

REFURBISHMENT OF TOLL MILLING PLANT ON TRACK

Highlights

- Austral Gold announced that Casposo Plant refurbishment is advancing safely and efficiently across all core workstreams.
- Austral update aligns with second independent plant inspection commissioned by CEL.
- CEL's inspection was undertaken by the same process engineers that completed the Audit of the Casposo Plant and Restart Plan in December 2024.
- Key takeaways from the second inspection report commissioned by CEL are:
 - Robust advancement across all key processing areas
 - Progress in line with existing refurbishment schedule
 - Solid-liquid separation capacity (previously identified as a key risk) appears adequate for the required 1000 TPD capacity
 - Sufficient time remaining to complete all maintenance work to meet the commissioning target in Toll Milling Agreement during the second half of 2025.

Challenger Gold Limited (ASX: CEL) ("CEL" the "Company") notes the ASX Release by Austral Gold Limited titled "Austral Gold Provides 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 on track for the start up of commercial operations in the second half of 2025.

The Austral update aligns with a second independent plant independent inspection report received by the Company during April 2025. This report was prepared by the leading process group that completed the independent Audit of the Casposo Plant in December 2024 (ASX Release dated 13 December 2024).

Background to Toll Milling

The Company has executed a binding Agreement with Casposo Argentina Mining Limited, 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 (ASX Release dated 30 December 2024).

The Casposo Plant, located 170km 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 this 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 standalone Hualilan Gold project including a Flotation with Tails Leach (“FTL”) circuit, a potential Heap Leach (“HL”) pad at Hualilan, and open pit mining fleet.

Austral Plant Refurbishment Update - Key Points

- **Inspection Phase Finalised:** Completion of the inspection stage to identify procurement needs and align them with existing warehouse inventory.
- **Longer Lead items for Plant equipment:** Major equipment dismantled and sent for evaluation and repair, including leaching tank reducers, mill motor, hydrocyclones, and impeller blades.
- **Crushing Circuit Works Completed (Area 100):** Mechanical, electrical, and fabrication works finalised and ready for commissioning.
- **Leaching Tank Reducers Repaired (Area 300):** 100% of leaching tank reducers refurbished and ready for installation.
- **Leaching Tank Cleaning Progress (Area 300 and 400):** 80% of accumulated solids removed from leaching tanks.
- **Thickeners and Counter-Current Decantation (CCD) repaired (Area 400):** Milling thickeners and counter current decantation systems are repaired and ready for commissioning.
- **Belt Filter Refurbishment Underway (Area 400):** Sandblasting and painting of belt filters 80% complete.

- **Process Water System Ready (Area 900):** Refurbishment of the process water pumping system completed.
- **Electrical Cabling Organised (Area 400 and 500):** Reorganisation and cleaning works finalised in the electrical rooms supporting CCD, Filtration, and Merrill Crowe areas.
- **Electric Motor Maintenance Advancing:** 80% of testing and servicing is completed for the Plant's electric motors.
- **Valve Replacement Progress (Area 400):** 40% of valves replaced across the CCD and Filtration areas.

Second Independent Plant Inspection - Key Points

The second independent plant inspection was commissioned by the Company during March 2025. The inspection was undertaken by the leading process group that completed the independent Audit of the Casposo Plant in December 2024 (ASX Release dated 13 December 2024). The independent inspection report was received during April 2025.

The inspection reviewed all components of the plant as listed below.

1. Area 100 - Crushing Plant
2. Area 200 - Grinding and Classification
3. Gravimetric Concentration System
4. Area 300 - Leaching
5. Area 400 - Solid-Liquid Separation
6. Area 500 - Merrill Crowe
7. Area 600 - Refinery
8. Electrical and Control Systems
9. Stockpile for Hualilan Ore

The refurbishment is proceeding in flow sheet order, commencing with the crushing plant followed by grinding plant, gravity circuit, leaching, Merrill Crowe circuit, and refinery. Special focus was given to longer lead items including utilities and tailings filtration, which were identified as a key potential bottleneck in the first inspection.

The inspection confirmed good advancement in the rehabilitation of the crushing plant area, which is on track for completion according to schedule. Other areas are progressing at or near programmed timelines, with sufficient time remaining to complete all maintenance work to meet the commissioning target in the Toll Milling Agreement.

Refurbishment in the Solid Liquid Separation area is progressing ahead of schedule and is 28% complete. The inspection confirms the thickener capacity (identified as a potential bottleneck) should be adequate for the required 300,000 tpa processing rate when operating under normal conditions, albeit with projected high consumption of flocculant.

Key Risks:

- Equipment delivery timelines, especially for imported items, is the key risk to compliance with the refurbishment program
- Achieving the targeted P80 of 75 microns grind with the single stage grinding configuration with the SAG mill. A simulation of operating conditions is recommended to determine if the target can be achieved by adjusting operating variables, including hydrocyclone apex, vortex, and feed pressure. CEL notes that its metallurgical testwork to date indicates minimal recovery loss at a 100-120 micron grind size, so this is not viewed as a key risk internally.

This ASX release was approved by the CEL Board

For further information contact:

Investor Enquiries	Media Enquiries	US/Argentina Enquiries
Kris Knauer	Jane Morgan	Sergio Rotondo
Managing Director		Executive Vice Chairman
+61 411 885 979	+ 61 405 555 618	+1 646 462 9273
kris.knauer@challengergold.com	jm@janemorganmanagement.com.au	sergio.rotondo@challengergold.com

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).

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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.

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