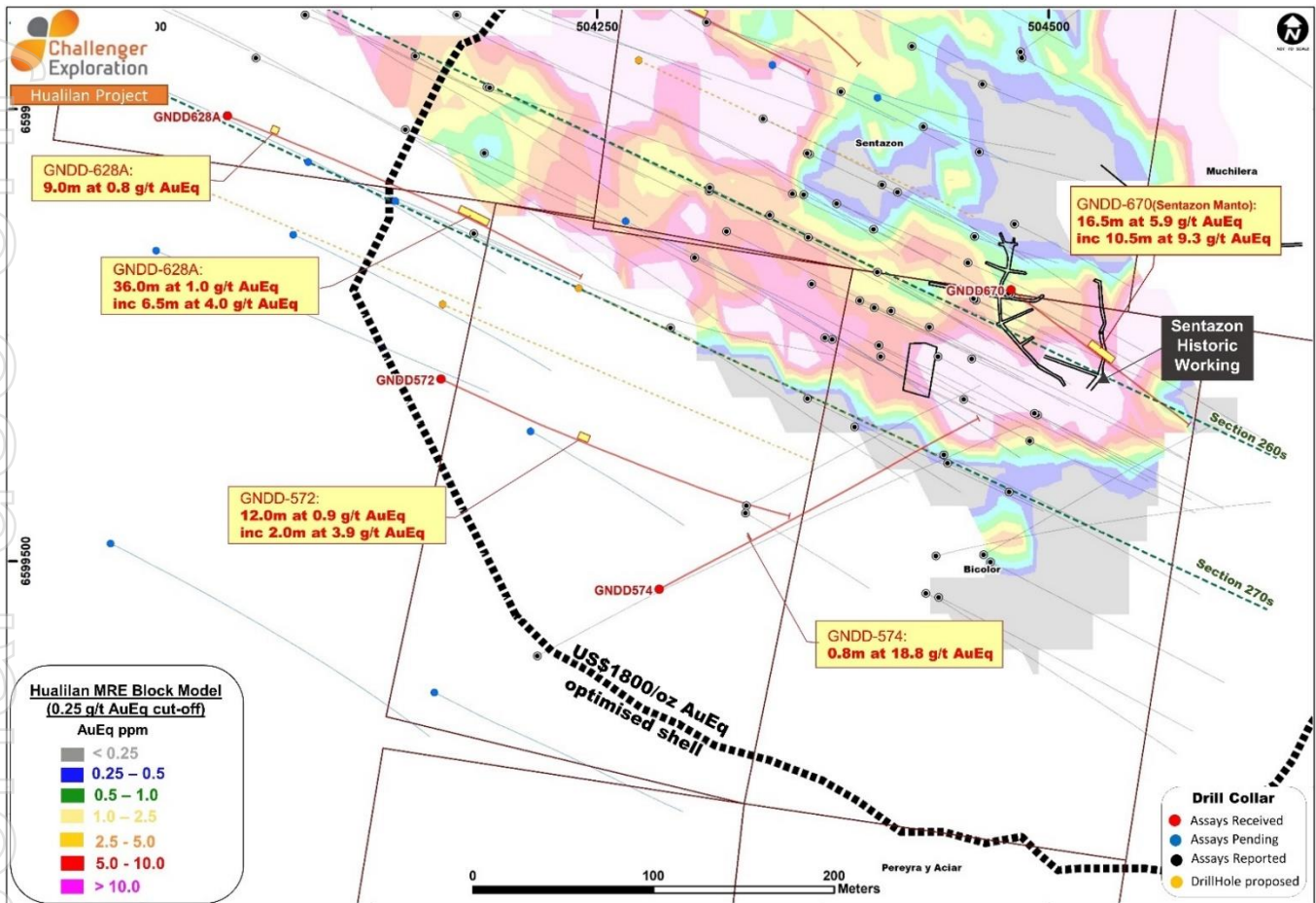
Issued Capital  
1,045.8m shares  
10.0M options  
120m perf shares  
16m perf rights

Australian Registered Office  
Level 1  
1205 Hay Street  
West Perth WA 6005

Directors  
Mr Kris Knauer, MD and CEO  
Mr Scott Funston, Finance Director  
Mr Fletcher Quinn, Chairman  
Mr Sergio Rotondo, Exec. Director

Contact  
T: +61 8 6380 9235  
E: admin@challengerex.com





**Figure 4 - Plan view showing current drilling at Sentazon and the southern MRE boundary**

#### **GNDD-579 and GNDD-774 (assays pending)**

GNDD-579, which was collared 150 metres up-dip of GNDD-628A, intersected several zones of mineralisation albeit of lower tenor than GNDD-628A. This indicates that mineralisation may be increasing with depth as can be seen in Figure 5. This is supported by drillhole GNDD-774 (assays pending), drilled to test 80 metres down dip of GNDD-628A. GNDD-774 has been logged as intersecting a significantly thicker zone of sulphides and skarn alteration than GNDD-628A. Additionally, several holes up-dip of GNDD-628A are logged as intersecting sulphides and skarn alteration over significant widths as shown in Figure 5 (over the page).

#### **GNDD-572 and GNDD767, GNDD-783, GNDD-779 (assays pending)**

GNDD-572 was collared a further 80 metres south along strike from GDD-628A and intersected **12.0m at 0.9 g/t AuEq (0.6 g/t gold, 14.9 g/t silver, 0.2% zinc)** from 166.0m including **2.0m at 3.9 g/t AuEq (2.7 g/t gold, 66.3 g/t silver, 0.8% zinc, 0.2% lead)**. This mineralisation was hosted in sediments above the limestone and extends the Verde style mineralisation a further 80 metres south along strike. The Verde Zone now extends over 2.3 kilometres of strike and remains open to both the north and south along strike and at depth.

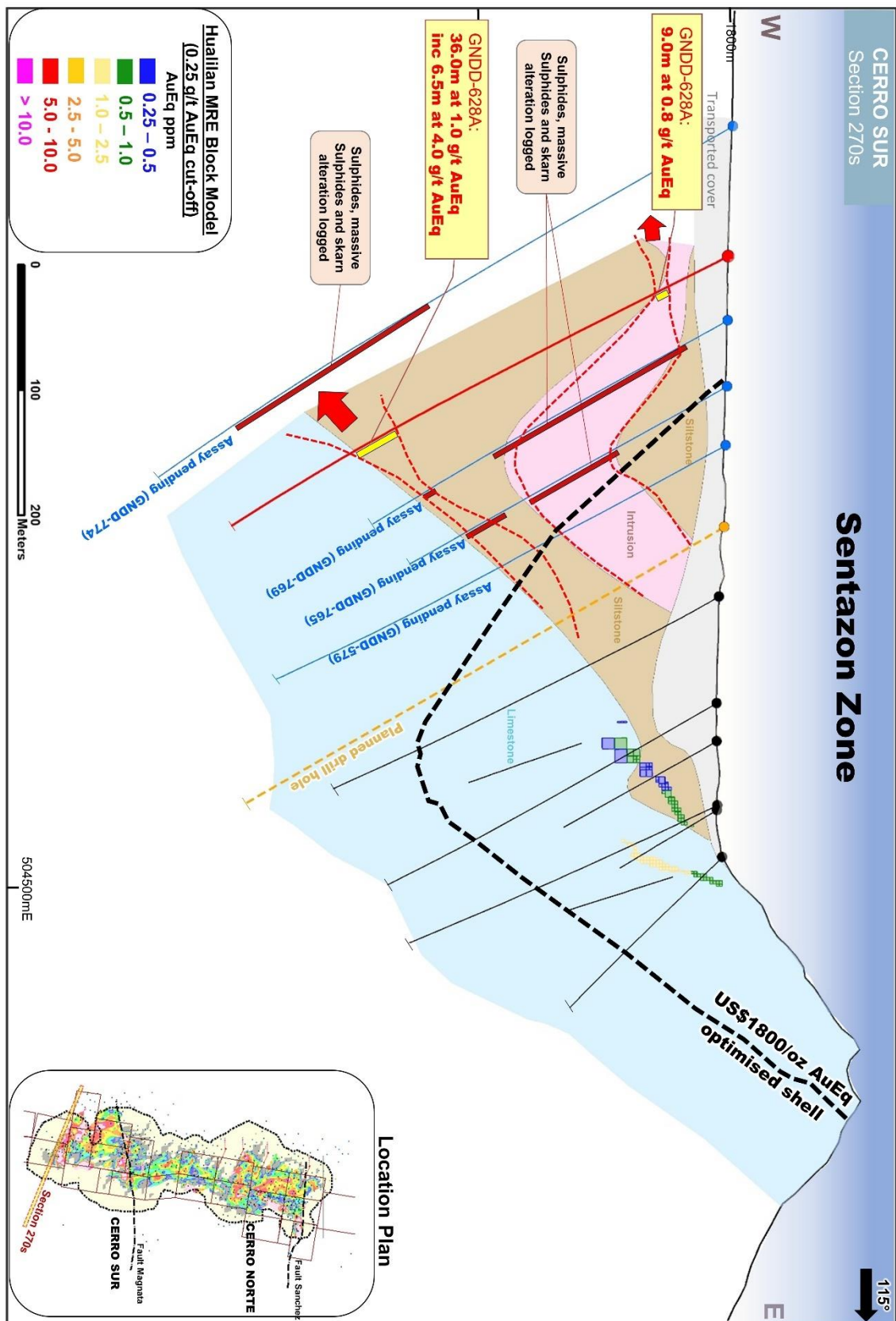


Figure 5 – Cross Section showing GNDD-628A and additional holes with assays pending

Challenger Exploration Limited  
ACN 123 591 382  
ASX: CEL

Issued Capital  
1,045.8m shares  
10.0M options  
120m perf shares  
16m perf rights

Australian Registered Office  
Level 1  
1205 Hay Street  
West Perth WA 6005

Directors  
Mr Kris Knauer, MD and CEO  
Mr Scott Funston, Finance Director  
Mr Fletcher Quinn, Chairman  
Mr Sergio Rotondo, Exec. Director

Contact  
T: +61 8 6380 9235  
E: admin@challengerex.com

Drill holes GNDD-767 (assays pending) and GNDD-783 (in progress), both collared 40 metres south along strike from GNDD-628A, and GNDD-779 (assays pending collared 180 metres down dip of GNDD-572) are logged as intersecting significant zones of sulphides (Figure 4). This area south of the current MRE boundary is one of the key focus areas of resource extension drilling.

#### **GNDD-574**

GNDD-574 was collared 120 metres south of the MRE boundary and drilled to the north-east at 060 degrees, to determine if a mapped structure the "Sentazon Fault Zone" to the south of Sentazon contained Magnata Fault style mineralisation at Sentazon. The majority of the drilling at Sentazon was at an azimuth of 115 degrees which is near parallel to the Sentazon Fault Zone.

The intersection of **0.8m at 18.8 g/t AuEq (12.2 g/t gold, 275 g/t silver, 6.9% zinc, 0.5% lead)** from 122.0m reported during the quarter was hosted in limestone. This mineralisation is interpreted as the main Sentazon Manto mineralisation with the intersection extending the Sentazon Manto by 80 metres to the south and importantly south of the Sentazon Fault. This is the first time drilling has extended the main Sentazon Manto south of the Sentazon Fault.

Additionally, GNDD-574 intersected two zones of deeper mineralisation **2.0m at 2.4 g/t AuEq (2.2 g/t gold, 3.0 g/t silver, 0.1% zinc, 0.1% lead)** from 204.0m in hosted in limestone and **8.2m at 0.3 g/t AuEq (0.2 g/t gold, 2.3 g/t silver, 0.1% zinc)** from 204.0m hosted in intrusives. Both are yet to be followed up with additional drilling.

#### **Up-dip drilling at Sentazon**

#### **GNDD-670**

GNDD-670, reported during the quarter, was collared from the same drill pad as GNDD-214 and GNDD-239 and drilled using the underground drill rig to allow the hole to be drilled at a very low angle into the side of the hill. The hole was drilled to intersect the manto in the sulphide zone immediately below the old workings that have been channel sampled and to infill and validate the up-dip mineralisation included in the current MRE (Figure 6).

Twenty-five metres vertically below surface, the hole intersected **16.5m at 5.9 g/t AuEq (4.1 g/t gold, 18.9 g/t silver, 3.4% zinc)** from 53.0 including **10.5m at 9.3 g/t AuEq (6.5 g/t gold, 29.6 g/t silver, 5.3% zinc)** from 59.1m including **4.1m at 18.9 g/t AuEq (13.8 g/t gold, 58.3 g/t silver, 9.4% zinc, 0.1% lead)** from 59.9. The intersection successfully infills and validates the earlier channel sampling results at Sentazon.



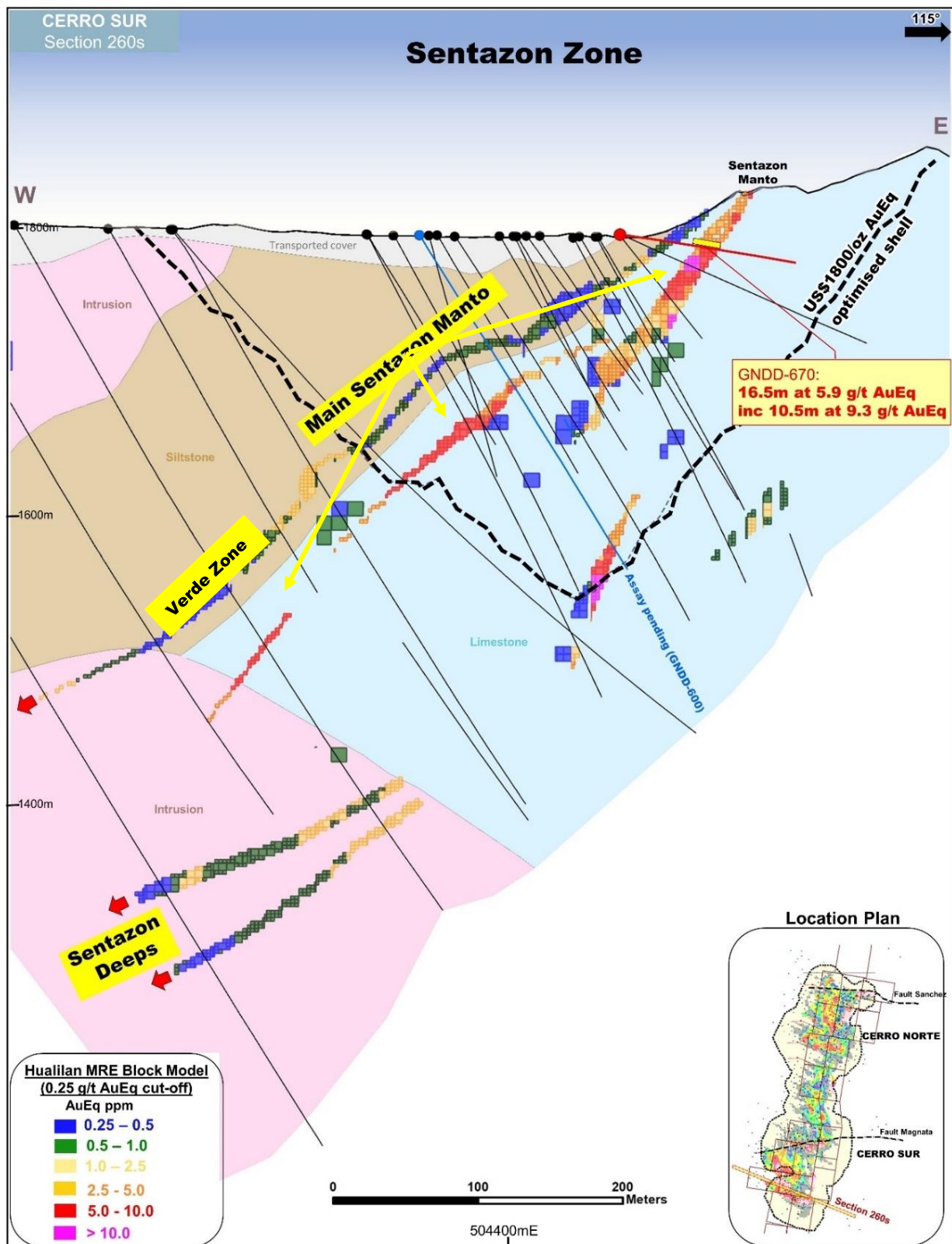


Figure 6 - Expanded view of GNDD-670 showing mineralisation at Sentazon

Challenger Exploration Limited  
ACN 123 591 382  
ASX: CEL

Issued Capital  
1,045.8m shares  
10.0M options  
120m perf shares  
16m perf rights

Australian Registered Office  
Level 1  
1205 Hay Street  
West Perth WA 6005

Directors  
Mr Kris Knauer, MD and CEO  
Mr Scott Funston, Finance Director  
Mr Fletcher Quinn, Chairman  
Mr Sergio Rotondo, Exec. Director

Contact  
T: +61 8 6380 9235  
E: admin@challengerex.com



## THE VERDE ZONE

The Verde Zone contributes almost 1 million ounces gold equivalent<sup>1</sup> to the current Hualilan MRE when the new high-grade zones at depth are included. The Verde Zone was a CEL discovery targeted using surface magnetics and IP (Induced Polarisation) at the Hualilan Gold Project. The discovery hole (ASX release 2/3/21) returned 125.5 metres at 1.1 g/t AuEq including 71.0 metres at 1.8 g/t AuEq (GNDD-169). The Verde Zone covers 2.0 kilometres of strike and mineralisation remains open along strike and at depth.

Mineralisation in the Verde Zone is oriented north-south, is 50 to 100 metres wide, and hosted by bedding parallel fault-fracture zones in sediments and steeply dipping fracture zones in intrusives. A lower grade halo of mineralisation extends into the overlying sedimentary rocks which have been locally brecciated by the hydrothermal fluids during mineralisation. The overlying mineralisation in the sedimentary rocks dips to the west at 30-50° and is up to 50 metres thick. This overlying halo of lower grade mineralisation is a useful exploration guide to vector to the deeper intrusion-hosted mineralisation. As drilling extends deeper, zones of high-grade skarn mineralisation are being intersected at both limestone-intrusive contacts and also within limestone which is analogous to the Main Norte and Sentazon Manto mineralisation.

The infill and extension drilling at the Verde and Gap Zones is designed as a series of fences of holes at 40 metre spacing along strike. Holes on each fence were collared to target the mineralisation 40 metres below the previous hole. The intention is to drill the entire 2.0 kilometre Verde Zone down to 400 metres vertically on 40 x 40 metre spacing. The infill portion of this program is ongoing as, mineralisation continues to be extended further north and south along strike, and at depth. Accordingly, the focus is to continue to expand the footprint of the mineralisation rather than infill drilling. Results during the quarter continued to both extend and infill the Verde Zone.

## GNDD-684

GNDD-684 was a 40 metre spaced infill hole in the Verde zone between GNDD-361 (69.0 metres at 0.3 g/t AuEq) and GNDD-350 (0.6 metres at 4.9 g/t AuEq). GNDD-684 materially upgrades the existing MRE block model intersecting significantly wider and higher grade mineralisation in the main Verde Zones. Additionally, the hole intersected a new zone of mineralisation above the main Verde zones within the \$1800 MRE pit shell and two new zones of mineralisation at depth.

The intersection of **65.3m at 2.4 g/t AuEq (2.3 g/t gold, 1.7 g/t silver, 0.1% lead, 0.2% zinc)** from 209.0m including **1.9m at 74.5 g/t AuEq (71.6 g/t gold, 41.1 g/t silver, 3.5% lead 3.8% zinc)** is materially thicker and higher in grade than the MRE block model (Figure 7) and is another example of infill drilling returning intercepts significantly better than the current MRE block model.

The deeper Intersection of **12.2m at 11.0 g/t AuEq (10.1 g/t gold, 11.7 g/t silver, 0.1% lead, 1.5% zinc)** from 324.9m including **8.3m at 16.0 g/t AuEq (14.8 g/t gold, 17.1 g/t silver, 0.1% lead, 2.2% zinc)** extends the deeper high-grade zone of Verde mineralisation 60 metres up-dip from GNDD-361 (4.8 metres at 8.8 g/t AuEq) and is again, substantially thicker and higher grade.

The deeper intersection of **7.6m at 1.2 g/t AuEq (1.1 g/t gold, 0.7 g/t silver, 0.1% zinc)** from 354.5m including **2.2m at 3.2 g/t AuEq (3.2 g/t gold, 0.9 g/t silver)** correlates with the intersection of 2.0 metres at 9.4 g/t in GNDD-361 down-dip and will allow the Inclusion of this deeper zone in an MRE upgrade. The deepest intersection of **4.0m at 1.4 g/t AuEq (1.4 g/t gold, 1.8 g/t silver)** from 408.8m is a new zone that will require follow up drilling. The near surface intersection of **27.0m at 0.3 g/t AuEq (0.3 g/t gold, 0.7 g/t silver)** from 115.4m including **2.0 at 1.4 g/t AuEq (1.1 g/t gold, 6.8 g/t silver)** which lies within the \$1800 MRE pit shell is a new zone of mineralisation.

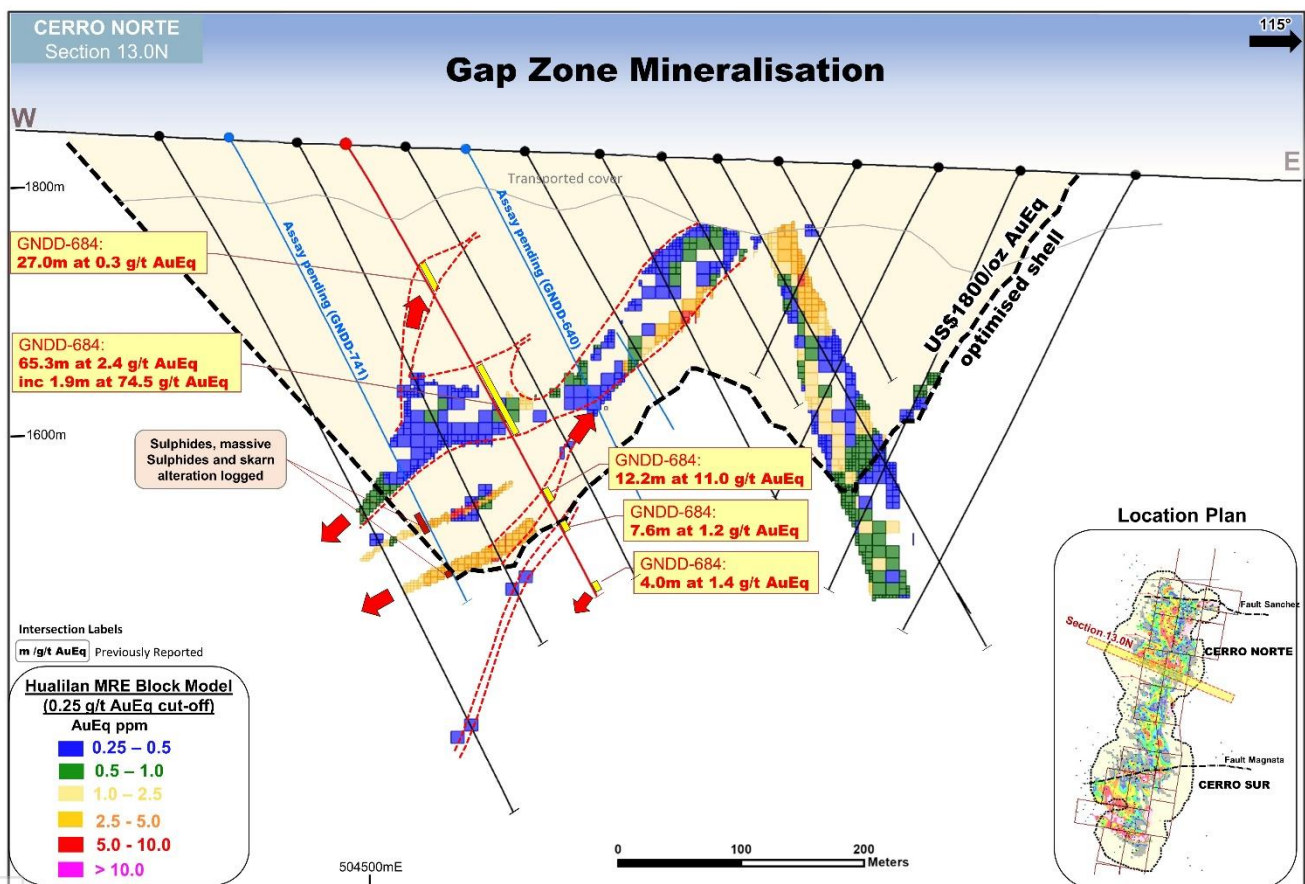


Figure 7 - Section central Verde Zone showing GNDD-684

#### GNDD-624 and GNDD-648

GNDD-624 was a 40 metre spaced infill hole targeting the Verde Zone between GNDD-287 and GNDD-387. The intersection of **64.0m at 0.5 g/t AuEq (0.4 g/t gold, 4.2 g/t silver, 0.2% zinc)** from 79.0m including **10.0m at 1.4 g/t AuEq (1.2 g/t gold, 9.7 g/t silver, 0.1% lead 0.2% zinc)** is considerably thicker than that predicted from the MRE block model (Figure 8). The deeper Intersection of **4.3m at 1.8 g/t AuEq (0.9 g/t gold, 17.2 g/t silver, 0.3% lead 1.4% zinc)** from 107.0m is in line with the existing MRE model.

GNDD-648 was drilled as a 100 metre up-dip step-out from GNDD-284. The intersection of **28.0m at 1.0 g/t AuEq (0.9 g/t gold, 1.9 g/t silver, 0.1% zinc)** from 2.0m including **4.0m at 2.7 g/t AuEq (2.6 g/t**

gold, 3.0 g/t silver, 0.1% zinc) from 10.0m and 4.0m at 2.8 g/t AuEq (2.7 g/t gold, 2.3 g/t silver, 0.1% zinc) from 26.0m extends the Verde zone to surface, will upgrade the MRE and provide more confidence in near surface mineralisation. An infill hole GNDD-727 (assays pending) has been collared to test between GNDD-624 and GNDD-284 and then deeper towards the Magnata Fault Zone.

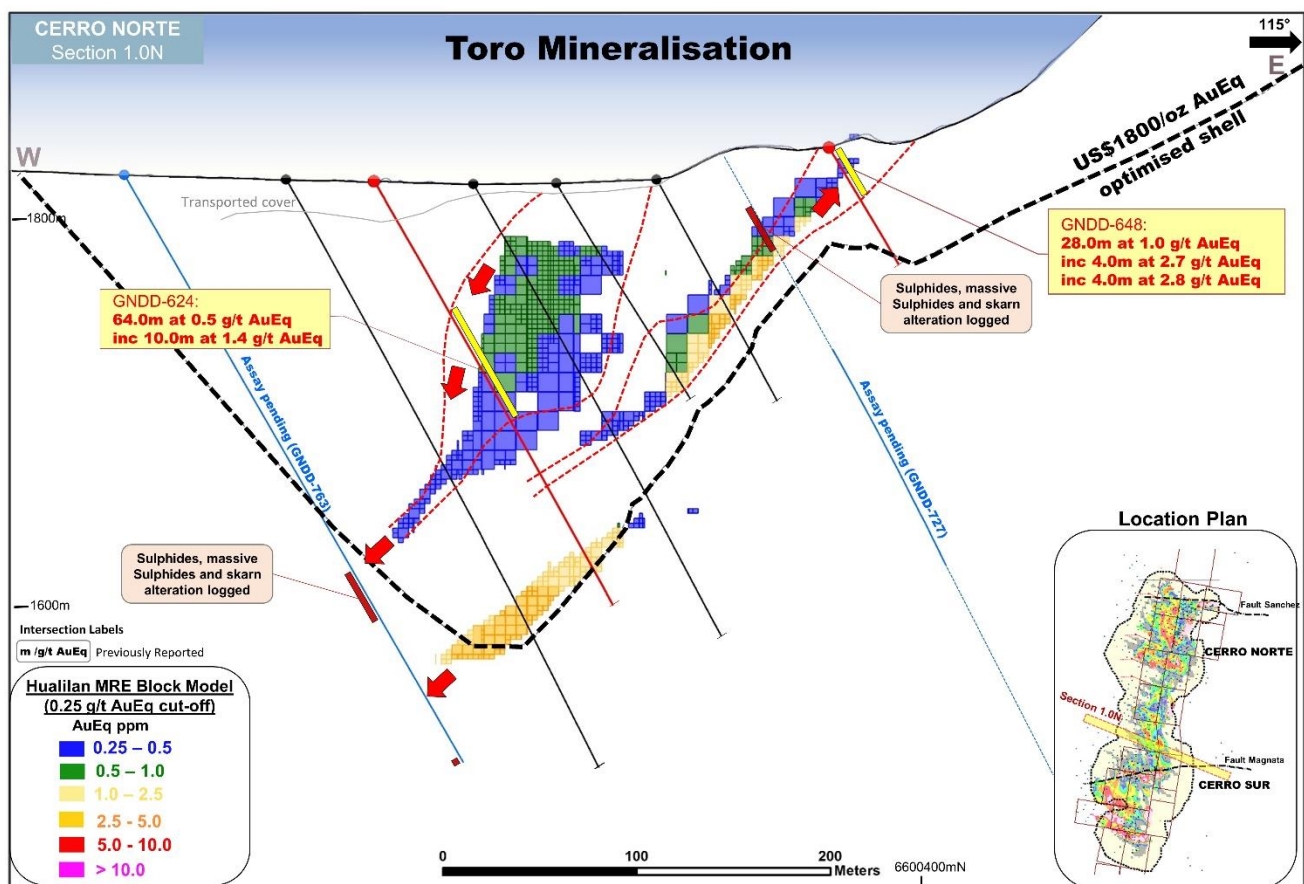


Figure 8 - Section southern Verde Zone showing GNDD-624 and GNDD-648

### GNDD-661

GNDD-661 was collared with dual objectives, a deep test of the Magnata Fault to the east, and to infill the mineralisation north of the Magnata Fault. The hole intersected intrusion-hosted southern Verde Zone mineralisation in three zones from near surface. Intercepts included **94.0m at 0.7 g/t AuEq (0.6 g/t gold, 1.2 g/t silver, 0.1% zinc)** from 17.0m including **7.5m at 2.3 g/t AuEq (2.2 g/t gold, 2.2 g/t silver, 0.1 % lead, 0.2% zinc)**, **4.0m at 3.0 g/t AuEq (2.9 g/t gold, 1.3 g/t silver, 0.2% zinc)** from 135.0m, and **45.0m at 0.6 g/t AuEq (0.5 g/t gold, 6.3 g/t silver, 0.2% zinc)** from 163.0 including. This zone of Intrusion-hosted mineralisation was significantly thicker than anticipated.

The hole failed to intersect significant mineralisation at depth on the eastern Magnata fault however drillhole GNDD-703 (assays pending) which was designed as deep test of the eastern Magnata Fault structure 60 metres to the west of GNDD-661 is logged as intersecting sulphides and skarn alteration which is interpreted as mineralisation on the Magnata Fault.



### GNDD-644

GNDD-644 was drilled as a 40 metre spaced infill hole in the northern Verde Zone between GNRC-091 (24.0 metres at 0.5 g/t AuEq) and GNDD-298 (21.0 metres at 0.8 g/t AuEq). The upper intercept of **43.0m at 0.9 g/t AuEq (0.8 g/t gold, 1.6 g/t silver, 0.2% lead, 0.1% zinc)** from 42.0m including **2.0 at 7.3 g/t AuEq (7.1 g/t gold, 2.9 g/t silver, 0.7% lead 0.1% zinc)** is significantly wider and higher in grade than the intercepts in the holes up and down-dip.

The deeper intercept of **12.5m at 1.5 g/t AuEq (0.9 g/t gold, 3.6 g/t silver, 1.1% zinc)** extends the mineralisation 40 metres up-dip, within the optimised pit shell, from the intercept of and 2.0 metres at 1.5 g/t in GNDD-298. GNDD-671 (assays pending) has been completed to test with a deeper hole planned down-dip of GNDD-671 and an infill drill hole up-dip of GNDD-671.

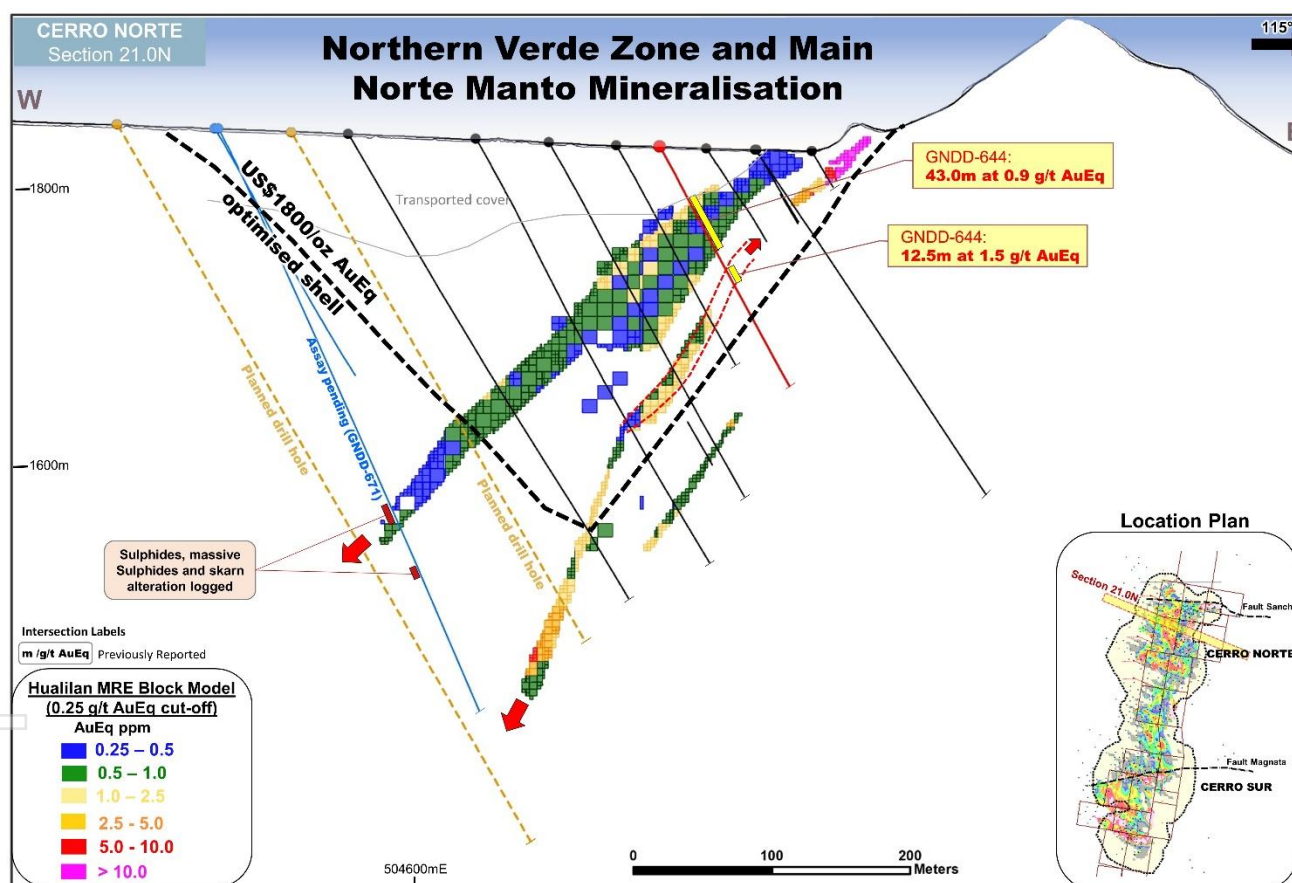


Figure 9 - Section norther Verde Zone showing GNDD-644 and planned drilling

### GNDD-697

GNDD-697 intersected **65.3m at 0.7 g/t AuEq (0.5 g/t gold, 2.0 g/t silver, 0.2% lead, 0.4% zinc)** from 41.0m including **4.5m at 3.3 g/t AuEq (2.4 g/t gold, 6.6 g/t silver, 0.8% lead 1.4% zinc)** and **3.6m at 5.0 g/t AuEq (2.9 g/t gold, 14.0 g/t silver, 2.0% lead 3.3% zinc)**.



GNDD-697 was drilled on the northern most section of drilling included in the current MRE. As can be seen from the MRE block model (Figure 4) prior to the MRE cut-off results had only been received for one Verde Zone drill hole on this section, GNDD-433 which intersected 22.0 metres at 0.7 g/t AuEq from 178.0m. GNDD-697 joins GNDD-563, which intersected 34.4 metres at 0.8 g/t AuEq, in confirming that mineralisation at Hualilan is strong and open to the north along strike.

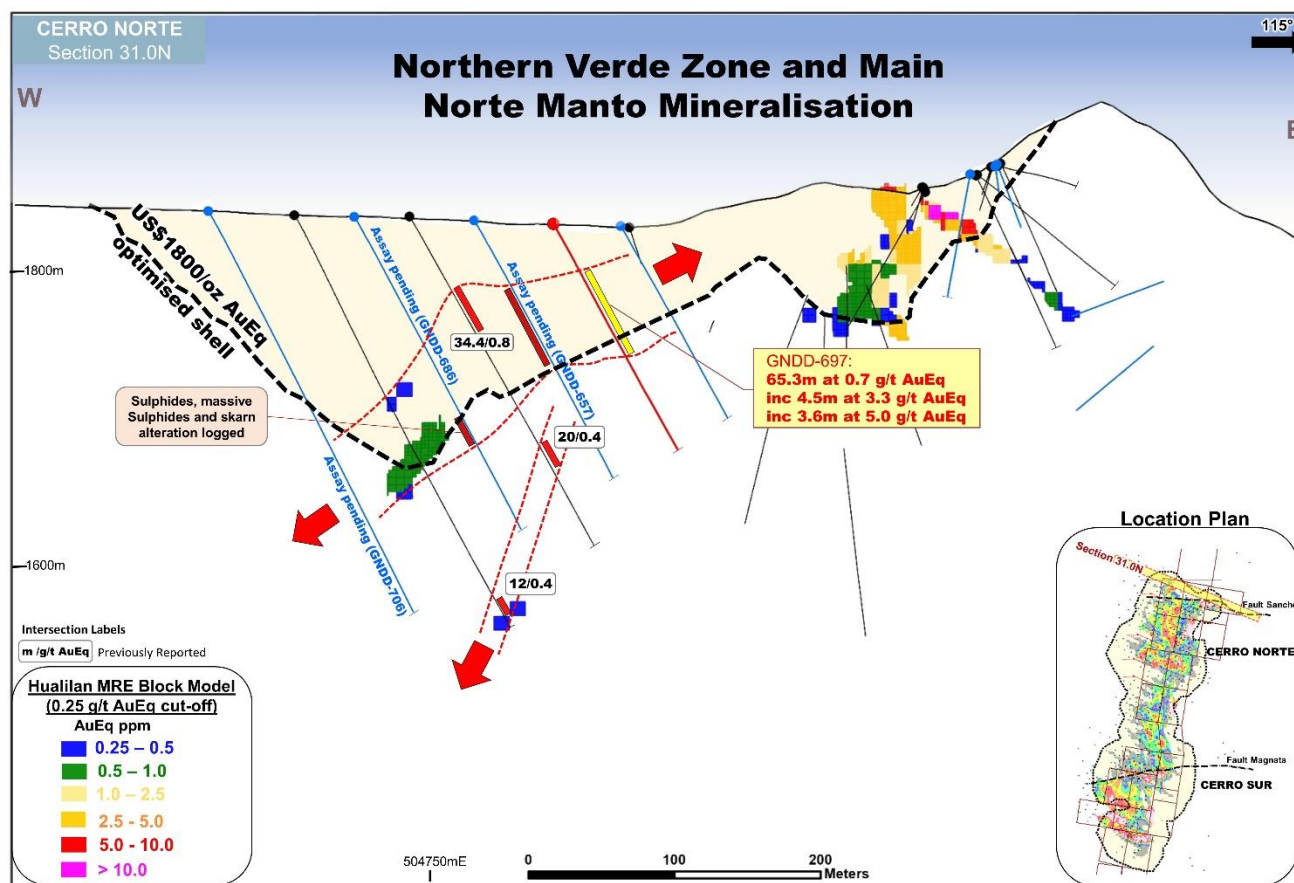


Figure 10 - Section northern Verde Zone showing GNDD-697

### EXPLORATION DRILLING WEST OF THE MRE BOUNDARY

GNDD-557 was collared at the southern end of the Verde Zone approximately 750 metres west of the MRE boundary. The hole intersected two zones of mineralisation; **61.7m at 0.3 g/t AuEq (0.3 g/t gold, 1.2 g/t silver)** from 271.3m including **0.9m at 2.0 g/t AuEq (1.9 g/t gold, 9.0 g/t silver)** from 286.0m and **1.3 at 2.5 g/t AuEq (2.4 g/t gold, 6.7 g/t silver)** from 330.3 hosted in interbedded intrusives and sediments. The hole also intersected **25.6m at 0.5 g/t AuEq (0.4 g/t gold, 5.1 g/t silver, and 0.1% zinc)** from 460.0m. This deeper zone was hosted in fine grained sandstones and is interpreted as analogous to the sediment hosted mineralisation often located above the main Verde Zone mineralisation.

GNDD-576 was collared 300 metres north of GNDD-557 and almost 1 kilometre west of the existing MRE. This hole intersected intersecting **10.0m at 0.6 g/t AuEq (0.4 g/t gold, 20.6 g/t silver)** from

182.0m including **2.0m at 1.4 g/t AuEq (0.8 g/t gold, 44.1 g/t silver, 0.1% zinc)** hosted in intrusives and **0.6m at 0.8 g/t AuEq (0.4 g/t gold, 7.0 g/t silver, 0.1% lead, 0.5% zinc)** from 551.7 at the contact between shale and limestone.

GNDD-585 was collared 1.5 kilometres to the north approximately 800 metres north-west of the MRE boundary. The hole intersected **3.0m at 1.8 g/t AuEq (1.6 g/t gold, 3.4 g/t silver, 0.1% lead, 0.3% zinc)** from 244.0m including **1.0m at 4.7 g/t AuEq (4.2 g/t gold, 8.8 g/t silver, 0.2% lead, 0.8% zinc)** hosted at the contact between shale and limestone.

GNDD-557, GNDD576, and GNDD-585 are three in a series of exploration holes collared up to one kilometre west of the Verde Zone mineralisation most of which intersected mineralisation. Given the area to the west of the Verde Zone is covered by recent cover this series of stratigraphic/exploration holes was drilled to allow the geology to be better integrated with the ground magnetic and IP data. These holes confirm that mineralisation remains open at least 1 kilometer west of the current MRE.

## THE MAGNATA FAULT

The Magnata and Sanchez Faults are two east-west striking sub-vertical faults. The faults can be seen in outcrop and magnetic data extending for tens of kilometres to the east and west of Hualilan. The Magnata Fault is located at Cerro Sur approximately 1.5 kilometres south of the Sanchez Fault and separates into the M1 and M2 Magnata Faults, both of which host high-grade shoots.

The Magnata and Sanchez Faults were historically recognised as hosting mineralisation at Hualilan. The mineralising fluids are interpreted to have migrated from a source below or along strike, within the faults forming steeply dipping zones of mineralisation in the Magnata and Sanchez Faults. These fluids migrating up the faults also formed nearby replacement Manto-style high grade lenses, oriented parallel to the limestone beds, dipping to the west.

## GNDD-685

GNDD-685 was one of the more important holes reported during the quarter. It returned several important intersections that significantly open the mineralisation potential in the vicinity of the Magnata Fault.

The intersection of **8.4m at 5.5 g/t AuEq (4.5 g/t gold, 5.3 g/t silver, and 2.0% zinc)** from 362.4m including **2.6 metres at 17.4 g/t AuEq (14.3 g/t gold, 16.1 g/t silver, and 6.3% zinc)** and **20.0m at 1.1 g/t AuEq (1.0 g/t gold, 0.9 g/t silver, and 0.2% zinc)** from 409.0m including **5.5m at 2.6 g/t AuEq (2.4 g/t gold, 1.1 g/t silver, and 0.4% zinc)** are in the Magnata Fault. This extends the mineralisation on the Magnata Fault 100 metres below the current base of the MRE and importantly below GNDD-181 which was previously believed to close the Magnata Fault mineralisation at depth on this section. The Magnata Fault mineralisation remains strong and open at depth.

The deepest intersection in GNDD-685 was **1.9m at 23.3 g/t AuEq (20.0 g/t gold, 8.3 g/t silver, and 6.8% zinc)** from 651.2m. This is believed to correlate with a deep intersection of 20.0 metres at 1.5 g/t AuEq including 2.8 metres at 9.8 g/t AuEq in GNDD-134 that is 250 metres below the MRE boundary. Given the depth of this intersection in GNDD-134 limited drilling had been conducted to follow up this zone of mineralisation which occurs at the contact between intrusive and limestone. GNDD-685 provides the first indication that this mineralisation is likely steeply dipping.

Surface mapping 700 metres vertically above these intersection in GNDD-685 and GNDD-134 indicates the presence of the same brecciated limestone-intrusive contact which is mineralised at surface. This limestone-intrusive contact is located approximately 200 metres south of the Magnata Fault.

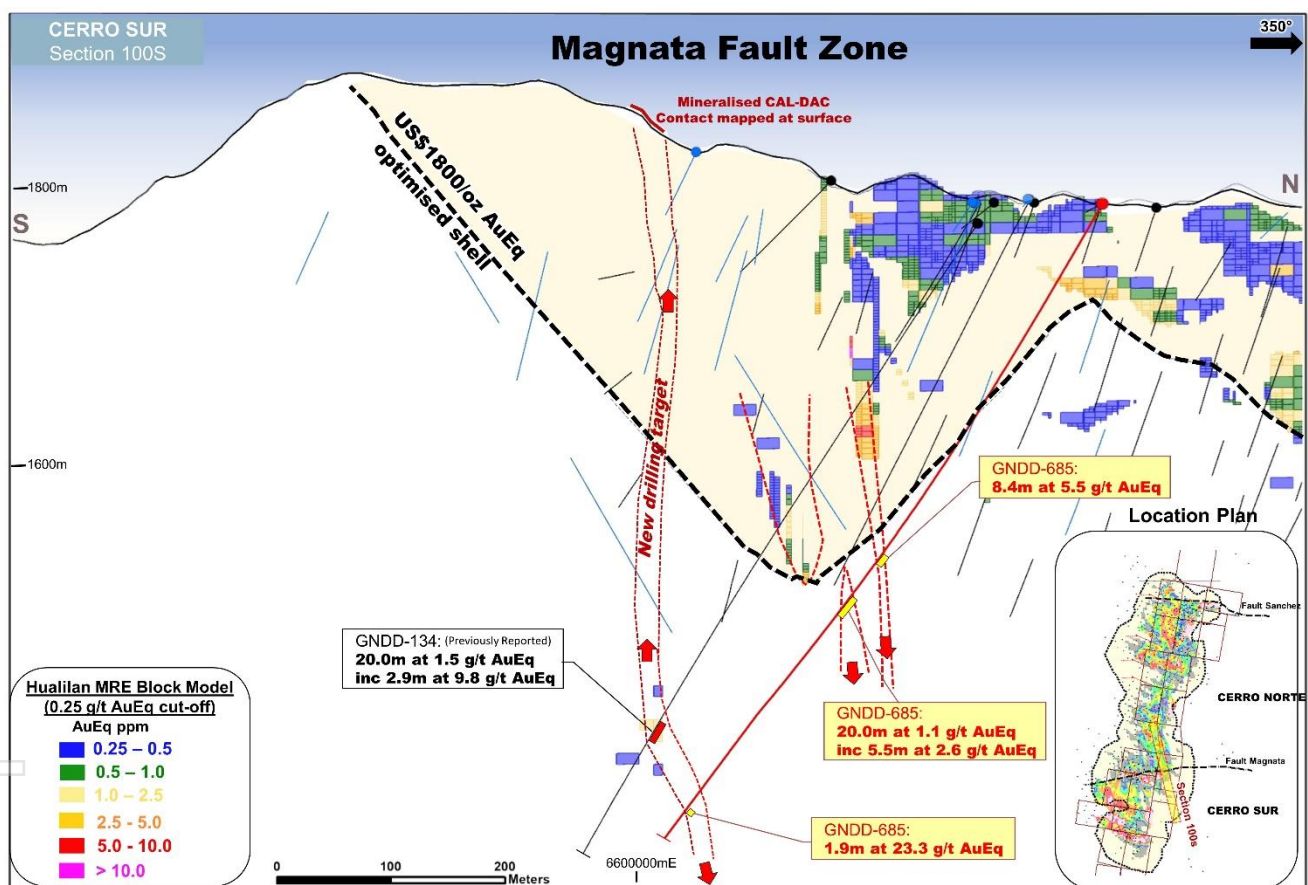


Figure 11 - Cross Section GNDD-685 Eastern Magnata Fault Zone and new target zone

This new drill target has at least 700 metres of vertical extent (Figure 11) and has been mapped over 200 metres of strike and remains open. A series of drill holes and surface channel samples have been completed to test this intrusive-limestone contact over the 700 vertical metres.

Assays remain pending however several are logged as intersecting zones of massive and semi massive sulphides with skarn alteration which is consistent with high-grade gold mineralisation in surrounding drill holes.





**Core Photo GNDD-685 including the Interval 651.1-653.0m (20.0 g/t gold, 8.3 g/t silver, and 6.8% zinc)**

**Challenger Exploration Limited**  
ACN 123 591 382  
ASX: CEL

**Issued Capital**  
1,045.8m shares  
10.0M options  
120m perf shares  
16m perf rights

**Australian Registered Office**  
Level 1  
1205 Hay Street  
West Perth WA 6005

**Directors**  
Mr Kris Knauer, MD and CEO  
Mr Scott Funston, Finance Director  
Mr Fletcher Quinn, Chairman  
Mr Sergio Rotondo, Exec. Director

**Contact**  
T: +61 8 6380 9235  
E: admin@challengerex.com



## EL GUAYABO GOLD AND COLORADO V GOLD/COPPER PROJECT - ECUADOR

During the quarter the company announced results from the remainder of its Phase 1 drilling program which targeted eight of the nine remaining regionally significant Au-Ag-Cu soil anomalies in the greater El Guayabo Project area<sup>2</sup>.

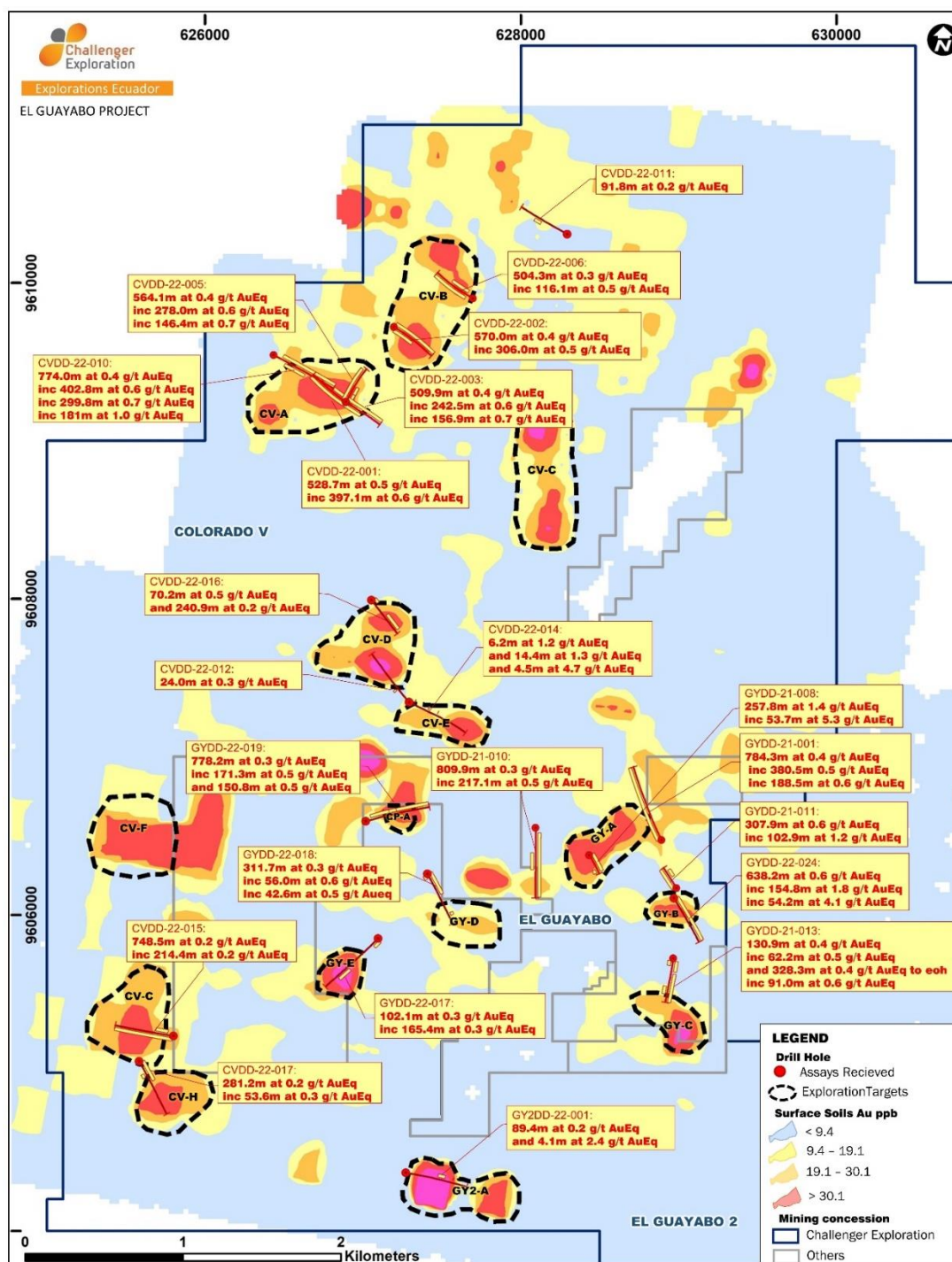


Figure 12 - Regional view of the Greater El Guayabo Gold Project drilling

Challenger Exploration Limited  
ACN 123 591 382  
ASX: CEL

Issued Capital  
1,045.8m shares  
10.0M options  
120m perf shares  
16m perf rights

Australian Registered Office  
Level 1  
1205 Hay Street  
West Perth WA 6005

Directors  
Mr Kris Knauer, MD and CEO  
Mr Scott Funston, Finance Director  
Mr Fletcher Quinn, Chairman  
Mr Sergio Rotondo, Exec. Director

Contact  
T: +61 8 6380 9235  
E: admin@challengerex.com

Additionally, the Company has received the results from its first four Phase 2 drill holes on the GY-B Anomaly on the 100% owned El Guayabo concession. The results confirm the potential of the greater El Guayabo project to produce one of South America's next significant gold discoveries.

### PHASE 1 REGIONAL EXPLORATION DRILLING

Drill Hole (#)	From (m)	To (m)	Interval (m)	AuEq (g/t)	Anomaly	Gram x Metres
CVDD-22-011	363.2	455.0	91.8	0.2	Geophysical target 500m NE of CV-A	18.2
incl.	397.7	433.7	36.0	0.3	(Colorado V)	11.7
CVDD-22-012	215.4	239.4	24.0	0.3	CV-D anomaly	6.3
and	413.9	429.7	15.8	0.2	(Colorado V)	3.8
CVDD-22-013	227.0	472.8	245.8	0.2	Gap between the CV-A and CV-B anomalies (Colorado V)	48.1
incl.	396.0	449.9	53.9	0.3		15.1
CVDD-22-014	256.8	271.2	14.4	1.3	CV-E anomaly	18.3
and	401.1	405.6	4.5	4.7	(Colorado V)	21.3
CVDD-22-015	9.1	757.6	748.5	0.2	CV-G anomaly (Colorado V)	128.0
incl.	77.4	233.7	156.3	0.3	<i>ended in mineralisation</i>	39.2
CVDD-22-016	10.8	81.0	70.2	0.5	CV-D anomaly	37.5
from	275.0	515.9	240.9	0.2	(Colorado V)	39.1
and	397.5	436.5	39.0	0.3		10.0
CVDD-22-017	20.3	301.5	281.2	0.2	CV-H anomaly	47.1
incl.	168.0	221.5	53.6	0.3	(Colorado V)	13.4
GYDD-22-017	8.0	110.1	102.1	0.3	GY-E anomaly	26.1
and	406.1	443.8	37.8	0.3	(El Guayabo concession)	10.9
and	521.3	686.7	165.4	0.3		45.7
incl.	591.0	621.3	30.3	0.5		15.6
GYDD-22-018	4.0	734.1	730.1	0.2	GY-D anomaly	151.3
incl.	4.0	315.7	311.7	0.3	(El Guayabo concession)	79.0
incl.	4.0	60.0	56.0	0.6		31.8
and	583.9	626.5	42.6	0.5	<i>ended in mineralisation</i>	23.3
GYDD-22-019	77.3	855.5	778.2	0.3	CP-A anomaly	202.3
and	328.1	499.5	171.3	0.5	(Cerro Pelado concession)	84.0
incl.	328.1	426.5	98.4	0.7		64.7
incl.	688.2	839.0	150.8	0.5		71.8
incl.	796.5	839.0	42.5	1.4		60.4
GYDD-22-020	119.2	200.8	81.6	0.3	Geophysical target and northern extension of the Ecuaba Vein	21.0
and	290.5	445.5	155.0	0.2	(El Guayabo concession)	37.4
and	385.0	433.5	48.5	0.3		16.9
and	623.5	750.0	126.5	0.4		47.2
incl.	635.5	661.0	25.5	0.9	<i>ended in mineralisation</i>	23.5
GY2DD-22-001	191.00	202.20	11.2	0.9	GY2-A Anomaly	10.50
and	403.10	492.50	89.4	0.2	(El Guayabo 2 concession)	19.9
and	592.60	596.68	4.1	2.4		9.7

Table 2 - Summary of Regional Exploration Results

**#2-The greater El Guayabo Gold Project area comprises the following concessions:**

1. El Guayabo concession (281 Ha) - 100% owned
2. Colorado V concession (2331 Ha) - earning 50%
3. El Guayabo 2 concession (957 Ha) - earning 80% with option to move to 100%
4. Cerro Pelado 1, 2 and 3 concessions (64 Ha combined) - earning 80% with option to move to 100%

The results of the additional Phase 1 exploration drilling reported during the quarter is summarised in Table 2 (previous page). These 11 drill holes tested eight of the nine remaining regionally significant Au-Cu-soil anomalies in the project as shown in Figure 12. All holes intersected mineralisation with all 14 regionally significant Au-Cu soil anomalies drilled in the greater El Guayabo Gold Project having produced significant gold intercepts with seven of these 14 anomalies now regarded as high-priority targets for resource drilling by the Company.

The seven high-priority drill targets consist of the main GY-A discovery trend and GY-B which are currently the subject of a resource infill drilling program. GY-C and GY-D are also within the 100% owned El Guayabo concession. CV-A and CV-B are located in the Colorado V concession where the Company is earning a 50% interest, and CP-A is located in the Cerro Pelado concession.

**GYDD-22-018 - GY-D Anomaly, El Guayabo concession.**

GYDD-22-018 was the first hole drilled to test the GY-D Au-Cu soil anomaly which is located on the greater GY-A discovery trend approximately 700 metres west along strike from all GY-A drilling. The hole intersected **730.1 m at 0.2 g/t AuEq<sup>2</sup>(0.1 g/t Au, 0.7 g/t Ag, 0.03% Cu, 5.8 ppm Mo)** from 4.0m including **311.7m at 0.3 g/t AuEq<sup>2</sup>( 0.2 g/t Au, 0.7 g/t Ag, 0.03% Cu, 7.4 ppm Mo)** from 4.0m including **56.0m at 0.6 g/t AuEq<sup>2</sup> (0.5 g/t Au, 0.7 g/t Ag, 0.02% Cu, 5.7 ppm Mo)** from 4.0m and **42.6m at 0.5 g/t AuEq<sup>2</sup>(0.4 g/t Au, 1.0 g/t Ag, 0.1% Cu, 5.4 ppm Mo)** from 583.9m.

The intersection significantly upgrades the El Guayabo Project as it supports the interpretation of a 1.4 kilometre zone of continuous mineralisation along the trend that contains the GY-A (main discovery zone which has produced intersections including 257.8m at 1.4 g/t AuEq) and GY-D anomalies. The company has drilled two holes on the trend between the bulk of the GY-A drilling and GYDD-22-018, including GYDD-21-010 targeting a geophysical anomaly which intersected **809.9m at 0.3 g/t AuEq** from 70.2m, including **217.1m at 0.5 g/t AuEq** and GYDD-21-007 a 200 metre step-out to the west of GY-A which intersected **360.1m at 0.3 g/t** from 149.5m including **43.0m at 0.6 g/t AuEq** from 450.2m.

**GYDD-22-019 - CP-A Anomaly, Cerro Pelado concession.**

GYDD-22-019 was the first hole to be drilled on the small Cerro Pelado concession which lies between El Guayabo and Colorado V. The company has entered into an agreement with the local artisanal mining association that owns the three Cerro Pelado concessions where it can farm in to earn an initial 80% interest with the option to move to 100% ownership. The local mining association is currently working narrow high-grade veins which occur through-out the bulk porphyry/Intrusive breccia hosted mineralisation down to a depth of almost 900 metres.

The intersection of **778.2 m at 0.3 g/t AuEq<sup>2</sup> (0.2 g/t Au, 0.6 g/t Ag, 0.01% Cu, 0.8 ppm Mo)** from 77.3m including **277.7m at 0.4 g/t AuEq (0.3 g/t Au, 0.7 g/t Ag, 0.01% Cu, 2.6 ppm Mo)** from 292.3m including **171.3m at 0.5 g/t AuEq<sup>2</sup> (0.5 g/t Au, 0.9 g/t Ag, 0.01% Cu, 2.1 ppm Mo)** including **98.4m at 0.7 g/t AuEq<sup>2</sup> (0.6 g/t Au, 0.6 g/t Ag, 0.01% Cu, 2.3 ppm Mo)** from 328.1m and a higher grade zone of **42.0m at 0.9 g/t AuEq (0.8 g/t Au, 0.4 g/t Ag, 0.01% Cu, 3.1 ppm Mo)** including **24.0m at 1.3 g/t AuEq (1.3 g/t Au, 0.5 g/t Ag, 0.02% Cu, 3.5 ppm Mo)**. Additionally, the main intercept includes a deeper higher-grade zone of **167.3m at 0.4 g/t AuEq<sup>2</sup> (0.4 g/t Au, 0.5 g/t Ag, 0.02% Cu, 3.7 ppm Mo)** from 688.2m including **150.8m at 0.5 g/t AuEq<sup>2</sup> (0.4 g/t Au, 0.6 g/t Ag, 0.02% Cu, 3.1 ppm Mo)** from 688.2m including **42.5m at 1.4 g/t AuEq<sup>2</sup> (1.3 g/t Au, 1.2 g/t Ag, 0.1% Cu, 2.4 ppm Mo)** including **22.5m at 2.4 g/t AuEq<sup>2</sup> (2.3 g/t Au, 1.9 g/t Ag, 0.1% Cu, 2.4 ppm Mo)**.

The CP-A anomaly is part of a circular gold in soil feature approximately 600 metres long and 500 metres wide. The results of this first hole on the anomaly coupled with the extensive artisanal workings which have been mapped by the Company indicate an extensive gold discovery.

## **PHASE 2 DRILLING GY-B ANOMALY**

Prior to the Phase 2 resource drilling program on the main GY-A discovery zone a series of four holes were drilled on the GY-B anomaly to follow up CEL drillhole GYDD-21-009 which intersected 692.7m at 0.3 g/t AuEq including a higher grade zone of 220.5m at 0.6 g/t AuEq including 20.7m at 1.0 g/t AuEq and 80.5m at 0.9 g/t AuEq. This drilling has significantly upgraded the GY-B target with all four holes intersecting more than 150 grams x metres of mineralisation from near surface and three of the four holes ending in mineralisation.

As can be seen in Figure 14, which shows the main GY-A Discovery Zone and the GY-B anomaly, the Company is eagerly awaiting the results of Drillhole GYDD-22-025 as this is testing the potential for the GY-A and GY-B anomalies to join forming a greater 1-1.2 kilometre wide zone of mineralisation. The only drilling to target this gap between GY-A and GY-B was hole GYDD-21-011 which was drilled from GY-B north and targeted to test 250 metres under the GYDD-21-001 discovery hole on GY-A. This hole was abandoned at 311 metres downhole when the drill pipe became stuck however the hole returned an intersection of 307.9m at 0.6 g/t AuEq from 3.0m to the end of the hole.

## **GYDD-22-024 - GY-B Anomaly, El Guayabo concession**

GYDD-22-024 was the highlight of this drilling returning an outstanding intersection from near surface to the end of the hole including a significant and coherent high-grade zone. The hole intersected **638.2m at 0.6 g/t AuEq (0.3 g/t Au, 2.1 g/t Ag, 0.1% Cu, 10.5 ppm Mo)** from 10.1m including **304.3m at 1.0 g/t AuEq (0.5 g/t Au, 3.4 g/t Ag, 0.3 % Cu, 14.5 ppm Mo)** from 344.0m including **154.8m at 1.8 g/t AuEq (0.9 g/t Au, 5.7 g/t Ag, 0.5 % Cu, 19.0 ppm Mo)** from 332.2m. This Included a discrete high-grade zone of **108.5m at 2.4 g/t AuEq (1.3 g/t Au, 7.8 g/t Ag, 0.6% Cu, 20.0 ppm Mo)** from 344.0m including **54.2 m at 4.1 g/t AuEq (2.2 g/t Au, 12.9 g/t Ag, 1.0% Cu, 24.7 ppm Mo)** from 369.3m.

The high-grade zone of **54.2 m at 4.1 g/t AuEq** is pervasive and consistent with the intercept containing a highest grade internal split of 1.5 metres at 15.1 g/t AuEq with 33 of the 35 splits that comprise this intercept

For personal use only



grading over 1 g/t AuEq. The intercept extends the high-grade mineralisation intersected in historical drillhole GY-02 (156m at 3.0 g/t AuEq) some 100 metres along strike and confirms the presence of a coherent high-grade core to the GY-B mineralisation. This high-grade zone of mineralisation in GY-B is interpreted as forming a sub-vertical zone. Cross Section 10145 shows that earlier historical drill holes were likely not drilled deep enough to intersect the zone of high-grade mineralisation.

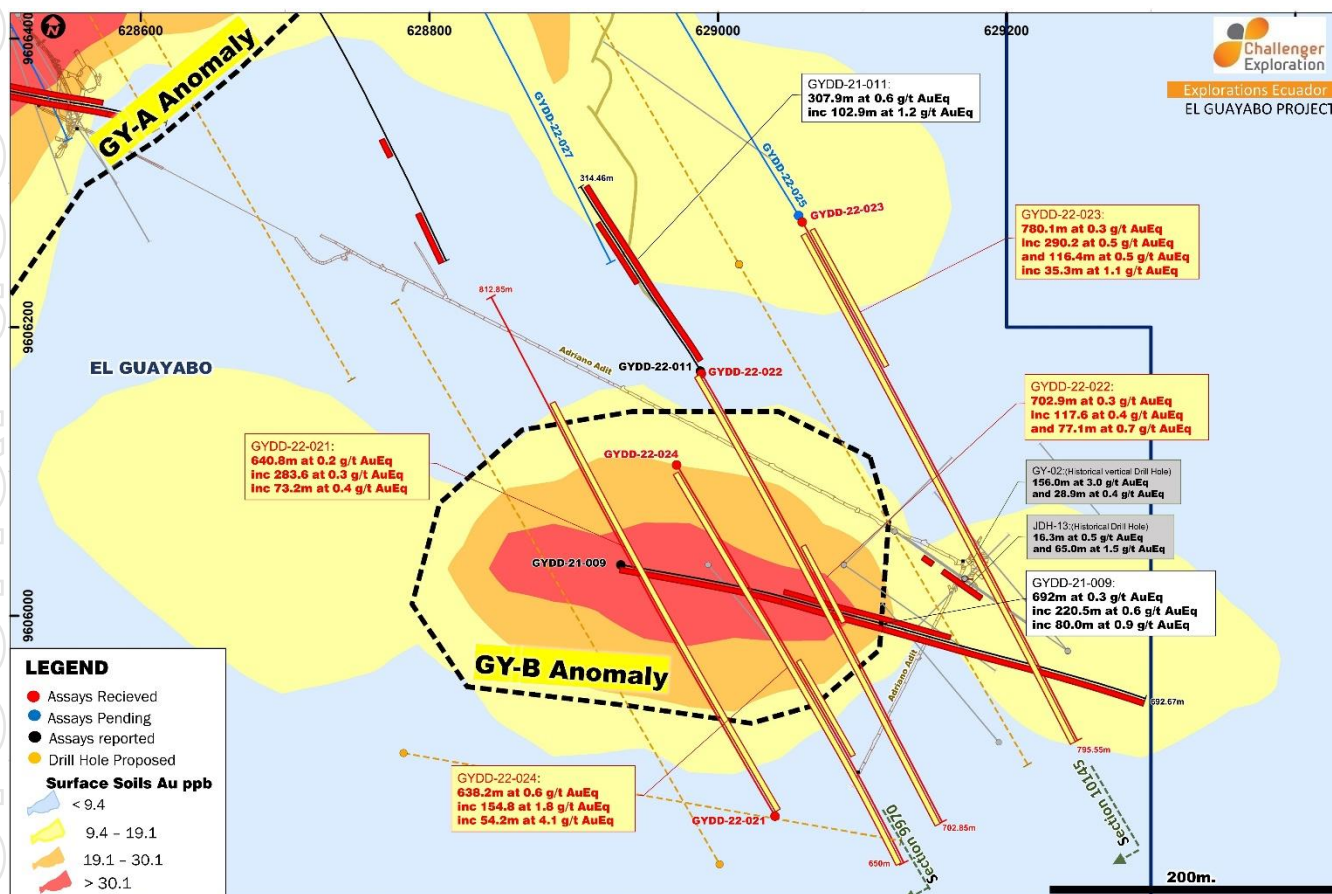


Figure 13 - Plan view GY-B Anomaly showing Phase 1 and Phase 2 drilling

#### GYDD-22-023 - GY-B Anomaly, El Guayabo concession

GYDD-22-023 was drilled on the eastern margin of GY-B approximately 150 metres east of GYDD-22-024. The hole intersected **780.1 m at 0.3 g/t AuEq (0.2 g/t Au, 2.1 g/t Ag, 0.04% Cu, 6.4 ppm Mo)** from 15.5m to the end of the hole including **290.2m at 0.5 g/t AuEq (0.3 g/t Au, 2.7 g/t Ag, 0.04% Cu, 5.1 ppm Mo)** from 15.5m including **54.2 m at 0.9 g/t AuEq (0.7 g/t Au, 4.7 g/t Ag, 0.1% Cu, 10.7 ppm Mo)** from 228.8m and **116.4 m at 0.5 g/t AuEq (0.3 g/t Au, 4.0 g/t Ag, 0.1% Cu, 4.4 ppm Mo)** from 441.5m including **32.3m at 1.1 g/t AuEq (0.7 g/t Au, 6.8 g/t Ag, 0.1% Cu, 6.6 ppm Mo)** from 510.6m.

The intersection correlates with the high-grade historical Intersections in GY-02 (156m at 3.0 g/t AuEq) and JDH-013 (65.0m at 1.5 g/t AuEq) with this higher-grade zone in GY-B trending sub-vertically.

This hole is the most easterly hole on the GY-B anomaly drilled by the Company and indicates that GY-B mineralisation remains strong and open to the east and at depth.

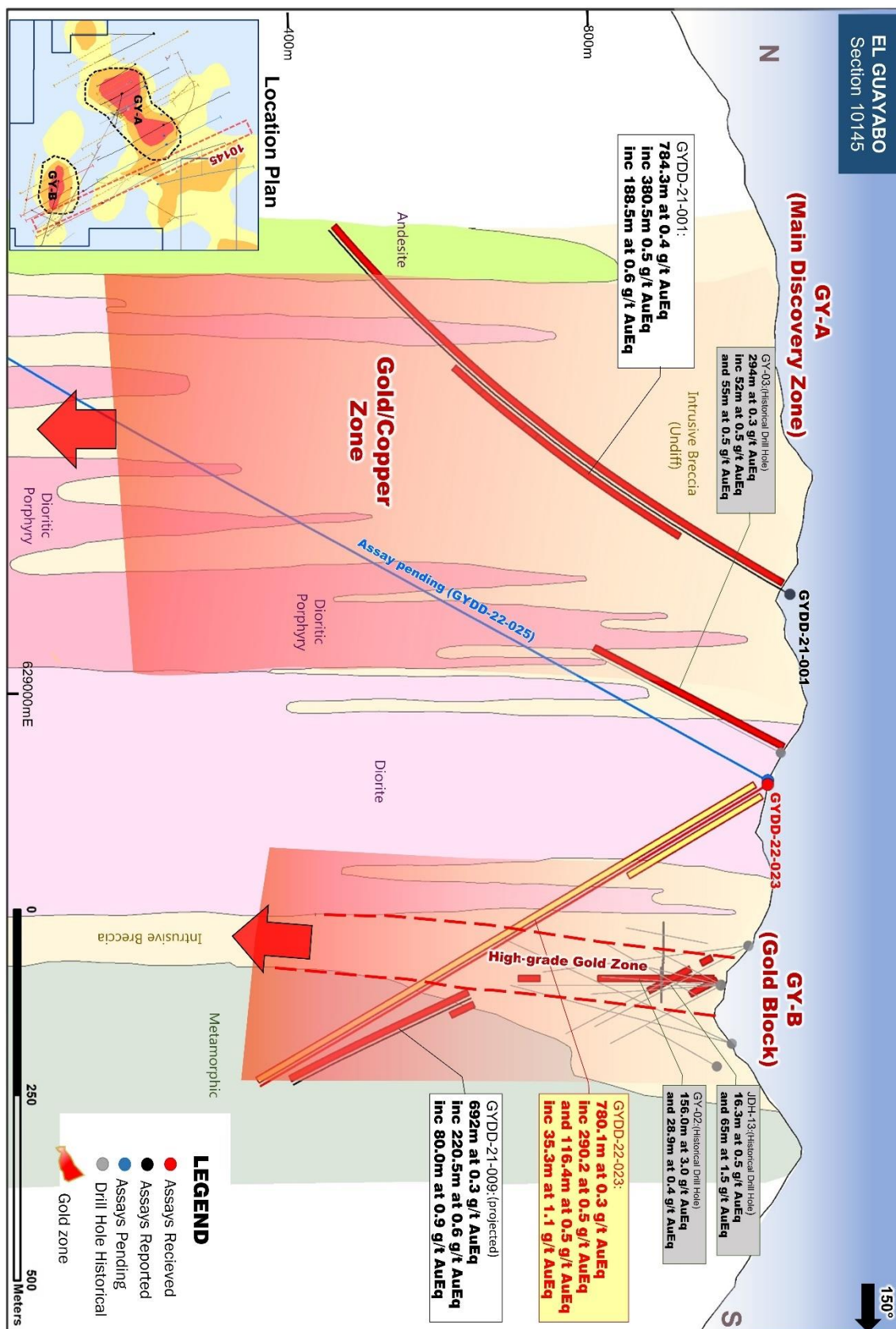


Figure 14 - Section 10145 showing GY-A and GY-B Anomalies and Phase 1 and 2 drilling

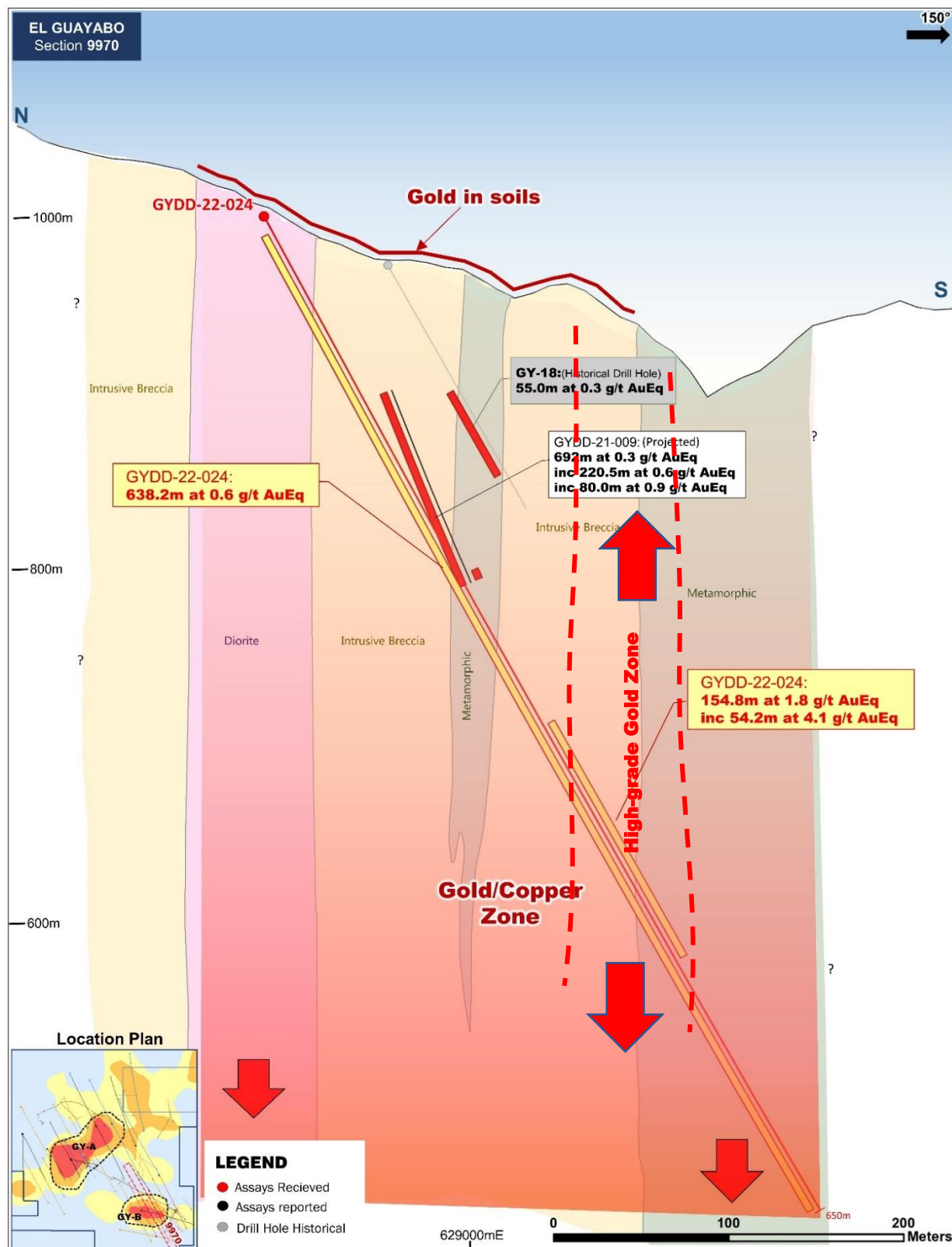


Figure 15 - Cross Section 9970, Drillhole GYDD-22-024 GY-B Anomaly

Challenger Exploration Limited  
ACN 123 591 382  
ASX: CEL

Issued Capital  
1,045.8m shares  
10.0M options  
120m perf shares  
16m perf rights

Australian Registered Office  
Level 1  
1205 Hay Street  
West Perth WA 6005

Directors  
Mr Kris Knauer, MD and CEO  
Mr Scott Funston, Finance Director  
Mr Fletcher Quinn, Chairman  
Mr Sergio Rotondo, Exec. Director

Contact  
T: +61 8 6380 9235  
E: admin@challengerex.com



**Table 3 - Showing assay results for high-grade zone in Drillhole GYDD-22-024**

GYDD-22-024 (sample number)	From (m)	To (m)	Interval (m)	Au (g/t)	Ag (g/t)	Cu (%)	Mo (ppm)	AuEq (G/t)
EX52001	369.25	370.75	1.50	0.707	61.000	1.88500	6.12	4.643
EX52003	370.75	372.25	1.50	1.914	36.200	1.23600	16.7	4.457
EX52004	372.25	373.75	1.50	7.672	28.500	4.19100	13.4	15.100
EX52005	373.75	375.25	1.50	3.963	20.600	2.50400	6.28	8.444
EX52006	375.25	376.75	1.50	4.339	76.000	3.25500	18.35	10.779
EX52007	376.75	378.25	1.50	2.374	11.100	1.34700	3.84	4.785
EX52008	378.25	379.75	1.50	1.019	4.270	0.74820	3.89	2.336
EX52009	379.75	381.25	1.50	1.648	17.200	1.39400	150.47	4.317
EX52010	381.25	382.75	1.50	1.352	6.830	0.63180	3.98	2.504
EX52011	382.75	384.25	1.50	2.318	7.930	2.11700	15.21	5.996
EX52013	384.25	385.75	1.50	1.852	5.320	1.04600	10.5	3.689
EX52014	385.75	387.25	1.50	0.733	2.620	0.62910	14.23	1.836
EX52015	387.25	388.75	1.50	0.808	2.570	0.55580	14.88	1.787
EX52016	388.75	390.25	1.50	2.236	8.520	1.58400	5.88	5.016
EX52017	390.25	391.75	1.50	3.284	9.210	1.51200	63.34	5.992
EX52018	391.75	393.25	1.50	0.947	10.900	0.90760	19.11	2.625
EX52019	393.25	394.75	1.50	1.561	8.310	1.14800	10.6	3.607
EX52020	394.75	396.25	1.50	2.631	4.740	0.35400	18.84	3.300
EX52021	396.25	397.75	1.50	4.241	7.230	1.12500	7.4	6.232
EX52023	397.75	399.25	1.50	6.065	3.250	0.26980	21.19	6.575
EX52024	399.25	400.75	1.50	2.948	1.360	0.11060	31.6	3.174
EX52025	400.75	402.25	1.50	0.966	8.590	0.49470	28.28	1.926
EX52026	402.25	403.75	1.50	2.057	3.140	0.30720	13.52	2.623
EX52027	403.75	405.25	1.50	1.397	8.430	0.57670	4.66	2.477
EX52028	405.25	406.75	1.50	0.735	2.230	0.46240	3.64	1.545
EX52029	406.75	408.25	1.50	0.319	2.610	0.44730	5.5	1.109
EX52030	408.25	409.75	1.50	0.619	16.100	0.92370	33.72	2.399
EX52031	409.75	411.25	1.50	1.485	3.550	1.18200	84.57	3.582
EX52033	411.25	412.75	1.50	1.230	2.060	0.59230	81.51	2.312
EX52034	412.75	414.25	1.50	4.383	41.800	1.91600	8.11	8.136
EX52035	414.25	415.75	1.50	2.744	28.100	1.17300	82.37	5.127
EX52036	415.75	417.25	1.50	5.546	6.840	0.33570	5.38	6.200
EX52037	417.25	418.75	1.50	1.767	3.500	0.25390	62.57	2.283
EX52038	418.75	420.25	1.50	0.200	1.720	0.07964	4.67	0.359
EX52039	420.25	421.75	1.50	0.703	1.260	0.08581	6.95	0.868
EX52040	421.75	423.43	1.68	0.768	2.470	0.18450	9.7	1.116

**GYDD-22-022 - GY-D Anomaly, El Guayabo concession**

GYDD-22-022 was an infill hole drilled between GYDD-22-024 and GYDD-22-023. The hole intersected mineralisation from near surface to the end of the hole. Intersecting **702.9m at 0.3 g/t AuEq (0.2 g/t Au, 2.7 g/t Ag, 0.1 % Cu, 6.7 ppm Mo)** from surface including **28.1m at 0.6 g/t AuEq (0.2 g/t Au, 30.4 g/t Ag, 0.04 % Cu, 1.4 ppm Mo)** from 23.9 and **117.6m at 0.4 g/t AuEq (0.2 g/t Au, 3.2 g/t Ag, 0.1 % Cu, 5.7 ppm Mo)** from 278.2m and **77.1m at 0.7 g/t AuEq (0.4 g/t Au, 2.7 g/t Ag, 0.1 % Cu, 5.7 ppm Mo)** from

For personal use only

446.5m including 28.4 m at **1.0 g/t AuEq (0.6 g/t Au, 3.6 g/t Ag, 0.2% Cu, 9.6 ppm Mo)** from 492.0m. The hole confirms the continuity of the GY-B mineralisation across the GY-B anomaly.

#### **GYDD-22-021 - GY-D Anomaly, El Guayabo concession**

GYDD-22-021 was drilled 60 metres to the west of GYDD-22-024 and is the most westerly hole drilled on the GY-B Target. The hole intersected **640.8m at 0.2 g/t AuEq (0.1 g/t Au, 1.9 g/t Ag, 0.1 % Cu, 9.4 ppm Mo)** from 5.2m including **283.6m at 0.3 g/t AuEq (0.1 g/t Au, 2.0 g/t Ag, 0.1 % Cu, 6.2 ppm Mo)** from 56.1m including

a higher-grade component of **73.2m at 0.4 g/t AuEq (0.2 g/t Au, 2.1 g/t Ag, 0.1 % Cu, 8.3 ppm Mo)** from 56.1m. Additionally, the hole intersected a second zone of mineralisation near the end of the hole intersecting **57.0m at 0.2 g/t AuEq (0.1 g/t Au, 1.0 g/t Ag, 0.04% Cu, 14.4 ppm Mo)** from 703m.

This intersection successfully extends the GY-B mineralisation 60 metres west along strike and confirms that the GY-B mineralisation remains open to the west. A follow up hole is planned to test another 100 metres west of GYDD-22-021.

#### **Next steps**

Both drill rigs remain on site, now completing the Phase 2 drill program on the GY-A anomaly designed to allow the reporting of a maiden Mineral Resource Estimate in accordance with the JORC 2012 Code. Six holes have been completed on GY-A (assays pending) for 4,900 metres of drilling with two holes in progress and an additional eight holes programmed. At least one additional hole is programmed on GY-B with two further GY-B holes being considered.

### **KAROO BASIN - SOUTH AFRICA**

The Company continues to pursue its application for shale gas exploration rights in South Africa. As previously reported, the Department of Mineral Resources is progressing a new petroleum resources development bill, and the Minister reportedly indicated during his address in the debate on the Presidential State of the Nation Address in June that the bill will soon undergo public participation, as part of the cabinet and parliamentary approval processes.

**Ends**

#### **For further information contact:**

**Kris Knauer**  
**Managing Director**  
**+61 411 885 979**  
**kris.knauer@challengerex.com**

**Scott Funston**  
**Chief Financial Officer**  
**+61 413 867 600**  
**scott.funston@challengerex.com**

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.

For personal use only

Table 4 - New Hualilan Intercepts Reported during the Quarter

Drill Hole (#)	From (m)	To (m)	Interval (m)	Gold (g/t)	Ag (g/t)	Pb (%)	Zn (%)	AuEq (g/t)	Comments	Gram x metres
GNDD551A	353.0	361.0	8.0	0.3	0.1	0.0	0.0	0.3	0.2 g/t AuEq cut	2.6
GNDD557	271.3	333.0	61.7	0.3	1.2	0.0	0.0	0.3	0.2 g/t AuEq cut	18.0
inc	286.0	286.8	0.9	1.9	9.0	0.0	0.0	2.0	1.0 g/t AuEq cut	1.7
inc	330.3	331.6	1.3	2.4	6.7	0.0	0.0	2.5	1.0 g/t AuEq cut	3.1
and	460.0	485.6	25.6	0.4	5.1	0.0	0.1	0.5	0.2 g/t AuEq cut	12.3
GNDD564	40.0	47.0	7.0	0.2	11.6	0.2	0.2	0.4	0.2 g/t AuEq cut	2.8
and	453.0	457.0	4.0	0.5	2.0	0.0	0.0	0.6	0.2 g/t AuEq cut	2.3
and	484.0	486.0	2.0	0.2	3.7	0.0	2.3	1.3	1.0 g/t AuEq cut	2.7
GNDD576	182.0	192.0	10.0	0.4	20.6	0.0	0.0	0.6	0.2 g/t AuEq cut	6.2
inc	188.0	190.0	2.0	0.8	44.1	0.0	0.1	1.4	1.0 g/t AuEq cut	2.8
and	551.7	552.3	0.6	0.4	7.0	0.1	0.5	0.8	0.2 g/t AuEq cut	0.5
GNDD585	244.0	247.0	3.0	1.6	3.4	0.1	0.3	1.8	0.2 g/t AuEq cut	5.4
inc	246.0	247.0	1.0	4.2	8.8	0.2	0.8	4.7	1.0 g/t AuEq cut	4.7
GNDD602	351.0	355.0	4.0	0.2	0.9	0.0	0.1	0.3	0.2 g/t AuEq cut	1.1
GNDD607	215.6	226.0	10.4	0.3	3.4	0.1	0.2	0.4	0.2 g/t AuEq cut	4.5
inc	215.6	216.3	0.7	0.6	15.3	0.8	2.2	2.0	1.0 g/t AuEq cut	1.4
and	348.5	350.0	1.5	2.6	21.1	0.1	0.8	3.2	0.2 g/t AuEq cut	4.8
inc	348.5	349.4	0.9	4.2	33.5	0.2	1.3	5.2	1.0 g/t AuEq cut	4.4
and	368.0	370.0	2.0	0.1	97.8	0.1	0.0	1.3	1.0 g/t AuEq cut	2.6
GNDD609	76.0	90.0	14.0	0.2	0.6	0.0	0.0	0.3	0.2 g/t AuEq cut	3.6
and	123.5	127.0	3.5	0.3	0.4	0.0	0.1	0.3	0.2 g/t AuEq cut	1.1
and	151.0	171.0	20.0	0.4	0.2	0.0	0.0	0.4	0.2 g/t AuEq cut	8.2
inc	165.0	171.0	6.0	0.9	0.4	0.0	0.1	1.0	1.0 g/t AuEq cut	5.8
and	359.2	359.7	0.5	0.8	13.2	0.0	1.2	1.5	1.0 g/t AuEq cut	0.8
GNDD611	68.0	72.0	4.0	0.3	1.7	0.1	0.3	0.5	0.2 g/t AuEq cut	1.8
and	213.3	215.4	2.0	0.5	6.9	0.1	0.4	0.7	0.2 g/t AuEq cut	1.5
inc	214.2	215.4	1.2	0.8	2.6	0.1	0.4	1.0	1.0 g/t AuEq cut	1.2
GNDD613	122.0	153.3	31.3	0.5	1.5	0.1	0.2	0.6	0.2 g/t AuEq cut	18.2
inc	144.0	153.3	9.3	1.3	3.3	0.2	0.6	1.6	1.0 g/t AuEq cut	15.0
GNDD615	142.0	146.0	4.0	0.2	1.9	0.0	0.0	0.2	0.2 g/t AuEq cut	1.0
and	176.0	189.2	13.2	0.2	5.1	0.0	0.0	0.2	0.2 g/t AuEq cut	3.0
and	231.0	272.4	41.4	0.2	0.6	0.0	0.0	0.2	0.2 g/t AuEq cut	9.0
and	288.0	290.9	2.9	0.2	1.5	0.0	0.5	0.5	0.2 g/t AuEq cut	1.3
and	321.0	344.0	23.0	0.4	3.3	0.0	0.1	0.5	0.2 g/t AuEq cut	11.0
inc	321.0	323.0	2.0	1.4	16.7	0.0	0.0	1.6	1.0 g/t AuEq cut	3.3
inc	339.0	340.1	1.1	2.3	4.5	0.4	0.7	2.8	1.0 g/t AuEq cut	3.1
and	360.0	376.0	16.0	0.2	1.9	0.0	0.1	0.3	0.2 g/t AuEq cut	4.2
GNDD617	49.0	53.0	4.0	0.8	2.1	0.1	0.2	0.9	0.2 g/t AuEq cut	3.6
inc	51.0	53.0	2.0	1.1	2.7	0.2	0.2	1.3	1.0 g/t AuEq cut	2.6
and	65.0	72.0	7.0	0.6	0.4	0.0	0.0	0.6	0.2 g/t AuEq cut	4.1
inc	67.0	69.0	2.0	1.0	0.4	0.0	0.0	1.1	1.0 g/t AuEq cut	2.1
and	82.0	89.1	7.1	0.3	4.3	0.0	0.1	0.4	0.2 g/t AuEq cut	2.8
GNDD619	149.5	157.0	7.5	0.4	0.8	0.1	0.1	0.4	0.2 g/t AuEq cut	3.2
inc	149.5	151.0	1.5	1.0	0.5	0.1	0.1	1.0	1.0 g/t AuEq cut	1.6
GNDD621	94.0	97.0	3.0	0.3	6.9	0.0	0.0	0.4	0.2 g/t AuEq cut	1.3
and	205.0	207.0	2.0	0.8	0.3	0.0	0.1	0.8	0.2 g/t AuEq cut	1.7

For personal use only



and	296.4	299.5	3.1	0.2	2.5	0.1	0.2	0.3	0.2 g/t AuEq cut	1.0
GNDD623	157.0	161.0	4.0	0.2	2.3	0.1	0.2	0.4	0.2 g/t AuEq cut	1.5
and	195.0	213.0	18.0	0.3	0.7	0.1	0.2	0.4	0.2 g/t AuEq cut	7.4
inc	206.0	208.0	2.0	0.5	2.6	0.5	0.9	1.0	1.0 g/t AuEq cut	2.0
inc	212.0	213.0	1.0	1.5	1.9	0.3	0.6	1.9	1.0 g/t AuEq cut	1.9
GNDD624	79.0	143.0	64.0	0.4	4.2	0.0	0.2	0.5	0.2 g/t AuEq cut	31.0
inc	81.0	91.0	10.0	1.2	9.7	0.1	0.2	1.4	1.0 g/t AuEq cut	14.0
inc	107.0	111.3	4.3	0.9	17.2	0.3	1.4	1.8	1.0 g/t AuEq cut	7.6
GNDD632	NSI									0.0
GNDD634	94.6	106.5	11.9	0.3	2.5	0.0	0.1	0.3	0.2 g/t AuEq cut	3.7
and	116.6	120.7	4.1	1.3	3.7	0.2	0.6	1.6	0.2 g/t AuEq cut	6.8
inc	118.0	120.7	2.7	1.8	5.3	0.3	0.9	2.4	1.0 g/t AuEq cut	6.3
and	142.0	152.0	10.0	1.1	0.7	0.0	0.1	1.1	0.2 g/t AuEq cut	11.4
inc	142.0	145.1	3.1	2.8	1.1	0.1	0.2	2.9	1.0 g/t AuEq cut	9.0
GNDD638	317.0	321.0	4.0	0.7	3.1	0.1	0.3	0.9	0.2 g/t AuEq cut	3.5
inc	319.0	321.0	2.0	1.3	3.6	0.1	0.4	1.5	1.0 g/t AuEq cut	3.0
GNDD644	42.0	85.0	43.0	0.8	1.6	0.1	0.1	0.9	0.2 g/t AuEq cut	38.7
inc	49.0	51.0	2.0	7.1	2.9	0.7	0.1	7.3	1.0 g/t AuEq cut	14.7
inc	65.0	73.0	8.0	1.4	2.7	0.3	0.1	1.5	1.0 g/t AuEq cut	12.2
and	101.0	113.5	12.5	0.9	3.6	0.0	1.1	1.5	0.2 g/t AuEq cut	18.4
inc	101.0	112.4	11.4	1.0	3.8	0.0	1.1	1.6	1.0 g/t AuEq cut	18.0
GNDD648	2.0	30.0	28.0	0.9	1.9	0.0	0.1	1.0	0.2 g/t AuEq cut	27.4
inc	10.0	14.0	4.0	2.6	3.0	0.0	0.1	2.7	1.0 g/t AuEq cut	10.7
inc	26.0	30.0	4.0	2.7	2.3	0.0	0.0	2.8	1.0 g/t AuEq cut	11.2
GNDD655	19.9	29.7	9.8	0.4	4.6	0.2	0.9	0.9	0.2 g/t AuEq cut	8.7
inc	21.7	26.5	4.9	0.6	6.2	0.4	1.0	1.3	1.0 g/t AuEq cut	6.2
and	46.0	54.6	8.6	0.3	0.6	0.0	0.0	0.3	0.2 g/t AuEq cut	2.6
and	69.5	72.0	2.5	0.4	0.8	0.0	0.1	0.5	0.2 g/t AuEq cut	1.2
and	96.9	104.7	7.8	0.9	4.3	0.1	0.6	1.2	0.2 g/t AuEq cut	9.2
inc	96.9	101.8	4.9	1.2	6.4	0.1	0.8	1.7	1.0 g/t AuEq cut	8.4
GNDD656	70.0	86.0	16.0	0.1	0.9	0.0	0.1	0.2	0.2 g/t AuEq cut	3.1
GNDD661	17.0	111.0	94.0	0.6	1.2	0.0	0.1	0.7	0.2 g/t AuEq cut	63.8
inc	17.0	24.5	7.5	2.2	2.2	0.1	0.2	2.3	1.0 g/t AuEq cut	17.2
inc	44.0	46.0	2.0	1.0	0.3	0.0	0.1	1.0	1.0 g/t AuEq cut	2.1
inc	64.0	66.0	2.0	2.8	0.2	0.0	0.0	2.8	1.0 g/t AuEq cut	5.6
inc	74.0	76.0	2.0	8.8	0.2	0.0	0.1	8.8	1.0 g/t AuEq cut	17.6
inc	109.0	111.0	2.0	1.0	3.5	0.1	0.2	1.2	1.0 g/t AuEq cut	2.3
and	135.0	139.0	4.0	2.9	1.3	0.0	0.2	3.0	0.2 g/t AuEq cut	12.0
and	163.0	208.0	45.0	0.5	6.3	0.0	0.2	0.6	0.2 g/t AuEq cut	29.2
inc	183.0	185.0	2.0	1.1	4.5	0.0	0.0	1.2	1.0 g/t AuEq cut	2.4
inc	191.0	192.4	1.4	5.4	50.1	0.3	0.7	6.4	1.0 g/t AuEq cut	9.0
inc	197.6	202.0	4.4	2.0	10.5	0.1	1.0	2.6	1.0 g/t AuEq cut	11.4
GNDD664	37.5	38.3	0.8	2.8	47.2	0.1	0.3	3.5	1.0 g/t AuEq cut	2.6
and	57.8	62.0	4.2	0.1	4.2	0.1	0.8	0.5	0.2 g/t AuEq cut	2.1
inc	57.8	58.2	0.4	0.1	4.4	0.0	3.2	1.7	1.0 g/t AuEq cut	0.7
GNDD684	115.0	142.0	27.0	0.3	0.7	0.0	0.0	0.3	0.2 g/t AuEq cut	7.9
inc	125.0	127.0	2.0	1.1	6.8	0.2	0.3	1.4	1.0 g/t AuEq cut	2.7
and	209.0	274.3	65.3	2.3	1.7	0.1	0.2	2.4	0.2 g/t AuEq cut	156.9
inc	256.0	257.3	1.3	1.1	0.8	0.0	0.0	1.1	1.0 g/t AuEq cut	1.4

For personal use only

inc	265.6	267.5	1.9	71.6	41.1	3.5	3.8	74.5	10 g/t AuEq cut	141.6
and	324.9	337.0	12.2	10.1	11.7	0.1	1.5	11.0	0.2 g/t AuEq cut	133.1
inc	324.9	333.1	8.3	14.8	17.1	0.1	2.2	16.0	10 g/t AuEq cut	132.4
and	354.5	362.0	7.6	1.1	0.7	0.0	0.1	1.2	0.2 g/t AuEq cut	8.8
inc	359.8	362.0	2.2	3.2	0.9	0.0	0.0	3.2	1.0 g/t AuEq cut	7.1
and	408.0	418.0	10.0	0.6	0.7	0.0	0.0	0.6	0.2 g/t AuEq cut	6.5
inc	408.0	412.0	4.0	1.4	1.8	0.0	0.0	1.4	1.0 g/t AuEq cut	5.6
GNDD685	3.0	57.0	54.0	0.2	2.8	0.1	0.1	0.3	0.2 g/t AuEq cut	15.4
and	91.0	104.6	13.6	0.1	8.7	0.0	0.1	0.3	0.2 g/t AuEq cut	3.9
and	362.4	370.8	8.4	4.5	5.3	0.0	2.0	5.5	0.2 g/t AuEq cut	46.4
inc	362.4	365.0	2.6	14.3	16.1	0.0	6.3	17.4	1.0 g/t AuEq cut	45.2
inc	362.4	363.7	1.3	26.5	29.5	0.0	12.3	32.5	10 g/t AuEq cut	42.3
and	409.0	429.0	20.0	1.0	0.9	0.0	0.2	1.1	0.2 g/t AuEq cut	21.7
inc	413.0	418.5	5.5	2.4	1.1	0.0	0.4	2.6	1.0 g/t AuEq cut	14.3
inc	425.0	427.0	2.0	1.5	1.4	0.0	0.1	1.6	1.0 g/t AuEq cut	3.2
and	548.0	549.7	1.7	0.4	8.1	0.0	2.1	1.5	0.2 g/t AuEq cut	2.5
and	624.6	627.0	2.4	0.2	0.6	0.0	1.2	0.8	0.2 g/t AuEq cut	1.9
and	651.2	653.0	1.9	20.0	8.3	0.0	6.8	23.3	0.2 g/t AuEq cut	43.1
GNDD697	41.0	106.3	65.3	0.5	2.0	0.2	0.4	0.7	0.2 g/t AuEq cut	47.7
inc	52.5	57.0	4.5	2.4	6.6	0.8	1.4	3.3	1.0 g/t AuEq cut	15.0
inc	65.0	68.6	3.6	2.9	14.0	2.0	3.3	5.0	1.0 g/t AuEq cut	17.9
GNDD316-	345.40	347.00	1.60	2.9	53.5	0.72	9.0	7.9	1.0 g/t AuEq cut	12.6
and	441.00	491.00	50.00	2.4	16.8	0.02	1.8	3.4	0.2 g/t AuEq cut	169.9
inc	443.50	446.80	3.30	1.8	16.2	0.03	1.2	2.5	1.0 g/t AuEq cut	8.4
inc	456.50	479.00	22.50	4.8	33.5	0.04	3.8	7.0	1.0 g/t AuEq cut	157.2
inc	456.50	457.25	0.75	107	223	0.02	16.6	118	10 g/t AuEq cut	88.2
and	507.90	517.00	9.10	2.2	13.1	0.01	0.07	2.4	0.2 g/t AuEq cut	21.6
inc	507.90	509.65	1.75	10.8	62.3	0.04	0.27	11.7	1.0 g/t AuEq cut	20.4
GNDD519	NSI									0.0
GNDD567	NSI									0.0
GNDD572	166.00	178.00	12.00	0.61	14.9	0.04	0.17	0.87	0.2 g/t AuEq cut	10.5
inc	176.00	178.00	2.00	2.7	66.3	0.18	0.8	3.9	1.0 g/t AuEq cut	7.7
GNDD574	122.00	122.80	0.80	12.20	275.0	0.47	6.9	18.82	10 g/t AuEq cut	15.1
and	204.00	206.00	2.00	2.27	3.0	0.08	0.1	2.37	1.0 g/t AuEq cut	4.7
and	399.80	408.00	8.20	0.22	2.3	0.02	0.14	0.32	0.2 g/t AuEq cut	2.6
GNDD579	71.00	80.00	9.00	0.35	4.7	0.00	0.01	0.41	0.2 g/t AuEq cut	3.7
and	95.00	99.00	4.00	0.32	4.0	0.00	0.01	0.37	0.2 g/t AuEq cut	1.5
and	111.00	145.40	34.40	0.24	3.6	0.00	0.01	0.28	0.2 g/t AuEq cut	9.7
inc	129.00	131.00	2.00	1.0	17.1	0.00	0.01	1.2	1.0 g/t AuEq cut	2.4
and	173.00	202.00	29.00	0.27	3.8	0.02	0.05	0.35	0.2 g/t AuEq cut	10.1
inc	188.65	189.80	1.15	1.1	9.2	0.00	0.04	1.2	1.0 g/t AuEq cut	1.4
inc	196.05	198.10	2.05	1.5	18.7	0.21	0.38	2.0	1.0 g/t AuEq cut	4.0
and	407.00	410.75	3.75	0.54	1.7	0.00	0.10	0.61	0.2 g/t AuEq cut	2.3
inc	407.00	408.40	1.40	1.0	1.9	0.00	0.09	1.1	1.0 g/t AuEq cut	1.5
and	454.25	455.15	0.90	0.7	10.7	0.03	1.6	1.6	1.0 g/t AuEq cut	1.4
GNDD590	205.20	233.00	27.80	0.23	4.8	0.01	0.03	0.30	0.2 g/t AuEq cut	8.3
inc	223.00	225.00	2.00	0.85	36.6	0.00	0.04	1.3	1.0 g/t AuEq cut	2.6
and	264.60	267.65	3.05	3.3	51.7	0.11	4.8	6.2	1.0 g/t AuEq cut	18.9
GNDD600	95.40	105.00	9.60	0.48	24.8	0.51	0.44	1.1	0.2 g/t AuEq cut	10.4

For personal use only

inc	98.00	103.70	5.70	0.55	31.8	0.83	0.70	1.4	1.0 g/t AuEq cut	8.1
and	147.00	149.30	2.30	1.5	113	0.01	0.02	2.9	1.0 g/t AuEq cut	6.7
GNDD608	49.00	68.00	19.00	0.56	12.8	0.11	0.07	0.77	0.2 g/t AuEq cut	14.6
inc	53.90	54.85	0.95	0.79	57.5	0.33	0.04	1.6	1.0 g/t AuEq cut	1.5
inc	66.00	68.00	2.00	4.2	36.8	0.06	0.04	4.7	1.0 g/t AuEq cut	9.4
GNDD616	58.00	60.00	2.00	0.45	12.6	0.07	0.03	0.63	0.2 g/t AuEq cut	1.3
and	72.00	74.00	2.00	0.56	4.9	0.27	0.01	0.68	0.2 g/t AuEq cut	1.4
and	274.00	276.00	2.00	0.66	3.4	0.09	0.22	0.82	0.2 g/t AuEq cut	1.6
and	300.85	303.00	2.15	3.2	16.1	0.08	2.6	4.6	0.2 g/t AuEq cut	9.9
inc	300.85	301.50	0.65	9.9	52.0	0.27	8.6	14.6	10 g/t AuEq cut	9.5
GNDD628A	56.00	65.00	9.00	0.36	9.5	0.02	0.63	0.77	0.2 g/t AuEq cut	6.9
inc	59.00	60.75	1.75	0.56	17.5	0.08	1.2	1.4	1.0 g/t AuEq cut	2.4
inc	63.00	65.00	2.00	0.23	20.6	0.01	1.7	1.3	1.0 g/t AuEq cut	2.5
and	274.00	278.00	4.00	0.20	2.9	0.01	0.03	0.25	0.2 g/t AuEq cut	1.0
and	301.00	337.00	36.00	0.87	4.5	0.04	0.19	1.0	0.2 g/t AuEq cut	36.8
inc	319.00	321.00	2.00	1.4	7.8	0.00	0.00	1.5	1.0 g/t AuEq cut	3.0
inc	330.50	337.00	6.50	3.3	13.8	0.22	1.0	4.0	1.0 g/t AuEq cut	26.2
GNDD647	149.00	155.00	6.00	0.11	2.3	0.12	0.40	0.34	0.2 g/t AuEq cut	2.1
and	278.00	278.60	0.60	1.6	14.5	1.3	3.3	3.5	1.0 g/t AuEq cut	2.1
GNDD652	NSI									0.0
GNDD670	23.00	26.00	3.00	0.31	3.2	0.00	0.0	0.36	0.2 g/t AuEq cut	1.1
and	53.00	69.50	16.50	4.1	18.9	0.02	3.4	5.9	0.2 g/t AuEq cut	97.8
inc	59.05	69.50	10.45	6.5	29.6	0.04	5.3	9.3	1.0 g/t AuEq cut	96.8
inc	59.90	64.00	4.10	13.8	58.3	0.07	9.4	18.9	10 g/t AuEq cut	77.3
and	108.00	111.00	3.00	0.45	0.78	0.00	0.0	0.47	0.2 g/t AuEq cut	1.4
GNDD675	280.00	284.50	4.50	0.26	1.5	0.00	0.16	0.35	0.2 g/t AuEq cut	1.6
and	342.75	345.90	3.15	0.30	3.5	0.09	0.45	0.57	0.2 g/t AuEq cut	1.8
inc	345.15	345.90	0.75	0.74	8.5	0.22	1.5	1.6	1.0 g/t AuEq cut	1.2
and	371.00	372.70	1.70	1.7	7.4	0.64	0.92	2.4	0.2 g/t AuEq cut	4.0
inc	372.15	372.70	0.55	5.0	21.9	1.9	2.7	6.9	1.0 g/t AuEq cut	3.8
and	409.20	430.35	21.15	2.1	18.3	0.10	0.74	2.7	0.2 g/t AuEq cut	56.2
inc	409.20	413.00	3.80	4.0	68.9	0.44	3.5	6.5	1.0 g/t AuEq cut	24.8
inc	421.40	424.05	2.65	3.9	28.1	0.01	0.31	4.4	1.0 g/t AuEq cut	11.7
inc	428.45	430.35	1.90	8.3	10.3	0.04	0.27	8.5	1.0 g/t AuEq cut	16.2
and	506.55	524.20	17.65	0.19	1.2	0.00	0.0	0.21	0.2 g/t AuEq cut	3.7

<sup>1</sup> Gold Equivalent (AuEq) values - Requirements under the JORC Code

- 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:  $\text{AuEq (g/t)} = \text{Au (g/t)} + [\text{Ag (g/t)} \times 0.012106] + [\text{Zn (\%)} \times 0.46204] + [\text{Pb (\%)} \times 0.19961]$
- 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.

For personal use only



Table 5 - New El Guayabo Project intercepts Reported during the Quarter

Drill Hole (#)	From (m)	To (m)	Interval (m)	Au (g/t)	Ag (g/t)	Cu (%)	Mo (ppm)	AuEq (g/t)	Comments	Gram Metres
<b>CVDD-22-011</b>	168.3	174.3	<b>6.0</b>	0.07	0.77	0.07	15.18	<b>0.2</b>	0.1 g/t AuEq cut	<b>1.2</b>
and	194.5	202.0	<b>7.5</b>	0.06	0.70	0.06	11.53	<b>0.2</b>	0.1 g/t AuEq cut	<b>1.3</b>
and	363.2	455.0	<b>91.8</b>	0.13	0.56	0.04	4.03	<b>0.2</b>	0.1 g/t AuEq cut	<b>18.2</b>
incl.	363.2	367.7	<b>4.5</b>	0.33	0.62	0.05	11.91	<b>0.4</b>	0.1 g/t AuEq cut	<b>1.9</b>
and	397.7	433.7	<b>36.0</b>	0.24	0.61	0.04	3.03	<b>0.3</b>	0.1 g/t AuEq cut	<b>11.7</b>
<b>CVDD-22-012</b>	46.1	48.8	<b>2.6</b>	0.63	1.89	0.02	1.92	<b>0.7</b>	0.1 g/t AuEq cut	<b>1.8</b>
and	123.9	153.9	<b>30.0</b>	0.17	1.03	0.01	1.78	<b>0.2</b>	0.1 g/t AuEq cut	<b>5.9</b>
and	215.4	239.4	<b>24.0</b>	0.19	4.70	0.01	1.86	<b>0.3</b>	0.1 g/t AuEq cut	<b>6.3</b>
and	413.9	429.7	<b>15.8</b>	0.23	0.58	0.00	1.54	<b>0.2</b>	0.1 g/t AuEq cut	<b>3.8</b>
<b>CVDD-22-013</b>	227.0	472.8	<b>245.8</b>	0.16	1.37	0.01	2.65	<b>0.2</b>	0.1 g/t AuEq cut	<b>48.1</b>
incl.	265.0	291.0	<b>26.0</b>	0.20	2.50	0.01	1.32	<b>0.2</b>	0.1 g/t AuEq cut	<b>6.5</b>
and	319.0	333.0	<b>14.0</b>	0.23	4.16	0.02	2.91	<b>0.3</b>	0.1 g/t AuEq cut	<b>4.4</b>
and	366.4	367.4	<b>1.0</b>	1.56	1.19	0.01	1.80	<b>1.6</b>	1.0 g/t AuEq cut	<b>1.6</b>
and	396.0	449.9	<b>53.9</b>	0.27	2.02	0.01	2.47	<b>0.3</b>	0.1 g/t AuEq cut	<b>15.1</b>
incl.	434.5	435.9	<b>1.4</b>	1.72	11.00	0.08	0.90	<b>2.0</b>	1.0 g/t AuEq cut	<b>2.8</b>
and	731.7	733.2	<b>1.5</b>	0.30	0.39	0.01	1425.60	<b>1.3</b>	1.0 g/t AuEq cut	<b>2.0</b>
<b>CVDD-22-014</b>	59.7	65.9	<b>6.2</b>	1.13	1.30	0.01	1.80	<b>1.2</b>	0.1 g/t AuEq cut	<b>7.2</b>
and	171.2	172.1	<b>0.9</b>	11.63	16.10	0.03	1.60	<b>11.9</b>	1.0 g/t AuEq cut	<b>10.7</b>
and	198.2	216.0	<b>17.8</b>	0.44	1.18	0.01	1.94	<b>0.5</b>	0.1 g/t AuEq cut	<b>8.5</b>
incl.	210.2	215.3	<b>5.1</b>	0.90	1.33	0.01	1.83	<b>0.9</b>	1.0 g/t AuEq cut	<b>4.8</b>
and	256.8	271.2	<b>14.4</b>	1.17	4.73	0.03	2.22	<b>1.3</b>	1.0 g/t AuEq cut	<b>18.3</b>
and	344.7	346.2	<b>1.5</b>	1.46	0.39	0.01	1.60	<b>1.5</b>	1.0 g/t AuEq cut	<b>2.2</b>
and	401.1	405.6	<b>4.5</b>	4.58	9.62	0.02	1.76	<b>4.7</b>	1.0 g/t AuEq cut	<b>21.3</b>
and	486.7	506.2	<b>19.5</b>	0.39	0.71	0.01	2.79	<b>0.4</b>	0.1 g/t AuEq cut	<b>8.0</b>
incl.	504.7	506.2	<b>1.5</b>	3.04	4.11	0.03	1.70	<b>3.1</b>	1.0 g/t AuEq cut	<b>4.7</b>
and	605.1	606.6	<b>1.5</b>	1.11	2.53	0.01	1.40	<b>1.2</b>	1.0 g/t AuEq cut	<b>1.7</b>
and	687.6	693.6	<b>6.0</b>	0.71	3.66	0.01	1.56	<b>0.8</b>	1.0 g/t AuEq cut	<b>4.6</b>
and	845.6	846.3	<b>0.7</b>	8.59	4.57	0.00	1.80	<b>8.7</b>	1.0 g/t AuEq cut	<b>6.3</b>
<b>CVDD-22-015</b>	9.1	757.6	<b>748.5</b>	0.10	0.42	0.04	9.15	<b>0.2</b>	0.1 g/t AuEq cut	<b>128.0</b>
incl.	23.2	23.8	<b>0.6</b>	2.24	6.04	0.22	16.30	<b>2.7</b>	1.0 g/t AuEq cut	<b>1.6</b>
and	77.4	233.7	<b>156.3</b>	0.13	0.75	0.06	17.80	<b>0.3</b>	0.5 g/t AuEq cut	<b>39.2</b>
incl.	169.6	171.1	<b>1.5</b>	0.97	0.64	0.06	8.40	<b>1.1</b>	1.0 g/t AuEq cut	<b>1.6</b>
and	364.2	365.7	<b>1.5</b>	0.88	1.11	0.15	8.40	<b>1.2</b>	1.0 g/t AuEq cut	<b>1.7</b>
and	440.7	442.2	<b>1.5</b>	1.25	0.71	0.05	0.80	<b>1.3</b>	1.0 g/t AuEq cut	<b>2.0</b>
and	646.6	648.1	<b>1.5</b>	5.96	0.22	0.02	1.50	<b>6.0</b>	1.0 g/t AuEq cut	<b>9.0</b>
<b>CVDD-22-016</b>	10.8	81.0	<b>70.2</b>	0.42	7.15	0.01	4.08	<b>0.5</b>	0.5 g/t AuEq cut	<b>37.5</b>
incl.	10.8	22.8	<b>12.0</b>	0.58	5.86	0.02	2.14	<b>0.7</b>	1.0 g/t AuEq cut	<b>8.2</b>
and	36.3	48.7	<b>12.4</b>	1.48	18.52	0.01	14.33	<b>1.7</b>	1.0 g/t AuEq cut	<b>21.6</b>
and	275.0	515.9	<b>240.9</b>	0.11	2.26	0.02	3.34	<b>0.2</b>	0.1 g/t AuEq cut	<b>39.1</b>
incl.	312.5	326.0	<b>13.5</b>	0.14	5.42	0.04	5.66	<b>0.3</b>	0.1 g/t AuEq cut	<b>3.6</b>
and	397.5	436.5	<b>39.0</b>	0.20	2.60	0.01	2.44	<b>0.3</b>	0.1 g/t AuEq cut	<b>10.0</b>
<b>CVDD-22-017</b>	20.3	301.5	<b>281.2</b>	0.08	0.62	0.05	4.56	<b>0.2</b>	0.1 g/t AuEq cut	<b>47.1</b>
incl.	53.2	54.7	<b>1.5</b>	0.33	4.75	0.43	2.90	<b>1.1</b>	1.0 g/t AuEq cut	<b>1.7</b>
and	168.0	221.5	<b>53.6</b>	0.14	0.88	0.06	8.94	<b>0.3</b>	0.1 g/t AuEq cut	<b>13.4</b>
and	388.5	445.5	<b>57.0</b>	0.10	0.36	0.03	3.01	<b>0.2</b>	0.1 g/t AuEq cut	<b>8.9</b>

incl.	388.5	390.0	1.5	1.17	0.20	0.01	1.00	1.2	1.0 g/t AuEq cut	1.8
and	648.1	664.6	16.5	0.02	1.19	0.10	1.32	0.2	0.1 g/t AuEq cut	3.4
<b>GYDD-22-017</b>	8.0	110.1	<b>102.1</b>	0.22	1.13	0.01	1.30	<b>0.3</b>	0.1 g/t AuEq cut	<b>26.1</b>
incl.	8.0	70.4	<b>62.4</b>	0.30	1.57	0.02	1.30	<b>0.4</b>	0.1 g/t AuEq cut	<b>22.2</b>
incl.	9.5	24.5	<b>15.0</b>	0.71	3.65	0.04	2.43	<b>0.8</b>	1.0 g/t AuEq cut	<b>12.4</b>
and	154.0	172.0	<b>18.1</b>	0.47	2.63	0.02	1.82	<b>0.5</b>	1.0 g/t AuEq cut	<b>9.6</b>
and	380.8	382.8	<b>2.0</b>	1.21	0.46	0.02	1.30	<b>1.3</b>	1.0 g/t AuEq cut	<b>2.5</b>
and	406.1	443.8	<b>37.8</b>	0.25	0.54	0.02	1.26	<b>0.3</b>	1.0 g/t AuEq cut	<b>10.9</b>
and	521.3	686.7	<b>165.4</b>	0.21	0.73	0.04	2.85	<b>0.3</b>	0.1 g/t AuEq cut	<b>45.7</b>
incl.	544.5	552.0	<b>7.5</b>	0.43	1.26	0.54	1.61	<b>0.5</b>	0.5 g/t AuEq cut	<b>4.0</b>
and	591.0	621.3	<b>30.3</b>	0.45	0.86	0.03	1.22	<b>0.5</b>	0.5 g/t AuEq cut	<b>15.6</b>
and	644.7	652.2	<b>7.5</b>	0.49	1.43	0.10	1.87	<b>0.7</b>	0.5 g/t AuEq cut	<b>5.1</b>
and	667.2	668.7	<b>1.5</b>	1.18	0.41	0.01	0.70	<b>1.2</b>	1.0 g/t AuEq cut	<b>1.8</b>
and	818.5	821.0	<b>2.5</b>	0.43	2.84	0.91	0.58	<b>0.6</b>	0.5 g/t AuEq cut	<b>1.5</b>
<b>GYDD-22-018</b>	4.0	734.1	<b>730.1</b>	0.14	0.67	0.03	5.85	<b>0.2</b>	0.1 g/t AuEq cut	<b>151.3</b>
incl.	4.0	315.7	<b>311.7</b>	0.20	0.73	0.03	7.37	<b>0.3</b>	0.1 g/t AuEq cut	<b>79.0</b>
incl.	4.0	60.0	<b>56.0</b>	0.53	0.66	0.02	5.67	<b>0.6</b>	1.0 g/t AuEq cut	<b>31.8</b>
incl.	32.0	60.0	<b>28.0</b>	0.82	0.78	0.02	5.83	<b>0.9</b>	1.0 g/t AuEq cut	<b>24.1</b>
and	129.0	130.5	<b>1.5</b>	1.96	0.26	0.01	2.50	<b>2.0</b>	1.0 g/t AuEq cut	<b>3.0</b>
and	177.3	178.8	<b>1.5</b>	1.12	1.11	0.05	5.60	<b>1.2</b>	1.0 g/t AuEq cut	<b>1.8</b>
and	243.3	244.8	<b>1.5</b>	1.05	1.28	0.04	4.50	<b>1.1</b>	1.0 g/t AuEq cut	<b>1.7</b>
and	383.3	388.7	<b>5.4</b>	0.14	1.45	0.09	3.20	<b>0.3</b>	0.1 g/t AuEq cut	<b>1.7</b>
and	423.2	434.4	<b>11.3</b>	0.24	0.84	0.03	6.58	<b>0.3</b>	0.1 g/t AuEq cut	<b>3.5</b>
and	583.9	626.5	<b>42.6</b>	0.44	0.95	0.06	5.43	<b>0.5</b>	1.0 g/t AuEq cut	<b>23.3</b>
and	698.3	701.3	<b>3.0</b>	0.51	0.54	0.04	1.68	<b>0.6</b>	0.5 g/t AuEq cut	<b>1.8</b>
<b>GYDD-22-019</b>	77.3	855.5	<b>778.2</b>	0.23	0.58	0.01	0.79	<b>0.3</b>	0.1 g/t AuEq cut	<b>202.3</b>
incl.	77.3	92.1	<b>14.8</b>	0.30	3.75	0.02	3.30	<b>0.4</b>	0.1 g/t AuEq cut	<b>5.6</b>
and	292.3	570.0	<b>277.7</b>	0.33	0.75	0.01	2.59	<b>0.4</b>	0.1 g/t AuEq cut	<b>100.0</b>
incl.	328.1	499.5	<b>171.3</b>	0.46	0.89	0.01	2.13	<b>0.5</b>	1.0 g/t AuEq cut	<b>84.0</b>
incl.	328.1	426.5	<b>98.4</b>	0.63	0.64	0.01	2.34	<b>0.7</b>	1.0 g/t AuEq cut	<b>64.7</b>
incl.	328.1	334.9	<b>6.8</b>	1.87	4.70	0.07	1.28	<b>2.1</b>	1.0 g/t AuEq cut	<b>13.9</b>
and	384.5	426.5	<b>42.0</b>	0.85	0.36	0.01	3.08	<b>0.9</b>	1.0 g/t AuEq cut	<b>36.6</b>
incl.	384.5	408.5	<b>24.0</b>	1.30	0.46	0.02	3.54	<b>1.3</b>	1.0 g/t AuEq cut	<b>32.1</b>
and	463.5	465.0	<b>1.5</b>	1.51	4.49	0.02	1.90	<b>1.6</b>	1.0 g/t AuEq cut	<b>2.4</b>
and	497.0	499.5	<b>2.4</b>	3.13	24.21	0.16	2.51	<b>3.7</b>	1.0 g/t AuEq cut	<b>9.0</b>
and	538.5	540.0	<b>1.5</b>	2.13	5.89	0.13	2.30	<b>2.4</b>	1.0 g/t AuEq cut	<b>3.6</b>
and	688.2	855.5	<b>167.3</b>	0.40	0.53	0.02	3.67	<b>0.4</b>	0.5 g/t AuEq cut	<b>74.4</b>
incl.	688.2	839.0	<b>150.8</b>	0.43	0.56	0.02	3.09	<b>0.5</b>	0.5g/t AuEq cut off	<b>71.8</b>
incl.	796.5	839.0	<b>42.5</b>	1.31	1.20	0.05	2.35	<b>1.4</b>	1.0 g/t AuEq cut	<b>60.4</b>
incl.	796.5	819.0	<b>22.5</b>	2.26	1.94	0.08	2.36	<b>2.4</b>	1.0 g/t AuEq cut	<b>54.5</b>
<b>GYDD-22-020</b>	0.0	12.0	<b>12.0</b>	0.31	0.53	0.02	4.55	<b>0.3</b>	0.1 g/t AuEq cut	<b>4.2</b>
and	69.7	75.7	<b>6.0</b>	0.69	0.69	0.02	3.47	<b>0.7</b>	1.0 g/t AuEq cut	<b>4.4</b>
and	95.2	242.8	<b>147.6</b>	0.18	1.02	0.02	5.45	<b>0.2</b>	0.5g/t AuEq cut off	<b>33.4</b>
incl.	119.2	200.8	<b>81.6</b>	0.20	1.09	0.03	6.24	<b>0.3</b>	1.0 g/t AuEq cut	<b>21.0</b>
and	290.5	445.5	<b>155.0</b>	0.13	1.70	0.05	3.65	<b>0.2</b>	0.1 g/t AuEq cut	<b>37.4</b>
incl.	292.0	299.5	<b>7.5</b>	0.46	3.75	0.16	4.06	<b>0.8</b>	0.5g/t AuEq cut off	<b>5.9</b>
and	385.0	433.5	<b>48.5</b>	0.19	2.59	0.08	4.59	<b>0.3</b>	0.1g/t AuEq cut off	<b>16.9</b>
incl.	385.0	409.5	<b>24.5</b>	0.22	2.83	0.08	5.55	<b>0.4</b>	0.5g/t AuEq cut off	<b>9.5</b>
and	623.5	750.0	<b>126.5</b>	0.28	0.98	0.04	5.73	<b>0.4</b>	0.1g/t AuEq cut off	<b>47.2</b>

For personal use only

incl.	635.5	661.0	25.5	0.75	1.81	0.09	2.88	0.9	0.5g/t AuEq cut off	23.5
incl.	637.0	652.0	15.0	1.03	2.24	0.12	3.54	1.3	1.0 g/t AuEq cut	19.0
incl.	729.0	731.0	2.0	0.94	1.24	0.08	3.50	1.1	1.0 g/t AuEq cut	2.2
<b>GYDD-22-021</b>	5.2	646.0	<b>640.8</b>	0.11	1.88	0.06	9.45	<b>0.2</b>	0.1g/t AuEq cut off	<b>158.3</b>
incl.	56.1	339.7	<b>283.6</b>	0.14	2.04	0.07	6.22	<b>0.3</b>	0.5g/t AuEq cut off	<b>83.2</b>
incl.	56.1	129.3	<b>73.2</b>	0.19	2.14	0.09	8.30	<b>0.4</b>	0.5g/t AuEq cut off	<b>27.4</b>
and	703.0	760.0	<b>57.0</b>	0.11	0.96	0.04	14.35	<b>0.2</b>	0.1g/t AuEq cut off	<b>11.4</b>
<b>GYDD-22-022</b>	0.0	702.9	<b>702.9</b>	0.16	2.75	0.05	6.65	<b>0.3</b>	0.1g/t AuEq cut off	<b>204.4</b>
incl.	23.9	52.0	<b>28.1</b>	0.18	30.43	0.04	1.44	<b>0.6</b>	1.0 g/t AuEq cut	<b>17.6</b>
and	278.2	395.8	<b>117.6</b>	0.22	3.16	0.09	5.67	<b>0.4</b>	0.1 g/t AuEq cut	<b>49.7</b>
incl.	292.4	307.8	<b>15.4</b>	0.43	4.27	0.09	5.95	<b>0.6</b>	0.5g/t AuEq cut off	<b>9.9</b>
incl.	352.0	365.7	<b>13.7</b>	0.29	4.60	0.16	3.29	<b>0.6</b>	0.5g/t AuEq cut off	<b>8.5</b>
incl.	378.2	385.3	<b>7.1</b>	0.59	2.50	0.11	8.98	<b>0.8</b>	0.5g/t AuEq cut off	<b>5.8</b>
and	446.5	523.6	<b>77.1</b>	0.42	2.74	0.12	5.68	<b>0.7</b>	1.0 g/t AuEq cut	<b>51.3</b>
incl.	446.5	450.5	<b>4.0</b>	2.14	5.01	0.19	7.16	<b>2.5</b>	1.0 g/t AuEq cut	<b>10.2</b>
and	492.2	520.6	<b>28.4</b>	0.63	3.59	0.18	9.96	<b>1.0</b>	1.0 g/t AuEq cut	<b>28.0</b>
<b>GYDD-22-023</b>	15.5	795.6	<b>780.1</b>	0.18	2.07	0.04	6.36	<b>0.3</b>	0.1 g/t AuEq cut	<b>240.0</b>
incl.	15.5	305.7	<b>290.2</b>	0.34	2.70	0.04	5.11	<b>0.5</b>	0.1 g/t AuEq cut	<b>130.9</b>
incl.	35.0	44.0	<b>9.0</b>	0.95	1.20	0.03	0.76	<b>1.0</b>	1.0 g/t AuEq cut	<b>9.2</b>
incl.	144.7	161.2	<b>16.5</b>	0.73	3.21	0.06	7.09	<b>0.9</b>	1.0 g/t AuEq cut	<b>14.4</b>
and	195.3	196.8	<b>1.5</b>	0.79	56.00	0.03	1.80	<b>1.5</b>	1.0 g/t AuEq cut	<b>2.3</b>
and	222.8	277.0	<b>54.2</b>	0.73	4.72	0.07	10.75	<b>0.9</b>	0.5g/t AuEq cut off	<b>49.5</b>
incl.	224.3	252.7	<b>28.4</b>	1.05	3.45	0.05	7.54	<b>1.2</b>	1.0 g/t AuEq cut	<b>33.3</b>
and	441.5	557.9	<b>116.4</b>	0.35	3.97	0.08	4.39	<b>0.5</b>	0.1 g/t AuEq cut	<b>62.4</b>
incl.	461.0	462.5	<b>1.5</b>	0.99	13.40	0.22	4.50	<b>1.5</b>	1.0 g/t AuEq cut	<b>2.3</b>
incl.	510.6	545.9	<b>35.3</b>	0.74	6.76	0.14	6.64	<b>1.1</b>	1.0 g/t AuEq cut	<b>37.4</b>
<b>GYDD-22-024</b>	10.1	648.3	<b>638.2</b>	0.30	2.07	0.13	10.53	<b>0.6</b>	0.1 g/t AuEq cut	<b>351.2</b>
incl.	10.1	53.7	<b>43.6</b>	0.19	3.17	0.02	3.16	<b>0.3</b>	0.1 g/t AuEq cut	<b>11.5</b>
and	94.8	118.8	<b>24.0</b>	0.17	0.39	0.03	11.41	<b>0.2</b>	0.1 g/t AuEq cut	<b>5.5</b>
and	144.8	146.3	<b>1.5</b>	7.89	2.85	0.02	2.10	<b>8.0</b>	1.0 g/t AuEq cut	<b>11.9</b>
and	332.2	648.3	<b>316.1</b>	0.49	3.31	0.24	14.53	<b>0.9</b>	0.1 g/t AuEq cut	<b>298.8</b>
OR	344.0	648.3	<b>304.3</b>	0.50	3.37	0.25	14.46	<b>1.0</b>	0.1 g/t AuEq cut	<b>296.9</b>
incl.	332.2	487.0	<b>154.8</b>	0.92	5.72	0.45	18.96	<b>1.8</b>	0.1 g/t AuEq cut	<b>272.5</b>
incl.	344.0	452.5	<b>108.5</b>	1.28	7.78	0.62	20.00	<b>2.4</b>	1.0 g/t AuEq cut	<b>264.3</b>
OR	369.3	423.4	<b>54.2</b>	2.20	12.91	1.04	24.70	<b>4.1</b>	1.0 g/t AuEq cut	<b>224.1</b>
<b>GY2DD-22-001</b>	191.0	202.2	<b>11.2</b>	0.74	14.46	0.01	2.26	<b>0.9</b>	0.1 g/t AuEq cut	<b>10.5</b>
and	403.1	492.5	<b>89.4</b>	0.13	6.71	0.01	3.13	<b>0.2</b>	0.1 g/t AuEq cut	<b>19.9</b>
incl.	403.1	412.8	<b>9.7</b>	0.41	15.24	0.01	1.84	<b>6.1</b>	0.1 g/t AuEq cut	<b>58.8</b>
and	592.6	596.7	<b>4.1</b>	0.85	120.96	0.01	4.05	<b>2.4</b>	0.1 g/t AuEq cut	<b>9.7</b>

See below for information regarding AuEq's reported under the JORC Code.

**<sup>2</sup> Gold Equivalent (AuEq) values - Requirements under the JORC Code**

- Assumed commodity prices for the calculation of AuEq is Au US\$1780 Oz, Ag US\$22 Oz, Cu US\$9,650 /t, Mo US\$40,500 /t,
- Metallurgical recovery factors for gold, silver, copper, and molybdenum are assumed to be equal. No metallurgical factors have been applied in calculating the Au Eq.
- The formula used:  $AuEq (g/t) = Au (g/t) + [Ag (g/t) \times (22/1780)] + [Cu (\%) \times (9650/100 \times 31.1/1780)] + [Mo (\%) \times (40500/100 \times 31.1/1780)]$ .
- 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.

For personal use only



JORC 2012 Mineral Resource Estimate for the Hualilan Gold Project								
Domain	Category	Mt	Au g/t	Ag g/t	Zn %	Pb %	AuEq g/t	AuEq (mozs)
<i>US\$1800 optimised shell &gt; 0.25ppm AuEq</i>	Indicated	18.7	1.1	5.4	0.41	0.07	1.3	0.80
	Inferred	25.0	1.0	5.6	0.39	0.06	1.2	1.00
<i>Below US\$1800 shell &gt;1.0ppm AuEq</i>	Inferred	4.0	1.9	11.5	1.04	0.07	2.6	0.33
<b>Total</b>		<b>47.7</b>	<b>1.1</b>	<b>6.0</b>	<b>0.45</b>	<b>0.06</b>	<b>1.4</b>	<b>2.13</b>

Mineralisation Style	Mt (0.25 g/t AuEq cut-off)	Au (g/t)	Ag (g/t)	Zn (%)	Pb (%)	Au Eq (g.t)
Skarn (limestone hosted)	6.3	4.4	19.4	2.0	0.2	5.6
intrusion/sediment hosted	41.4	0.6	4.0	0.2	0.04	0.8
		Contained Metal				
Mineralisation Style		Au (Moz)	Ag (Moz)	Zn (kt)	Pb (kt)	Au Eq (kOz)
Skarn (limestone hosted)		0.9	3.9	123	11	1.13
intrusion/sediment hosted		0.8	5.3	95	19	1.00
<b>Total Contained metal</b>		<b>1.7</b>	<b>9.2</b>	<b>218</b>	<b>29</b>	<b>2.13</b>

**Table 6 - Interim MRE reported as Skarn and Intrusion/sediment hosted components of mineralisation**

#### 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.

## Appendix 1 - Schedule of Tenements

Project	Property Name	Tenure Title	Interest	Area	DNPM No	Status of
		Holder	%	(ha)	of Area	Tenure
El Guayabo	El Guayabo	Torata Mining Resources S.A	100%	281	COD225	Granted
El Guayabo	Colorado V	Goldking Mining Company S.A	earning 50%	2331	COD3363.1	Granted
El Guayabo	El Guaybo 2	Mr. Segundo Ángel Marín Gómez	earning 80%	957	COD300964	Granted
Hualilan	Divisadero	Golden Mining S.R.L.	earning 75%	6	5448-M-1960	Granted
Hualilan	Flor de Hualilan	Golden Mining S.R.L.	as above	6	5448-M-1960	Granted
Hualilan	Pereyra y Aciar	Golden Mining S.R.L.	as above	6	5448-M-1960	Granted
Hualilan	Bicolor	Golden Mining S.R.L.	as above	6	5448-M-1960	Granted
Hualilan	Sentazon	Golden Mining S.R.L.	as above	6	5448-M-1960	Granted
Hualilan	Muchilera	Golden Mining S.R.L.	as above	6	5448-M-1960	Granted
Hualilan	Magnata	Golden Mining S.R.L.	as above	6	5448-M-1960	Granted
Hualilan	Pizarro	Golden Mining S.R.L.	as above	6	5448-M-1960	Granted
Hualilan	La Toro	CIA GPL S.R.L.	as above	6	5448-M-1960	Granted
Hualilan	La Puntilla	CIA GPL S.R.L.	as above	6	5448-M-1960	Granted
Hualilan	Pique de Ortega	CIA GPL S.R.L.	as above	6	5448-M-1960	Granted
Hualilan	Descrubidora	CIA GPL S.R.L.	as above	6	5448-M-1960	Granted
Hualilan	Pardo	CIA GPL S.R.L.	as above	6	5448-M-1960	Granted
Hualilan	Sanchez	CIA GPL S.R.L.	as above	6	5448-M-1960	Granted
Hualilan	Andacollo	CIA GPL S.R.L.	as above	6	5448-M-1960	Granted
Hualilan	North of "Pizarro" Mine	Golden Mining S.R.L.	as above	1.9	195-152-C-1981	Granted
Hualilan	South of "La Toro" Mine	CIA GPL S.R.L.	as above	1.9	195-152-C-1981	Granted
Hualilan	Josefina	Golden Mining S.R.L.	as above	2570	30.591.654	Granted
Hualilan		Armando J. Sanchez	100% Option	721.90	414-998-M-05	Granted
Hualilan	Guillermina	Armando J. Sanchez	100% Option	2,921.05	1124-045-S-19	Granted
Hualilan	Agu 3	Armando J. Sanchez	100% Option	1,500.00	1124-114-S-14	Granted
Hualilan	Agu 5	Armando J. Sanchez	100% Option	1443.50	1124-343-S-14	Granted
Hualilan	Agu 6	Armando J. Sanchez	100% Option	1500.00	1124-623-S-17	Granted
Hualilan	Agu 7	Armando J. Sanchez	100% Option	1459.00	1124-622-S-17	Granted
Hualilan	El Petiso	Armando J. Sanchez	100% Option	18.00	2478-C-71	Granted

## Appendix 2 - ASX Waivers

The ASX granted the Company a waiver from ASX Listing Rule 7.3.2 to permit the notice of meeting (the "Notice") seeking shareholder approval for the issue of up to 245,000,001 fully paid ordinary shares in the Company ("Waiver Securities") upon the Company satisfying the milestones in relation to each of the Projects ("Milestones") not to state that the Waiver Securities will be issued within 3 months of the date of the shareholder meeting.

The Waiver Securities must be issued no later than 60 months after the date of reinstatement of the Company's securities to official quotation.

All Waiver Securities agreements were amended, received shareholder approval and have been issued.

## Performance Shares

The Company has 60,000,000 Class A Performance Shares and 60,000,000 Class B Performance Shares on Issue.

A summary of the terms and conditions of the Performance Shares are as follows:

The Performance Shares shall automatically convert into Shares, provided that if the number of Shares that would be issued upon such conversion is greater than 10% of the Company's Shares on issue as at the date of conversion, then that number of Performance Shares that is equal to 10% of the Company's Shares on issue as at the date of conversion under this paragraph will automatically convert into an equivalent number of Company Shares. The conversion will be completed on a pro rata basis across each class of Performance Shares then on issue as well as on a pro rata basis for each Holder. Performance Shares that are not converted into Shares under this paragraph will continue to be held by the Holders on the same terms and conditions.

(No Conversion if Milestone not Achieved): If the relevant Milestone is not achieved by the required date (being seven years from the date of the Proposed Acquisition or such other date as required by ASX), then all Performance Shares held by each Holder shall lapse.

(After Conversion): The Shares issued on conversion of the Performance Shares will, as and from 5.00pm (WST) on the date of issue, rank equally with and confer rights identical with all other Shares then on issue and application will be made by the Company to ASX for official quotation of the Shares issued upon conversion (subject to complying with any restriction periods required by the ASX).

(Milestones):

The Performance Shares will, convert upon the satisfaction of the following milestones:

(Class A): A JORC Compliant Mineral Resource Estimate of at least Inferred category on either Project of the following:

a minimum 500,000 ounces of gold (AU) or Gold Equivalent (in accordance with clause 50 of the JORC Code) at a minimum grade of 6 grams per tonne Gold Equivalent; or  
a minimum 1,500,000 ounces of gold (AU) or Gold Equivalent (in accordance with clause 50 of the JORC Code) at a minimum grade of 2.0 grams per tonne Gold Equivalent; or  
a minimum 3,000,000 ounces of gold (AU) or Gold Equivalent (in accordance with clause 50 of the JORC Code) at a minimum grade of 1.0 grams per tonne Gold Equivalent.

(Class B): The Class B Performance Shares held by the holder will convert into an equal number of Shares upon the Company:

Completion and announcement by CEL (subject to the provision of information allowable at the time of completion) of a positive Scoping Study (as defined in the JORC Code) on either Project by an independent third-party expert which evidences an internal rate of return of US Ten Year Bond Rate plus 10% (using publicly available industry assumptions, including deliverable spot commodity / mineral prices, which are independently verifiable) provided that the total cumulative EBITDA over the project life is over US\$50m.

No Performance Milestones were met during the quarter.