CHALLENGER ANNOUNCES COMPLETION OF HUALILAN TOLL MILLING PRE-FEASIBILITY STUDY

PFS outlines robust economics from toll milling delivering forecast EBITDA of A$221m[1] over the 3 years of tolling at current prices

Highlights

Toll Milling Pre-Feasibility Study (PFS) delivers compelling financial metrics:

- **Robust margins on conservative commodity prices:** using US$2,500/oz Au and US$27.50/oz Ag, the three-year toll-milling plan generates EBITDA of US$88.0M, post-tax NPV_5 of US$50.5M, and cumulative post-tax free cash flow of US$56.7M.
- **Leverage to spot prices:** at today's ~US$3,300/oz Au and US$33/oz Ag, EBITDA rises to US $142.8M and post-tax NPV_5 to US$82.2M, with post-tax free cash flow of US$91.8M.
- **Low upfront capital and quick payback:** total upfront spend is just US$8.9M (A$13.8M) which is US$4.2M upfront capex and US$4.7M working capital, and achieves payback by December 2025 (or 3 months from the commencement of mining).
- **Competitive cost structure:** forecast All-In Sustaining Cost ("**AISC**")[2] is ~US$1,454/oz AuEq, comfortably below spot prices and achievable thanks to toll milling and a short haulage distance.
- **Financing risk removed:** recent A$33.9M equity placement fully funds development through to first cash flow and acceleration the development of the larger stand-alone Hualilan development.
- **Significant upside:** **Toll Milling is based on extracting only 3% of the 2.8 Moz Hualilan MRE.**

Key operational findings of the PFS for Toll Milling to support

- **High grade reserve-only schedule:** mining focuses on three shallow open pits producing 465,000 wet metric tonnes ("**wmt**") of mineralized material above the cut-off grade at an average mined grade of 6.2 g/t Au and 35 g/t Ag; Inferred Resources are excluded.
- **Payable Metal:** Production Target of 76.6 koz payable Au and 338.5 koz Ag over a 30-month processing campaign.
- **Low strip ratio:** total material movement of 3.27 Mt with a life-of-mine strip ratio of 6:1 w:o and a forecast mining cost of US$8.12/t.
- **Logistics & processing:** ore is hauled 165 km on sealed highway to the fully-permitted Casposo plant, where recoveries are expected at 84.4% Au and 65.7% Ag; all-in processing, haulage and access charges of ≈ US$133/t processed.
- **Campaign rhythm:** Casposo batch treats Hualilan ore at ~25 kt/ month, running three months-on/ three months-off, with the toll program spanning 33 months in total.

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[1] PFS EBITDA forecast at current metal prices using US$3,300 oz Au, US$33 oz Ag. Rate of 0.645 used to convert USD to AUD in this ASX Release
[2] Calculated based on the World Gold Council definition.

Table 1 - Key PFS Assumptions

Price Assumption	**Study Assumption**	**Spot Prices**
Gold	US$2,500/ oz	US$3,300/ oz
Silver	US$27.50/ oz	US$33.00/ oz
AUD/USD	0.645	0.645
Metallurgical Recovery/ Payability	**Recovery**	**Payability**
Gold	84.4%	99.7%
Silver	65.7%	99.7%
Mining Physicals	**First 12 Months**	**Total**
Mineralized Material Mined	318 k.wmt	465 k.wmt
Waste/ Cover Mined	1.50 M.wmt	2.80 M.wmt
Strip Ratio (Waste:Ore)	4.7:1	6.0:1
Average Mined Au Grade	6.91 g/t	6.16 g/t
Average Mined Ag Grade	33.34 g/t	35.33 g/t
Average Mined AuEq Grade[3]	7.27 g/t	6.51 g/t
Transport Physicals	**First 12 Months**	**Total**
Ore Transported	195 k.wmt	450 k.wmt
Average Transported AuEq Grade[1]	7.59 g/t	6.68 g/t
Processed Physicals	**First 12 Months**	**Total**
Ore Processed	150 k.wmt	450 k.wmt
Average Feed Au Grade	7.49 g/t	6.29 g/t
Average Feed Ag Grade	29.93 g/t	35.73 g/t
Recovered Gold	30,457 oz	76,789 oz
Recovered Silver	94,760 oz	339,530 oz
Unit Operating Costs	**US$/ wmt (mined)**	
Drill + Blast (ROG Contract)	US$1.57/ wmt	
Load, Haul, Auxilliary	US$3.75/ wmt	
Tech Services + Mining G&A	US$2.80/ wmt	
Ore Transport		US$17.50/ wmt
Toll Access Fee		US$8.06/ wmt
Casposo Treatment Cost		US$75.00/ wmt
Processing Margin (at 70-80% Au Recovery)[4]		*US$15.00/ wmt*
Processing Margin (at 80-85% Au Recovery)[4]		US$18.75/ wmt
Processing Margin (at 85%+ Au Recovery)[4]		*US$22.50/ wmt*
Transport + Process G&A		US$13.97/ wmt
Total Mining Unit Cost	US$8.12/ wmt (mined)	
Total Processing + Transport Unit Cost (at 84% Au recovery)[2]		US$133.28/ wmt (processed)

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[3] AuEq calculated on US$2,500/ oz Au and US$27.50/ oz Ag using the following formula: AuEq (gpt) = Au (gpt) + (Ag (gpt) x 0.0085628)

[4] Austral Gold are paid a premium on the Casposo treatment cost based on gold recovery. If the Au recovery is between 70-80%, the premium is US$15.00, for a total of US$90/ WMT (processed). If the Au recovery is 80-85%, as expected, the premium is US$18.75/ WMT, for a total of US$93.75/ WMT (processed). Above 85% recovery the premium is US$22.50/ WMT for a total of US$97.50/ WMT (processed). Expected recovery is 84%.

Challenger Gold (**ASX: CEL**) ("**CEL**", or the "**Company**") is pleased to provide the outcomes of the Toll Milling Pre-Feasibility Study ("**PFS**") completed on it's 100% owned Hualilan Gold project located in San Juan, Argentina. The study presents a technical and economic evaluation of the Tolling scheme proposed for the project in conjunction with Austral Gold (**ASX: AGD**) ("**Tolling Partner**" or "**Toll Mill**") as announced in an ASX Release on 10 January 2025.

ASX LISTING RULE 5.9.1 REQUIREMENTS

A summary of PFS Assumptions are outlined in Tables 1 and 2. Further details in PFS Executive Summary.

Table 2 - PFS Study Key Outcomes

REVENUE US$200.7M | AU$311.2M *US$2,500/ oz Au + US$27.50/ oz Ag*	**EBITDA** US$88.0M | AU$136.4M *US$2,500/ oz Au + US$27.50/ oz Ag*
ALL-IN SUSTAINING COST (AISC) US$1,454/ oz *On 80.3 koz AuEq recovered*	**EBITDA - SPOT** US$142.8M | AU$221.4M *US$3,300/ oz Au + US$33/ oz Ag*
C1 CASH COST US$1,077/ oz *On 80.3 koz AuEq recovered*	**TOLLING LOM** 24 Months Mining | 33 Months Processing *29 Months of Hualilan to Casposo Ore Haulage*
PRE-PRODUCTION CAPEX/WORKING CAPITAL US$9.2M | AU$14.3M	**PAYBACK DELIVERED** December 2025
$NPV_{5\%}$ (PRE-TAX) US$73.8M | AU$114.4M *US$2,500/ oz Au and US$27.50/ oz Ag*	**AFTER TAX CASHFLOW** US$56.6M | AU$87.8M *US$2,500/ oz Au and US$27.50/ oz Ag*
$NPV_{5\%}$ (PRE-TAX) - SPOT US$123.2M | AU$191.0M *US$3,350/ oz Au and US$34/ oz Ag*	**AFTER TAX CASHFLOW - SPOT** US$91.8M | AU$142.3M *US$3,350/ oz Au and US$34/ oz Ag*
MINING UNIT COST US$8.12/ WMT (Mined) *Based on 3.268 M.WMT Total Material Mined*	**PROCESSING UNIT COST** US$133.28/ WMT (Processed) *Based on 450 k.WMT processed, incl. $17.50/ WMT transport.*

STUDY APPROACH

This study is a prefeasibility level (-20% to +30%) technical and economic study of the potential viability of the portion of the Hualilan Mineral Resource Estimate ("MRE") to be toll milled, and the options identified in this study will be explored and optimised further in later Project phases.

Canadian Mining Consulting firm, Fuse Advisors Inc., was engaged as the lead author for the prefeasibility study and assisted with ore reserves development, mine design and scheduling, capital and operating costs, and financial modelling. Mr. Grant Carlson and Mr. Graham Bonn from Fuse Advisors visited the property on 6 January 2025.

PHC Inc., a Canadian Geotechnical Consulting firm was engaged to conduct an open pit geotechnical study. Dr. Paul Hughes from PHC Inc., visited the property on 6 January 2025 and 7 January 2025.

Ison Designs Pty Ltd. was engaged to develop mineral processing and metallurgical testwork, recovery methods, and process operating costs. SGS Metallurgical Labs out of Chile (SGS) and BaseMet Labs out of Kamloops (BML) were engaged to complete the designed metallurgical testwork programs. Ausenco Pty Ltd. was engaged in an advisory capacity to provide project development, engineering, costing, and process design expertise.

RESERVES

The material assumptions and outcomes from the PFS relating to ore reserves is summarised in this section. Expanded information is available in the Summary PFS Report included as an annexure. The ore reserve declared herein has been estimated based on developing a conventional truck and shovel, surface mining operation. No underground mining has been considered. Ore mined from the open pits will be shipped to a processing plant located 165 km away and with whom the Company has a Toll Treatment Agreement in place. The economic analysis which forms the basis of this reserve estimate is based on the terms of the Toll Treatment Agreement.

Pit Optimisation

A pit optimisation analysis was carried out to: (1) determine the economic limits of each open pit area to ensure that all material being included in the reserve is economic; and, (2) to guide the strategic mine planning process and pit design for each mining area.

It is important to note that the selection of the ultimate pit shells for each mining area is driven more by the contract terms with the toll treatment facility than by finding the optimal pit limits based on the operating costs and metal price assumptions in the pit optimisation. The toll treatment contract contemplates delivery of 450,000 wet metric tonnes of ore over a three-year period and the pit shell selection reflects different revenue factor pits for each zone to achieve the desired ore tonnes, strip ratio and grade scenario.

The parameters used in the pit optimisation were based on preliminary estimates for contract mining costs and toll treatment costs.

Cut-off Grade

Based on the processing cost, site general and administrative ("**G&A**"), ore haulage cost, toll treatment fees, the long-term gold and silver prices and the tonnes and grade profile within the ultimate pit designs, a cut-off grade of 1.9 gpt AuEq was selected for this Ore reserve.

Table 3 - Gold Equivalent Cut-off Grade Parameters

Parameter	Units	Value
Gold Price	$/oz	2,500
Selling Cost	% of revenue	12.5
Mining Cost	U$/t mined	15.00
Processing Cost	U$/t processed	85
Metallurgical Recovery	%	80
Highway Haulage Cost	U$/t processed	15
Breakeven Cutoff	gpt AuEq	1.87
Cutoff Selected	**gpt AuEq**	**1.9**

U$/t = United States dollars per tonne; gpt = grams per tonne; AuEq = gold equivalent.

The cut-off grade for this mine plan is 1.9 gpt AuEq where AuEq is calculated using the following formula:

AuEq (gpt) = Au (gpt) + (Ag (gpt) x 0.0085628)

The Ore reserve outlined in this report is based on a detailed production schedule that includes the excavation of ore, unconsolidated cover, and waste rock on a monthly basis across the LOM. All mine planning and scheduling activities have been based on wet metric tonnes (wmt).

Dilution and Ore Loss

The mineral resource block model was adjusted with dilution, ore loss and moisture content to estimate the ore reserve. Dilution and ore loss of 5% each were applied. In addition, a 5% moisture content was assumed to estimate wet tonnes for mine planning.

Table 4 - Reserve Modifying Factors

Parameter	Unit	Value
Mining Dilution	%	5.0
Mining Recovery	%	95
Moisture Content	%	5.0

Geotechnical Considerations

The reserve pits are designed on 10 m benches with an 8 m catch berm on every second bench. The designs have an 80 degree face angle which along with the 8 m catch berm results in a 60 degree overall slope.

The Sanchez pit is designed as a trench with few catch berms at all. This is due to the shallow depth of the pit and allows for extracting the ore without laying back a pit wall up the slopes on either side of the mineralisation.

The Norte pit design has one larger high-wall on the east side of the pit with a maximum height of 55 m. The Magnata pit lays back a section of the Hualilan ridge and as a result has the largest high-wall of the pit designs included in the reserve with a height of 140 m.

Pit Design

Pit designs were generated based on the selected pit shells with 10 m benches. Ramps were designed at 17 m wide for two-way traffic and 12 m wide for single lane traffic with a maximum gradient of 10%. Each pit will be mined as a single phase with access to the upper benches built from cut and fill roads.

Mine Production Schedule

The Ore reserve outlined in this report is based on a detailed production schedule that includes the excavation of ore, unconsolidated cover, and waste rock on a monthly basis across the LOM. All mine planning and scheduling activities have been based on wet metric tonnes (wmt).

Ore Reserve Statement

Ore reserves have been generated using prefeasibility level pit designs, mining costs, processing costs, capital costs, geotechnical slope criteria, dilution, metallurgical recovery and cut-off grade specific to the Hualilan deposit and the Toll Treatment agreement between the Company and Austral Gold Ltd. Gold and silver prices of $US2,500/oz and $US27.50/oz respectively have been used to determine the appropriate cut-off grade and establish Ore reserves in the project economic analysis. The tonnes, grade and contained gold and silver ounces in the Ore reserve are summarized by classification in Table 5.

The Ore reserve is based on 3D pit designs generated in Hexagon™ MinePlan3D software which are modified from optimized pit shells generated in Geovia Whittle™ software to include practical considerations for mining includes catch berms, access ramps and minimum mining widths. The mining, stockpiling, ore delivery to the toll treatment facility and ore parcel processing schedule have been incorporated into an economic evaluation to demonstrate the economic viability of the Ore reserve. No inferred mineral resources have been included in the Ore reserve as those resources are considered too speculative geologically to have economic value placed on them and as such, they are treated as waste material in the mine plan.

Table 5 - Ore Reserve Statement

Classification	Cut-off Grade (gpt AuEq)	Tonnes (000 dmt)	AuEq (gpt)	Au (gpt)	Ag (gpt)	AuEq Contained (000 oz)	Au Contained (000 oz)	Ag Contained (000 oz)
Proven	1.9	-	-	-	-	-	-	-
Probable	1.9	427.5	7.0	6.6	37.6	96.2	91.0	517.0
Proven+Probable	**1.9**	**427.5**	**7.0**	**6.6**	**37.6**	**96.2**	**91.0**	**517.0**

dmt = dry metric tonne; wmt = wet metric tonnes; gpt = grams per tonne; AuEq = gold equivalent; 000 = thousands; Au = gold; Ag = silver;

Notes:

1. Ore Reserves are reported in accordance with the JORC Code (2012 Edition).
2. The Ore Reserves are based on a Pre-Feasibility Study (PFS) completed in April 2025, considering modifying factors including mining, metallurgical, economic, environmental, social, and regulatory factors.

3. The Ore Reserves are inclusive of diluting material and mining losses.
4. Ore reserves are reported to a cut-off grade of 1.9 gpt AuEq. The gold equivalent grade was calculated using the following formula:

$$AuEq = Au(gpt) + Ag(gpt)*0.0085628$$

5. The cut-off grades are based on a gold price of $2,500/oz Au and $27.50/oz Ag.
6. The Ore Reserve estimate is supported by a mine design, schedule, and economic model demonstrating positive cash flow under reasonable assumptions.
7. Metallurgical recoveries used for the estimation are based on a test work program specifically evaluating metal recoveries in the flowsheet available at the toll treatment facility with which the Company has a Toll Treatment Agreement and that this mine plan contemplates shipping ore to Austral Gold's Casposo toll treatment facility.
8. The Ore Reserve is reported above a pit shell optimized using metal prices and operating costs consistent with the PFS inputs.
9. Rounding has been applied in accordance with JORC Code guidelines. Totals may not sum exactly due to rounding.
10. The Ore Reserves were estimated by Grant Carlson, P.Eng., an employee of Fuse Advisors Inc., in Vancouver Canada, and a Competent Person and Member of Engineers and Geoscientists British Columbia, with sufficient experience relevant to the style of mineralisation and type of deposit under consideration.
11. The estimate includes only Probable Reserves as it is based on Indicated Mineral Resources. No Proved Reserves have been declared.
12. Inferred Resources are considered too speculative geologically to apply any economic value and are treated as waste material in this reserve estimate.
13. Units for the reserve estimate are metric tonnes and grams, plus troy ounces for gold.
14. The estimate of Ore reserves may be materially affected by geology, environment, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant risks.

The results of the economics analysis to support the Ore reserves represent forward looking information that is subject to several known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those presented herein. The QP has not identified any known legal, political, environmental, or other risks that would materially affect the potential development of the Ore reserves. Areas of uncertainty that may materially affect the Ore reserve estimation include:

- Commodity price and exchange rate assumptions;
- Capital and operating cost estimates;
- Geotechnical slope designs for pit walls;
- Mining selectivity near the ore and waste contacts; and
- Metallurgical recoveries in the Toll Treatment facility.

As noted in the sections above, mine planning activities and the agreement with the toll treatment partner are all based on wet metric tonnes while the Ore reserve statement in Table 5 above is stated in dry metric tonnes. Re-stating the Ore reserve on a wet metric tonnes basis with the assumed 5% moisture content results in 450,000 wmt of ore per the ore production target contemplated in the toll treatment agreement with Austral and summarized in Table 6.

Table 6 - Toll Treatment Plant Feed Summary by Reserve Classification

Classification	Cut-off Grade (gpt AuEq)	Tonnes (000 wmt)	AuEq (gpt)	Au (gpt)	Ag (gpt)	AuEq Contained (000 oz)	Au Contained (000 oz)	Ag Contained (000 oz)
Proven	1.9	-	-	-	-	-	-	-
Probable	1.9	450	6.65	6.29	35.72	96.2	91.0	517.0
Proven+Probable	**1.9**	**450**	**6.65**	**6.29**	**35.72**	**96.2**	**91.0**	**517.0**

dmt = dry metric tonne; wmt = wet metric tonnes; gpt = grams per tonne; AuEq = gold equivalent; 000 = thousands; Au = gold; Ag = silver

MINING AND PROCESSING SCHEDULE

Pit Optimisation

A pit optimisation analysis was carried out to: (1) determine the economic limits of each open pit area to ensure that all material being included in the reserve is economic; and, (2) to guide the strategic mine planning process and pit design for each mining area.

It is important to note that the selection of the ultimate pit shells for each mining area is driven more by the contract terms with the toll treatment facility than by finding the optimal pit limits based on the operating costs and metal price assumptions in the pit optimisation. The toll treatment contract contemplates delivery of 450,000 wet metric tonnes (wmt) of ore over a three-year period and the pit shell selection reflects different revenue factor pits for each zone to achieve the desired ore tonnes, strip ratio and grade scenario. The parameters used in the pit optimisation were based on preliminary estimates for contract mining costs and toll treatment costs and those parameters are summarised in Table 7.

Table 7 - Pit Optimisation Parameters

Parameter	Units	Value
Overall Pit Slope	degrees (°)	45 to 60
Mining Cost	US$/t mined	15.00
Dilution	%	5.0
Mining Recovery	%	95
Processing Cost	US$/t milled	85
Ore Haulage	US$/t milled	15
Gold Recovery	%	80
Silver Recovery	%	65
Gold Price	US$/oz	2,500
Gold Selling Cost	% of revenue	12.5
Silver Price	US$/oz	25
Silver Selling Cost	% of revenue	9.0

° = degrees; US$/t = United States dollars per tonne; US$/oz = United States dollars per ounce; % = percent.

The results of the pit optimisation are summarised in Table 8.

Table 8 - Tonnes and Grade of Selection Pit Shells DMT)

Pit	Revenue Factor	Ore (kt)	Au (gpt)	Ag (gpt)	Au (koz)	Ag (koz)	Waste	Strip Ratio	Total Tonnes
Magnata	0.82	283.0	4.76	38.5	43.3	350.6	1,624	5.7	1,907
Norte	0.70	101.2	8.9	48.9	29.0	159.1	520	5.1	622
Sanchez	0.58	67.4	8.9	14.4	19.3	31.2	144	2.1	211
Total	**-**	**451.6**	**6.3**	**37.3**	**91.5**	**541.0**	**2,289**	**5.1**	**2,740**

kt = kilotonnes; Au = gold; Ag = silver; gpt = grams per tonne; koz = thousand ounces.

Pit Design

Pit designs were generated based on the selected pit shells with 10 m benches. Ramps were designed at 17.0 m wide for two-way traffic and 12.0 m wide for single lane traffic with a maximum gradient of 10%. Each pit will be mined as a single phase with access to the upper benches build from cut and fill roads. The access to the top of the Norte design required minimal access development and it will be mined first. Access to the top benches of the Magnata pit requires building a fill ramp (the Southern Ramp WRSF) before mining operations can begin; therefore, waste from the Norte pit will be used to construct that access in the early months of the mine plan.

The Sanchez deposit is a narrow, subvertical lens of mineralisation which occurs at the bottom of a gully within the Hualilan ridgeline. Based on geotechnical consultation and review of mining options, a design was developed which simply excavates a deep trench along the mineralised zone without pushing highwalls up either side of the gully up to the crest of the ridgeline. This limits the total ore extracted in this zone but also greatly reduced the mining cost and complexity. Mining will be carried out with an excavator digging a trench and passing material back down to haul trucks lower in the gully. The Sanchez and Norte pit designs are illustrated in Figure 2 and the Magnata pit design is illustrated in Figure 3. Summaries of the ore and waste in each pit design are presented in Table 9.

Figure 1 - Pit Design 3D View

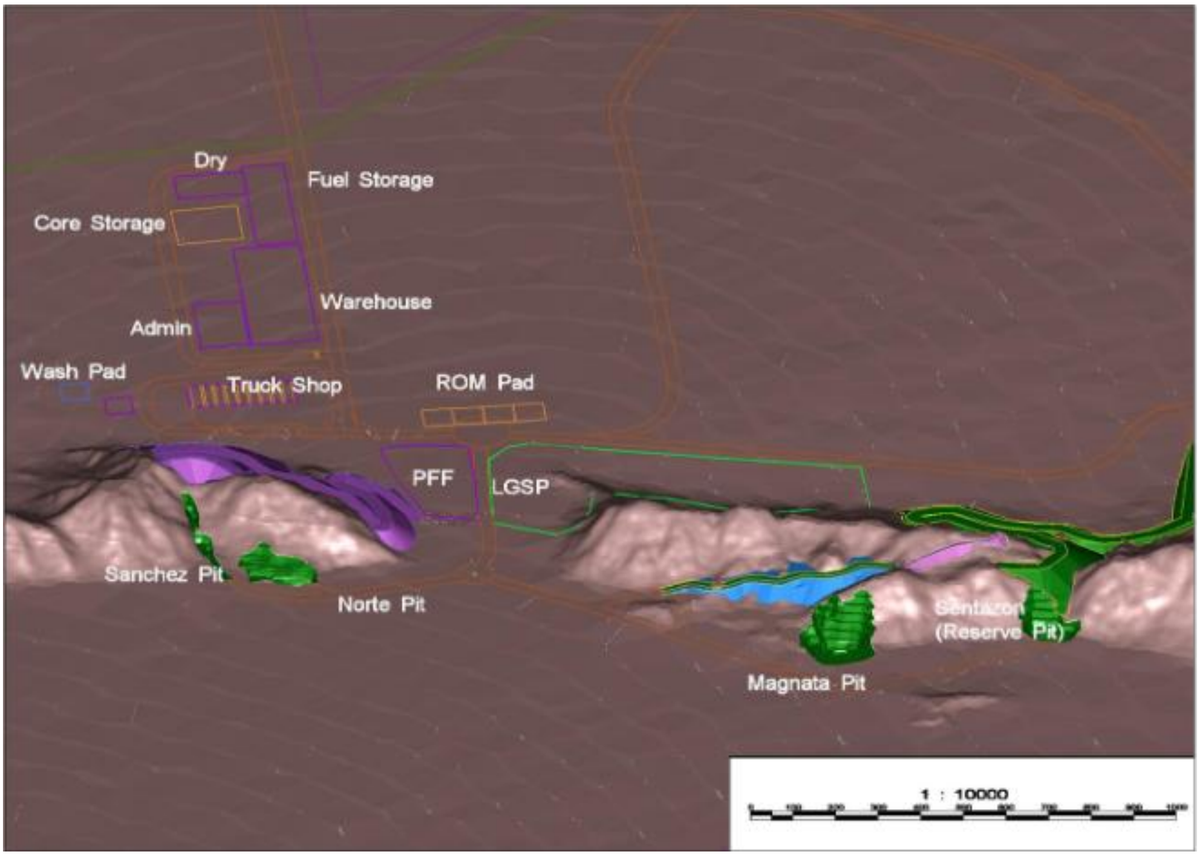


Table 9 - Pit Design Inventories

Pit	Ore (000 dwt)	Au Grade (gpt)	Ag Grade (gpt)	Au Contained (000 oz)	Ag Contained (000 oz)	Waste (000 wmt)	Strip Ratio (w:o)	Total Material (000 wmt)
Sanchez	98	6.8	11.72	21.5	37.1	133	1.4	203
Norte	135	8.33	46.18	36.0	200.0	715	5.3	823
Magnata	232	4.62	39.06	34.5	291.1	1,954	8.4	2,096
Total	**465**	**6.16**	**35.33**	**92.1**	**528.2**	**2,803**	**6.0**	**3,324**

000 = thousands; dwt = dry weight tonne; gpt = grams per tonne; oz = ounce; Au = gold; Ag = silver; wmt = wet metric tonne; w:o = waste to ore.

Sentazon Pit (backup pit)

The Sentazon pit was optimised as part of the pit optimisation process and a pit design was developed; although the Sentazon pit was excluded from the reserve mine plan because the other pits provided higher-grade, lower strip ratio and easier to access ore material to satisfy the Toll Treatment Agreement targets. The inventory of the Sentazon pit is summarised in Table 10. Note that this inventory in not included in the Ore reserve.

Table 10 - Sentazon Pit Inventory at 1.9 gpt of Gold Cut-off

Classification	Tonnes (000 dmt)	Au (gpt)	Ag (gpt)	Au (000 oz)	Ag (000 oz)
Indicated	55.2	5.54	28.2	9.83	50.0
Inferred	5.8	2.77	31.2	0.52	5.83
Waste	524.6	-	-	-	-
Strip Ratio	8.6	-	-	-	-
Total Material	**585.6**	**-**	**-**	**-**	**-**

000 = thousand; dmt = dry metric tonnes, gpt = grams per tonne; oz = ounce.

Figure 2 - Sanchez and Norte Pit Designs

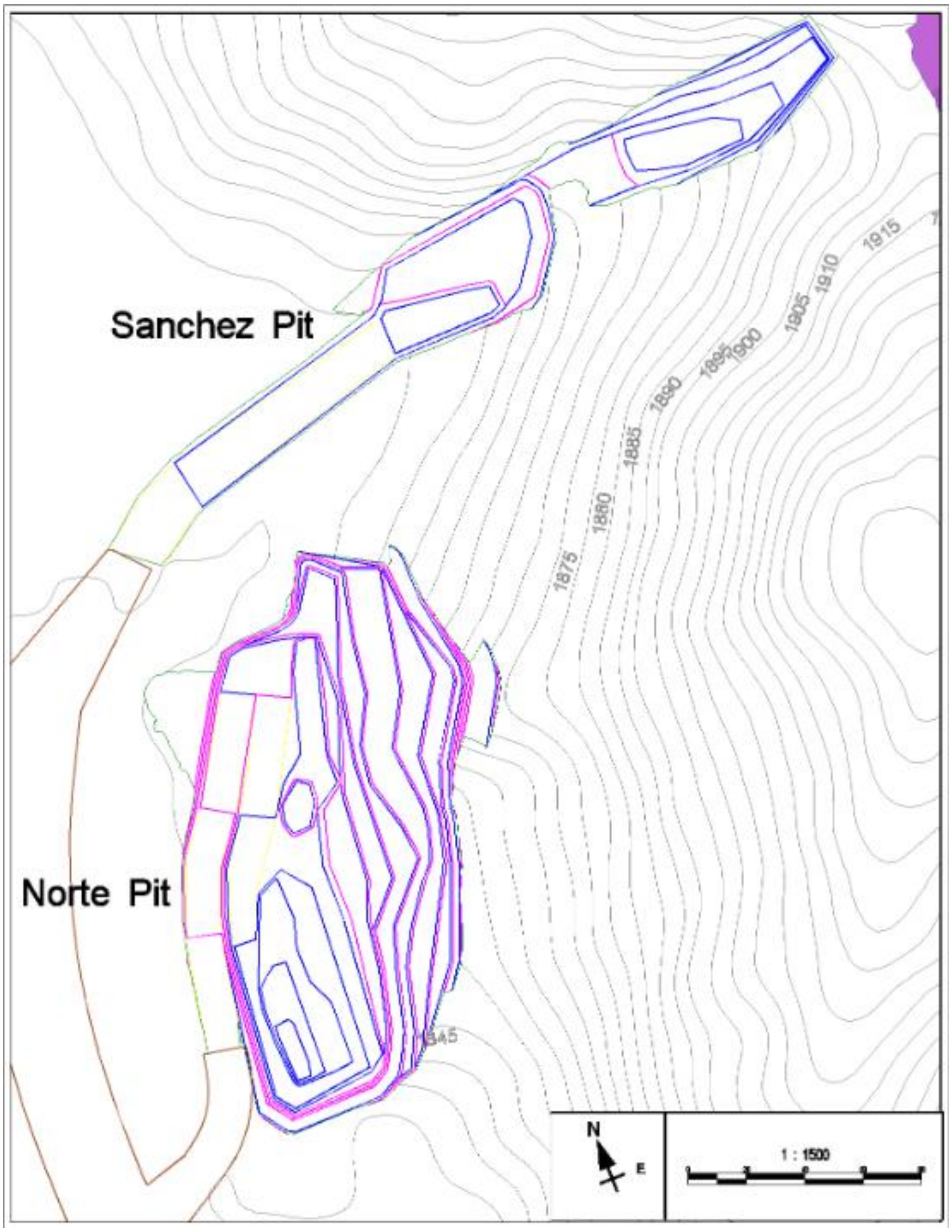
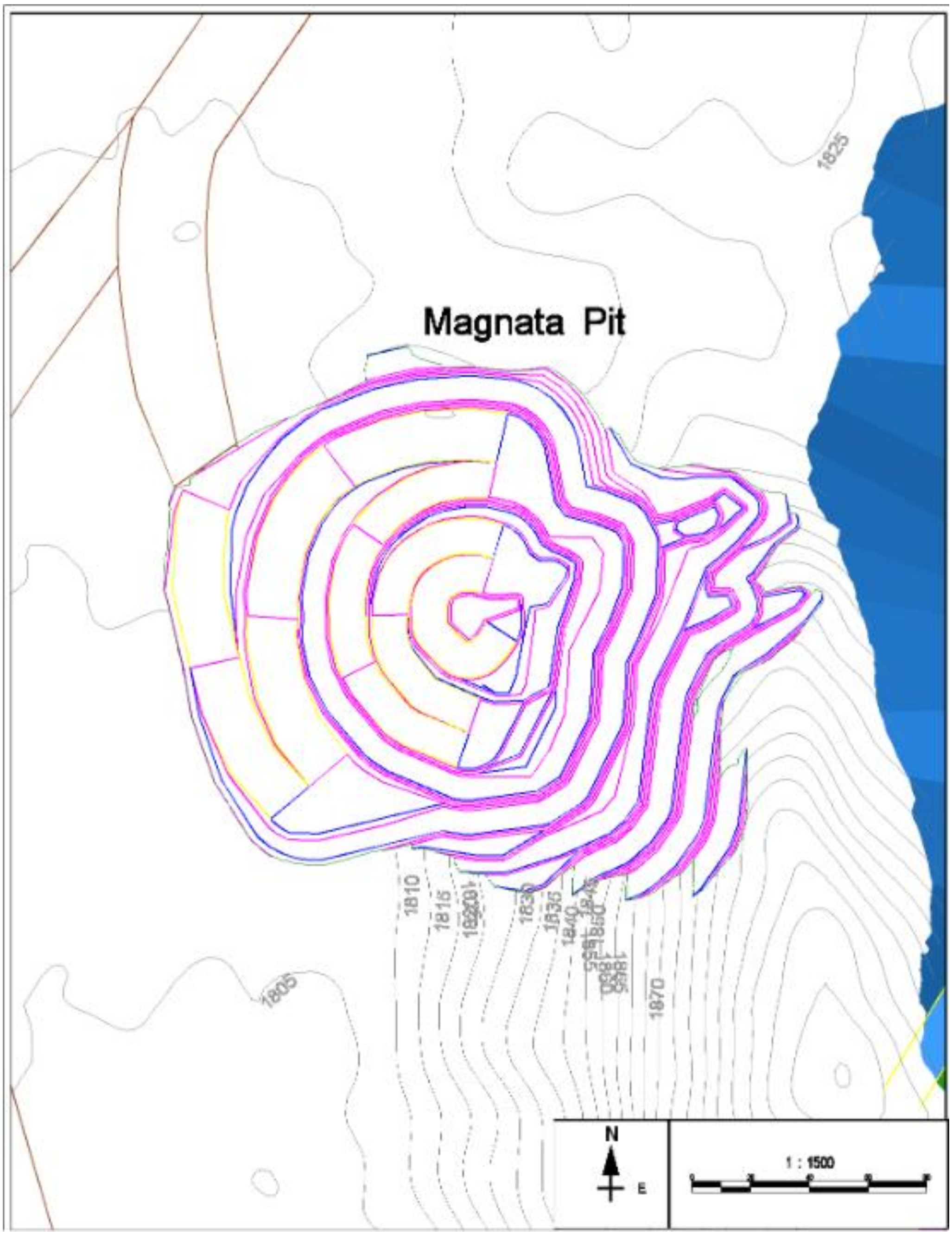


Figure 3 - Magnata Pit Design



Mine Production Schedule

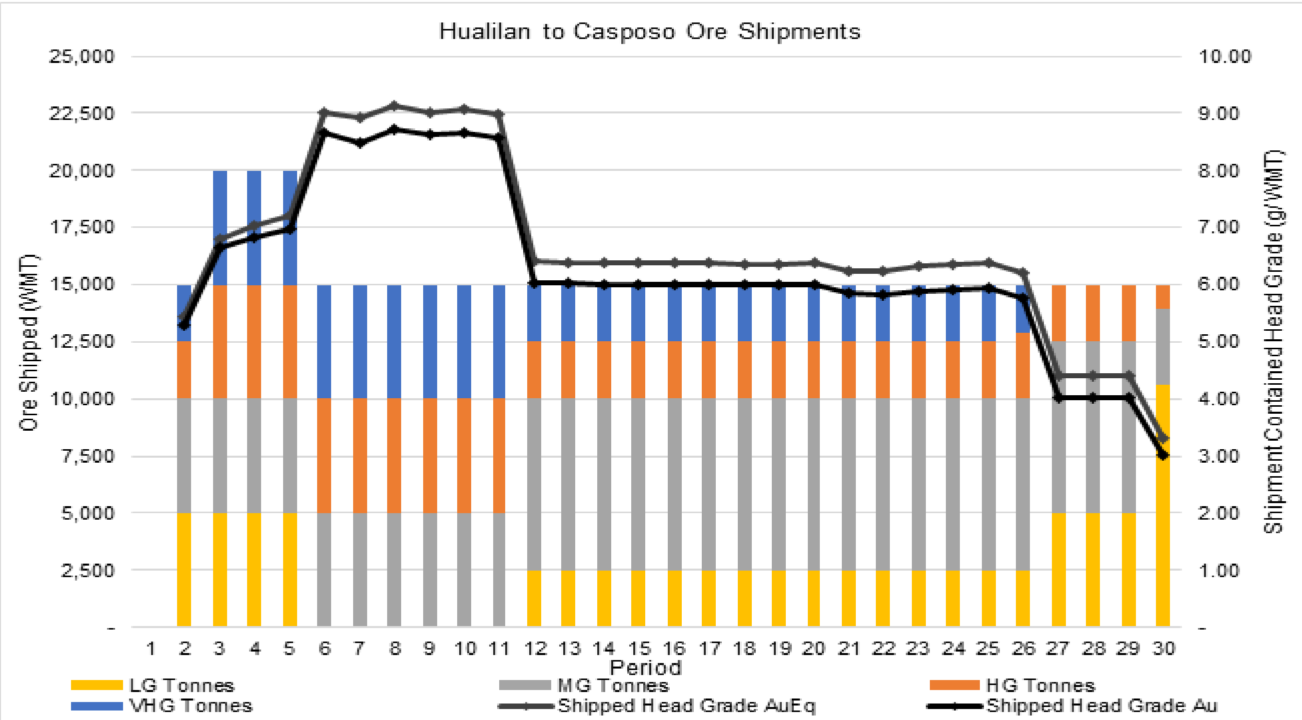
The mine production schedule was designed to satisfy the requirements of the Toll Treatment Agreement. Ore will be sourced from three open pits (i.e., Sanchez, Norte, and Magnata) and placed on run-of-mine (ROM) stockpile pads prior to loading onto highway haulage trucks for transport to the toll processing facility.

The typical ore delivery rate to the Casposo process plant is 15,000 tonnes per month. However, during the initial ore delivery period, haulage will ramp up to 20,000 tonnes per month to establish a robust buffer stockpile at the toll facility and mitigate the risk of mill downtime due to ore shortages.

The production schedule includes the excavation of ore, unconsolidated cover, and waste rock on a monthly basis across the LOM. All mine planning and scheduling activities have been based on wet metric tonnes (wmt).

Mining operations are scheduled to commence in September 2025 and are expected to conclude by September 2027. A total of 465,000 wmt of ore will be excavated from the Norte, Sanchez, and Magnata pits, with 450,000 wmt reclaimed from the ROM stockpile and transported to the Casposo process plant for toll milling. Norte and Sanchez pits are prioritised in the early stages of the mine plan to enable faster access and to capitalise on higher-grade ore zones, and to provide the required waste material to build the access ramp to the upper levels of Magnata. Details on the tonnes and grade profile of ore deliveries to the Casposo process plant are provided in Figure 4.

Figure 4 - Toll Treatment Ore Feed Detail



Production Drilling and Blasting

The Company has engaged a globally recognised drill and blast services provided for a Rock-on-Ground drilling and blasting services whereby the contractor will supply the drill(s), bulk explosives, explosive accessories, explosives storage, blast initiation, and all related maintenance and safety programs, required for the execution of the mine plan described herein.

Drill patterns will be designed for either 5 m or 10 m benches depending on the grade control requirements. The base case drill pattern will be 3.1 m x 3.6 m and 3.9 m x 4.5 m for 5 m and 10 m benches, respectively, with 1.0 additional meters of subdrill. Hole diameters will be 115 millimetres (mm) and 130 mm for 5 m and 10 m benches respectively. This design results in a requirement for approximately 6,400 blast holes per year or about 38,000 m of production drilling.

The primary bulk explosive will be ammonium nitrate fuel oil (ANFO) with a density of 0.82 grams per cubic centimetre (g/cm3) with a target powder factor of 0.19 kgpt. Each mobile manufacturing unit (MMU) can deliver approximately 12 tonnes of ANFO, loading 400 blast holes with blasting required approximately every 2 to 3 weeks.

Table 11 - Drill and Blast Productivity

Drill and Blast	Unit	Value
Blasted	BCM	29,263
Drilling Requirements	BCM/m	9.30
Drilling (+5% RD)	m/mo	3,304
Penetration Rate	m/SMU h	25
Drill Demand	SMU h/mo	132
Powder Factor	kg/BCM	0.48
Required ANFO	Avg kg/mo	25,000
FO Component	Avg L/mo	1,700

BCM = bulk cubic meters; m/mo = meters per month; SMU = selective mining unit; h = hour; Avg = average; kg = kilogram; L = litre; FO = fuel oil; ANFO = ammonium nitrate fuel oil.

Mine Equipment

The mining fleet contemplated consists of a conventional open pit, truck and shovel style operation with equipment sized appropriately for the mining rate required. The loading fleet is also sized to achieve the desired mining selectivity along ore/waste contacts in the mine plan.

Table 12 - Primary Production Equipment

Equipment	Number of Units
Blasthole Drill 4.5″	1
Excavator 50T – Komatsu PC500LC or equivalent	1
Wheel Loader 60T – Komatsu WA600 or equivalent	1
Articulated Truck 40T – Komatsu HM400 or equivalent	3
Tracked Dozer 13.7 m – Komatsu D275AX or equivalent	1
Motor Grader 4.3 m – Komatsu GD655 or equivalent	1

Loading Equipment

The loading fleet will consist of one 50-t class hydraulic excavator and one 60-t class front-end loader. The 50-t hydraulic excavator was selected because it is appropriately sized to load the 40-t articulated haul trucks and the 1.44 m wide bucket allows for selective mining along ore-waste contacts. In addition, the hydraulic excavator has the ability to excavate the trench style pit benches in the Sanchez pit design. The 60-t front-end loader was selected to compliment the 50-t excavator with its high productivity and lower production costs while also having the mobility to move around the project site daily to carry out several ancillary functions in addition to stockpile rehandling to load the highway trucks at the ore stockpile.

The equipment mining rate per production hour has been modelled based on the cycle time of the equipment and bucket size and adjusted with appropriate bucket fill factors to reflect a realistic mining rate. The mining rate was used to determine the required equipment production hours per month which were then adjusted with the utilisation assumptions detailed in the Summary PFS Report to confirm the required fleet size in each period of the mine plan.

Mine Hauling Equipment

The 40-t class articulated haul trucks were selected for the mine plan based on their productivity and their agility in relatively tight working areas requiring tight turning ability and ability to climb potentially steeper gradients than rigid frame haul trucks.

Haul truck productivity was modelled with the designed haul road and pit ramp network using Micromine's Alastri™ mine scheduling software where each dig block has an estimated cycle time from its location to each available destination.

Ore Transport – Hualilan to Casposo

Ore material mined at Hualilan and place on the ore stockpiles will then be hauled to the Casposo process plant located 165 km to the southwest in San Juan province. The highway haulage will be carried out by a contractor using 25-40t capacity covered highway trucks which will be loaded by a front-end loader at the Hualilan ore stockpiles.

Ore haulage from Hualilan to the Casposo site will begin in October 2025 and is planned for completion by February 2028. Processing of Hualilan ore at the Casposo process plant will occur in discrete batches, with the first batch commencing in Q4 2025 and the final batch expected to start in Q2 2028. Hualilan ore mining and haulage to the Casposo process plant will proceed ahead of the processing schedule to ensure the establishment of a buffer stockpile at Casposo and to allow for a smoothed haulage fleet profile over time. Mining activities will be carried out on dayshift only, allowing for surge capacity on the night shift if required.

The LOM plan for the Project delivers an average mined grade of 6.16 gpt Au and 35.3 gpt Ag, equating to total contained metal of approximately 92,055 ounces of gold and 528,236 ounces of silver.

The mine schedule includes the movement of approximately 2,657,404 wmt of waste rock and 146,298 wmt of unconsolidated cover material. This results in a strip ratio of 6.0:1 (waste to ore). The mine schedule included 15kt of 2.5 g/t Au material that is not trucked to Casposo hence the higher processed grade of ore at Casposo.

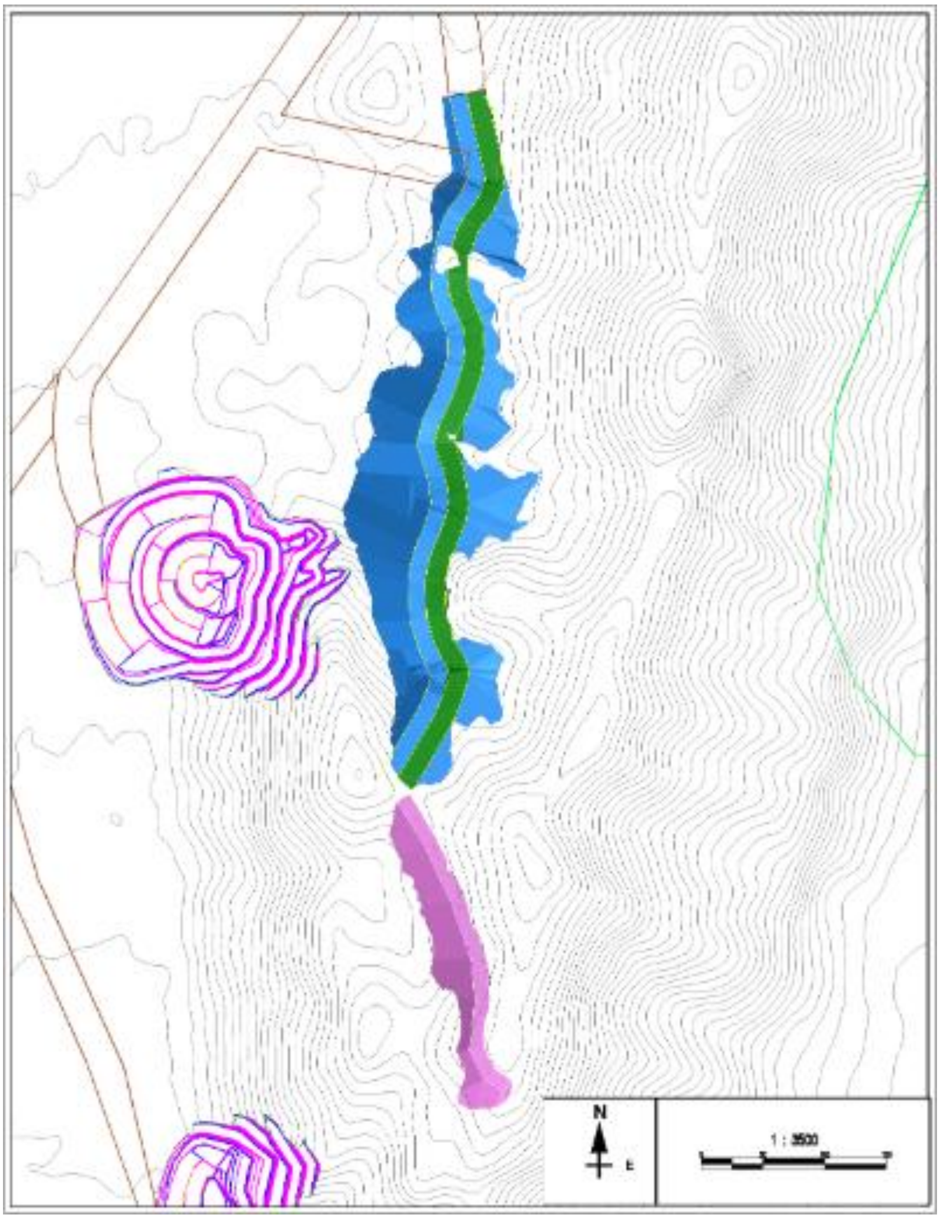
Waste Rock Storage Facilities

Waste rock storage facilities (WRSF) have been designed for the placement of material below the mineralised waste cut-off grade of 0.3 gpt AuEq. There are two primary facilities that have been designed with sufficient capacity to store the waste rock material from the mine plan proposed herein and both facilities take the form of fill ramps which, when completed, create haulage access to the upper reaches of the Hualilan ridgeline. The Company anticipates evaluating additional mining scenarios in the future which will require mining down the Hualilan ridgelines and by using waste rock from the Toll Treatment mine plan to establish ridgeline access will be a significant capital cost savings for potential future operations with only a marginal cost increase for the Toll Treatment operation.

The WRSFs will be constructed in 10 m lifts and use waste rock to construct the ramps up to each new lift elevation. The face slope of each lift is expected to be 37 degrees while the overall slope of the facility will be adjusted by leaving catch berms at each lift elevation to achieve the slope determined by the geotechnical analysis. The Northeast Ramp and Southern Ramp WRSFs are illustrated in Figure 5 and Figure 6.

Figure 5 - Northeast Ramp Waste Rock Storage Facility

Figure 6 - South Ramp Waste Rock Storage Facility



Stockpile Facilities

Separate stockpile facilities will be employed to execute the mine plan described herein. The ROM stockpile facility will have stockpiles based on gold equivalent grades in the ore: very high-grade is over 10 gpt, high-grade is greater than 6 gpt, medium-grade is greater than 3 gpt and low-grade is greater than the reserve cut-off grade of 1.9 gpt AuEq. The ROM stockpiles will act as ore transfer pads for material being hauled to the Casposo process plant. The material being shipped to the Casposo process plant will be a blend of these grade bins so as to maintain a consistent plant feed grade to optimise metallurgical recovery in a steady state operation.

A second stockpile facility will be constructed to enable the segregation of two categories of mineralised waste. Mineralised Waste A is defined as material with a gold equivalent grade between 1.0 gpt AuEq and 1.9 gpt AuEq, while Mineralised Waste B includes material grading between 0.30 gpt AuEq and 1.0 gpt AuEq.

This material falls below the current reserve cut-off grade of 1.9 gpt AuEq but is being separated from barren waste due to its potential future economic value. The Company intends to preserve this material for exploitation in a larger stand-alone operation at Hualilan.

PROCESSING

The plan for the Project is for treatment by toll-milling for three years of production at the Casposo process plant, owned by Austral Gold. The method for metal recovery at the Casposo process plant is gravity followed by cyanide leaching and Merrill-Crowe.

The Casposo process plant has a nameplate capacity of 400,000 tonnes per annum (dry) and operates for nominally 8,000 hours per annum which is equivalent to 50 tonnes per hour (dry). The required treatment rate for Hualilan ore is 75,000 tonnes (wet) for each three-month campaign. This is significantly less than the nameplate capacity of the Casposo process plant which is 100,000 tonnes (dry) over three months. This provides conservatism for achieving the target throughput for Hualilan ore being processed at the Casposo process plant.

Casposo is currently in the process of being restarted by the Austral Gold site team after being on Care and Maintenance (C&M). Once the Casposo plant is operational, it will separately campaign Casposo ore and Hualilan ore on a nominally quarterly basis, i.e. 3 months of Casposo ore followed by 3 months of Hualilan ore, and repeat.

Processing of Hualilan ore at the Casposo process plant commences in month 7 (Nov 2025), with the process plant operating full time at around 822 tpd or 25 kt per month. Hualilan ore will be batched through the Casposo process plant on a 3-months on, 3-months off schedule for the duration of the Project.

Processing over the 3 years of toll milling equates to a total of 450 kt wmt of ore at 6.2 gpt for 90,983 ounces of contained gold and 35.7 gpt silver for 516,788 ounces of silver delivered to the Casposo process plant. The marginally higher grades delivered to the Casposo process plant compared to the mined grade is a result of the 15 kt of lower grade ore that remains on stockpiles at Hualilan as mining produces 465 kt of ore.

PFS Metallurgical Testwork

The testwork samples for the PFS were selected from diamond drill hole intervals across the three pits to be toll treated at the Casposo process plant to represent the typical material to be treated. BML generated a separate testwork composite for each pit while SGS generated a single overall composite to represent combining the three pits. The program involved Comminution testwork and gold/silver recovery testwork and was designed to mirror the Casposo flow sheet.

Comminution testwork results representing the various geological domains and lithologies making up the Hualilan resource have provided an understanding of comminution performance of Hualilan ore when processed through the Casposo grinding circuit. This program resulted in the:

- Determination of SMC indices for the lithology composite samples;
- Determination of Bond Ball Mill Work indices (BBWi) and abrasion indices (Ai) for the lithology composite samples; and
- Composite HG A testwork was conducted using Geopyörä method as insufficient sample mass was available to generate a composite from near surface material for a full comminution testwork program.

Gold Recovery Testwork

The gravity and leaching testwork procedure at BML is summarised below.

- Sample preparation including combining samples to generate the composites then crushing and subsampling for head assays.
- Grind establishment curves for each sample to determine grind time required to achieve target grind size.
- Samples were ground to target grind size and processed through a batch Knelson concentrator for gravity gold recovery, gravity concentrate was then upgraded using a Mozley gravity table and table tailings were combined with Knelson tailings.
- Agitated leaches were conducted on gravity tailings at the following conditions, cyanide maintained at 1,000 parts per million (ppm), pH maintained at 10.5 using lime and oxygen maintained at greater than 20 ppm using oxygen addition.
- Subsamples of leach slurry were collected at 2, 6, 24, 48, and 72 hours and assayed for gold and silver to determine metal extraction.
- Leach residue was filtered, dried and assayed for gold and silver to determine final metal extraction.

Testwork at SGS followed the same process except there was no gravity step and SGS performed optimisation testwork on the overall composite for grind size between P80=75 µm to 150 µm and cyanide strength in leach between 0.5 grams per litre (g/L) to 1.5 g/L. Additionally, assays for copper and zinc were included.

Table 13 - Gravity and Leaching Results (at P80=100 µm to 105 µm leach duration = 72 hours)

Comp.	Laboratory	Grind Size	Head Grade		Gravity Gold	Gravity + Leach Recovery		Residue Assays		Reagent Consumption	
		P80	Au Assay	Ag Assay	Recovery	Au	Ag	Au	Ag	Cyanide	Lime
		(µm)	(gpt)	(gpt)	(%)	(%)	(%)	(gpt)	(gpt)	(kg/t)	(kg/t)
Magnata	BML	100	3.50	22.91	9.5	77.8	61.7	0.78	8.80	3.66	7.32
Norte	BML	100	4.79	21.69	38.5	91.4	69.7	0.42	6.60	4.08	5.48
Sanchez	BML	100	3.50	4.15	37.7	96.0	78.4	0.14	0.90	0.59	2.14
Overall	SGS	105	5.24	29	-	85.0	55.8	0.8	13	4.32	2.97

Au = gold; Ag = silver; µm = micron; h = hour; gpt = grams per tonne; kg/t = kilograms per tonne; mg/L = milligrams per litre; BML = Base Metallurgical Laboratory; SGS = SGS Laboratory.

Results from the gravity and leaching testwork are summarised in Table 13. All tests used a grind size of 80% passing (P80) of 100 microns (µm) to 105 µm and leach residence of 72 hours and the pit composites included gravity recovery. These parameters were chosen to simulate the Casposo process plant.

At SGS the overall composite was tested with direct leach only, without including a gravity recovery stage ahead of leaching, however, a separate gravity recovery test was conducted at SGS. SGS performed optimisation testwork on the overall composite for the following parameters:

- Grind size between P80=75 µm to 150 µm.
- Cyanide strength in leach between 0.5 grams per litre (g/L) to 1.5 g/L.

Results from these tests are summarised in Table 14.

Table 14 - Leach Recovery Optimisation Results on Overall Comp at SGS Laboratory

Test No.	Optimisation	Cyanide Concentration	Grind Size	Leach Recovery		Residue Assays		Reagent Consumption	
			P80	Au	Ag	Au	Ag	Cyanide	Lime
		(g/L)	(µm)	(%)	(%)	(gpt)	(gpt)	(kg/t)	(kg/t)
CN- 1	Grind	1.0	105	85.0	55.8	0.80	13	4.32	2.97
CN- 2	Grind	1.0	150	79.2	57.5	1.10	12	4.27	2.30
CN- 3	Cyanide	0.5	75	82.7	51.9	0.93	13	2.12	3.45
CN- 4	Grind/Cyanide	1.0	75	86.7	62.6	0.66	10	4.62	3.16
CN- 5	Cyanide	1.5	75	87.8	64.1	0.61	10	4.65	3.02

Au = gold; Ag = silver; g/L = grams per litre; % = percent; µm = micron; h = hour; gpt = grams per tonne; kg/t = kilograms per tonne.

Comments on these testwork results are shown below.

- Sample is grind sensitive, with increasing gold recovery at finer grinds.
- Gold recovery increases from 79% at P80=150 µm to 87% at P80=75 µm, there is a minor increase in cyanide consumption from 4.3 kg/t to 4.6 kg/t by grinding finer.
- Increasing cyanide concentration in leach increases gold recovery.
- Gold recovery increases from 83% at 0.5 g/L to 88% at 1.5 g/L, there is a significant increase in cyanide consumption from 2.1 kg/t to 4.7 kg/t by increasing cyanide strength.

These results show that there is an opportunity to increase gold recovery when processing this material through the Casposo process plant. However, both leach recovery improvements need to be traded off against increased operating costs.

Including gravity recovery will reduce the amount of gold reporting to leach so it may reduce the effect of finer grind and increased cyanide on gold recovery. Including gravity recovery may also increase overall gold recovery. Note that Casposo process plant includes a gravity recovery process already, and the incremental cost for operating this gravity circuit is minimal.

SGS has conducted a gravity test on the overall composite and achieved a gold recovery of 41% which is comparable to gravity results from the BML testwork on Norte and Sanchez composites.

CAPITAL COSTS

Capital Costs

The capital cost estimate was prepared by Fuse Advisors and various independent external consultants retained by Challenger.

There was limited use of benchmarking, with costs generally sourced from vendor quotes/indicative prices or detailed first principle cost analysis using vendor quotes based on the preliminary project design. Where benchmarking was used to provide any capital costs the primary source was from external consultants databases. Where benchmarking has been used to provide capital cost estimates this has been specifically stated.

The cost estimate is expressed in Q1 2025 US$ and used the United States Dollar (USD) / Argentine Peso (ARS) exchange rate at the time the quotation was provided (average 1,075 ARS) for any in-country costs provided in ARS. In practice, in Argentina most cost quotes are generally provided in USD and converted into ARS based on the prevailing USD/ARS rate. The costs do not include allowances for escalation or exchange rate fluctuations. All costs are exclusive of the Argentinian value added tax (VAT) which is applied separately in the financial model used for the economic evaluation.

Table 15 - Capital Cost Estimate Summary

Description	Pre-production Capital Cost (US$ M)	Sustaining Capital Cost (US$ M)	Total Capital Cost (US$ M)
Mining (incl. pre-production)	1.2	0	1.2
On-site Infrastructure	1.1	0	1.1
Off-site infrastructure	0.2	0	0.2
Owners Costs	0.8	1.3	2.1
Indirect Costs	0.2	0	0.2
Contingency	0.5	0.04	0.54
Total Capital Expenditure	**4.2**	**1.3**	**5.5**

Notes: All figures are rounded to reflect the relative accuracy of the estimate.
Totals may not sum due to rounding as required by reporting guidelines.
a) Pre-production costs are operating costs that occur prior to ore transport commences.
US$ M = Million United States dollars.

The capital cost estimate for this PFS has a target accuracy range of (-20% to +30%) where costs have been sourced from vendor quotes and first principles analysis. The following areas were included in the estimate:

- Open Pit Mine – including, open pit mine development, equipment fleet, pre-stripping/pioneering, and supporting infrastructure and services.
- On-site infrastructure – including, earthworks, sitework, roads, camp, and other general facilities.
- Off-site infrastructure – including, ore transport, road maintenance, and repairs.
- Owners Costs – including, owner's team, training and operational readiness, specific toll treatment fees.
- Indirects – including, external project consultants and Engineering, Procurement and Construction Management (EPCM).
- Other Pre-production Costs (other operating costs prior to commercial production/processing).
- Contingency (applied at +15%) for this level of study.

Total capital costs are US$5.5M not including US$674k of capitalised mining costs. Total initial capital costs of US$4.2M. Capital costs estimates are summarised in Table 15.

Open Pit Mining

This item accounts for the capital costs associated with the open pit mine, haul roads, and support mine infrastructure and services. The Open Pit Mine Capital cost estimate is summarised in Table 16.

Table 16 - Open Pit Mine Capital Cost Estimate

Open Pit Mine Capital Costs	Initial CAPEX (US$)	Sustaining CAPEX (US$)	Total CAPEX (US$)
Open Pit Mine Development			
Pre-Stripping and Pioneering	674,329	-	674,329
Open Pit Mining Equipment			
Rent-to-Buy Contract	-	-	-
Equipment Fire Suppression Systems	130,000	-	130,000
Open Pit Mine Infrastructure			
Truck Shop	170,754	-	170,754
Wash Bay	63,266	-	63,266
Total Open Pit Mine	**1,230,979**	**-**	**1,230,979**

CAPEX = Capital Expenditure; US$ = United States dollars.

Mining equipment will be purchased under a rent-to-buy contract to defer upfront mining capital expenditures. Mining equipment costs are therefore captured under mining operating expenses.

Mine capital costs include 73 kt of pre-production blasting and stripping of unconsolidated material that does not require drill and blast and pioneering in the three open pits, totalling US$674k. No contingency was applied directly to these costs, as contingency was applied to overall project capital expenditures.

The Truck Shop is expected to be a dome shelter style covering, mounted on standard sea-containers. Costs were developed through vendor quotes.

The Wash Bay is based on a sealed concrete pad with a simple water collection system to allow separation of contaminated water and recycle of decanted water. Costs for the Wash Bay were developed by supplier quotations.

Processing Plant

Since the material mined in this PFS will be trucked to Austral Gold's Casposo process plant, there are no planned processing plant capital costs.

Tailings Management

No tailings material will be generated on site at Hualilan; therefore, no capital costs will be incurred for tailings management.

On-Site Infrastructure

Infrastructure-related capital costs are detailed in Table 17 and include:

- On-site roads;
- Fencing;
- Weigh bridge;
- Lighting towers;
- Surface water management;
- Camp Relocation; and
- Security Relocation.

The Hualilan site is an active exploration site with associated camp infrastructure established, other site infrastructure costs are captured as operating costs by scaling current infrastructure requirements by head count.

Table 17 - On-Site Infrastructure Capital Cost Estimate

On Site Infrastructure	Initial CAPEX (US$)	Sustaining CAPEX (US$)	Total CAPEX (US$)
Surface Water Management	43,540	-	43,540
Fencing	623,854	-	623,854
Bulk and Siteworks	58,987	-	58,987
On-Site Roads	123,192	-	123,192
Camp Relocation	50,000	-	50,000
Security Infrastructure Relocation	50,000	-	50,000
Warehouse	21,216	-	21,216
Weigh Bridge	125,900		125,900
Core Storage Relocation	50,000	-	50,000
Total On-Site Infrastructure	**1,146,717**	**-**	**1,146,717**

CAPEX = Capital Expenditure; US$ = United States dollars.

On-Site Roads

On-site roads are based on the established site layout, which includes 26 km of site roads (Figure 7). The economic analysis assumes that these roads will be constructed using contractors. Costs have been estimated from quotes that include equipment, labour, and equipment maintenance.

Fencing

Fencing costs include 10 km of fencing with quantities estimated from the general site layout. Costs applied to the 10 km of fencing were derived from supplier quotes.

Weigh Bridge

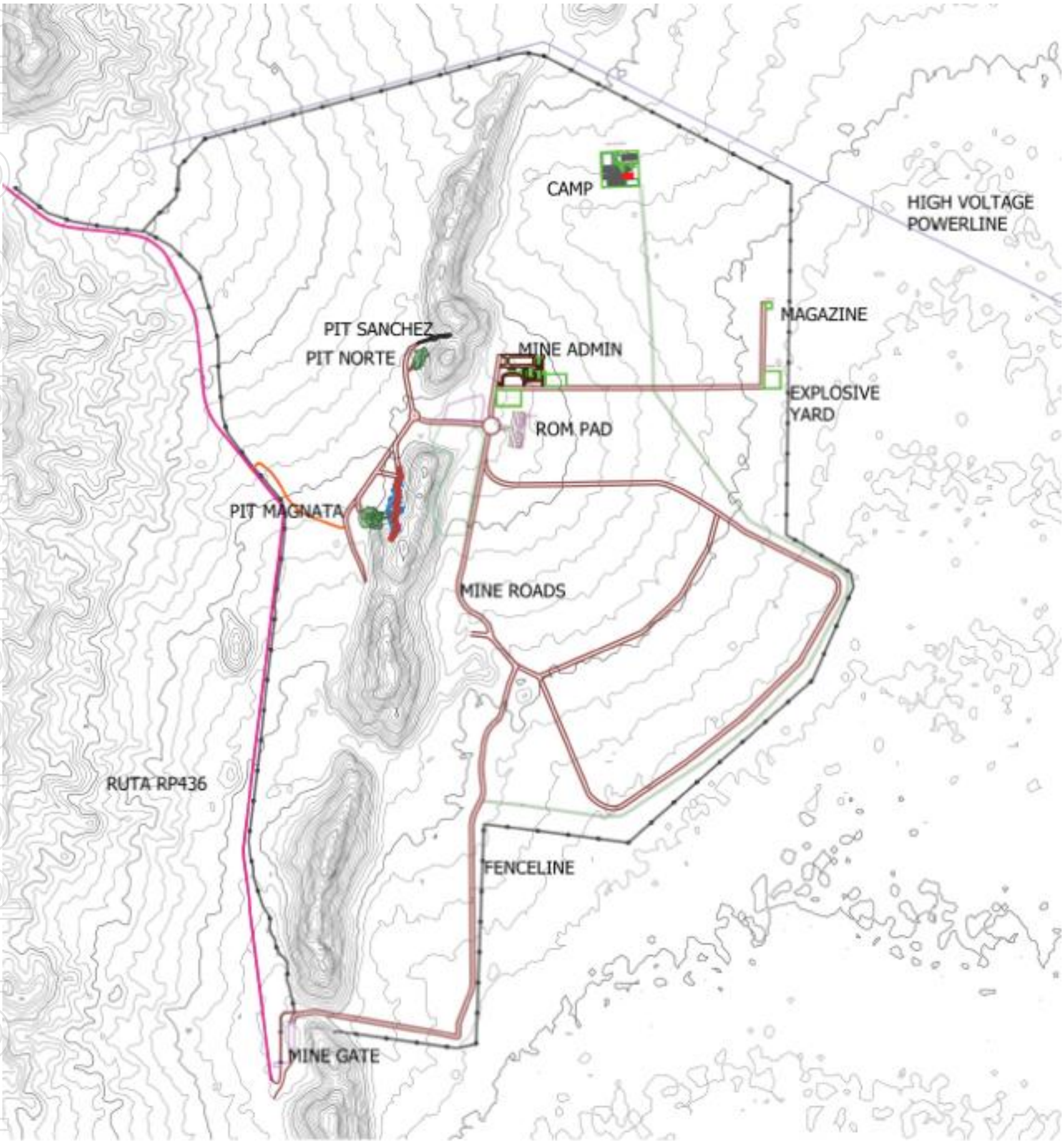
Operations require a weigh bridge that will weigh transport trucks loaded with Hualilan ore prior to transporting to the Casposo process plant for processing. The capital cost estimate is based on supplier quotes, which includes turnkey installation and initial calibration services for a 28 m-long and 80-t capacity steel framed weigh bridge.

Other Infrastructure Costs

Other infrastructure costs include the relocation of the existing camp, associated facilities, and security infrastructure. These costs are based estimates from local contractors. It should be noted that camp relocation is underway.

Other small equipment such as light plants and small generators are assumed to be rented as needed and have not been accounted for in capital expenditures.

Figure 7 - Pre-production Site Road Layout



Off-Site Infrastructure

The main off-site infrastructure contemplated in this PFS is the ore haulage route between the Hualilan site and the Casposo process plant where ore will be processed.

An ongoing study has identified three haulage routes, each with varying distances (135 km to 175 km) and infrastructure conditions. CEL has approval to use the 165km national highway for the term of toll processing with ore transport between 6am and 6pm Monday to Friday.

Costs associated with the establishment and maintenance of Route 2, as indicated in Table 18, have been included as initial capital expenses in the economic analysis. These costs are based on contractor equipment quotes and the findings of the ore haulage study conducted by Challenger.

Table 18 - Costs Associated with the Establishment and Maintenance of Route 2

Off-Site Infrastructure	Initial CAPEX (US$)	Sustaining CAPEX (US$)	Total CAPEX (US$)
Ore Transport Route 2 Repairs and Maintenance	213,811	-	213,811
Total Off-Site Infrastructure	**-**	**-**	**213,811**

CAPEX = Capital Expenditure; US$ = United States dollars.

Owner's Costs

Owner's capital cost estimates in this preliminary feasibility study comprise payments payable to the Property vendor, a "right-to-access" toll treatment fee, and costs associated with training, operational readiness, and pre-production owners team costs. Total Owner's costs over the LOM are US$2.1M. Owner's costs are summarised in Table 19.

Table 19 - Owner's Capital Cost Estimate

Owner's Costs	Initial CAPEX (US$)	Sustaining CAPEX (US$)	Total CAPEX (US$)
Toll Treatment Right-to-Access Fee (payable to Austral Gold)	-	1,000,000	1,000,000
Reclamation and Closure Costs	-	276,961	276,961
Training, Management Plans and Operational Readiness	50,000	-	50,000
Owner's Team	776,678	-	776,678
Total Owner's Costs	**826,578**	**1,276,961**	**2,103,539**

CAPEX = Capital Expenditure; US$ = United States dollars.

Indirect Costs

Indirect capital cost estimates are shown in Table 20. These costs include consulting costs related to preproduction activities.

Table 20 - Indirect Capital Cost Estimate

Indirect Costs	Initial CAPEX (US$)	Sustaining CAPEX (US$)	Total CAPEX (US$)
External Consultants	200,000	-	200,000
Total Indirect Costs	**200,000**	**-**	**200,000**

CAPEX = Capital Expenditure; US$ = United States dollars.

Contingency

The contingency was established by applying the following percentage factors associated with a Scoping Study level estimate.

- +15% on Open Pit capital costs;
- +15% on On-Site infrastructure;
- +15% on the Direct and Indirect and Owner's costs; and
- No contingency has been applied to the Austral Gold Right-to-Access fee.

OPERATING COSTS

Basis of Estimate

The operating cost estimate is based on owner operated truck and shovel open pit mining and toll milling at Austral Gold's Casposo process plant.

Unless specifically stated in this section, operating cost estimates have been derived from first principles costs analysis prepared by external consultants, rather than by benchmarking. These cost estimates include local labour rates derived from San Juan industry standards and reviewed by an external labour law firm, costs sourced by vendor/ supplier quotations both in Argentina and externally, and productivity rates that reflect the local workforce and conditions.

Unless otherwise stated this estimate has an expected accuracy range of -20% to +30% and is expressed in Q1 2025 US$. The estimate includes the open pit mining, toll milling, G&A operating costs, off-site costs, interest charges, and taxes. It excludes escalation and currency fluctuations. No contingency has been included in the operating costs.

The operating estimate is expressed in Q1 2025 US$ and used USD/ARS exchange rate at the time the quotation was provided for any in country costs provided in ARS. In practice, in Argentina, most quotes are generally provided in USD and converted into ARS based on the prevailing USD/ARS. This includes diesel, equipment hire, for both general and specialised mining equipment, reagents, and consumables.

Open Pit Mining Costs

Summary mine operating cost estimates are provided in Table 21 and Table 22 below.

Table 21 - Summary of Operating Cost Estimates

Unit Operating Costs	LOM Cost (US$)	LOM Average Unit Cost (US$/t tolled)	LOM Average Unit Cost (US$/t mined)	%
Open Pit Mining (ore/waste)	26,532,497	58.96	8.12	30.7
Ore Transport	7,870,500	17.49	2.41	9.1
Toll Processing	42,187,500	93.75	12.91	48.8
Toll Mill Monthly Access Fee	3,630,000	8.07	1.11	4.2
General and administrative	6,286,843	13.97	1.92	7.3
Total Operational Expenditure	**86,507,340**	**192.24**	**26.47**	**100.0**

LOM = life of mine; US$/t = United States dollars per tonne.

Table 22 - Open Pit Mining Unit Cost Breakdown

Component	Unit Cost ($/t mined)	%	Inclusions
Drill and Blast	1.57	19.3	Price Incl: labour, fuel/ lube, GET, maintenance, contractor margin Bulk Explosive, Explosive Accessories, contractor PLTS service including equipment + labour, contractor margin
Load	1.00	12.3	Equipment: 1 x Komatsu PC500LC, 1 x Komatsu WA600, or equivalents Price Includes: labour, fuel/ lube, GET, maintenance
Haul	1.37	16.9	Equipment: 3 x Komatsu HM400 or equivalent Price Includes: labour, fuel/ lube, GET, maintenance
Auxiliary	1.35	16.6	Equipment: 1 x Komatsu D275AX Dozer, 1 x Komatsu GD655 Grader, 1 x 40,000 L Water cart, 1 x Service Cart or equivalents Price Includes: labour, fuel/ lube, GET, maintenance, contractor margin (for water cart and service cart)
Contractor Overhead	0.03	0.3	-
Sub-total	***5.32***		**-**
Internal Technical + Supervision	2.8	34.5	Mine Planning, Survey, Geotechnical, Geology, OP Production Management
Mining Cost Total	**8.12**	**100.0**	

GET = Ground Engaging Tools; L = litre; - = not applicable; OP = Open Pit.

Ore Transport

Ore transport costs include contract services for transporting Hualilan ore to the Casposo process plant. A unit cost of US$0.106/t/km is used in the economic analysis and is based on contractor quotes.

Processing Costs

Estimated operating costs for treating Hualilan ore through the Casposo process plant are detailed in the Summary PFS Report. Hualilan ore will be campaign treated at 25,000 tonnes (wet) per month for three-month periods. The total toll treatment tonnage of 450,000 tonnes (wet) will be processed over three years. Process plant operating costs have been estimated by Challenger's consulting metallurgists using the following inputs.

- Casposo supplied unit cost rates for reagents and consumables, such as cyanide, lime, flocculant, and grinding media. Historical consumption data for reagents and consumables were supplied by the Casposo operations team.
- Metallurgical testwork results conducted on representative toll treatment samples provided consumption rates for lime and cyanide. Database costs were used if Casposo process plant cost data was not available.
- Labour rates and manpower requirement were supplied by Casposo.
- A unit power cost of US$0.147/kWh provided by Casposo was used for power costs, based on historical power consumption at the Casposo process plant.
- Database maintenance spares costs and ancillary costs were used.

Table 23 - Processing Cost - Summary

Processing and Maintenance	LOM Average Unit Cost	
	(US$/t tolled)	%
Labour	29.5	39.4
Crusher Feed	0.3	0.3
Power	9.1	12.1
Reagents	18.1	24.1
Mill and Crusher Linings	4.1	5.5
Gravity and Refinery	1.5	2.0
Process Water Costs	1.5	2.0
Maintenance	9.3	12.5
Laboratory	1.5	2.0
Total	**75.0**	**100.0**

LOM = life of mine; US$/t = United States dollars per tonne.

General and Administrative

General and Administrative (G&A) costs predominantly include labour, administrative and miscellaneous costs associated with the Finance, IT, Supply Chain, Warehouse, Human Resources, Camp Administration/ Maintenance, Health, Safety, Training, Security, Environment, Permitting, Government and Community Affairs, Communications, and Executive (General Management) functions.

An allowance has been made for insurance and local compliance costs, as well as for community development grants.

Camp accommodation, catering, laundry, cleaning and the cost of transporting personnel from San Juan to Hualilan and vice-versa has been incorporated into G&A. This is based on existing unit rates from the temporary camp established at Hualilan. Average camp occupancy over the key production period is 50 beds. The summary of operational G&A costs is included in Table 24.

Table 24 - General and Administrative Operating Cost Breakdown

Annual G&A Costs	LOM Cost (US$)	Unit Cost (US$/ tolled)	%
Transport to Site	57,600	0.13	0.9
Internet	81,474	0.18	1.3
Software	383,738	0.85	6.1
Health and Safety	14,696	0.03	0.2
Mobile restroom trailer	435,291	0.97	6.9
Dust Suppression Water Fee	1,718,156	3.82	27.3
Security	974,097	2.16	15.5
Exploration Equipment	12,000	0.03	0.2
Emergency Plan	154,239	0.34	2.5
Vehicle Hire (4 x 4 for CEL Staff)	513,600	1.14	8.2
Fuel for Challenger 4 x 4	95,040	0.21	1.5
Insurance Dore in circuit/transit	639,912	1.42	10.2
Other Insurance	250,000	0.56	4.0
Cost of Monitoring Staff at Casposo	750,000	1.67	11.9
Cost of monitoring assays at Casposo	99,000	0.22	1.6
Blast Hole sampling (grade control)	108,000	0.24	1.7
Total G&A Costs	**6,286,843**	**13.97**	**100.0**

G&A = general and administrative; US$ = United States dollars.

Refining and Transportation Costs

Refining and transportation costs consider the transportation of doré bars from the Casposo process plant to a refinery located in Canada, based on a detailed refinery contract.

Table 25 - Refining and Transportation Costs

Refining and Transportation Costs	Units	Value
Refining Cost	% of US$ / Payable Au oz	0.35
Local Freight Cost	US$ / 700 kg shipment	7,200
International Freight Cost	US$ / 700 kg shipment	6,850
Variable Transport Cost	US$ / payable Au oz	7.00

US$ = United States dollars; Au = gold; oz = ounce; kg = kilogram.

Table 26 - Refining and Transport Costs Summary

Refining and Transportation Costs	LOM Cost (US$)	Unit Cost (US$/ payable AuEq oz)
Transport Cost	823,546	10.23
Refining Cost	671,908	8.34
Total	**1,495,454**	**18.57**

LOM = life of mine; US$ = United States dollars; AuEq = gold equivalent; oz = ounce.

KEY ECONOMIC OUTCOMES AND SENSITIVITY ANALYSIS

Metal Prices

The metal price assumptions used in this PFS are based on combination of consensus pricing from a number of banking institutions, trailing prices, and prevailing prices to arrive at a reasonable estimate over the duration of the Project life of mine (LOM).

A base case gold price of US$2,500/oz and silver price of US$27.50/oz, fixed for the life of the Project, was used to evaluate the Project. This gold price was approximately US$800/oz lower than the prevailing gold price during the completion of the study in May 2025.

Economic Analysis

Fuse Advisors developed the economic model using capital and operating cost inputs from Challenger and various independent external consultants retained by Challenger, as defined in the report Summary PFS. The model was prepared following accepted engineering and financial principles and is accurate. All financial numbers referenced are in United States dollars (US$) unless otherwise stated. No escalation of revenue and costs has been incorporated. Income tax is assumed at the Argentinian Taxation Office prescribed corporate income tax rate and is treated in this study as a flat rate of (35%), with previous exploration offset as carried forward and as tax losses that may be available and realised by Challenger in accordance with the Argentinian tax laws. Totals in tables may not reflect summed components precisely due to rounding.

The financial evaluation presents the determination of the Net Present Value (NPV), payback period (time in months to recapture the initial capital investment), and the internal rate of return (IRR) for the Project. Cash flow projections were estimated monthly over the life of the mine based on estimates of capital expenditures, production costs, and sales revenue. Revenues are based on gold and silver production.

Recovered gold totals 76,789 ounces and silver total 339,530 ounces over the Toll Milling life all of which is payable.

Hualilan Toll Milling Project (Project) economics for are presented in Table 27. The Project is anticipated to generate earnings before interest, taxes, depreciation and amortisation (EBITDA) of US$88.0M (A$136.4M) and pre-tax cashflow of US$82.5M over the 3 years of toll milling using the Preliminary Feasibility Study (PFS) assumptions of US$2,500/oz of gold (Au) and US$27.50/oz of silver (Ag). At spot prices (US$3,300/oz Au, US$33/oz Ag) the project generates EBITDA of US$142.9M (A$221.6M) and pre-tax cashflow of US$137.3M.

The Project is anticipated to generate pre-tax Net Present Value (NPV) of US$73.82M at a 5% discount rate and a payback period of 7 months from the commencement of first site works in month 1 (May 2025), or 2 months from the start of mining in month 6 (Oct 2025), Using spot prices (US$3,300/oz Au, US$33/oz Ag) this increases to a pre-tax NPV of US$123.2M and a payback period of 6.7 months.

The Project is forecast to generate a post-tax NPV of US$50.5M at a 5% discount rate and produce post-tax cashflow of US$56.6M over the 3 years with a payback period of 2 months. Using spot prices (US$3,300/oz Au, US$33/oz Ag) this increases to post-tax NPV of US$82.2M at a 5% discount rate and produce post-tax cashflow of US$91.8M over the 3 years with a payback period of 2 months from the commencement of mining.

Total upfront Capital Expenditures (CAPEX) of US$4.2M and working capital of US$4.7M is estimated to be required prior to the receipt of initial revenue from first month of toll milling. This is based on working capital required for mining, ore haulage, and Hualilan site general and administrative (G&A) until month 8 (Dec 2025).

Note these values exclude Value Added Tax (VAT); however, they include 15% contingency. Toll processing costs have been excluded from this as under the toll milling agreement all charges for toll milling are not payable until after the receipt of initial cashflow from tolling.

Revenue from the initial month of production (month 7 – Nov 2025) is forecast to be US$10.5M and is expected to be received during the first week of December. Using spot prices (US$3,300/oz Au, US$33/oz Ag) US$13.8M in revenue from first month of production is forecast.

Table 27 - Hualilan Toll Milling Project Economics Summary (at US$2,500/ oz Au and US$27.50/ oz Ag)

Metric	Unit	LOM Value
Life of Mine – Overall	months	34
Life of Mine – Open Pit Mining	months	24
Life of Mine - Toll Processing (3-month batches)	months	33
Gold Sales	oz	76,559
Silver Sales	oz	339,530
Revenue	**US$M**	**200.71**
Treatment and Refining Costs	US$M	0.67
Transport and Freight Costs	US$M	0.82
Net Revenue before Royalties	**US$M**	**199.22**
Royalties and Export Duties	US$M	24.76
Net Revenue after Royalties	**US$M**	**174.46**
Mining Operating Expenses	US$M	26.53
Ore Transport Operating Expense	US$M	7.87
Process Operating Expenses	US$M	45.82
G&A Operating Expenses	US$M	6.28
Operating Margin	**US$M**	**87.95**
Initial CAPEX	**US$M**	**4.2**
Sustaining Capital (SUSEX)	**US$M**	**1.32**
Total CAPEX and SUSEX	**US$M**	**5.48**
All in Sustaining Cost (AISC)	**US$/AuEq oz**	**1,454**
NPV (pre-tax) 5%	**US$M**	**75.19**
Payback Period (pre-tax)	**months**	**7.0**
NPV (post-tax) 5%	**US$M**	**51.98**
Payback Period (post tax)	**months**	**7.4**

LOM = life of mine; oz = ounce; US$M = Million United States dollars; G&A = general and administrative; CAPEX = Capital Expenditures; US$ = United States dollars; AuEq = gold equivalent; NPV = Net Present Value.

Sensitivity Analysis

The project is most sensitive to changes in the gold price or gold grade. The sensitivity of the pre-tax NPV at a 5% discount rate to ±30% changes in gold and silver price, OPEX, and CAPEX are shown in Figure 8.

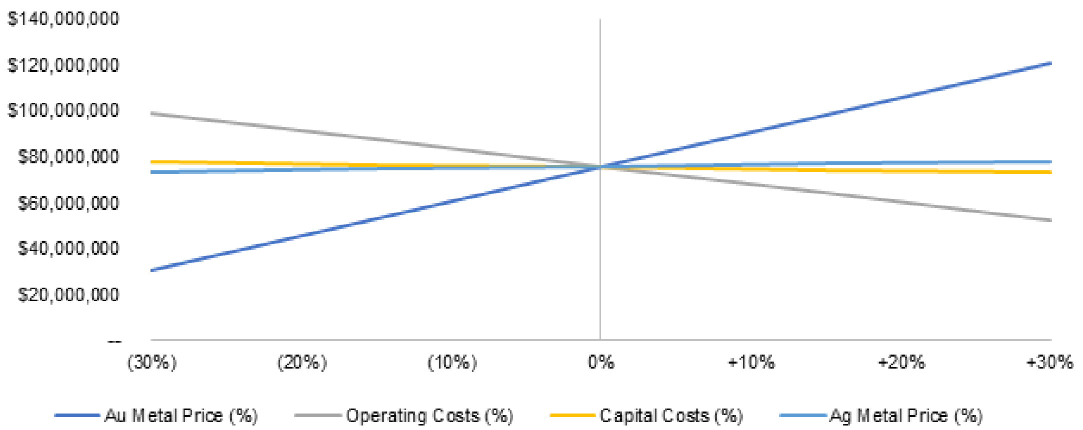
The Project is more sensitive to changes in operating costs (e.g., mining, processing, site G&A) than capital costs, a result of the low base case capital costs for the Project.

From the sensitivity analysis it is apparent that the Project is most sensitive to changes in the realised gold price. Due to the low level of capital expenditure required to go into production, the project economics are not overly sensitive to CAPEX expenditure. To illustrate:

- A 30% reduction in gold price would reduce the LOM project NPV5 (pre-tax) to around US$30.4M whilst a 30% increase would deliver a LOM project NPV5 of US$120.0.
- A 30% increase in operating cost reduces the LOM project NPV5 to around US$51.9, whilst a cost reduction of 30% results in US$98.5 NPV5.
- A reduction in gold price to approximately US$1,251/oz results in a breakeven pre-tax NPV.

Post-tax NPV sensitivities are illustrated in Figure 8.

Figure 8 - Pre-tax Net Present Value Sensitivity Plot



FINANCING

Challenger has 100% ownership of the Hualilan Toll Milling Project, with US$17M unsecured debt and no other covenants and no security held over the Project. This clean ownership structure enhances opportunities and provides maximum flexibility for potential funding structures for the Project development.

The study has provided positive economic metrics and the planned timetable of activities to deliver key development milestones that directors and management believe is conducive to the funding of the Project. The positive technical and economic fundamentals provide a platform for discussions on debt, equity financiers and forward sales arrangements.

The Company has drawn down an initial US$2M from a Project Finance Facility for Toll Milling of US$20M. The facility was arranged by Middlegate Securities Inc (MSI) and ECM Capital Advisors Inc. ("ECM" and together the "Advisory Team").

Notwithstanding the potential Project Financing options, the Company has recently completed a capital raise of AUD$34.5M. This capital raising is a significant de-risking event for the Company as it provides sufficient funds to fully fund the Company into cashflow from Toll Milling.

All the material assumptions on which the forecast financial information is based has been included in this PFS.

For the reasons outlined above, the board believes that there is a 'reasonable basis' to assume that future funding will be available and securable.

ASX LISTING RULE 5.16 REQUIREMENTS

The material assumptions that the production target for the PFS is based on are detailed in the PFS Summary, which is included in this announcement.

The production target for the Ore Reserves is based on Ore Reserves that have been prepared by Competent Persons in accordance with the requirements of the JORC Code (2012).

CAUTIONARY STATEMENT

The PFS documented in this announcement is considered to have a (-20% to +30%) level of accuracy.

The PFS is based on a Mineral Resource estimate (refer to ASX release "CEL Delivers Significant High-Grade Mineral Resource Estimate of 1.6 Moz at 5.0 g/t AuEq within 2.8Moz AuEq at Hualilan" dated 29 March 2023) and a maiden Ore Reserve estimate has been prepared as part of the PFS. The Ore Reserve and Mineral Resource estimates have been prepared by Competent Persons in accordance with the 2012 JORC Code.

The PFS contains production targets and forecast financial information for two cases, the Ore Reserve Case and the Extension Case. The production target and forecast financial information for the Ore Reserve Case is based entirely on Indicated Mineral Resources / Probable Ore Reserves. No Inferred Mineral Resources are included in the mine plan.

The PFS is based on the material assumptions outlined in the Summary PFS Report enclosed with this announcement. This includes assumptions about the availability of funding. While CEL considers the material assumptions to be based on reasonable grounds, there is no certainty that they will prove correct or that the range of outcomes indicated by the PFS will be achieved Given the uncertainties involved, investors should not make any investment decisions based solely on the results of the PFS.

This ASX release was approved by the CEL Managing Director Kris Knauer.

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Previous announcements referred to in this release include:

The Mineral Resource Estimate for the Hualilan Gold Project was first announced to the ASX on 1 June 2022 and updated 29 March 2023. The Mineral Resource Estimate for the El Guayabo Project was first announced to the ASX on 14 June 2023. The Company confirms it is not aware of any information or assumptions that materially impacts the information included in that announcement and that the material assumptions and technical parameters underpinning the Mineral Resource Estimate continue to apply and have not materially changed.

ADDITIONAL INFORMATION

COMPETENT PERSON STATEMENT – EXPLORATION RESULTS AND MINERAL RESOURCES

The information that relates to sampling techniques and data, exploration results, geological interpretation and Mineral Resource Estimate has been compiled Dr Stuart Munroe, BSc (Hons), PhD (Structural Geology), GDip (AppFin&Inv) who is a full-time employee of the Company. Dr Munroe is a Member of the AusIMM. Dr Munroe has over 20 years experience in the mining and metals industry and qualifies as a Competent Person as defined in the JORC Code (2012).

Dr Munroe has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results and Mineral Resources. Dr Munroe consents to the inclusion in this report of the matters based on information in the form and context in which it appears. The Australian Securities Exchange has not reviewed and does not accept responsibility for the accuracy or adequacy of this release.

COMPETENT PERSON STATEMENT – ORE RESERVES

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

Mr. Carlson has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results and Mineral Resources. Mr. Carlson consents to the inclusion in this report of the matters based on information in the form and context in which it appears. The Australian Securities Exchange has not reviewed and does not accept responsibility for the accuracy or adequacy of this release.

COMPETENT PERSON STATEMENT – ORE RESERVES - GEOTECHNICAL CONSIDERATIONS

The information that relates to mining geotechnical considerations has been compiled Dr. Paul Hughes, P.Eng., who is not a full-time employee of the Company. Dr. Hughes is a registered professional engineer with Engineers and Geoscientists British Columbia. Dr. Hughes has over 15 years experience in the mining and metals industry and qualifies as a Competent Person as defined in the JORC Code (2012).

Dr. Hughes 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. Hughes 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.

COMPETENT PERSON STATEMENT – MINERAL PROCESSING, METALLURGICAL TESTING, RECOVERY METHODS

The information that relates to mineral processing, metallurgical testing, recovery methods and the processing operating costs has been compiled by Jeremy Ison, B.Eng. (Metallurgical Engineering), FAusIMM who is employed by Ison Design Pty Ltd and is a consultant metallurgical engineer for the project. Mr Ison is a Fellow of the AusIMM. Mr Ison has over 30 years' experience in the mining and metals industry and qualifies as a Competent Person as defined in the JORC Code (2012).

Mr. Ison has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results and Mineral Resources. Mr Ison 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 of 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.

HUALILAN MRE

Table 28 - Hualilan Gold Project Mineral Resource Estimate (March 2023)

[Note: Some rounding errors may be present]

Domain	Category	Mt	Au (g/t)	Ag (g/t)	Zn (%)	Pb (%)	AuEq[5] (g/t)	AuEq (Moz)
US$1800 optimised shell	Indicated	45.5	1.0	5.1	0.38	0.06	1.3	1.9
> 0.30 ppm AuEq	Inferred	9.6	1.1	7.3	0.43	0.06	1.4	0.44
Below US$1800 shell	Indicated	2.7	2.0	9.0	0.89	0.05	2.5	0.22
>1.0ppm AuEq	Inferred	2.8	2.1	12.4	1.1	0.07	2.8	0.24
Total		**60.6**	**1.1**	**6.0**	**0.4**	**0.06**	**1.4**	**2.8**

[Note: Some rounding errors may be present]

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[5] 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: AuEq (g/t) = Au (g/t) + [Ag (g/t) x 0.012106] + [Zn (%) x 0.46204] + [Pb (%) x 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.

JORC CODE, 2012 EDITION - SECTION 1 SAMPLING TECHNIQUES AND DATA -HUALILAN PROJECT

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	*Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* *Aspects of the determination of mineralisation that are Material to the Public Report.* *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	Rock chip sampling comprises a 3-5 kg sample of specific lithology, alteration or structure, taken as part of regional mapping. Diamond core (HQ3 and NQ3) was cut longitudinally on site using a diamond saw or split using a hand operated hydraulic core sampling splitter. Samples lengths are generally from 0.5m to 2.0m in length (average 1.74m). Sample lengths are selected according to lithology, alteration, and mineralization contacts. For reverse circulation (RC) drilling, 2-4 kg sub-samples from each 1m drilled were collected from a face sample recovery cyclone mounted on the drill machine. Channel samples are cut into underground or surface outcrop using a hand-held diamond edged cutting tool. Parallel saw cuts 3-5cm apart are cut 2-4cm deep into the rock which allows for the extraction of a representative sample using a hammer and chisel. The sample is collected onto a plastic mat and collected into a sample bag. Core, RC, channel samples and rock chip samples were crushed to approximately 85% passing 2mm. A 500g or a 1 kg sub-sample was taken and pulverized to 85% passing 75µm. A 50g charge was analysed for Au by fire assay with AA determination. Where the fire assay grade is > 10 g/t gold, a 50g charge was analysed for Au by Fire assay with gravimetric determination. A 10g charge was analysed for at least 48 elements by 4-acid digest and ICP-MS determination. Elements determined include Ag, As, Ba, Be, Bi, Ca, Ce, Co, Cr, Cs, Cu, Fe, Ga, Ge, Hf, In, K, La, Li, Mg, Mn, Mo, Na, Nb, Ni, P, Pb, Rb, Re, S, Sb Sc, Se, Sn, Sr, Ta, Te, Th, Ti, Tl, U, V, W, Y, Zn and Zr. For Ag > 100 g/t, Zn, Pb and Cu > 10,000 ppm and S > 10%, overlimit analysis was done by the same method using a different calibration. Unused pulps are returned from the laboratory to the Project and stored in a secure location, so they are available for any further analyses. Remaining drill core is stored undercover for future use if required. Visible gold has been observed in only 1 drill core sample of fresh rock and 1 sample of partially oxidised drill core. Coarse gold is not likely to result in sample bias. Stream sediment sampling comprises 1-2 kg of -1mm, +80 um fraction sieved at the sample site, collected from the base of a small pit 20 cm deep. Soil sampling comprises a 1-2 kg sample of soil collected from the base of a small pit at a depth of 20 – 30cm below the

Criteria	JORC Code explanation	Commentary
		surface. Soil samples and stream sediment samples have ben pulverised to 85% passing 75µm. A trace level assay by aqua regia digest including 25g gold was done for all samples. Soil sampling for Ionic Leach (ALS) assay comprises a 300 – 500 g soil sample collected from the base of a small pit at 20-30 cm below surface. The pits were dug with clean instruments and the sample collected without the use of metallic surfaces so as to reduce ionic contamination. The ALS Ionic Leach assay method was done for all samples. Historic Data: There is little information provided by previous explorers to detail sampling techniques. Selected drill core was cut with a diamond saw longitudinally and one half submitted for assay. Assay was generally done for Au. In some drill campaigns, Ag and Zn were also analysed. There is limited multielement data available. No information is available for RC drill techniques and sampling.
Drilling techniques	*Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	CEL drilling of HQ3 core (triple tube) was done using various truck and track mounted drill machines that are operated by various drilling contractors based in Mendoza and San Juan. The core has not been oriented as the rock is commonly too broken to allow accurate and reliable core orientation. CEL drilling of reverse circulation (RC) drill holes was done using a track-mounted LM650 universal drill rig set up for reverse circulation drilling. Drilling was done using a 5.25 inch hammer bit. Collar details for historic drill holes, CEL DD drill holes and CEL RC drill holes that are used in the resource estimate are detailed in CEL ASX releases: 1 June 2022 (Maiden MRE): https://announcements.asx.com.au/asxpdf/20220601/pdf/459jfk8g7x2mty.pdf and 29 March 2023 (MRE update): https://announcements.asx.com.au/asxpdf/20230329/pdf/45n49jlm02grm1.pdf Collar locations for drill holes are surveyed using DGPS. Three of the DD holes and three of the RC holes have only hand-held GPS collar surveys. Historic Data: Historic drill hole data is archival data which has been cross checked with drill logs and available plans and sections where available. Collar locations have been checked by CEL using differential GPS (DGPS) to verify if the site coincides with a marked collar, tagged drill site or likely drill pad location. In most cases the drill collars coincide with historic drill site, some of which (but not all) are tagged. The collar check surveys were reported in POSGAR (2007) projection and converted to WGS84, UTM projection.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.* *Measures taken to maximise sample recovery and ensure representative nature of the samples.*	Drill core is placed into wooden boxes by the drillers and depth marks are indicated on wooden blocks at the end of each run. These depths are reconciled by CEL geologists when measuring core recovery and assessing core loss. CEL DD holes collect core in triple tube throughout to maximise core recovery. 761 CEL diamond drill holes completed have been included in the CEL resource estimate. Some of these holes are located at the edge or outside the resource area. Total drilled is 224,180.60 metres, including cover drilled of 22,041.30 metres (9.8 %). Of the remaining 202,139.30 metres of bedrock drilled, core recovery is 96.8%.

Criteria	JORC Code explanation	Commentary
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	RC sub-samples are collected from a rotary splitter mounted to the face sample recovery cyclone. A 2-4 kg sub-samples is collected for each metre of RC drilling. Duplicate samples are taken at the rate of I in every 25-30 samples using a riffle splitter to split out a 2-4 kg sub-sample. The whole sample recovered is weighed to measure sample recovery and consistency in sampling down-hole. 37 CEL RC drill holes have been used in the CEL resource estimate. Total metres drilled is 2,923m. Cover drilled is 511 m (17.5%) The channel samples are collected from saw-cut channels and the whole sample is collected for analysis. Channel samples have been weighed to ensure a consistency between sample lengths and weights. There is no correlation between sample length and assay values. 193 surface and underground channels have been used in the CEL resource estimate. Channels total 2597.70 metres in length. The average weight per metre sampled is 3.7 kg/m which is adequate for the rock being sampled and compares well with the expected weight for ½ cut HQ3 drill core of 4.1 kg/m. A relationship has been observed in historic drilling between sample recovery and Au Ag or Zn values whereby low recoveries have resulted lower reported values. Historic core recovery data is incomplete. Core recovery is influenced by the intensity of natural fracturing in the rock. A positive correlation between recovery and RQD has been observed. The fracturing is generally post mineral and not directly associated with the mineralisation.
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation mining studies and metallurgical studies.* *Whether logging is qualitative or quantitative in nature. Core (or costean channel etc) photography.* *The total length and percentage of the relevant intersections logged.*	For CEL drilling, all the core is photographed then logged for recovery, RQD, weathering, lithology, alteration, mineralization, and structure to a level that is suitable for geological modelling, Mineral Resource Estimation and metallurgical test work. RC drill chips are logged for geology, alteration and mineralisation to a level that is suitable for geological modelling and Mineral Resource Estimation. Where possible logging is quantitative. Geological logging is done in MS Excel in a format that can readily be cross-checked. These data are then transferred to a secure, offsite, cloud-based database which holds all drill hole logging sample and assay data. No specialist geotechnical logging has been undertaken. Detailed logs are available for most of the historical drilling. Some logs have not been recovered. No core photographs from the historic drilling have been found. No drill core has survived due to poor storage and neglect. No historic RC sample chips have been found.
Sub-sampling techniques and sample preparation	*If core whether cut or sawn and whether quarter half or all core taken.* *If non-core whether riffled tube sampled rotary split etc and whether sampled wet or dry.*	CEL samples have been submitted to the MSA laboratory in San Juan, the ALS laboratory in Mendoza and the SGS laboratory in San Juan for sample preparation. The sample preparation technique is considered appropriate for the style of mineralization present in the Project. Sample sizes are appropriate for the mineralisation style and grain size of the deposit. Sample intervals are selected based on lithology, alteration, and mineralization boundaries. Representative samples of all of the core are selected. Sample length averages 1.74m. Second-half core or ¼ core samples have been submitted for a mineralised

Criteria	JORC Code explanation	Commentary
	For all sample types the nature quality and appropriateness of the sample preparation technique. *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* *Measures taken to ensure that the sampling is representative of the in-situ material collected including for instance results for field duplicate/second-half sampling.* *Whether sample sizes are appropriate to the grain size of the material being sampled.*	interval in 1 drill hole only and for some metallurgical samples. The second half of the core samples has been retained in the core trays for future reference. Competent drill core is cut longitudinally using a diamond saw for sampling of ½ the core. Softer or broken core is split using a wide blade chisel or a manual core split press. The geologist logging the core marks where the saw cut or split is to be made to ensure half-core sample representivity. From GNDD073 and later holes, duplicate core samples consisting of two ¼ core samples over the same interval have been collected approximately every 30-50m drilled. Summary duplicate core sample assay results are shown below:

	count	RSQ	mean		median		variance	
			original	duplicate	original	duplicate	original	duplicate
Au (ppm)	3,523	0.960	0.076	0.077	0.007	0.006	0.640	0.816
Ag (ppm)	3,523	0.696	0.53	0.48	0.17	0.16	7.99	3.55
Cd (ppm)	3,523	0.979	1.34	1.26	0.08	0.08	160.63	144.11
Cu (ppm)	3,523	0.451	14.84	13.85	3.40	3.30	4.3E+03	2.5E+03
Fe (%)	3,523	0.990	1.997	1.996	1.700	1.710	3.74	3.75
Pb (ppm)	3,523	0.940	64.7	62.4	13.7	13.4	1.9E+05	2.7E+05
S (%)	3,523	0.973	0.333	0.330	0.140	0.140	0.346	0.332
Zn (ppm)	3,523	0.976	254	243	73	72	3.8.E+06	3.5.E+06

RSQ = R squared

RC sub-samples over 1m intervals are collected at the drill site from a cyclone mounted on the drill rig. A duplicate RC sample is collected for every 25-30m drilled.

Summary duplicate RC sample assay results are shown below:

	count	RSQ	mean		median		variance	
			original	duplicate	original	duplicate	original	duplicate
Au (ppm)	85	0.799	0.101	0.140	0.017	0.016	0.041	0.115

Criteria	JORC Code explanation	Commentary

Ag (ppm)	85	0.691	1.74	2.43	0.59	0.58	13.59	64.29
Cd (ppm)	85	0.989	15.51	16.34	0.41	0.44	4189	4737
Cu (ppm)	85	0.975	47.74	53.86	5.80	5.70	2.4E+04	3.1E+04
Fe (%)	85	0.997	1.470	1.503	0.450	0.410	7.6	7.6
Pb (ppm)	85	0.887	296.0	350.6	26.3	32.4	6.0E+05	7.4E+05
S (%)	85	0.972	0.113	0.126	0.020	0.020	0.046	0.062
Zn (ppm)	85	0.977	3399	3234	158	177	2.5.E+08	2.1.E+08

RSQ = R squared

45 duplicate channel sample assays have been collected from the underground and surface sampling program. These data show more scatter due to the impact of near surface weathering.

Summary duplicate channel sample assay results are shown below:

	count	RSQ	mean		median		variance	
			original	duplicate	original	duplicate	original	duplicate
Au (ppm)	45	0.296	1.211	2.025	0.042	0.039	8.988	23.498
Ag (ppm)	45	0.037	8.42	23.25	1.09	1.22	177.31	3990.47
Cd (ppm)	45	0.373	124.23	77.85	7.54	7.80	61687.10	26171.51
Cu (ppm)	45	0.476	713.23	802.79	46.20	37.40	2.8E+06	3.0E+06
Fe (%)	45	0.428	4.266	5.745	1.390	1.560	44.4	107.0
Pb (ppm)	45	0.007	955.4	3776.0	75.3	60.7	3.5E+06	3.0E+08
S (%)	45	0.908	1.307	1.432	0.040	0.030	14.294	16.234
Zn (ppm)	45	0.509	15117	12684	1300	763	8.8.E+08	5.2.E+08

RSQ = R squared

Criteria	JORC Code explanation	Commentary
Quality of assay data and laboratory tests	*The nature quality and appropriateness of the assaying and laboratory procedures*	The MSA laboratory used for sample preparation in San Juan was inspected by CEL representatives prior to any samples being submitted. The laboratory was visited and reviewed most recently in May 2022. The laboratory procedures are consistent with international best-practice and are suitable for samples from the Project. The SGS laboratory in San Juan and

Criteria	JORC Code explanation	Commentary
	used and whether the technique is considered partial or total. *For geophysical tools spectrometers handheld XRF instruments etc the parameters used in determining the analysis including instrument make and model reading times calibrations factors applied and their derivation etc.* *Nature of quality control procedures adopted (eg standards blanks duplicates external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	the ALS laboratory in Mendoza has not been inspected by CEL representatives. Each laboratory presents internal laboratory standards for each job to gauge precision and accuracy of assays reported. Blanks: CEL have used two different blank samples, submitted with drill core and RC samples and subjected to the same preparation and assay as the core samples, RC sub-samples and channel samples. The blank samples used are sourced from surface gravels in the Las Flores area of San Juan and from a dolomite quarry near San Juan. Commonly, the blank samples are strategically placed in the sample sequence immediately after samples that were suspected of containing higher grade Au, Ag, S or base metals to test the lab preparation and contamination procedures. The values received from the blank samples suggest rare cross contamination of samples during sample preparation. CRM: For GNDD001 – GNDD010 samples analysed by MSA in 2019, three different Certified (standard) Reference Material pulp samples (CRM) with known values for Au Ag Pb Cu and Zn were submitted with samples of drill core to test the precision and accuracy of the analytic procedures MSA laboratory in Canada. 26 reference analyses were analysed in the samples submitted in 2019. The standards demonstrate suitable precision and accuracy of the analytic process. No systematic bias is observed. For drill holes from GNDD011 plus unsampled intervals from the 2019 drilling, 17 different multi-element CRMs with known values for Au Ag Fe S Pb Cu and Zn were used and 7 different CRMs with known values for Au only have been used. In the results received to date there has been no systematic bias is observed. The standards demonstrate suitable precision and accuracy of the analytic process. Rock chip sample batches include duplicate rock chip samples taken at approximately 1:30 samples, CRM standards included at approximately 1:30 samples and blank rock samples (as for drill core) included at approximately 1:30 samples. Soil samples and stream sediment samples for trace level aqua regiia and Au (25g) analysis include duplicate samples taken approximately 1:30 samples and CRM standards included at approximately 1:30 samples. Soil samples for Ionic Leach assay include duplicates at approximately 1:30 samples.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.* *The use of twinned holes.* *Documentation of primary data entry procedures data verification data storage (physical and electronic) protocols.* *Discuss any adjustment to assay data.*	Final assay analyses and certificates are received by digital file in PDF and CSV format. There is no adjustment made to any of the assay values received. The original files are backed-up and the data copied into a cloud-based drill hole database, stored offsite from the project. The data is remotely accessible for geological modelling and resource estimation. Assay results summarised in the context of this report have been rounded appropriately to 2 significant figures. No assay data have been otherwise adjusted. Replicate assay of 186 coarse reject samples from 2019 drilling has been done to verify assay precision. Original core samples from the 2019 DD drilling were analysed by MSA (San Juan preparation and Vancouver analysis). Coarse reject samples were analysed by ALS (Mendoza preparation and Vancouver analysis). The repeat laboratory preparation and analytic technique was identical to the original. The repeat analyses correlate very closely with the original analyses providing high confidence in precision of results between MSA and ALS. A summary of the results for the 186 sample pairs for key elements is provided below:

Criteria	JORC Code explanation	Commentary

	Mean		Median		Std Deviation		
Element	MSA	ALS	MSA	ALS	MSA	ALS	Correlation coefficient
Au (FA and GFA ppm)	4.24	4.27	0.50	0.49	11.15	11.00	0.9972
Ag (ICP and ICF ppm)	30.1	31.1	5.8	6.2	72.4	73.9	0.9903
Zn ppm (ICP ppm and ICF %)	12312	12636	2574	2715	32648	33744	0.9997
Cu ppm (ICP ppm and ICF %)	464	474	74	80	1028	1050	0.9994
Pb ppm (ICP ppm and ICF %)	1944	1983	403	427	6626	6704	0.9997
S (ICP and ICF %)	2.05	1.95	0.05	0.06	5.53	5.10	0.9987
Cd (ICP ppm)	68.5	68.8	12.4	12.8	162.4	159.3	0.9988
As (ICP ppm))	76.0	79.5	45.8	47.6	88.1	90.6	0.9983
Fe (ICP %)	4.96	4.91	2.12	2.19	6.87	6.72	0.9994
REE (ICP ppm)	55.1	56.2	28.7	31.6	98.2	97.6	0.9954

Cd values >1000 are set at 1000.
REE is the sum off Ce, La, Sc, Y. CE > 500 is set at 500. Below detection is set at zero

Replicate assay of 192 coarse reject samples from the 2021 drilling has been done to verify assay precision. Original core samples from the 2021 DD drilling were analysed by SGS Laboratories (San Juan preparation and Lima analysis). Coarse reject samples were prepared and analysed by ALS (Mendoza preparation and Lima analysis). The repeat analysis technique was identical to the original. Except for Mo (molybdenum), the repeat analyses correlate closely with the original analyses providing confidence in precision of results between SGS and ALS. A summary of the results for the 192 sample pairs for key elements is provided below:

		Mean		Median		Std Deviation		
Element	count	SGS	ALS	SGS	ALS	SGS	ALS	Correlation coefficient
Au (FA and GFA ppm)	192	1.754	1.680	0.432	0.441	20.8	21.5	0.9837
Ag (ICP and ICF ppm)	192	12.14	11.57	0.93	1.03	7085	5925	0.9995

Criteria	JORC Code explanation	Commentary

Zn (ICP and ICF ppm)	192	6829	7052	709	685	4.54E+08	5.34E+08	0.9942
Cu (ICP and ICF ppm)	192	203.4	202.9	25.7	24.5	3.30E+05	3.35E+05	0.9967
Pb (ICP and ICF ppm)	192	1768	1719	94.7	91.6	5.04E+07	4.39E+07	0.9959
S (ICP and ICF %)	192	2.23	2.10	0.94	0.87	16.51	15.56	0.9953
Cd (ICP ppm)	192	43.9	42.4	4.1	4.0	19594	18511	0.9956
As (ICP ppm))	192	45.4	45.2	16.0	16.9	10823	9893	0.9947
Fe (ICP %)	189	3.07	3.30	2.38	2.31	4.80	9.28	0.9781
REE (ICP ppm)	192	63.5	72.8	39.4	44.3	3414	4647	0.9096
Mo (ICP and ICF ppm)	192	7.69	1.68	6.74	0.97	85.83	10.33	0.3026

Values below detection were set to half the detection limit
Limit of detection for Fe was exceeded for 3 samples submitted to SGS with no overlimit analysis
REE is the sum off Ce, La, Sc, Y. Vaues below detection were set at zero.

Replicate assay of 140 pulp reject samples from the 2022 drill (parts of drill holes GNDD654 and GNDD666) was done to check assay precision. The original pulps were analysed by MSA laboratories (San Juan preparation and Vancouver, Canada analysis). Replicate pulps were analysed by ALS (Lima, Peru). The analytic techniques were identical at both laboratories.

		Mean		Median		Std Deviation		
Element	count	SGS	ALS	SGS	ALS	SGS	ALS	Correlation coefficient
Au (FA ppm)	140	0.27	0.30	0.01	0.02	0.98	1.05	0.9829
Ag (ICP ppm)	140	1.16	1.14	0.16	0.16	6.15	6.31	0.9965
Zn (ICP ppm)	140	555	565	50	56	2471	2469	0.9996
Pb (ICP ppm)	140	92.3	95.4	13.6	13.5	338	351	0.9977
S (ICP %)	140	0.64	0.61	0.17	0.17	1.22	1.12	0.9982
Fe (ICP %)	140	1.62	1.59	0.64	0.66	1.91	1.88	0.9991

Criteria	JORC Code explanation	Commentary
		CEL has sought to twin and triplicate some of the historic and recent drill holes to check the results of previous exploration. A preliminary analysis of the twin holes indicates similar widths and grades for key elements assayed.
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys) trenches mine workings and other locations used in Mineral Resource estimation.* *Specification of the grid system used.* *Quality and adequacy of topographic control.*	Following completion of drilling, collars are marked and surveyed using a differential GPS (DGPS) relative to a nearby Argentinian SGM survey point. The collars have been surveyed in POSGAR 2007 zone 2 and converted to WGS84 UTM zone 19s. Following completion of the channel sampling, the location of the channel samples is surveyed from a survey mark at the entrance to the underground workings, located using differential GPS. The locations have been surveyed in POSGAR 2007 zone 2 and converted to WGS84 UTM zone 19s. The drill machine is set-up on the drill pad using hand-held survey equipment according to the proposed hole design. Diamond core drill holes up to GNDD390 are surveyed down-hole at 30-40m intervals down hole using a down-hole compass and inclinometer tool. RC drill holes and diamond core holes from GNDD391 were continuously surveyed down hole using a gyroscope to avoid magnetic influence from the drill string and rocks. The gyroscope down-hole survey data is recorded in the drill hole database at 10m intervals. Ten diamond drill holes have no down hole survey data due to drill hole collapse or blockage of the hole due to loss of drilling equipment. These are GNDD036, 197, 212, 283, 376, 423, 425, 439, 445 and 465. For these holes, a survey of the collar has been used with no assumed deviation to the end of the hole. All current and previous drill collar sites, Minas corner pegs and strategic surface points have been surveyed using DGPS to provide topographic control for the Project. In addition, AWD3D DTM model with a nominal 2.5 metre precision has been acquired for the project and greater surrounding areas. Drone-based topographic survey data with 0.1 meter precision has als acquired over the project to provide more detail where required, including for the Resource estimate.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.* *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* *Whether sample compositing has been applied.*	Nominal 80m x 80m, 40m x 80m and 40m x 40m drill spacing is being applied to the drilling to define mineralised areas up to Indicated Resource level of confidence, where appropriate. Drilling has been completed to check previous exploration, extend mineralisation along strike, and provide some information to establish controls on mineralization and exploration potential. Samples have not been composited for analysis.

Criteria	JORC Code explanation	Commentary
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known considering the deposit type.* *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias this should be assessed and reported if material.*	The orientation of drilling achieves unbiased sampling of structures and geology controlling the mineralisation. Some holes have drilled at a low angle to mineralisation and have been followed up with drill holes in the opposite direction to define mineralised domains. In exceptional circumstances, where drill access is restricted by topography, drilling may be non-optimally angled across the mineralised zone. For underground channel sampling, the orientation of the sample is determined by the orientation of the workings. Where the sampling is parallel with the strike of the mineralisation, plans showing the location of the sampling relative to the orientation of the mineralisation, weighted average grades and estimates of true thickness are provided to provide a balanced report of the mineralisation that has been sampled.
Sample security	*The measures taken to ensure sample security.*	Samples were under constant supervision by site security, senior technical personnel and courier contractors prior to delivery to the preparation laboratories in San Juan and Mendoza.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	There has not been any independent reviews of the sampling techniques and data.

JORC CODE, 2012 EDITION - SECTION 2 REPORTING OF EXPLORATION RESULTS

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	*Type reference name/number location and ownership including agreements or material issues with third parties such as joint ventures partnerships overriding royalties native title interests historical sites wilderness or national park and environmental settings.* *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	The Hualilan Project comprises fifteen Minas (equivalent of mining leases) and five Demasias (mining lease extensions) held under a farm-in agreement with Golden Mining SRL (Cerro Sur) and CIA GPL SRL (Cerro Norte). Fourteen additional Minas and eight exploration licences (Cateos) have been transferred to CEL under a separate farm-in agreement. Six Cateos and eight requested mining leases are directly held. This covers all of the currently defined mineralization and surrounding prospective ground. There are no royalties held over the tenements. Granted mining leases (Minas Otorgadas) at the Hualilan Project

Name	Number	Current Owner	Status	Grant Date	Area (ha)
Cerro Sur					
Divisadero	5448-M-1960	Golden Mining S.R.L.	Granted	30/04/2015	6
Flor de Hualilan	5448-M-1960	Golden Mining S.R.L.	Granted	30/04/2015	6
Pereyra y Aciar	5448-M-1960	Golden Mining S.R.L.	Granted	30/04/2015	6
Bicolor	5448-M-1960	Golden Mining S.R.L.	Granted	30/04/2015	6
Sentazon	5448-M-1960	Golden Mining S.R.L.	Granted	30/04/2015	6
Muchilera	5448-M-1960	Golden Mining S.R.L.	Granted	30/04/2015	6
Magnata	5448-M-1960	Golden Mining S.R.L.	Granted	30/04/2015	6
Pizarro	5448-M-1960	Golden Mining S.R.L.	Granted	30/04/2015	6
Cerro Norte					
La Toro	5448-M-1960	CIA GPL S.R.L.	Granted	30/04/2015	6
La Puntilla	5448-M-1960	CIA GPL S.R.L.	Granted	30/04/2015	6
Pique de Ortega	5448-M-1960	CIA GPL S.R.L.	Granted	30/04/2015	6
Descrubidora	5448-M-1960	CIA GPL S.R.L.	Granted	30/04/2015	6

Criteria	JORC Code explanation	Commentary

Pardo	5448-M-1960	CIA GPL S.R.L.	Granted	30/04/2015	6
Sanchez	5448-M-1960	CIA GPL S.R.L.	Granted	30/04/2015	6
Andacollo	5448-M-1960	CIA GPL S.R.L.	Granted	30/04/2015	6

Mining Lease extensions (Demasias) at the Hualilan Project

Name	Number	Current Owner	Status	Grant date	Area (ha)
Cerro Sur					
North of "Pizarro" Mine	195-152-C-1981	Golden Mining S.R.L.	Granted	29/12/1981	2.42
Cerro Norte					
South of "Andacollo" Mine	545.208-B-94	CIA GPL S.R.L.	Pending Reconsideration	14/02/1994	1.83
South of "Sanchez" Mine	545.209-B-94	CIA GPL S.R.L.	Registered	14/02/1994	3.50
South of "La Toro" Mine	195-152-C-1981	CIA GPL S.R.L.	Granted	29/12/1981	2.42
South of "Pizarro" Mine	545.207-B-94	Golden Mining S.R.L.	Registered	14/02/1994	2.09

Requested Mining Leases (Minas Solicitados)

Name	Number	Status	Area (ha)
Elena	1124.328-G-2021	Registered	2,799.24
Juan Cruz	1124.329-G-2021	Granted	933.69
Paula (over "Lo Que Vendra")	1124.454-G-2021	Application	1,460.06
Argelia	1124.486-G-2021	Registered	3,660.50

Criteria	JORC Code explanation	Commentary

Ana Maria (over Ak2)	1124.287-G-2021	Registered	5,572.80
Erica (Over "El Peñón")	1124.541-G-2021	Application	6.00
Silvia Beatriz (over "AK3")	1124.572-G-2021	Application	2,290.75
Soldado Poltronieri (over 1124188-20, 545867-R-94 and 545880-O-94)	1124.108-2022	Application	777.56

Mining Lease Farmin Agreements

Name	Number	Transfrred to CEL	Status	Area (ha)
Marta Alicia	2260-S-58	In Process	Granted	23.54
Marta	339.154-R-92	In Process	Granted	478.50
Solitario 1-5	545.604-C-94	In Process	Application	685.00
Solitario 1-4	545.605-C-94	In Process	Registered	310.83
Solitario 1-1	545.608-C-94	In Process	Application	TBA
Solitario 6-1	545.788-C-94	In Process	Application	TBA
AGU 3	11240114-2014	No	Granted	1,500.00
AGU 5	1124.0343-2014	No	Granted	1,443.58
AGU 6	1124.0623-2017	No	Granted	1,500.00
AGU 7	1124.0622-S-17	No	Granted	1,500.00
Guillermina	1124.045-S-2019	No	Granted	2,921.05
El Petiso	1124.2478-71	No	Granted	18.00
Ayen/Josefina	1124.495-I-20	No	Granted	2059.6

Exploration Licence (Cateo) Farmin Agreements

Criteria	JORC Code explanation	Commentary

Name	Number	Transfrred to CEL	Status	Area (ha)
-	295.122-R-1989	In process	Registered	1,882.56
-	338.441-R-1993	In process	Granted	2,800.00
-	545.880-O-1994	In process	Registered	149.99
-	414.998-2005	Yes	Granted	721.90
-	1124.011-I-07	No	Granted	2552
-	1124.012-I-07	No	Registered	6677
-	1124.013-I-07	No	Granted	5818
-	1124.074-I-07	No	Granted	4484.5

Exploration Licence (Cateo) Held (Direct Award)

Name	Number	Transfrred to CEL	Status	Area (ha)
-	1124-248G-20	Yes	Current	933.20
-	1124-188-G-20 (2 zones)	Yes	Current	327.16
-	1124.313-2021	Yes	Current	986.41
-	1124.564-G-2021	Yes	Current	1,521.12
-	1124.632-G-2022	Yes	Current	4,287.38

There are no known impediments to obtaining the exploration licenses or operating the Project.

Criteria	JORC Code explanation	Commentary
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	Intermittent historic sampling has produced a large volume of information and data including sampling, geological maps, reports, trenching data, underground surveys, drill hole results, geophysical surveys, non-JORC reported resource estimates plus property examinations and detailed studies by multiple geologists. Prior to exploration by CEL, no work has been completed on the Project since 2006. There is at least 6 km of underground workings that pass through mineralised zones at Hualilan. Surveys of the workings are likely to be incomplete. Commonly incomplete records of the underground geology and sampling have been compiled

Criteria	JORC Code explanation	Commentary
		and digitised as has sample data geological mapping adit exposures and drill hole results. Historic geophysical surveys exist but have been superseded by surveys completed by CEL in some locations. Historic drilling on or near the Hualilan Project (Cerro Sur and Cerro Norte combined) extends to over 150 drill holes. The key historical exploration drilling and sampling programs are: 1984 – Lixivia SA channel sampling & 16 RC holes (AG1-AG16) totalling 2,040m 1995 - Plata Mining Limited (TSE: PMT) 33 RC holes (Hua- 1 to 33) + 1,500 RC chip samples 1998 – Chilean consulting firm EPROM (on behalf of Plata Mining) systematic underground mapping and channel sampling 1999 – Compania Mineral El Colorado SA ("CMEC") 59 diamond core holes (DDH-20 to 79) plus 1,700m RC program 2003 – 2005 – La Mancha (TSE Listed) undertook 7,447m of DDH core drilling (HD-01 to HD-48) Detailed resource estimation studies were undertaken by EPROM Ltd. (EPROM) in 1996 and CMEC (1999 revised 2000) both of which are well documented (by La Mancha, 2003 and 2006). The collection of all exploration data by the various operators was reportedly of a high standard and appropriate sampling techniques intervals and custody procedures were used. Not all the historic data has been archived and so there are gaps in CELs verification and validation of the historic data.
Geology	*Deposit type geological setting and style of mineralisation.*	Mineralisation occurs in all rock types where it preferentially replaces limestone, shale and sandstone and occurs in fault zones and in fracture networks within dacitic intrusions. The mineralisation is Zn-(Pb-Cu-Ag) distal skarn (or manto-style skarn) overprinted with vein-hosted and disseminated Au-Ag mineralisation. Mineralisation is divided into three phases – prograde skarn, retrograde skarn and a later quartz-rich mineralisation consistent with the evolution of a large hydrothermal system. Precise mineral paragenesis and hydrothermal evolution is the subject of on-going work which is being used for exploration and detailed geometallurgical test work. Gold occurs in native form as inclusions with sulphide (predominantly pyrite) and in pyroxene. The mineralisation commonly contains pyrite, chalcopyrite sphalerite and galena with rare arsenopyrite, pyrrhotite and magnetite. Mineralisation is either parallel to bedding in bedding-parallel faults, in veins or breccia matrix within fractured dacitic intrusions, at lithology contacts or in east-west striking steeply dipping siliceous faults that cross the bedding at a high angle. The faults have thicknesses of 1–4 metres and contain abundant sulphides. The intersection between the bedding-parallel mineralisation and east-striking cross veins seems to be important in localising the mineralisation. Complete oxidation of the surface rock due to weathering is poorly preserved. A partial oxidation / fracture oxidation layer near surface is 1 to 40m thick and has been modelled from drill hole intersections.
Drill hole Information	*A summary of all information material to the understanding of the exploration results*	Significant intersections previous reported for historic drill holes, DD drill holes, RC drill holes completed by CEL are detailed in CEL ASX releases:

Criteria	JORC Code explanation	Commentary
	including a tabulation of the following information for all Material drill holes: *easting and northing of the drill hole collar* *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* *dip and azimuth of the hole* *down hole length and interception depth* *hole length.* *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report the Competent Person should clearly explain why this is the case.*	1 June 2022 (Maiden MRE): https://announcements.asx.com.au/asxpdf/20220601/pdf/459jfk8g7x2mty.pdf and 29 March 2023 (MRE update): https://announcements.asx.com.au/asxpdf/20230329/pdf/45n49jlm02grm1.pdf A cut-off grade of 1 g/t Au equivalent (Eq) has been used with up to 2m of internal diltion or a cut-off grade of 0.2 g/t Au equivalent and up to 4m of internal diltion has been allowed. No metallurcial or recovery factors have been used in the intersections reported.
Data aggregation methods	In reporting Exploration Results weighting averaging techniques maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low-grade results the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated.	Weighted average significant intercepts are reported to a gold grade equivalent (AuEq). Results are reported to cut-off grade of a 1.0 g/t Au equivalent and 10 g/t Au equivalent allowing for up to 2m of internal dilution between samples above the cut-off grade and 0.2 g/t Au equivalent allowing up to 10m of internal dilution between samples above the cut-off grade. The following metals and metal prices have been used to report gold grade equivalent (AuEq): Au US$ 1780 / oz Ag US$24 /oz and Zn US$ 2800 /t. Metallurgical recoveries for Au, Ag and Zn have been estimated from the results of interim metallurgical test work completed by SGS Metallurgical Operations in Lakefield, Ontario using a combination of gravity and flotation of a combined metallurgical sample from 5 drill holes. Using data from the interim test results, and for the purposes of the AuEq calculation for drill hole significant intercepts, gold recovery is estimated For the AuEq calculation average metallurgical recovery is estimated to be 94.9% for gold, 90.9% for silver, 67.0% for Zn and 57.8% for Pb. Metal prices used to report AuEq are Au US$ 1900 / oz, Ag US$24 /oz, Zn US$ 4,000 /t and Pb US 2,000/t Accordingly, the formula used for Au Equivalent is: AuEq (g/t) = Au (g/t) + [Ag (g/t) x (24/1900) x (0.909/0.949)] + [Zn (%) x (40.00*31.1/1900) x (0.670/0.949)] + (Pb (%) x 20.00*31.1/1900) x (0.578/.9490}. Metallurgical test work and geological and petrographic descriptions suggest all the elements included in the metal equivalents calculation have reasonable potential of eventual economic recovery..

Criteria	JORC Code explanation	Commentary
		No top cuts have been applied to the reported grades.
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.* *If the geometry of the mineralisation with respect to the drill hole angle is known its nature should be reported.* *If it is not known and only the down hole lengths are reported there should be a clear statement to this effect (eg 'down hole length true width not known').*	The mineralisation is moderately or steeply west dipping and strikes NNE and ENE. A secondary, steeply east dipping fault-fracture hosted mineralisation is also recorded. Apparent widths may be thicker in the case where the dip of the mineralisation changes and/or bedding-parallel mineralisation intersects NW or ENE-striking cross faults and veins. Representative cross section interpretations have been provided periodically with releases of significant intersections to allow estimation of true widths from individual drill intercepts.
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	Representative maps and sections are provided in the body of reports released to the ASX.
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	All available final data have been reported.
Other substantive exploration data	*Other exploration data if meaningful and material should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density groundwater geotechnical and rock characteristics; potential deleterious or contaminating substances.*	Specific gravity measurements have been taken from the drill core recovered during the drilling program. These data are used to estimate densities in Resource Estimates. Eight Induced Polarisation (IP) lines have been completed in the northern areas of the Project. Stage 1 surveying was done on 1 kilometre length lines oriented 115° azimuth, spaced 100m apart with a 50m dipole. The initial results indicate possible extension of the mineralisation with depth. Stage 2 surveying was done across the entire field on 1 – 3 kilometre length lines oriented 090°, spaced 400m apart with a 50m dipole. On-going data interpretation is being done as drilling proceeds. Three ground magnetic surveys and one drone magnetic survey have been completed. The results of these data and subsequent geological interpretations are being used to guide future exploration. Metallurgical test results are used to estimate the AuEq (gold equivalent) as detailed above in Data Aggregation and below in Section 3: Metallurgical Factors or Assumptions.

Criteria	JORC Code explanation	Commentary
		The formula used for AuEq is: AuEq (g/t) = Au (g/t) + [Ag (g/t) x (24/1900) x (0.909/0.949)] + [Zn (%) x (40.00*31.1/1900) x (0.670/0.949)] + (Pb (%) x 20.00*31.1/1900) x (0.578/.9490}. Point resistivity surveys have been completed east of the Project for the purposes of detecting the presence of groundwater. Three surveys (total of 22 points) have been completed. A water bore has been drilled approximately 4 kilometres to the east of the Project. This hole found water in permeable Quaternary sedimentary deposits above hard-rock basement at 128 metres vertical depth. Testing and commissioning of the bore has yet to be completed. Further geophysical test work is planned to determine the extent of the aquifer. Further geophysical work is anticipated as part on on-going exploration. Geotechnical samples were selected based on rock type and location across the mine deposit. The overall purpose of the rock lab strength program was to get representative characteristics for the major rock units. The testing program consisted of the following: Nineteen uniaxial compressive strength tests; thirteen accompanying elastic moduli of intact rock results; fifty-three triaxial compression strength tests (Single Point); thirty-four indirect tensile strength tests, and thirty-one discontinuity direct shear testing.
Further work	*The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* *Diagrams clearly highlighting the areas of possible extensions including the main geological interpretations and future drilling areas provided this information is not commercially sensitive.*	CEL Plans to undertake the following over the next 12 months Additional resource extension, infill and exploration drilling; Geophysical tests for undercover areas. Structural interpretation and alteration mapping using high resolution satellite data and geophysics to better target extensions of known mineralisation. Field mapping targeting extensions of known mineralisation. Further metallurgical test work.

JORC CODE, 2012 EDITION - SECTION 3 ESTIMATION AND REPORTING OF MINERAL RESOURCES

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	*Measures taken to ensure that data has not been corrupted by for example transcription or keying errors between its initial collection and its use for Mineral Resource estimation purposes.* *Data validation procedures used.*	Geological logging completed by previous explorers was done on paper copies and transcribed into a series of excel spreadsheets. These data have been checked for errors. Checks have been made against the original logs and with follow-up twin and close spaced drilling. Only some of the historic drill holes have been used in the Resource Estimate, including the results presented in Section2. Some drill holes have been excluded where the geology indicates that the drill hole is likely mis-located or where the drill hole has been superseded by CEL drilling. For CEL drilled holes, assay data is received in digital format. Backup copies are backed up into a cloud-based file storage system and the data is entered into a drill hole database which is also securely backed up off site. The drill hole data is backed up and is updated periodically by the CEL GIS and data management team.
Site visits	*Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* *If no site visits have been undertaken indicate why this is the case.*	The Competent Person has undertaken site visits during exploration. Site visits were undertaken in 2019 and 2020 before COVID-19 closed international travel. Post COVID numerous site visits have undertaken since November 2021. The performance of the drilling program, collection of data, sampling procedures, sample submission and exploration program were initiated and reviewed during these visits.
Geological interpretation	*Confidence in (or conversely the uncertainty of) the geological interpretation of the mineral deposit.* *Nature of the data used and of any assumptions made.* *The effect if any of alternative interpretations on Mineral Resource estimation.* *The use of geology in guiding and controlling Mineral Resource estimation.* *The factors affecting continuity both of grade and geology.*	The geological interpretation is considered appropriate given the drill core density of data that has been collected, access to mineralisation at surface and underground exposures. Given the data, geological studies past and completed by CEL, the Competent Person has a high level of confidence in the geological model that has been used to constrain the mineralised domains. It is assumed that networks of fractures controlled by local geological factors have focussed hydrothermal fluids and been the site of mineralisation in both the prograde zinc skarn and retrograde mesothermal – epithermal stages of hydrothermal evolution. The interpretation captures the essential geometry of the mineralised structure and lithologies with drill data supporting the findings from the initial underground sampling activities. Mineralised domains have been built using explicit wireframe techniques from 0.2 – 0.5 g/t AuEq mineralised intersections, joined between holes by the instruction from the geology and structure. Continuity of grade between drill holes is determined by the intensity of fracturing, the host rock contacts (particularly dacite – limestone contacts) and by bedding parallel faults, particularly within limestone, at the limestone and overlying sedimentary rock contact and within the lower sequences of the sedimentary rocks within 40m of the contact. No alternative interpretations have been made form which a Mineral Resource Estimate has been made.

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td>Dimensions</td><td>The extent and variability of the Mineral Resource expressed as length (along strike or otherwise) plan width and depth below surface to the upper and lower limits of the Mineral Resource.</td><td>31 separate domains were interpreted over a strike length of 2.3kms. The domains vary in width and orientation from 2m up to 100m in width. The deepest interpreted domain extends from the surface down approximately 600m below surface.</td></tr>
<tr><td>Estimation and modelling techniques</td><td>The nature and appropriateness of the estimation technique(s) applied and key assumptions including treatment of extreme grade values domaining interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.

The availability of check estimates previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.

The assumptions made regarding recovery of by-products.

Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).

In the case of block model interpolation the block size in relation to the average sample spacing and the search employed.

Any assumptions behind modelling of selective mining units.

Any assumptions about correlation between variables.

Description of how the geological interpretation was used to control the resource estimates.</td><td>Estimation was made for Au Ag, Zn and Pb being the elements of economic interest. Estimate was also made for Fe and S being the elements that for pyrite which is of economic and metallurgical interest and is also used to estimate the density for bocks in the Mineral Resource Estimate.

No previous JORC Resource estimates or non-JORC Foreign Resource estimates were made with similar methods to compare to the current Resource estimate. No production records are available to provide comparisons.

A 2m composite length was selected after reviewing the original sample lengths from the drilling which showed an average length of 1.54m for samples taken within the mineralised domains.

A statistical analysis was undertaken on the sample composites top cuts for Au, Ag, Zn and Pb composites on a domain-by-domain basis. The domains were then grouped by host rock and mineralisation style and group domain top cuts were applied in order to reduce the influence of extreme values on the resource estimates without downgrading the high-grade composites too severely. The top-cut values were chosen by assessing the high-end distribution of the grade population within each group and selecting the value above which the distribution became erratic. The following table shows the top cuts applied to each group and domain for Au, Ag, Zn and Pb. No top cut was applied to estimation of Fe and S.

<table>
<tr><th>Group</th><th>Au (ppm)</th><th>Ag (ppm)</th><th>Zn (%)</th><th>Pb (%)</th></tr>
<tr><td>Fault Zone hosted (Magnata and Sanchez) and CAL (limestone) hosted</td><td>80</td><td>300</td><td>20</td><td>5</td></tr>
<tr><td>LUT (siltstone) hosted</td><td>20</td><td>100</td><td>5</td><td>1</td></tr>
<tr><td>DAC (intrusive) hosted</td><td>15</td><td>70</td><td>5</td><td>1.8</td></tr>
</table>

Block modelling was undertaken in Surpac™ V6.6 software.

A block model was set up with a parent cell size of 10m (E) x 20m (N) x 10m (RL) with standard sub-celling to 2.5m (E) x 5.0m (N) x 2.5m (RL) to maintain the resolution of the mineralised domains. The 20m Y and vertical block dimensions were</td></tr>
</table>

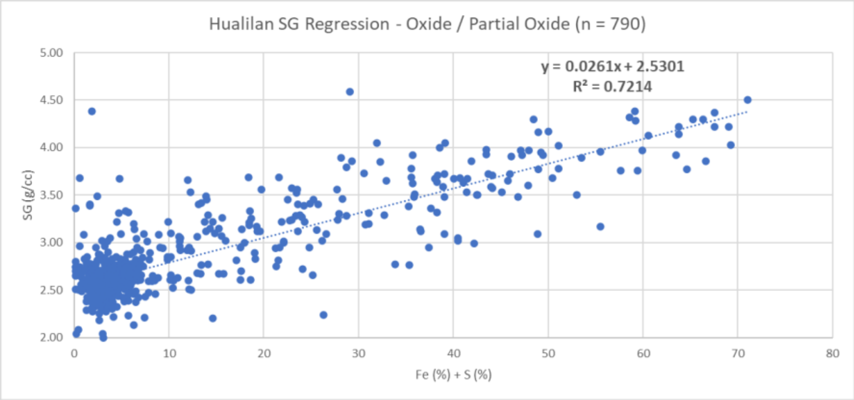
Criteria	JORC Code explanation	Commentary
	Discussion of basis for using or not using grade cutting or capping. *The process of validation the checking process used the comparison of model data to drill hole data and use of reconciliation data if available*	chosen to reflect drill hole spacing and to provide definition for potential mine planning. The shorter 10m X dimension was used to reflect the geometry and orientation of the majority of the domain wireframes. Group Variography was carried out using Leapfrog Edge software on the two metre composited data from each of the 31 domains for each variable. All relevant variables; Au, Ag, Pb, Zn, Fe and S in each domain were estimated using Ordinary Kriging using only data from within that domain. The orientation of the search ellipse and variogram model was controlled using surfaces designed to reflect the local orientation of the mineralized structures. An oriented "ellipsoid" search for each domain was used to select data for interpolation. A 3 pass estimation search was conducted, with expanding search ellipsoid dimensions and decreasing minimum number of samples with each successive pass. First passes were conducted with ellipsoid radii corresponding to 40% of the complete range of variogram structures for the variable being estimated. Pass 2 was conducted with 60% of the complete range of variogram structures for the variable being estimated. Pass 3 was conducted with dimensions corresponding to 200% of the semi-variogram model ranges. Blocks within the model where Au was not estimated during the first 3 passes were assigned as unclassified. Blocks for Ag, Pb, Zn, Fe and S that were not estimated were assigned the average values on a per-domain basis. Validation checks included statistical comparison between drill sample grades and Ordinary Kriging block estimate results for each domain. Visual validation of grade trends for each element along the drill sections was also completed in addition to swath plots comparing drill sample grades and model grades for northings, eastings and elevation. These checks show good correlation between estimated block grades and drill sample grades.
Moisture	*Whether the tonnages are estimated on a dry basis or with natural moisture and the method of determination of the moisture content.*	Tonnage is estimated on a dry basis.
Cut-off parameters	*The basis of the adopted cut-off grade(s) or quality parameters applied.*	The following metals and metal prices have been used to report gold grade equivalent (AuEq) for the Resource estimate: Au US$ 1900 / oz, Ag US$24 /oz, Zn US$ 4,000 /t and Pb US 2,000/t. Average metallurgical recoveries for Au, Ag, Zn and Pb have been estimated from the results of Stage 1 metallurgical test work completed by SGS Metallurgical Operations in Lakefield, Ontario using a combination of gravity and flotation combined metallurgical samples as detailed in the Criteria below. For the AuEq calculation average metallurgical recovery is estimated as 94.9% for gold, 90.9% for silver, 67.0% for Zn and 57.8% for Pb. Accordingly, the formula used for Au Equivalent is: AuEq (g/t) = Au (g/t) + [Ag (g/t) x (24/1900) x (0.909/0.949)] + [Zn (%) x (40.00*31.1/1900) x (0.670/0.949)] + (Pb (%) x 20.00*31.1/1900) x (0.578/.9490}.

Criteria	JORC Code explanation	Commentary
		Based on the break-even grade for an optimised pit shell for gold equivalent, a AuEq cut-off grade of 0.30 ppm is used to report the resource within an optimised pit shell run at a gold price of US$1,800 per ounce and allowing for Ag, Zn and Pb credits. Under this scenario, blocks with a grade above the 0.30 g/t Au Eq cut off are considered to have reasonable prospects of mining by open pit methods. A AuEq cut-off grade of 1.0 ppm was used to report the resource beneath the optimised pit shell run as these blocks are considered to have reasonable prospects of future mining by underground methods.
Mining factors or assumptions	*Assumptions made regarding possible mining methods minimum mining dimensions and internal (or if applicable external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case this should be reported with an explanation of the basis of the mining assumptions made.*	The Resource estimate has assumed that near surface mineralisation would be amenable to open pit mining given that the mineralisation is exposed at surface and under relatively thin unconsolidated cover. A surface mine optimiser has been used to determine the proportion of the Resource estimate model that would be amenable to eventual economic extraction by open pit mining methods. The surface mine optimiser was bult using the following parameters with prices in USD: Au price of $1,800 per oz, Ag price of $23.4 per oz, Zn price of $3,825 per tonne and Pb price of $1,980 per tonne Average metallurgical recoveries of 94.9% for Au, 90.9 % for Ag and 67 % for Zn and 57.8 % for Pb. Ore and waste mining cost of $2.00 per tonne Unconsolidated cover removal cost of $0.10 per tonne Processing cost of $10.00 per tonne Transport and marketing of $50 / oz of AuEq (road to Jan Juan then rail to Rosario Port) Royalty of $60 per oz Au, 3% for Ag, Zn and Pb. Assumed concentrate payability of 94.1% for Au, 82.9% for Ag, 90 % for Zn and 95 % for Pb. 45° pit slopes on the western side of the pit and 55° on the eastern side of the pit Blocks above a 0.30 g/t AuEq within the optimised open pit shell are determined to have reasonable prospects of future economic extraction by open pit mining and are included in the Resource estimate on that basis. Blocks below the open pit shell that are above 1.0 g/t AuEq are determined to have reasonable prospects of future economic extraction by underground mining methods and are included in the Resource estimate on that basis.
Metallurgical factors or assumptions	*The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods but the assumptions regarding metallurgical treatment processes*	Stage 1 metallurgical test work on representative composite sample: 1. Two separate composite samples of limestone-hosted massive sulphide (manto) Sample A has a weighted average grade of 10.4 g/t Au, 31.7 g/t Ag, 3.2 % Zn and 0.46 % Pb. Sample B has a weighted average grade of 9.7 g/t Au, 41.6 g/t Ag, 4.0% Zn and 0.48% Pb. 2. One dacite (intrusive) composite sample with a weighted average grade of 1.1 g/t Au, 8.1 g/t Ag and 0.10 % Zn and 0.04% Pb. 3. One sediment hosted (fine grained sandstone and siltstone) composite sample with a weighted average grade of 0.68 g/t

Criteria	JORC Code explanation	Commentary
	and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case this should be reported with an explanation of the basis of the metallurgical assumptions made.	Au, 7.5 g/t Ag, 0.34 % Zn and 0.06 % Pb. 4. One oxidised limestone (manto oxide) composite sample with a weighted average grade of 7.0 g/t Au, 45 g/t Ag, 3.7% Zn and 0.77% Pb. Gravity recovery and sequential flotation tests of the higher-grade limestone hosted mineralisation involved; 1. primary P80 = 51 micron primary grind, 2. gravity recovery, 3. Pb-Cu followed by Zn rougher flotation, 4. p80 = 29 micron regrind of the Zn rougher concentrate, 5. two re-cleaning stages of the Pb/Cu rougher concentrate, 6. four re-cleaning Sages on the Zn rougher concentrate, and 7. additional gravity recovery stages added to the Zn Rougher concentrate This results in the following products that are likely to be saleable - Au-Ag concentrate (118 g/t Au, 286 g/t Ag) with low deleterious elements, - Pb concentrate (65% Pb, 178 g/t Au, 765 g/t Ag) with low deleterious elements, and - Zn concentrate (51% Zn, 10 g/t Au, 178 g/t Ag) with low deleterious elements, relatively high Cd, but at a level that is unlikely to attract penalties. - tailing grades of 2 to 3 g/t Au which respond to intensive cyanide leach with recoveries of 70-80% of any residual gold and silver to a gold doré bar. Two intensive leach tests of Au-Ag concentrate to doré have been completed using a representative sample of the Au-Ag concentrate. One split of the sample was finely ground to p80 of 16.7 µm and the second split finely ground to p80 of 40 µm. The 16.7 µm sample returned a recovery of 96.0% Au and the 40 µm sample returned a recovery of 92.8% Au. These results provide an option to eliminate concentrate transport costs and increase payability for the Au-Ag concentrate. Gravity recovery and flotation tests of the intrusive-hosted mineralisation involved; 1. primary P80 = 120-80 micron primary grind, 2. gravity recovery, 3. single stage rougher sulphide flotation, 4. P80 = 20-30 micron regrind of the rougher concentrate (5-10% mass), 5. one or two re-cleaning stages of the Au-Ag Rougher concentrate At primary grind of p80 = 76 micron and regrind of p80 = 51 micron an Au-Ag concentrate can be produced grading 54 g/t Au and 284 g/t Ag with total recoveries of 97% (Au) and 85% (Ag). One test of a sediment hosted composite sample (5-10% of the mineralisation at the Project) was a repeat of the testing done on the intrusive-hosted mineralisation. This produced an Au-Ag concentrate grading 23.6 g/t Au and 234 g/t Ag at total recoveries of 85% (Au) and 87% (Ag). Further test work is likely to be done as part of more detailed studies. It is likely that

Criteria	JORC Code explanation	Commentary
		the concentrate produced from the sediment-hosted mineralisation will be combined with the Au-Ag concentrate from the limestone and intrusive-hosted mineralisation. Applying recoveries of 70% for both gold and silver to the various concentrate tailings components where leaching is likely to be undertaken during production generates recoveries of: ▪ 95% (Au), 93% (Ag), 89% (Zn), 70% (Pb) from the high-grade skarn (manto) component of the mineralisation; ▪ 96% (Au) and 88% (Ag) from the intrusion-hosted component of the mineralisation; ▪ 85% (Au) and 87% (Ag) from the sediment-hosted component of the mineralisation; A composite (ROM-2), representative of the Hualilan produced by combining 148 metres of quarter core from several drillholes from the open pit component of the MRE with an average core sample assay grade of 1.1 g/t Au, 6.6 g/t Ag, 0.38% Zn and 0.14% Pb was tested to see if a potentially saleable zinc concentrate could be product from sequential flotation of material with a lower Zn grade. After a primary grind of (P80 75µm) and regrind (P80 20µm) of the gravity tails and bulk concentrate 66%, sequential Zn flotation recovered a high-quality Zn-concentrate grading 55% Zn. Tests were successful in suppressing Au-Ag in the Zn-concentrate with only 3% of the Au and less than 10% of the Ag reporting to the Zn-concentrate. An intensive cyanide leach test of the oxide (limestone and dacite hosted mineralisation) has produced recoveries of 78% (Au) and 64% (Ag) which is expected to be recovered into gold doré bar. While the oxide component of the mineralisation comprises only a small percentage of the Hualilan mineralisation its lies in the top 30-40 metres and would be mined early in the case of an open pit operation. Based on the test work to date and the proportions of the various mineralisation types in the current geological model, it is expected that overall average recoveries for potentially saleable metals will be: - 94.9% Au, - 90.9% for Ag - 67.0% for Zn and - 57.8% for Pb As further results are obtained, these assumptions will be updated. Stage 2 metallurgical test work included column testing of low-grade material (for heap leach Au and Ag recovery), comminution testing, and variability testing: Column tests were conducted at ¼", ½" and 1" crush sizes by lithology and grades from 0.2 g/t Au to 1/0 g/t Au. Lithology and grade weighted average results for ½" crush size averaged 65% for Au and 50% for Ag. Au recovery was generally better in dacite and siltstone/ sandstone than it was in limestone. Recovery was generally independent of grade. Column tests at ½" crush size was also conducted on limestone hosted mineralisation at higher grades. Au recovery

Criteria	JORC Code explanation	Commentary
		achieved for these samples ranged from 40% to 56% at grades between 0.8 Au g/t to 7.2 Au g/t which is significantly lower that recovery for intensive leach but does provide a low cost option for treatment of this material at higher grades. Bulk flotation grind optimisation found gold recovery to a combined gravity and rougher flotation concentrate between 87% to 93% over the primary grind sizes tested between P80=75µm to P80=180µm. Results indicate that there is opportunity to coarsen the primary grind ahead of bulk flotation with minimal reduction in gold recovery which provides an opportunity to reduce costs when processing material using this method. Sequential flotation with a modified route that significantly reduces operating costs by coarsening the primary grind from P80=50µm to P80=75µm and reduces reagent consumptions has been tested. Zn recovery to the zinc concentrate ranged from 75% to 89% with concentrate grades ranging from 53% to 56% Zn, from samples that zinc head grades between 0.4 to 1.9% Zn. The test also produced high gold grade bulk concentrate that has been combined with zinc scavenger concentrate and pyrite rougher concentrate to generate a concentrate between 5g/t to 23g/t gold at a gold recovery of 38% to 74%. The intention is for this concentrate to be treated by a standalone gold leaching circuit before being blended into the flotation tailings leach. Metallurgical test work specific to the material to be recovered for toll treatment and subjected to a test program that duplicates the toll treatment process (gravity and agitated vat leach). Material tested well represents the toll treatment pits spatially, for lithology and across the grade ranges for Au, Ag, Cu and Zn. Tests used a grid size of p80 = 100-105 micrometres. Au recovery varied from 78-96% and Ag recovery varied from 56-78% for 3 composites representing Sanchez, Norte and Magnata pits and a single composite from all three pits. Cu recovery of 28% and Zn recovery of 12% indicated there is a cyanide soluble component of those metals. Overall cyanide consumption is 4.1 kg/t and lime consumption is 6.3 kg/t. Comminution test work, floatation variability test work and column test work are on-going.
Environmental factors or assumptions	*Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts particularly for a greenfields project may not always be well advanced the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an*	It is considered that there are no significant environmental factors which would prevent mining at the Project. It is assumed that beyond toll treatment, future mining will require a tailings storage facility and waste installations built to requirements for the local environment and in accordance with environmental standards. Environmental surveys and assessments have been completed in the past and will form a part of future studies.

Criteria	JORC Code explanation	Commentary
	explanation of the environmental assumptions made.	
Bulk density	*Whether assumed or determined. If assumed the basis for the assumptions. If determined the method used whether wet or dry the frequency of the measurements the nature size and representativeness of the samples.* *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs porosity etc) moisture and differences between rock and alteration zones within the deposit.* *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	CEL has collected specific gravity (SG) measurements from drill core, which have been used to estimate block densities for the Resource estimate. Within the mineralised domains there are 956 SG measurements made on drill core samples of 0.1 – 0.2 metres length. Measurements were determined on a dry basis by measuring the difference in sample weight in water and weight in air. For porous samples, the weight in water was measured after wrapping the sample so that no water enters the void space during weighing. In oxidised and partially oxidised rocks, SG clusters around an average of 2.49 g/cc (2,490 kg/m3) which is independent of depth. A density of 2,490 kg/m3 has been used for oxidised, fracture oxidised and partially oxidised blocks. In fresh rock samples, a regression model for block density determination has been made by plotting assay interval Fe (%) + S (%) from the interval where the SG measurement was made against the SG measurement. Fe and S are the two elements that form pyrite which is the mineral that is commonly associated with gold and base metal mineralisation at Hualilan. SG plotted against (Fe+S) follows a linear trend within the mineralised domains for oxide and fresh rock as shown below.  For fresh rock at zero Fe + S (%) the density is assumed to be 2.53 t/m3. The regression slope has a linear increase in density of 26.1 kg/m3 (0.0261 t/m3) for each 1 percent increase in Fe + S (%). The formula used for block density (t/m3) determination in oxide rock is 2.53 + [0.0261 x (Fe % + S%)].

Criteria	JORC Code explanation	Commentary
Classification	*The basis for the classification of the Mineral Resources into varying confidence categories.* *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations reliability of input data confidence in continuity of geology and metal values quality quantity and distribution of the data).* *Whether the result appropriately reflects the Competent Person's view of the deposit.*	The Mineral Resource has been classified based on the guidelines specified in the JORC Code. As a guide to reasonable prospects for economic extraction, the classification level is based upon manual semi-qualitative assessment of the geological understanding of the deposit, geological and mineralisation continuity, drill hole spacing, QC results, search and interpolation parameters, analysis of available density information and possible mining methods. The estimation search strategy was undertaken in three separate passes with different search distances, and the minimum number of samples used to estimate a block which were then used as a guide for the classification of the resource into Indicated, Inferred and Unclassified. The classification was then further modified to restrict the Indicated Resource to the domains with closer spaced drilling. The potential open pit resource was constrained within an optimised pit shell run using a gold price of US$1,800 per ounce. Resources reported inside the pit shell were reported above a AuEq cut-off grade of 0.3 g/t and Resources outside the pit shell were reported above a AuEq cut-off grade of 1.0 g/t. Scoping study results have indicated that underground mining and open pit mining are both possible allowing for classification of Indicated and Inferred Mineral Resources throughout the estimation. The Competent Person has reviewed the result and determined that these classifications are appropriate given the confidence in the geology, data, results from drilling and possible mining methods as detailed in the scoping study.
Audits or reviews	*The results of any audits or reviews of Mineral Resource estimates.*	The Mineral Resource estimate has not been independently audited or reviewed.
Discussion of relative accuracy/ confidence	*Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits or if such an approach is not deemed appropriate a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* *The statement should specify whether it relates to global or local estimates and if local state the relevant tonnages which should be relevant to technical and economic evaluation.*	There is sufficient confidence in the data quality drilling methods and analytical results that they can be relied upon. The available geology and assay data correlate well. The approach and procedure is deemed appropriate given the confidence limits. The main factors which could affect relative local accuracy are: • domain boundary assumptions • orientation • grade continuity • top cut. Grade continuity is variable in nature in this style of deposit and has not been demonstrated to date and closer spaced drilling is required to improve the understanding of the local grade continuity in both strike and dip directions. It is noted that the results from the twinning of three holes by La Mancha in addition to CEL twin holes are encouraging in terms of grade repeatability over the mineralised intervals.

Criteria	JORC Code explanation	Commentary
	Documentation should include assumptions made and the procedures used. *These statements of relative accuracy and confidence of the estimate should be compared with production data where available.*	The deposit contains very high grades and there is need for the use of top cuts. No production data is available for comparison.

JORC CODE, 2012 EDITION - SECTION 4 ESTIMATION AND REPORTING OF ORE RESERVES

(Criteria listed in section 1, and where relevant in sections 2 and 3, also apply to this section.)

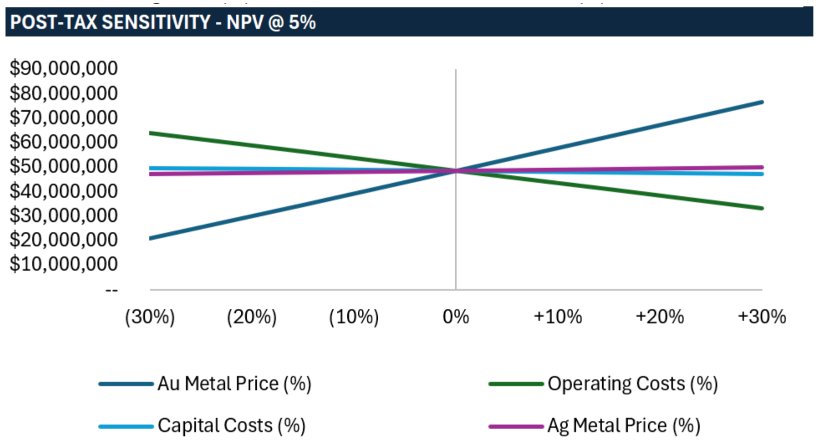
Criteria	JORC Code explanation	Commentary
Mineral Resource estimate for conversion to Ore Reserves	*Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.* *Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.*	The Ore Reserves, including adjustments for dilution and ore loss factors, are included within the Mineral Resource. The parts of the Mineral Resource, as reported herein, which have been classified as either Measured or Indicated were used as the basis for this Ore Reserve. The Mineral Resource block model which includes 2.5x5.0x2.5m subblocks, was regularized by Geowiz Consulting to a 5x5x5m regularized block model for this Ore Reserve. 5% external dilution, 5% mining loss and 8% moisture content were applied to the regularized block model to reflect the realities of the proposed mining operation.
Site visits	*Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* *If no site visits have been undertaken indicate why this is the case.*	Grant Carlson, P.Eng. (British Columbia) conducted a site visit on January 6th and 7th, 2025. Mr. Carlson inspected the site access routes, proposed stockpile pads, site infrastructure locations, existing underground workings, historical mining excavations and access routes to the upper benches of each mining area. Mr. Carlson also inspected representative drill core at the core shack.
Study status	*The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.*	This mine plan has been completed at a Pre-feasibility Level. Open pit optimization was carried out by Fuse Advisors Inc. using WhittleTM software and ultimate pits were selected for each mining area to meet the plant feed requirements of the Toll Treatment agreements between Challenger Gold Limited

Criteria	JORC Code explanation	Commentary
	The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.	and Austral Gold. Detailed pit designs were then created based on those optimized pit shells using Mineplan3DTM software which include toes, crests and haulage ramps designed for the size of haul trucks contemplated in the mine plan. Bench reserves from the pit designs where scheduled using AlastriTM software which also modelled drill, shovel and haul truck productivity and fleet requirements. The Alastri schedule forms the basis of the financial model on which the Ore Reserves are based. The mine plan which forms the basis of this Ore Reserve is technically and economically viable with a mine-life of 3 years, toll treating ore at the Austral Gold's Casposo processing facility. There is potential to evaluate a larger-scale mining scenario which contemplates construction of an on-site processing facility. All material modifying factors are considered by the Competent Person to have been accounted for in the Ore Reserve.
Cut-off parameters	*The basis of the cut-off grade(s) or quality parameters applied.*	The economic cut-off grade was calculated including the cost of mining, ore haulage to the toll treatment facility, processing costs, toll treatment fees, the long-term gold price assumed for the project, selling costs and state/federal royalties. A cut-off grade of 1.9g/t AuEq has been applied to estimate this Ore Reserve. AuEq calculation is based on $2500/oz Au price, $27.50/oz Ag price, 84.4% Au recovery, 65.7% Ag recovery such that AuEq (gpt) = Au(gpt) +(Ag(gpt) * 0.00856280) This cut-off grade is considered appropriate by the Competent Person for this Ore Reserve considering the nature of the deposit and cost associated with the Toll Treatment scenario.
Mining factors or assumptions	*The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).* *The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.* *The assumptions made regarding geotechnical parameters (eg pit slopes, stope sizes, etc), grade control and pre-production drilling.*	The basis of the ultimate pit selection, pit designs and production scheduling is the Toll Treatment agreement between Challenger Gold and Austral Gold whereby Challenger agrees to deliver, and Austral agrees to process, a total of 450,000 wet tonnes of gold and silver ore over a period of three years (i.e. ~150,000tpa) This mine plan contemplates a convention open pit mining method including blasthole drills, hydraulic excavators and front-end loaders with articulated haul trucks. Open pit mine designs were developed based on optimized pit shells using the following parameters: 80º bench face angle 8.0m catch berm 60º inter-ramp angle 10m benches (5.0m fliches while mining ore/waste contacts) 20m between catch benches (double benched) 17.0m wide 2-way ramps (including running width and safety berm)

Criteria	JORC Code explanation	Commentary
	The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate). *The mining dilution factors used.* *The mining recovery factors used.* *Any minimum mining widths used.* *The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.* *The infrastructure requirements of the selected mining methods.*	The production schedule is based on the selected sizes of equipment and applied realistic vertical advance rate limits to ensure a viable mine plan. The production schedule contemplates 4 Ore Stockpile Bins to manage the flow of ore material between the open pit operation and the highway haulage operation between the mine and the toll treatment facility. The four bins are categorized as very high-grade, high-grade, medium-grade and low-grade. The toll treatment facility is contemplating processing ore from Haulilan in two 3-month long campaigns per year and this mine plan will build and maintain a sufficient stockpile at the toll treatment facility that it will not run out of ore during each processing campaign. The production rate is the schedule is capped based on having one 50t class hydraulic excavator with a production rate of 572 wmt/pr.hr, one 60t class front-end loader with a production rate of 879 wmt/pr.hr and three 40t class articulated haul trucks who's productivity in any given period is determined based on the haul profile of the material being mined. Mining dilution of 5% and mining recovery of 95% have been assumed for this Ore Reserve Each starts mining at some level up the Haulilan ridge which is a steep, north-south striking hill along the east side of the deposit. Each mining area has different considerations for how to access the upper reaches of the pit design: The Norte pit has existing access road up to within 20m of the top bench of the design and limit trail construction will be required to establish access for production. The Sanchez pit is located between two heights of land along the Haulilan ridge and the pit has been designed as a trench in the gap between the two hills, without having to mine a benched pit slope down each side. As such, the upper levels of the design will be accessed by an excavator on the existing site roads and tail loading haul trucks while retreating out the trench as it is excavated. The Magnata pit requires a waste rock fill road to access the upper benches of the design. Waste rock mined from the Norte and Sanchez pits will be used for this purpose and Magnata mining can not be initiated until that ramp is established. The Competent Person considers the proposed mining method to be appropriate for the scale, production rate, mining widths and mineral deposit.
Metallurgical factors or assumptions	*The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.* *Whether the metallurgical process is well-tested technology or novel in nature.* *The nature, amount and representativeness of metallurgical test work undertaken, the nature*	Toll processing of ore using a conventional agitated tank leach and Merrill-Crowe gold recovery process will be used to recover gold and silver from the ore. This is a tried and tested method of gold extraction from material of this nature. A gold recovery of 84.4% and a silver recovery of 65.7% has been used for the study, these recoveries already incorporate an estimated 4% metal recovery loss due to soluble loss and circuit inefficiencies. The metallurgical recovery was based on testwork conducted at Base Metallurgical Laboratory in March 2025. No deleterious elements are present.

Criteria	JORC Code explanation	Commentary
	of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied. *Any assumptions or allowances made for deleterious elements.* *The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.* *For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?*	No bulk sample testwork has been carried out. Samples are considered to be representative of the toll treatment ore. Key findings of representivity analysis of the metallurgical sample intervals compared to intervals in the drill hole database are shown below and further discussed in the body of the report. Sample spatial representivity is good, with sample intervals located within the proposed pits. Grades are well represented for Au, Ag, Zn, and Cu at low and medium grade ranges, but high grades are not well represented, however, the high-grade intervals make up only a minor portion of the intervals. Proportion of cyanide soluble copper (CuCN/CuTOT) in intervals is well represented across the full grade range. Lithology representivity is good. Oxidation representivity is good for both fresh and FOX (fracture surface oxidised material) which are two of the most dominant oxidations present in the drilling, but don't represent oxidation OX and POX well. OX is only minor, and POX is unfractured FOX, so expect similar performance to FOX.
Environmental	*The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.*	The Company received approval of its Environmental Impact Assessment(EIA) in October 2024 An EIA Addendum will be required to authorize the mine plan presented herein. As no on-site ore processing is contemplated for this Ore Reserve, no on-site tailings storage is required. Waste rock produced in this mine plan is being used for site road construction. + Environmental monitoring activities which have been carried out supporting the EIA application include groundwater monitoring, evaporation testing, air quality monitoring, flora and fauna surveys.
Infrastructure	*The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.*	Infrastructure required for this mine plan is limited due to utilizing toll treatment rather than constructing an on-site process plant. Infrastructure required includes a camp, mine dry, truck shop, truck wash pad, mine office, fuel storage facility, ore stockpile and transloading area, security gate, weigh bridge and site roads. The land required for the infrastructure components listed above is included in the EIA permitted area.
Costs	*The derivation of, or assumptions made, regarding projected capital costs in the study.* *The methodology used to estimate operating costs.*	Estimated operating costs for treating Hualilan ore through the Casposo process plant have been estimated using the following approach. Casposo supplied unit cost rates for reagents and consumables, such as cyanide, lime, flocculant, and grinding media. Historical consumption data for reagents and consumables were supplied by the Casposo operations team.

Criteria	JORC Code explanation	Commentary
	Allowances made for the content of deleterious elements. *The source of exchange rates used in the study.* *Derivation of transportation charges.* *The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.* *The allowances made for royalties payable, both Government and private.*	Metallurgical testwork results conducted on representative toll treatment samples provided consumption rates for lime and cyanide. Database costs were used if Casposo cost data wasn't available. Labour rates and manpower requirement were supplied by Casposo. A unit power cost of US$0.147/kWh provided by Casposo was used for power costs, based on historical power consumption at Casposo. Database maintenance spares costs and ancillary costs were used.
Revenue factors	*The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.* *The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.*	A life-of-mine schedule which achieves the tonnage targets set out in the Toll Treatment Agreement between the Company and Austral Gold Limited. The life-of-mine schedule was developed on a monthly basis and estimated the tonnes and grade of material to be mined, hauled to the toll treatment facility and processed along with gold and silver metal produced. Revenue is based on a $2500/oz gold and $27.50/oz silver price. The financial model includes estimates of state and federal royalties due and costs associated with selling the gold and silver. The metal prices used in this financial analysis reflect consensus price forecasting along with the near-term nature of the Company's Toll Treatment Agreement
Market assessment	*The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.* *A customer and competitor analysis along with the identification of likely market windows for the product.* *Price and volume forecasts and the basis for these forecasts.*	The gold and silver markets are mature, well established, transparent and open markets with publicly available pricing information available from a variety of sources. Challenger and the Competent Persons have reviewed a number of consensus metal price forecasts from reputable analysis and are comfortable with the market supply and demand situation. No site specific pricing studies have been completed to support this Ore Reserve Price and volume forecasts from reputable analysis have been reviewed in support of this Ore Reserve.

Criteria	JORC Code explanation	Commentary
	For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.	
Economic	*The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.* *NPV ranges and sensitivity to variations in the significant assumptions and inputs.*	The basis for the mine plan and the economic analysis is the Toll Treatment Agreement between the Company and Austral Gold Limited whereby the Company will deliver and Austral will receive and process 450,000 wet tonnes of gold and silver ore over a three year period. The economic analysis on which this Ore Reserve is based contemplates the costs and revenue associated with fulfilling the obligations laid out in that agreement. Site infrastructure and mining equipment capital costs are based largely on vendor quotes for installation or for lease-to-own arrangements. As the mine plan is based on a Toll Treatment arrangement, there is no capital cost for a processing plant and tailings facility on site; however, the operating cost does reflect the estimated fees associated with the toll treatment agreement. Mine operating costs are based on the modelled equipment productivity and operating hours which lead to fleet size and crew size determination. Mobile equipment costing is based on a MARC contract structure quoted from equipment vendors. 
Social	*The status of agreements with key stakeholders and matters leading to social licence to operate.*	To the best of the Competent Person's knowledge, there are no social agreements which the Company can not reasonably expect to acquire in such a timeframe so as to not impact this Ore Reserve

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td></td><td></td><td>Key stakeholder agreements which the Company is working towards include agreements with the Communities through which ore haul trucks may transit between Hualilan and Casposo.</td></tr>
<tr><td>Other</td><td> To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves: Any identified material naturally occurring risks. The status of material legal agreements and marketing arrangements. The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent. </td><td> There are no material, naturally occurring risks with may impact this Ore Reserve The Company is currently compliant with all of the legal and regulatory requirements and marketing agreements. The project is located within the Company’s tenement and within the October 2024 EIA area. This Ore Reserve is based on a toll treatment agreement with Austral Gold and is therefore subject to Austral’s ability to restart, commission and operation its processing facility. The Company will require an addendum to their October 2024 EIA and the Competent Person is not aware of any reason that the approval of that addendum will not be received in a timely manner. </td></tr>
<tr><td>Classification</td><td> The basis for the classification of the Ore Reserves into varying confidence categories. Whether the result appropriately reflects the Competent Person’s view of the deposit. The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any). </td><td>
<table>
<tr><th>Classification</th><th>Cut-off Grade (gpt AuEq)</th><th>Tonnes (000 dmt)</th><th>AuEq (gpt)</th><th>Au (gpt)</th><th>Ag (gpt)</th><th>AuEq Contained (000 oz)</th><th>Au Contained (000 oz)</th><th>Ag Contained (000 oz)</th></tr>
<tr><td>Proven</td><td>1.9</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Probable</td><td>1.9</td><td>427.5</td><td>7.0</td><td>6.6</td><td>37.6</td><td>96.2</td><td>91.0</td><td>517.0</td></tr>
<tr><td>Proven+ Probable</td><td>1.9</td><td>427.5</td><td>7.0</td><td>6.6</td><td>37.6</td><td>96.2</td><td>91.0</td><td>517.0</td></tr>
</table>
</td></tr>
</table>

Criteria	JORC Code explanation	Commentary
		Measured Mineral Resources that are above the nominated Ore Reserves cut-off grade criteria and are within the open pit designs (which have been derived by applying the appropriate modifying factors as described above) have been classified as Proven Ore Reserves. Indicated Mineral Resources that are above the nominated Ore Reserves cut-off grade criteria and are within the open pit designs (which have been derived by applying the appropriate modifying factors as described above) have been classified as Probable Ore Reserves. No Probable Ore Reserves have been classified from Measured Mineral Resources. In the opinion of the Competent Person for the Ore Reserve that the results are an appropriate reflection of the deposit and the mine plan outlined herein.
Audits or reviews	*The results of any audits or reviews of Ore Reserve estimates.*	No external reviews or audits have been completed on this Ore Reserve. All works and reports supporting this Ore Reserve have been internally reviewed for Challenger Gold and Fuse Advisors.
Discussion of relative accuracy/ confidence	*Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.* *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* *Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which*	This Ore Reserve has been developed to a Prefeasibility Level of accuracy using the mineral resource categorized as measured or indicated, applying reasonable dilution and mining recovery factors, and producing a mine plan on monthly periods which estimate equipment productivity based on the rock characteristics and modelled haul profiles from each source to destination. Mine operating and capital costs has been estimated to a Prefeasibility level of accuracy based largely on vendor quotes for lease-to-own mobile equipment on MARC contracts and local labour rates. Consumable costs such as explosives are based on vendor quotes and consumables such as diesel are based on current local prices. Economic factors such as state and federal taxes and royalties have been incorporated into mine optimization analysis. Actual gold and silver prices are a potential source of variance from this financial analysis as the metal prices used herein are significantly below current spot prices and, per the terms of the Toll Treatment Agreement, the Company is contemplating near-term construction and operation, which may exploit the current robust metal market. This Ore Reserve represents a local estimate within the global Mineral Resource estimate detailed above. This Ore Reserve reflects an area of higher gold and silver grades located at or near-surface which meet the economic requirements of the Company's Toll Treatment agreement. The assumptions and modifying factors stated and applied in the Ore Reserve estimate are appropriate for the 450,000 tonne Ore Reserve but may not be appropriate for the entire mineral resource.

Criteria	JORC Code explanation	Commentary
	there are remaining areas of uncertainty at the current study stage. *It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	