Challenger Gold Limited

ABN 45 123 591 382

Interim Financial Report for the half-year - 30 June 2025

Directors	Eduardo Elsztain (Non-Executive Chairman, appointed 4 March 2025) Kris Knauer (Managing Director) Sergio Rotondo (Executive Vice Chairman) Sonia Delgado (Executive Director) Fletcher Quinn (Non-Executive Director) Pinchas Althaus (Non-Executive Director) Brett Hackett (Non-Executive Director) Carolina Zang (Non-Executive Director, appointed 21 July 2025)
Company secretaries	Kelly Moore Michelle Kennedy
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Share register	Automic Registry Services Level 2, 267 St Georges Terrace Perth WA 6000 Ph: 1300 288 664 www.automic.com.au
Auditor	Ernst and Young (EY) 9 The Esplanade Perth WA 6000
Solicitors	Steinepreis Paganin Level 4, The Read Buildings 16 Milligan Street Perth WA 6000
Stock exchange listing	Challenger Gold Limited shares are listed on the Australian Securities Exchange (ASX code: CEL)

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The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Challenger Gold Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 30 June 2025.

Directors

The following persons were Directors of Challenger Gold Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Eduardo Elsztain (Non-Executive Chairman, appointed 4 March 2025)
Kris Knauer (Managing Director)
Sergio Rotondo (Executive Vice Chairman)
Sonia Delgado (Executive Director)
Fletcher Quinn (Non-Executive Director)
Pinchas Althaus (Non-Executive Director)
Brett Hackett (Non-Executive Director)
Carolina Zang (Non-Executive Director, appointed 21 July 2025)

Review of operations

The profit for the Group after providing for income tax amounted to $7,257,221 (30 June 2024: $53,890,474). Including in the current period result is Gain on net monetary position of $11,716,515 (30 June 2024: $55,987,120) recognised in accordance with AASB 129 Financial Reporting in Hyperinflationary Economies.

Corporate

Capital Raising Activities

During the half-year, the Company drew down an initial US$2M from a Project Finance Facility for Toll Milling. The facility was arranged by Middlegate Securities Inc and ECM Capital Advisors Inc. (together the 'Advisory Team'). The initial US$2M (~AUD $3.2M) Tranche 1 proceeds will be used for early works associated with preparation for mining to support Toll Milling, general corporate overheads and working capital. The Advisory Team was paid a 4% fee on the initial US$2M drawn down under Tranche 1 of the facility.

In June 2025, the Company announced it had secured approximately A$37.5 million in a private placement at an issue price of 8 cents per share ('Placement') to L1 Capital, Helikon Investments and the Elsztain Group (an entity associated with CEL's Chairman and subject to shareholder approval). Initial $30 million of placement proceeds settled in June 2025 with Shareholder Meeting held on 22 August 2025 to approve Tranche 2 and the attached 1 for 2 placement options. Proceeds from the Placement will be used to fund the Company through to first cash flow from the toll-milling operation at its high-grade Hualilan Gold Project in Argentina, accelerate drilling and studies for an upsized standalone Life of Mine ('LOM') development at Hualilan (targeted for release by Q126) and working capital and transaction costs.

Board Changes

During the half-year, the Company announced the appointment of Mr Eduardo Elsztain as the new Non-Executive Chairman of the Company. Mr Elsztain is a prominent Argentine businessman who has built a huge portfolio of real assets in the last three decades, including rental and mixed-use properties in Argentina and farmland in Latin America. Mr Elsztain also has extensive interests in mining both inside and outside of Argentina. Mr Sergio Rotondo remains on the Board as Executive Vice Chairman.

Subsequent to the end of the half-year, the Company announced the appointment of Ms Carolina Zang as Non-Executive Director. Ms. Zang is one of the most respected business leaders in Argentina. Ms. Zang holds a law degree in Universidad de Buenos Aires and has an LLM from New York University School of Law in NY where she lived for three years. She is a securities lawyer and a partner of Zang, Bergel & Viñes Law Firm in the market and finance area leading numerous landmark transactions, including debt restructurings, sovereign bond issuances, and corporate financings, and representing one-third of the most active and representative Argentine issuers.

HUALILAN GOLD PROJECT - San Juan, Argentina

The Hualilan Gold Project is a high-grade gold and silver project associated with a multi-phase porphyry intrusive. It has extensive historical drilling with over 150 drill-holes dating back to the 1970s. There has been limited historical production reported despite having in excess of 6km of underground workings. Prior to the Company the property was last explored in 2006 by La Mancha Resources, a Toronto Stock Exchange listed company. La Mancha's work resulted in NI43-101 (non-JORC) resource estimates that remained open in most directions. Exploration by La Mancha attempted to assess the continuity of mineralisation across the property but did not test the project by systematic drilling. CEL owns 100% of the Project which initially comprised 15 mining licences and an exploration licence covering the surrounding 26kms^2. Subsequently , CEL has increased its landholding around the project to 604 square kilometres.

Highlights

Pre-Feasibility Study ('PFS') for Toll Milling completed demonstrating outstanding economics from toll milling delivering:

- **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 ~US$3,300/oz Au and US$33/oz Ag, EBITDA rises to US $142.8M and post-tax NPV5 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")[1] is ~US$1,454/oz AuEq, comfortably below spot prices and achievable thanks to toll milling and a short haulage distance.
  [1] Calculated based on the World Gold Council definition.
- **Financing risk removed:** recent A$37.5M equity placement funds development through to first cash flow and acceleration of the development of the larger stand-alone Hualilan Project
- **Significant upside:** Toll Milling is based on extracting only 3% of the 2.8 Moz Hualilan Mineral Resources Estimate ('MRE').**Significant upside:** Toll Milling is based on extracting only 3% of the 2.8 Moz Hualilan Mineral Resources Estimate ('MRE').

Final Metallurgical testwork required for full scale Hualilan PFS on track.

Outstanding results from testwork to determine the viability of Heap Leaching for treatment of the significant low-grade halo at Hualilan:

- **Excellent Recoveries:** Column Leach Tests demonstrate strong recoveries with gold recoveries up to 85% and average recoveries of 75% for gold. These results are outstanding on a world scale with typical Heap Leach recoveries ranging from 55% to 79% and averaging 60-65% (calculated based on the World Gold Council definition).
- **Excellent Recoveries at Low Grades:** Testing has demonstrated strong gold recoveries at very low grades. Highlights include 67.2% Au recovery from at 0.15 g/t Au.

PRE-FEASIBILITY STUDY

During the half-year, the Company released a Toll Milling Pre-Feasibility Study ('PFS') for the 100% owned Hualilan Gold project located in San Juan, Argentina. The study presented a technical and economic evaluation of the Tolling scheme proposed for the project in conjunction with Austral Gold Limited (**ASX: AGD**) ('Tolling Partner' or 'Toll Mill') as announced in an ASX Release on 10 January 2025. *(Refer full ASX Release 4 June 2025 titled "Completion of Hualilan Toll Milling Pre-Feasibility Study").*

Figure 1 - Toll Milling Pre-Feasibility Study Financial Highlights

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) - 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 pre-feasibility level (-20% to +30%) technical and economic study of the potential viability of the portion of the Hualilan MRE to be toll milled, and the options identified in this study will be explored and optimised further in later Project phases.

Ore Reserves

The completion of the PFS allowed the Company to report maiden ore reserves related to Toll Milling. The material assumptions and outcomes from the PFS relating to ore reserves are summarised below. Expanded information is available in the Pre-Feasibility Study Summary Report released to the ASX on 4 June 2025.

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 summarised by classification in Table 1.

The Ore reserve is based on 3D pit designs generated in Hexagon^{TM} MinePlan3D software which are modified from optimised pit shells generated in Geovia Whittle^{TM} 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.

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 1 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.

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.

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 2.

Table 2 - 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 3.

Table 3 - 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 pit designs are illustrated in Figure 2. Summaries of the ore and waste in each pit design are presented in Table 4.

Figure 2 - Pit Design 3D View

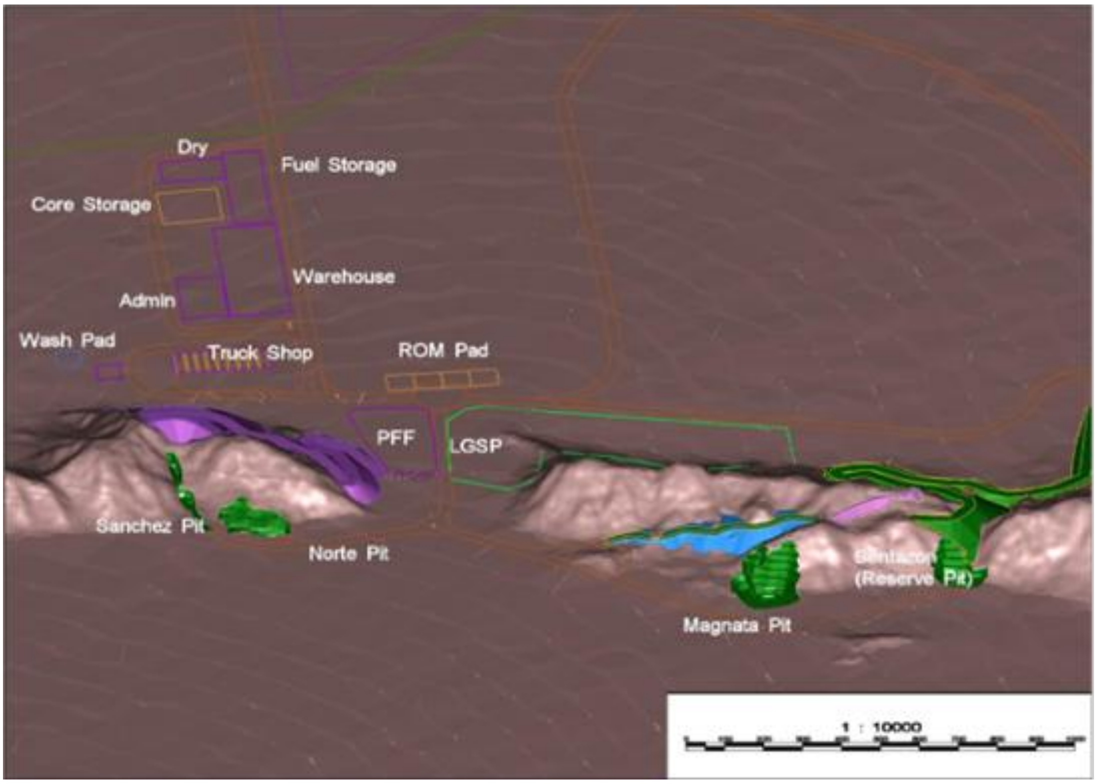


Table 4 - Pit Design Inventories

Pit	Ore (000 dwt)	Au Grade (gpt)	Ag Grade (gpt)	Au Contained (000 oz)	Ag Contained (000 oz)	Waste (000 oz)	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 5. Note that this inventory is not included in the Ore reserve.

Table 5 - 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.

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.

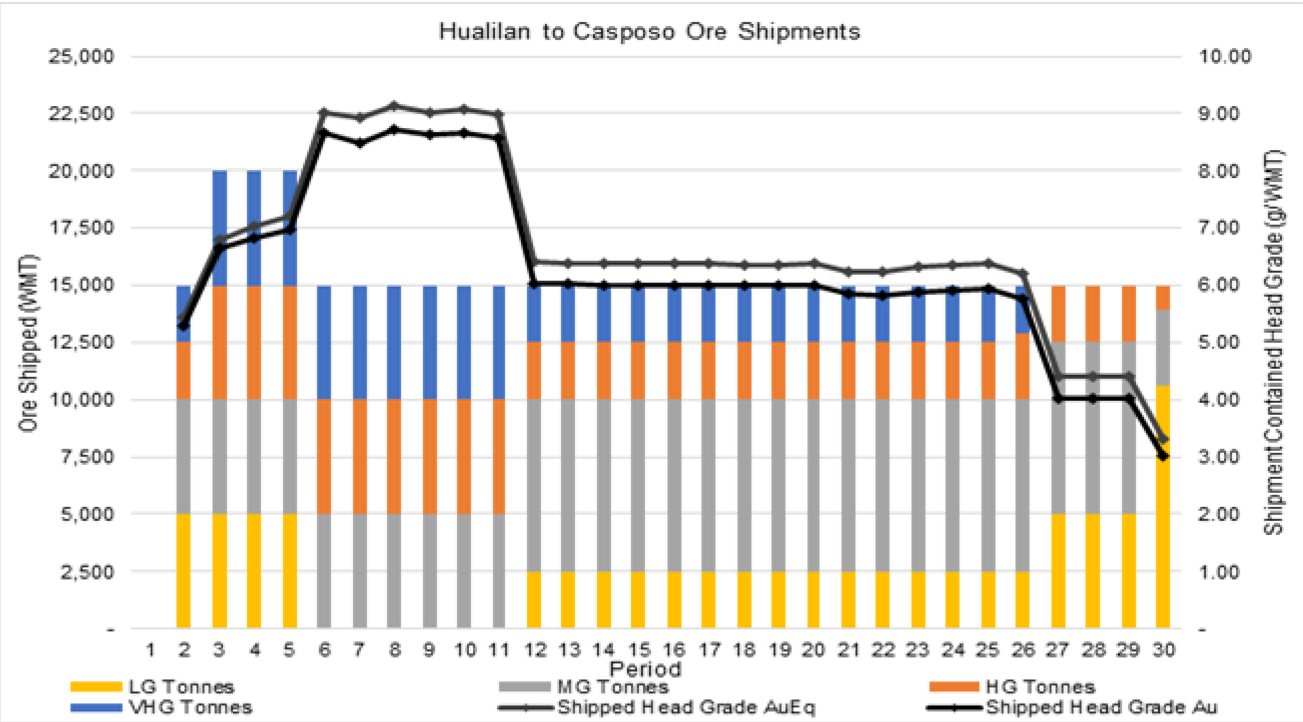
The typical ore delivery rate to the Casposo process plant is 15,000 tonnes per month. However, during the initial ore delivery period, haulage will ramp up to 20,000 tonnes per month to establish a robust buffer stockpile at the toll facility and mitigate the risk of mill downtime due to ore shortages.

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 3.

Figure 3 - Toll Treatment Ore Feed Detail



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 and night shift.

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.

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 (November 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.

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

Comp.	Laboratory	Grind Size P80 (um)	Head Grade Au Assay (gpt)	Ag Assay (gpt)	Gravity Gold Recovery %	Gravity + Leach Recovery Au (%)	Ag (%)	Residue Assays Au (gpt)	Ag (gpt)	Reagent Consump - tion Cyanide (kg/t)	Lime (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 . 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 7.

Table 7 - Leach Recovery Optimisation Results on Overall Comp at SGS Laboratory

Test No.	Optimisation	Cyanide Concentra - tion (g/L)	Grind Size P80 (µm)	Leach Recovery Au (%)	Ag (%)	Residue Assays AU (gpt)	Ag (gpt)	Reagent Consumption Cyanide (kg/t)	Lime (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

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.

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 8 - 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**

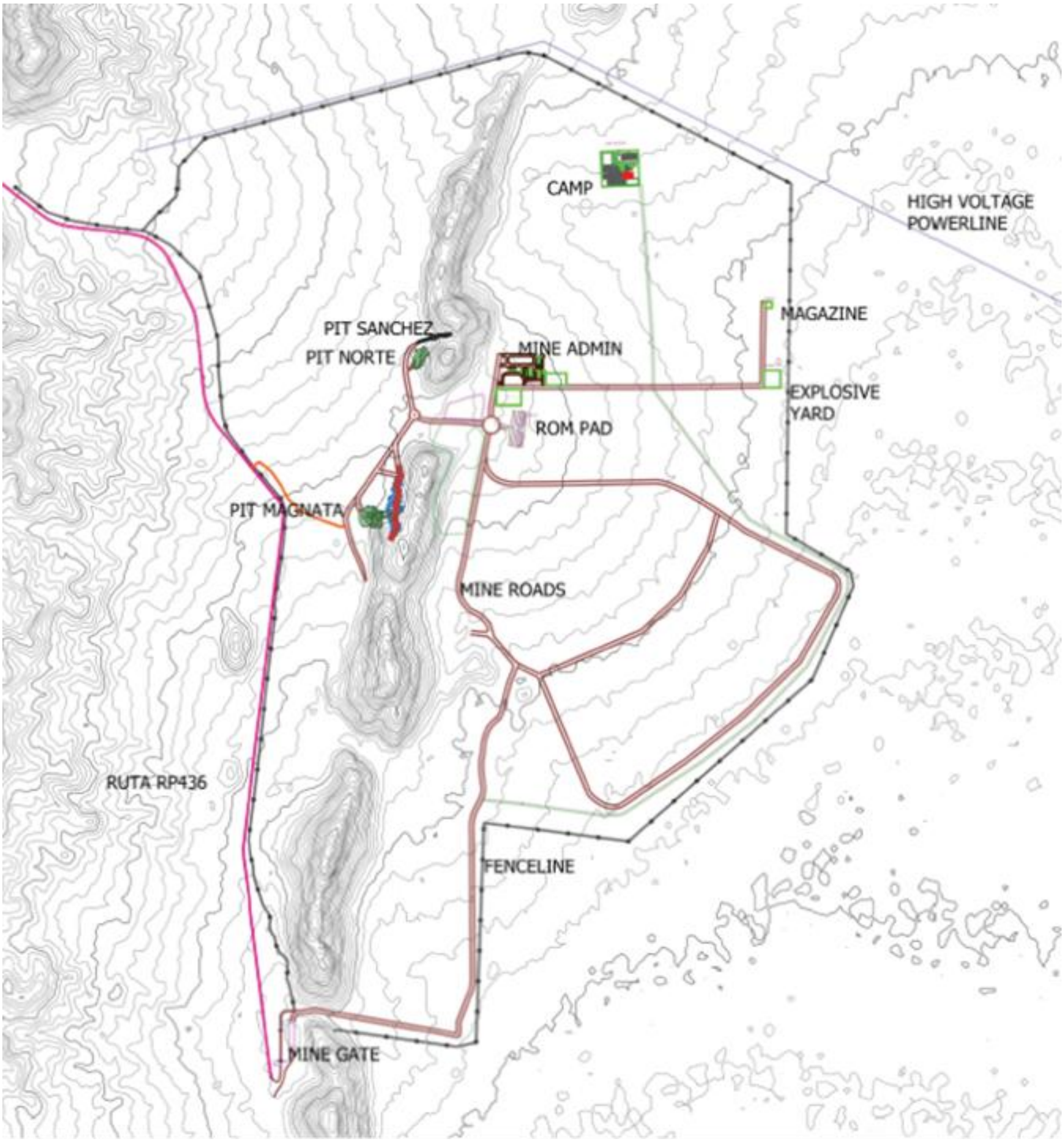
Notes: All figures are rounded to reflect the relative accuracy of the estimate.
Totals may not sum due to rounding as required by reporting guidelines.
a) Pre-production costs are operating costs that occur prior to ore transport commences.
US$ M = Million United States dollars.

The 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 8.

Figure 4 - Pre-production Site Road Layout



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.

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 9 below.

Table 9 - 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.

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 Pre-Feasibility Study Summary Report released to the ASX on 4 June 2025. 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 10 - 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 11.

Table 11 - 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 12 - 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 13 - 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

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.

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.

Hualilan Toll Milling Project economics for are presented in Table 1. 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 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 (October 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 (December 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 – November 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 14 - 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.

Metallurgical testwork - Standalone PFS

The Company has accelerated an upsized standalone Life of Mine ("LOM") PFS at Hualilan. The LOM PFS Study is targeted for release by Q1 2026. During the half-year the final phase of metallurgical testwork required for the full-scale PFS at the Hualilan Gold Project commenced, following the completion of a highly successful column leach test program.

This involves Sequential Flotation grind optimisation tests and associated flotation tails leach ("FTL") testing at various grind sizes, a PFS level comminution testing program, and large diameter Column Leach testing to allow final scale-up of the recent column tests results to PFS level. The entire program is on track for completion early in Q4 of this year.

The column leach testwork program produced outstanding results. Average recoveries of 75% (gold) and 41% (silver) compare favourably on the world stage. Additionally, these recoveries were achieved at a half inch crush size and relatively low cyanide consumption. The testwork confirms the potential of a heap leach processing route for the low-grade mineralisation at Hualilan, offering a transformative opportunity to significantly expand the scale and economics of the Hualilan Project.

Column Leach Tests

Column leach testing is an industry-standard methodology used to simulate full-scale heap leach operations. Typically conducted over a 90-day period, the test involves stacking ore in vertical columns and percolating a leaching solution through the material to estimate gold and silver recoveries. These tests provide essential data on ore leachability, metal recovery rates, and the efficiency of the leaching process, supporting the design of large-scale, economically viable heap leach pads.

Heap Leaching in Argentina

Heap leaching is a well-established and widely accepted processing method in Argentina, and particularly in San Juan Province. Existing operations such as Veladero (Barrick Gold) and Gualcamayo (Minas Argentinas S.A.) successfully use heap leaching for gold recovery. The recently submitted Environmental Impact Assessment for McEwen Copper’s Los Azules project also includes a copper heap leach component. Additional heap leach operations include Fortuna Silver’s Lindero mine in Salta and Cerrado Gold’s Minera Don Nicolás in Santa Cruz, highlighting the regulatory and operational acceptance of this technology across Argentina’s key mining jurisdictions.

Column Testwork Program

Challenger initiated a phased column leach testwork program to assess the viability of heap leaching for low-grade mineralisation at the Hualilan Gold Project in San Juan, Argentina. This material, primarily located in the broad mineralised halo surrounding the high-grade core, had not been evaluated for inclusion in the high-grade Scoping Study released in November 2023. The goal was to determine whether the low-grade envelope could support an economically viable recovery pathway through low-capex, large-scale heap leaching.

The initial program, Panel 1, involved two composite samples crushed to 1/4 inch and subjected to standard 90-day column leach protocols. The tests returned encouraging gold recoveries of 64.6% and 48.9%, with silver recoveries of 61.4% and 57.5%, respectively. These results demonstrated sufficient promise to expand the metallurgical program and proceed with detailed follow-up testing. Results are detailed in Table 5.

Following receipt of the Panel 1 results, CEL commenced Panel 2, comprising 11 column tests focused on understanding the impact of lithology (dacite, lutite, and calcite) and gold grade on recovery. All samples were crushed to 1/4 inch and run for 90 days. Extensive assay-by-size testwork was also completed in parallel to determine gold deportment across particle size fractions. The results showed that both dacite and lutite returned strong recoveries, even at low head grades. The calcite-rich material showed weaker performance, particularly at lower grades, however the calcite hosted mineralisation only represents a small component (~10%) of the overall lower-grade mineralisation.

Table 15 - Column Leach Test Results from Panel 1

Material	Material Size (in)	NaCN (kg/t)	Lime (kg/t)	Au Rec. (%)	Au Head Recalc. (g/t)	Au Head Assay (g/t)	Au Tail Assay (g/t)	Ag Rec. (%)	Ag Head Recalc. (g/t)	Ag Head Assay (g/t)	Ag Tail Assay (g/t)
Composite	1/4”	1.4	2.5	64.6%	1.01	0.96	0.36	61.4%	7.0	6.5	2.7
Composite	1/4”	1.2	2.5	48.9%	1.41	0.96	0.72	57.5%	7.8	6.5	3.3

Gold recoveries in dacite ranged from 66.0% to 86.5% across grades of 0.15–0.94 g/t Au, while lutite returned recoveries of 64.1% to 91.1% across grades of 0.18–0.81 g/t Au. Significantly, even at grades below 0.2 g/t Au, recoveries exceeded 60%, confirming the leachability of these material types at grades previously considered uneconomic. Results are detailed in Table .

Table 16 - Column Leach Test Results from Panel 2

Material	Material Size (in)	NaCN (kg/t)	Lime (kg/t)	Au Rec. (%)	Au Head Recalc. (g/t)	Au Head Assay (g/t)	Au Tail Assay (g/t)	Ag Rec. (%)	Ag Head Recalc. (g/t)	Ag Head Assay (g/t)	Ag Tail Assay (g/t)
Dacite	1/4"	0.5	2.7	67.2%	0.15	0.17	0.05	40.3%	1.0	2.0	0.6
Dacite	1/4"	0.8	3.1	77.5%	0.32	0.39	0.07	58.3%	2.3	2.7	0.9
Dacite	1/4"	0.8	2.8	66.0%	0.79	0.63	0.27	75.1%	9.7	7.0	2.4
Dacite	1/4"	0.6	2.8	86.5%	0.94	0.80	0.12	70.9%	3.4	2.5	1.0
Lutite	1/4"	0.6	2.8	64.1%	0.18	0.21	0.06	49.8%	1.7	1.3	0.9
Lutite	1/4"	0.8	3.0	72.2%	0.62	0.54	0.17	52.5%	5.4	2.8	2.5
Lutite	1/4"	0.5	2.7	91.1%	0.64	0.54	0.06	51.0%	1.7	1.0	0.9
Lutite	1/4"	1.1	3.2	68.3%	0.81	0.81	0.25	51.8%	3.6	2.4	1.7
Calcite	1/4"	0.9	3.2	7.2%	0.19	0.20	0.17	60.6%	4.0	3.0	1.6
Calcite	1/4"	0.6	2.9	44.0%	0.36	0.51	0.20	73.2%	19.2	13.6	5.0
Calcite	1/4"	0.9	2.8	51.4%	0.84	0.90	0.40	59.2%	14.0	9.3	5.6

Building on these results, Panel 3 was initiated to evaluate the impact of crush size and fines content on recovery performance. Tests were conducted on dacite and lutite samples at coarser crush sizes of 1/2" and 1", with some samples screened to remove fines. As expected, recovery declined slightly as crush size increased although, importantly, strong gold recovery was retained at 1/2", which is a practical sizing for commercial-scale operation. Notably, dacite at 1/2" crush and 0.90 g/t Au grade returned 81.3% recovery and lutite at 1/2" and 0.35 g/t Au returned 85.4% recovery. Results are detailed in Table.

Importantly, both the Panel 2 and Panel 3 column tests demonstrated that high recoveries are achieved in the lower grade material with gold recoveries of 65% from 0.15 g/t Au material. This opens the potential for the 100koz Au contained in 0.2-0.3 g/t Au material to positively impact the project.

Table 17 - Column Leach Test Results from Panel 3

Material	Material Size (in)	NaCN (kg/t)	Lime (kg/t)	Au Rec. (%)	Au Head Recalc. (g/t)	Au Head Assay (g/t)	Au Tail Assay (g/t)	Ag Rec. (%)	Ag Head Recalc. (g/t)	Ag Head Assay (g/t)	Ag Tail Assay (g/t)
Dacite	1/2”	0.72	2.20	69.7%	0.30	0.34	0.09	22.2%	1.25	1.60	0.97
Dacite	1/2”	0.66	2.15	81.3%	0.76	0.90	0.14	48.6%	2.21	3.00	1.14
Dacite	1/2”	0.71	2.20	71.6%	0.80	0.63	0.23	61.5%	6.55	7.04	2.52
Dacite	1”	0.65	2.05	59.6%	0.24	0.34	0.10	25.3%	1.07	1.60	0.80
Dacite	1”	0.60	2.05	61.2%	0.74	0.90	0.29	38.8%	1.75	3.00	1.07
Dacite	1”	0.74	2.10	56.5%	0.85	0.63	0.37	54.3%	7.29	7.04	3.33
Lutite	1/2”	0.70	2.15	85.4%	0.35	0.28	0.05	36.7%	1.27	3.00	0.80
Lutite	1/2”	0.61	2.40	67.8%	0.62	0.55	0.20	47.1%	3.59	4.80	1.90
Calcite	1/2”	0.87	2.30	73.0%	0.99	0.81	0.27	28.1%	3.41	2.45	2.45
Calcite	1”	0.63	2.05	72.4%	0.26	0.28	0.07	29.1%	1.04	3.00	0.74
Calcite	1”	0.47	2.25	57.3%	0.44	0.55	0.19	28.3%	5.01	4.80	3.59
Calcite	1”	0.78	2.20	47.5%	1.04	0.81	0.55	32.7%	2.53	2.45	1.70

These findings provide a robust foundation for the inclusion of a heap leach circuit in the upcoming Full-Scale PFS. The leach pad is currently modelled based on a 1/2" crush size, assuming gold and silver recoveries of 65% and 40%, respectively.

The implications of a successful heap leach pathway are significant. Material previously classified as waste due to low grades can now be treated, transforming project economics. This will likely support a larger, open-pit mining scenario with lower unit mining costs, a longer mine life, and significantly higher life of mine gold mine production compared to the underground mining case presented in the November 2023 Scoping Study.

The next phase of testwork, Panel 4, has commenced and will evaluate larger-diameter (6”) column tests (using 100kg of material) to better simulate full-scale leaching and assess percolation behavior, a critical factor in scaling up to commercial operations.

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

The El Guayabo Project is located in El Oro Provence, southern Ecuador, and comprises three contiguous tenements, the El Guaybo, El Guaybo 2, and Colorado V tenements. The Company has drilled thirteen of fifteen regionally significant Au-soil anomalies with over 500 metres of mineralisation intersected in seven of these thirteen anomalies, confirming the potential for a major bulk gold system at the El Guayabo Project.

The El Guayabo Copper-Gold Tenement - El Oro, Ecuador (CEL 100%) Prior to CEL the project was last drilled by Newmont Mining in 1995 and 1997 targeting gold in hydrothermal breccias which demonstrated potential to host significant gold and associated copper and silver mineralisation. Results from CEL's maiden drill program included **257.8m at 1.4 g/t AuEq** including **53.7m at 5.3 g/t AuEq** and **309.8m at 0.7 g/t AuEq i**ncluding **202.1m at 0.8 g/t AuEq** and confirmed continuous mineralisation over 900 metres strike.

The Colorado V Copper-Gold Tenement - El Oro, Ecuador (CEL earning 50%) adjoins and has the same geology as the El Guayabo Project. The Geology comprises a metamorphic basement intruded by intermediate alkaline intrusives which range in age from 40 – 10 Ma (million years age). The intrusions are commonly overprinted by late porphyry dykes and intrusion breccia suggesting deeper, evolving magmatic systems are feeding shallower systems. The first drill holes by the Company at Colorado V, confirmed two significant Au-Cu-Ag-Mo discoveries. Results included **528.7m at 0.5 g/t AuEq** from surface to the end of the hole including **397.1m at 0.6 g/t AuEq** and **570.0m at 0.4 g/t AuE**q from surface to the end of the hole including **306.0m at 0.5 g/t AuEq**.

The El Guayabo 2 Tenement - El Oro, Ecuador (CEL earning 80%) has the same and continuous geology as CEL's adjoining El Guayabo and Colorado V tenements which are believed to contain a “Low Sulphide” porphyry gold copper system.” Limited historical exploration has been undertaken on the tenement, with the work that has been done undertaken by local Ecuadorian groups that targeted high-grade gold. Historical exploration reports record gold mineralisation in intrusive rocks in outcrop.

Highlights

- **Mineral Resource Estimate Upgrade (MRE):** MRE increased from 4.5 to 9.1 million ounces gold equivalent.
- **Investment Protection Agreement:** ('IPA' or 'the Agreement') with the Government of Ecuador for CEL's 100% owned El Guayabo Project ('El Guayabo' or 'the Project') executed.
- Under the terms of the IPA, the Government of Ecuador has granted CEL legal protections including stability of the regulatory framework, resolution of disputes through international arbitration, and protection of CEL's investment.
- **Takeover of Lumina Gold:** During the half-year Lumina Gold Corp (TSXV: LUM) was acquired by CMOC Group Limited for $650 million Australian dollars.
- Lumina Gold Corp's Cangrejos project had Indicated and Inferred resources of 20.5Moz Au, 31.1 Moz Ag and 2,649Mlbs Cu[2] while El Guayabo has resources of 9.1 Moz AuEq[3] (Source Lumina Gold website www.luminagold.com - Lumina Gold NI 43-101 PFS Report Cangrejos Project April 2023).
- Cangrejos Project is located immediately to the north of CEL's El Guayabo and Colorado V Projects in Ecuador.

INVESTMENT PROTECTION AGREEMENT

During the half-year, CEL, entered into an IPA with the Government of Ecuador for its 100% owned El Guayabo Project. Under the terms of the IPA, the Government of Ecuador has granted CEL legal protections including stability of the regulatory framework, resolution of disputes through international arbitration, and protection of CEL's investment.

The IPA covers U$75 million in investment from CEL encompassing expenditures from CEL's initial acquisition of the project in 2019 and expenditure incurred until the end of 2027. It has an initial term of 8 years and is renewable. Key incentives and protections under the IPA include:

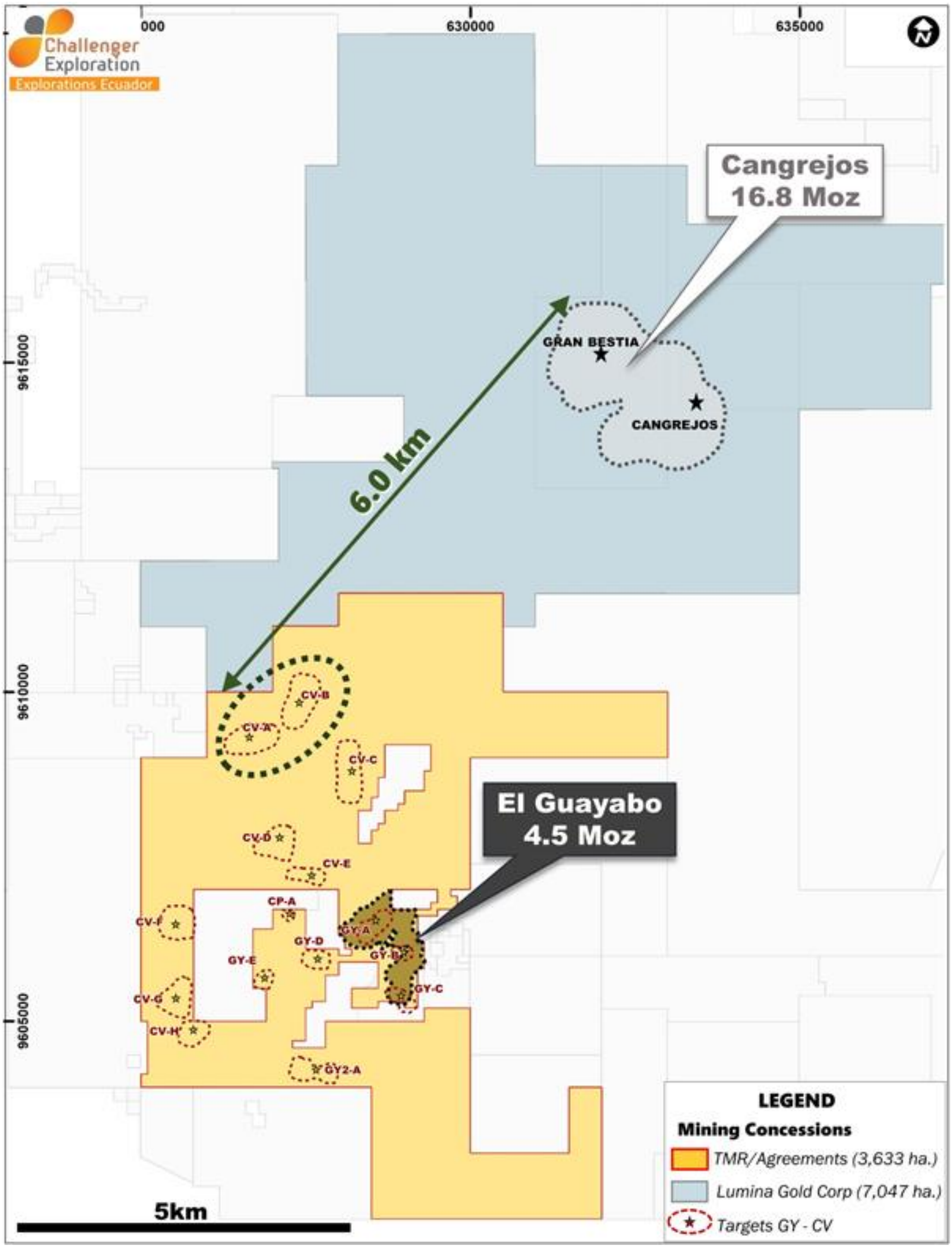
- Regulatory stability and protection from changes to the current legal framework.
- The legal framework at the time of execution will continue to apply if the terms are more favourable to the project owner than any potential new framework.
- The IPA guarantees rights including non-discriminatory treatment, property protection, and legal certainty.
- International arbitration, should there be any disputes in relation to the Project, with the seat of arbitration in London under the rules of the International Chamber of Commerce.

The IPA is timely given the CEL's recent 100% increase in Mineral Resource Estimate at CEL's Ecuador projects resources to 9.1 Moz AuEq (refer ASX Release dated 9 April 2025). This resource increase creates an asset with significant scale with the project now containing one of the larger undeveloped gold resources in South America. Additionally, the Company notes significant recent corporate activities amongst companies with assets in Ecuador including the takeover of Lumina Gold Corp the owner of the Cangrejos Project which adjoins CEL's projects in Ecuador.

MINERAL RESOURCE ESTIMATE UPGRADE

On 9 April 2025, CEL announced the MRE at its Ecuador projects had increased from 4.5 to 9.1 million ounces gold equivalent. The combined 9.1 Moz MRE at El Guayabo (CEL 100%) and Colorado V (CEL 50%) increased to 570.3 mt at 0.50 g/t AuEq (0.36 g/t Au, 2.2 g/t Ag, 0.07% Cu, 9.7 ppm Mo) for 9.1Moz AuEq.

Figure 5 - Location Map CEL's Ecuador Projects



The 9.1 Moz MRE includes.

- a total maiden MRE of 4.4 million ounces gold equivalent at a grade of 0.50 g.t AuEq1 (0.35 g/t Au, 2.2 g/t Ag, 0.08% Cu,14.3 ppm Mo) for the Colorado V Project (CEL 50%); and an
- updated MRE of 4.7 million ounces gold equivalent1 at 0.50 g/t AuEq1 (0.38 g/t Au, 2.3 g/t Ag, 0.06% Cu,7.5 ppm Mo) at the adjoining 100% owned El Guayabo Project

Net attributable resources to CEL across both projects are 6.9 Moz AuEq[1] - 431 mt at 0.50 g/t AuEq[1] (0.37 g/t Au, 2.3 g/t Ag, 0.07% Cu, 10 ppm Mo).

The upgrade positions CEL's Ecuador projects an asset of significance with several commercial advantages including.

- **Significant Scale:** The 100% increase in resources to 9.1 Moz AuEq creates a significant asset with the project now containing one of the larger undeveloped gold resources in South America.
- **Exploration Upside:** The 9.1 Moz resource is based on drilling at five of the fifteen regionally significant Au-Cu in soil anomalies located across the project. All thirteen Au-Cu soil anomalies drilled by the Company have returned significant mineralisation.
- **High-grade core enhances economics:** 2.1 million ounces at 1.0 g/t AuEq, including 1.2 million ounces at 1.2 g/t AuEq – provides opportunities for early production and strong early cash flow.
- **Strategic Location:** Adjacent to Lumina Gold’s 20.5Moz[4] Cangrejos project, which secured a $300M streaming deal with Wheaton Precious Metals in 2023 and is currently subject to a takeover offer – validating the district’s potential.
- **Infrastructure Advantage:** Located 35km from a deepwater port with existing power, water and road access and located on granted Mining Leases – significantly reducing future development costs.
- **Monetisation Strategy to Unlock Value:** The completion of this resource allows CEL to move forward with the previously announced monetization process and unlock the value in our Ecuador assets. Value realization/ Monetization options include:
  - TSX listing of Ecuador assets (where similar projects trade at premium valuations);
  - Outright sale to generate immediate cash for Hualilan development;
  - Strategic partnership/farm-in with major mining company.

PROPOSED MONETISATION OF ECUADOR ASSETS

The Company intends to monetise its Ecuador assets to focus on the near term high-grade production opportunity at CEL's flagship Hualilan Gold project. Potential value realisation/monetisation options include TSX listing of Ecuador assets, outright sale to generate immediate cash for Hualilan development and strategic partnership/farm-in with major mining company.

During the half-year, Lumina Gold Corp (TSXV: LUM) announced that it had entered into an arrangement agreement, pursuant to which CMOC Group Limited will acquire all of the issued and outstanding common shares of Lumina, in exchange for C$1.27 per Lumina Share. The takeover values Lumina Gold Corp at $581 million Canadian dollars.

Lumina Gold Corp is focused on the Cangrejos project located in El Oro Province, southwest Ecuador. In 2023, the Lumina completed a Pre-Feasibility Study for the Project, which is the largest primary gold deposit in Ecuador. Cangrejos has Indicated and Inferred resources of 20.5Moz Au, 31.1Moz Ag and 2,649Mlbs Cu (26Moz AuEq - using the same AuEq equivalents as used in the El Guayabo MRE).

The Cangrejos Project which is located immediately to the north of CEL's El Guayabo and Colorado V Projects in Ecuador. Cangrejos, El Guayabo, and Colorado V have similar geology, surface footprint, and mineralisation style, and are interpreted as being part of the same system.

MINERAL RESOURCE ESTIMATES

The Company has reported the following Mineral Resource Estimates:

HUALILAN PROJECT MRE

All references to the Hualilan Project MRE in this announcement relate to the ASX Announcements of 1 June 2022 and 29 March 202 update. Please refer to the announcements for full details and supporting documentation.

All references to the Scoping Study and its outcomes in this report relate to the announcement dated 8 November 2023 "Hualilan Gold Project Scoping Study". Please refer to that announcement for full details and supporting information.

Table 18 - Hualilan Hold Project Mineral Resource Estimate (March 2023)

Domain	Category	Mt	Au (g/t)	AG (g/t)	Zn (%)	Pb (%)	AuEq (g/t)	AuEq (Mozs)
US$1800 optimised shell > 0.30 ppm AuEq	Indicated	45.5	1.0	5.1	0.38	0.06	1.3	1.9
	Inferred	9.6	1.1	7.3	0.43	0.06	1.4	0.44
Below US$1800 shell > 1.0 ppm AuEq	Indicated	2.7	2.0	9.0	0.89	0.05	2.5	0.22
	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

- 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.

EL GUAYABO PROJECT MRE

All references to the El Guayabo Project MRE in this announcement relate to the ASX Announcements of 14 June 2023 and 4 April 2025 update. Please refer to the announcements for full details and supporting documentation.

Table 19 - Combined El Guayabo and Colorado V MRE

Domain	Category	Mt	Au (g/t)	Ag (g/t)	Cu (%)	Mo (ppm)	AuEq (g/t)	AuEq (Mozs)
El Guayabo Concessions (CEL 100%)								
	Inferred	240	0.36	2.4	0.06	8.0	0.48	3.7
	Inferred	52	0.44	1.9	0.07	9.0	0.57	1.0
	Inf	292	0.38	2.3	0.06	8.2	0.50	4.7
Total Colorado V Concession (CEL 50%)								
	Indicated	56.5	0.35	2.3	0.08	11.0	0.49	0.9
	Inferred	185.5	0.32	2.1	0.08	16.0	0.48	2.8
	Inferred	36.1	0.49	2.3	0.06	11.0	0.61	0.7
	Ind + Inf	278.1	0.35	2.2	0.08	14.3	0.50	4.4
Combined Project (El Guayabo and Colorado V on a 100% basis)								
	Indicated	56	0.35	2.3	0.08	11.0	0.49	0.9
	Inferred	426	0.34	2.3	0.07	9.6	0.34	6.6
	Inferred	88	0.46	2.1	0.07	9.6	0.59	1.7
Grand Total	***Ind + Inf***	***570***	***0.36***	***2.2***	***0.07***	***9.7***	***0.36***	***9.1***
Attributable to CEL (El Guayabo 100% and Colorado V 50%)								
	Indicated	28	0.35	2.3	0.08	11.0	0.49	0.4
	Inferred	333	0.35	2.3	0.07	10.2	0.48	5.2
	Inferred	70	0.46	2.0	0.07	9.5	0.58	1.3
Grand Total	***Ind + Inf***	***431***	***0.37***	***2.3***	***0.07***	***10.2***	***0.50***	***6.9***

Note: Some rounding errors may be present

- Assumed commodity prices for the calculation of AuEq is Au US$1800 Oz, Ag US$22 Oz, Cu US$9,000/t, Mo US$44,080/t
- Metallurgical recoveries are estimated to be Au (85%), Ag (60%), Cu (85%) Mo (50%) across all ore types (see JORC Table 1 Section 3 Metallurgical assumptions) based on metallurgical test work.
- The formula used: AuEq (g/t) = Au (g/t) + [Ag (g/t) x 0.012222] + [Cu (%) x 1.555] + [Mo (%) x 4.480026]
- CEL confirms that it is the Company's opinion that all the elements included in the metal equivalents calculation have a reasonable potential to be recovered and sold.

Table 20 - Combined Colorado V and El Guayabo MRE at various cut-off grades

Cut off (g/t AuEq)	t	Au (g/t)	Ag (g/t)	Cu (%)	Mo (%)	Au Eq (g/t)	oz (AuEq)
0.20	874,866,725	0.36	2.68	0.09%	14.60	0.41	11,580,323
0.25	**718,309,413**	**0.38**	**2.60**	**0.08%**	**13.83**	**0.45**	**10,443,378**
0.30	**570,329,763**	**0.40**	**2.52**	**0.08%**	**13.23**	**0.50**	**9,134,332**
0.35	453,242,792	0.42	2.47	0.08%	12.82	0.54	7,912,896
0.40	356,090,282	0.44	2.43	0.08%	11.70	0.59	6,736,834
0.45	257,116,862	0.50	2.57	0.08%	11.94	0.65	5,389,676
0.50	186,393,480	0.56	2.73	0.09%	11.48	0.72	4,314,468
0.55	142,437,750	0.61	2.86	0.09%	11.04	0.78	3,572,414
0.60	108,896,970	0.67	3.02	0.09%	10.48	0.84	2,953,923
0.65	84,332,430	0.72	3.20	0.10%	10.19	0.91	2,460,067
0.70	**65,697,450**	**0.78**	**3.41**	**0.11%**	**9.41**	**0.97**	**2,056,096**
0.75	51,255,750	0.83	3.62	0.11%	8.30	1.04	1,720,614
0.80	39,896,220	0.89	3.87	0.12%	7.06	1.12	1,437,277
0.85	**31,692,570**	**0.95**	**4.10**	**0.13%**	**7.26**	**1.20**	**1,220,303**
0.90	26,109,720	1.00	4.30	0.14%	7.03	1.27	1,063,011
0.95	21,738,990	1.05	4.52	0.15%	6.87	1.33	932,900
1.00	**17,731,350**	**1.11**	**4.78**	**0.17%**	**6.85**	**1.42**	**807,273**

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.

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 and updated on 4 April 2025. 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.

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. All dollar amounts in this report refer to Australian Dollar unless otherwise stated.

PRIOR ANNOUNCEMENTS

Specific results referred to in this report were originally reported in the following Company announcements in accordance with ASX Listing Rule 5.7:

Title	Date
Toll Processing Agreement & Strategic Placement Completion	10 Jan 2025
First Drawdown of a US$20M Project Finance Facility	26 Mar 2025
Ecuador Resource Doubled to 9.1M Oz AuEq	09 Apr 2025
Investment Protection Agreement with the Ecuador Government	08 May 2025
$34.5M Institutional Placement	04 Jun 2025
Pre-Feasibility Study Summary Report	04 Jun 2025
Completion of Hualilan Toll Milling PFS	04 Jun 2025
Final Testwork Underway Ahead of Full-Scale PFS	09 Jul 2025

The Company confirms that it is not aware of any information or data that materially affects the information included in the said original announcements and the form and context in which the Competent Persons' findings are presented have not materially modified from the original market announcements.

Significant changes in the state of affairs

There were no other significant changes in the state of affairs of the Group during the financial half-year.

Matters subsequent to the end of the financial half-year

On 21 July 2025, the Company announced the appointment of Carolina Zang as Non-Executive Director.

On 21 July 2025, the Company announced the expiry of 10,000,000 unlisted options.

On 27 August 2025, the Company issued 94,725,343 Shares and 234,862,672 unlisted options under the Tranche 2 of the Placement as announced on 4 June 2025 and approved by shareholders on 22 August 2025 to raise circa $7.5m (before costs). The Company also issued 15,000,000 unlisted options to lead manager of the Placement.

On 27 August 2025, the Company issued 15,000,000 fully paid ordinary Shares to Dr Sonia Delgado upon the exercise of vested performance rights.

No other matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors

____
Kris Knauer
Managing Director

12 September 2025
Perth, Western Australia

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Auditor's independence declaration to the directors of Challenger Gold Limited

As lead auditor for the review of the half-year financial report of Challenger Gold Limited for the half-year ended 30 June 2025, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;

b. No contraventions of any applicable code of professional conduct in relation to the review; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of Challenger Gold Limited and the entities it controlled during the financial period.

Ernst & Young

Ernst & Young

V L Hoang
Partner
12 September 2025

Challenger Gold Limited
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 30 June 2025

	Note	Consolidated 30 Jun 2025 $	Consolidated 30 Jun 2024 $
Revenue			
Other income	5	1,831,237	1,366,374
Gain on net monetary position	4	11,716,515	55,987,120
Expenses			
Accounting and audit fees		(274,332)	(83,433)
Consultants' and Directors' fees		(521,992)	(1,309,300)
Legal and compliance		(195,675)	(98,982)
Investor relations, conferences, and corporate advice		(139,025)	(355,121)
Employee expenses		(68,921)	(157,080)
Travel expenses		(107,767)	(166,369)
Public company and administration expenses		(712,399)	(412,066)
Share-based payments		(431,117)	(114,969)
Foreign exchange loss		(601,126)	(767,534)
Depreciation		(162,702)	(111,608)
Finance costs		(2,777,214)	(2,052,905)
Other		(542,875)	(160,844)
Fair value loss on derivative liability		(210,790)	-
Profit before income tax benefit		6,801,817	51,563,283
Income tax benefit	12	455,404	2,327,191
Profit after income tax benefit for the half-year attributable to the owners of Challenger Gold Limited		7,257,221	53,890,474
Other comprehensive loss			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		(21,811,013)	(10,948,224)
Other comprehensive loss for the half-year, net of tax		(21,811,013)	(10,948,224)
Total comprehensive (loss)/income for the half-year attributable to the owners of Challenger Gold Limited		(14,553,792)	42,942,250
		Cents	Cents
Basic earnings per share	11	0.42	4.09
Diluted earnings per share	11	0.41	3.96

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Challenger Gold Limited
Consolidated statement of financial position
As at 30 June 2025

	Note	Consolidated 30 Jun 2025 $	Consolidated 31 Dec 2024 $
Assets			
Current assets			
Cash and cash equivalents		26,762,146	853,144
Other receivables		246,824	191,034
Prepayments		53,762	106,117
Total current assets		27,062,732	1,150,295
Non-current assets			
Other receivables		2,296,171	2,448,211
Prepayment for toll processing	7	3,227,576	-
Property, plant and equipment		587,504	655,438
Exploration and evaluation expenditure	6	218,147,665	222,000,458
Right-of-use asset		169,876	219,238
Total non-current assets		224,428,792	225,323,345
Total assets		251,491,524	226,473,640
Liabilities			
Current liabilities			
Trade and other payables	8	2,964,589	2,877,585
Interest bearing and derivative liabilities	9	21,867,233	18,893,549
Derivative liabilities	9	342,988	132,198
Funds received for shares not issued yet		100,000	-
Lease liabilities		66,364	-
Total current liabilities		25,341,174	21,903,332
Non-current liabilities			
Lease liabilities		144,845	223,020
Deferred tax liabilities		775,721	1,307,024
Total non-current liabilities		920,566	1,530,044
Total liabilities		26,261,740	23,433,376
Net assets		225,229,784	203,040,264
Equity			
Issued capital	10	186,182,125	151,328,201
Reserves		(142,827,679)	(122,907,185)
Retained profits		181,875,338	174,619,248
Total equity		225,229,784	203,040,264

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Consolidated	Issued capital $	Share based payment reserve $	Foreign exchange reserves $	Capital reserve $	Retained profits $	Total equity $
Balance at 1 January 2024	134,013,483	4,701,518	(111,326,470)	-	100,021,030	127,409,561
Profit after income tax benefit for the half-year	-	-	-	-	53,890,474	53,890,474
Other comprehensive loss for the half-year, net of tax	-	-	(10,948,224)	-	-	(10,948,224)
Total comprehensive income for the half-year	-	-	(10,948,224)	-	53,890,474	42,942,250
Transactions with owners in their capacity as owners:						
Shares issued for cash	9,642,069	-	-	-	-	9,642,069
Shares issued to employees and key management personnel	820,898	-	-	-	-	820,898
Shares issued in lieu of finance costs	120,000	-	-	-	-	120,000
Shares issued for broker services	282,103	-	-	-	-	282,103
Shares issued on vesting of performance shares	27,315	(27,315)	-	-	-	-
Share issue costs	(320,359)	-	-	-	-	(320,359)
Share based payments	-	114,969	-	-	-	114,969
Balance at 31 December 2024	144,585,509	4,789,172	(122,274,694)	-	153,911,504	181,011,491

Consolidated	Issued capital $	Share based payment reserve $	Foreign exchange reserves $	Capital reserve $	Retained profits $	Total equity $
Balance at 1 January 2025	151,328,201	4,485,539	(127,392,724)	-	174,619,248	203,040,264
Profit after income tax benefit for the half-year	-	-	-	-	7,257,221	7,257,221
Other comprehensive loss for the half-year, net of tax	-	-	(21,811,013)	-	-	(21,811,013)
Total comprehensive income/(loss) for the half-year	-	-	(21,811,013)	-	7,257,221	(14,553,792)
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs (note 10)	34,524,224	-	-	-	-	34,524,224
Share-based payments	-	2,219,088	-	-	-	2,219,088
Transfer to capital reserve	-	-	-	1,131	(1,131)	-
Transfer between classes of equity	329,700	(329,700)	-	-	-	-
Balance at 30 June 2025	186,182,125	6,374,927	(149,203,737)	1,131	181,875,338	225,229,784

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

	Consolidated	
	30 Jun 2025	30 Jun 2024
	$	$
Cash flows from operating activities		
Payments to suppliers and employees	(2,014,606)	(2,125,346)
Interest received	21,457	47,401
Interest paid	(977,711)	(798,163)
Net cash used in operating activities	(2,970,860)	(2,876,108)
Cash flows from investing activities		
Receipts from Blue Chip Swaps transactions	149,772	622,491
Expenditure on exploration	(5,045,000)	(5,844,935)
Expenditure on property, plant, and equipment	(92,502)	(2,731)
Fee paid in relation to toll processing agreement	(3,227,576)	-
Net cash used in investing activities	(8,215,306)	(5,225,175)
Cash flows from financing activities		
Repayment of loans	(13,784)	(13,136)
Proceeds from share issue	36,518,098	9,642,069
Share issue costs	(1,840,105)	(38,256)
Funds from shares not issued	100,000	-
Proceeds from drawdown facility	2,712,635	-
Net cash from financing activities	37,476,844	9,590,677
Net increase in cash and cash equivalents	26,290,678	1,489,394
Cash and cash equivalents at the beginning of the financial half-year	853,144	4,345,983
Effects of exchange rate changes on cash and cash equivalents	(381,676)	(117,151)
Cash and cash equivalents at the end of the financial half-year	26,762,146	5,718,226

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The condensed interim financial statements cover Challenger Gold Limited as a Group consisting of Challenger Gold Limited and the entities it controlled at the end of, or during, the period ended 30 June 2025. The financial statements are presented in Australian dollars, which is Challenger Gold Limited 's functional and presentation currency. The Company is a for-profit ASX listed entity domiciled in Australia.

A description of the nature of the Group's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The interim financial statements were authorised for issue, in accordance with a resolution of Directors, on 12 September 2025.

Note 2. Material accounting policy information

The principal accounting policies adopted in the preparation of the interim financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

The interim financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Group has a net current asset position of $1,721,558 at 30 June 2025 (31 December 2024: net current liability position of $20,753,037) and a net cash outflow from operating and investing activities of $2,970,860 and $8,215,306 respectively for the 6 months ended 30 June 2025 (6 months ended 30 Jun 2024: $2,876,108 and $5,225,175 respectively). The Group had cash and cash equivalents of $26,762,146 at 30 June 2025 ($853,144 at 31 December 2024).

Included in the current liabilities as at 30 June 2025 are debentures of $18,663,362 (31 December 2024: $18,859,350) as disclosed in note 9 which are not due until 12 September 2026 however can be converted to equity at any time at the option of the debenture holder during their term, resulting in the current classification of all debenture related liabilities. Also included in current liabilities is the toll mining loan facility of $3,189,667 as disclosed in note 9 with a due date of 7 December 2025.

The Directors have prepared a cashflow forecast for the next twelve months, which shows the Group would have sufficient cash to meet its obligations as and when they fall due. The Directors acknowledge that the cashflow forecasts for the Group are dependent on whether the Toll Mining under the toll mining arrangement with Austral Gold Limited (“Austral Gold”) would deliver the forecast cash inflows to the Group within the planned timeframe. The Director’s current cashflow forecast assumes production under the Toll mining would commence in the December 2025 quarter, with first gold sales forecast to occur early in the March 2026 quarter. As detailed in the Group’s ASX announcement on 31 July 2025, the refurbishment of Austral Gold’s Casposo plant to be used to process the Group’s ores is nearing completion and targeted to start commissioning in August 2025.

Based on the results from the Group’s Pre-Feasibility Study of the Toll mining as well as its demonstrated ability to successfully raise capital from multiple sources, the Directors are satisfied that at the date of signing of the financial report, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they fall due and that it is appropriate for the financial statements to be prepared on a going concern basis.

In the event that the Toll Mining arrangement does not deliver the forecast cash inflows to the Group within the planned timeframe and all other funding options available to the Group do not transpire to enable the Group to be able to meet its liabilities by their respective due dates, there is material uncertainty as to whether the Group can continue as a going concern and therefore whether it will realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the consolidated financial statements.

Note 2. Material accounting policy information (continued)

The consolidated financial statements do not include any adjustment relating to the recoverability or classification of recorded asset amounts or to the amounts or classification of liabilities that may be necessary should the Group not be able to continue as a going concern.

Basis of preparation

The Interim Consolidated Financial Statements for the half-year ended 30 June 2025 have been prepared in accordance with Australian Accounting Standard 134 Interim Financial Reporting and the Corporations Act 2001.

The accounting policies and methods of computation adopted by the Group in these Interim Consolidated Financial Statements are consistent with those applied by the Group in its consolidated annual financial statements as at and for the year ended 31 December 2024. These Interim Consolidated Financial Statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial statements. Accordingly, these half-year financial statements are to be read in conjunction with the annual financial statements for the year ended 31 December 2024 and any public announcements made by Challenger Gold Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The Company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

Historical cost convention
The financial statements have been prepared under the historical cost convention with the exception of any financial instruments measured at fair value. Cost is based on the fair values of the consideration given in exchange for assets.

Note 3. Operating segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors in assessing performance and determining the allocation of resources. The Group is managed primarily by the location of its projects. Operating segments are therefore determined on the same basis.

	Australia $	Ecuador $	Argentina $	Consolidated $
For the half-year ended **30 June 2025**				
Interest income	-	-	22,419	22,419
Other income	1,647,678	-	161,140	1,808,818
Total segment income	1,647,678	-	183,559	1,831,237
Gain on net monetary position	-	-	11,716,515	11,716,515
Finance costs	(2,676,096)	-	(101,118)	(2,777,214)
Foreign exchange loss	-	-	(601,126)	(601,126)
	-	-	-	-
Segment net profit / (loss) before tax	(2,833,526)	(330,270)	9,965,613	6,801,817
At **30 June 2025**				
Total segment assets	78,369,856	33,056,844	140,064,824	251,491,524
Total segment liabilities	21,104,872	402,100	4,754,768	26,261,740
Included within segment assets				
Cash at bank	26,293,535	180,797	287,814	26,762,146
Plant and equipment and exploration expenditure	48,703,765	32,578,686	137,452,718	218,735,169

Note 3. Operating segments (continued)

	Australia $	Ecuador $	Argentina $	Consolidated $
For the half-year ended **30 June 2024**				
Interest income	12,762	-	40,835	53,597
Other income / (loss)	636,019	-	676,758	1,312,777
Total segment income	648,781	-	717,593	1,366,374
	-	-	-	-
Gain on net monetary position	-	-	55,987,120	55,987,120
	-	-	-	-
Finance costs	(2,019,333)	-	(33,572)	(2,052,905)
Foreign exchange loss	(373,231)	-	(394,303)	(767,534)
Segment net profit / (loss) before tax	(3,679,307)	(19,419)	55,262,009	51,563,283
At **30 June 2024**				
Total segment assets	46,352,749	29,189,949	125,375,161	200,917,859
Total segment liabilities	17,193,143	412,577	2,300,648	19,906,368
Included within segment assets				
Cash at bank	4,433,731	565,443	719,052	5,718,226
Plant and equipment and exploration expenditure	41,837,590	28,365,055	122,480,981	192,683,626

Note 4. Hyperinflation

The Group's accounting policy in relation to the adoption of AASB 129 *Financial Reporting in Hyperinflationary Economies* (AASB 129) applied in relation to its subsidiary, Golden Mining SA (Argentine peso) is disclosed below:

AASB 129 requires that the financial statements of entities whose functional currency is that of a hyperinflationary economy should be adjusted for the effects of changes in a suitable general price index and should be expressed in terms of the current unit of measurement at the closing date of the reporting period.

For the purposes of concluding on whether an economy is categorised as hyperinflationary under AASB 129, the standard details a series of factors to consider, including a cumulative inflation rate over three years that is close to or exceeds 100%. Based on these factors, the Argentine economy has been considered a hyperinflationary economy for accounting periods ending on or after 1 July 2018.

In accordance with AASB 129, the financial statements of an entity that reports in the currency of a hyperinflationary economy must be reported in terms of the unit of measure in effect at the date of the financial statements. All amounts in the statement of financial position that are not indicated in terms of the current unit of measure at the date of the financial statements must be restated by applying a general price index. All the components of the income statement must be indicated in terms of the unit of measurement updated at the date of the financial statements, applying the change in the general price index that has occurred since the date on which the income and expenses were originally recognised in the financial statements.

The Argentine Securities Commission established that the series of indexes to be used in the AASB 129 application is the one established by the Argentine Federation of Professional Councils in Economic Sciences. Inflation was 15.1% for the half-year ended 30 June 2025 and 117.8% for the year ended 31 December 2024. The effects of the application of AASB 129 are detailed below:

Note 4. Hyperinflation (continued)

Statement of financial position

(a) The monetary items (those with a fixed face value in local currency) are not restated as these are stated in the current measurement unit at the closing date of the reported period. In an inflationary period, keeping monetary assets causes the loss of purchasing power and keeping monetary liabilities causes gain in purchasing power as long as those items are not tied to an adjustment mechanism compensating those effects. The monetary loss or gain is included in the statement of profit or loss and other comprehensive income for the reported period.

(b) Non-monetary items that are measured at their current values at the end of the reported period are not restated. However, an adjustment process must be completed to determine the impact to the statement of profit or loss and other comprehensive income for holding these non-monetary items at a uniform measurement unit instead of a current measurement unit. There were no non-monetary items measured at current values as at 30 June 2025 and 31 December 2024.

(c) Non-monetary items at historical cost or measured at current values based on previous dates to the reported period are restated at rates to reflect the movement that has occurred from the acquisition or current value date until the reported period date. The amounts restated for these assets are then compared with the corresponding recoverable values. As a result, depreciation and amortisation are determined in accordance with the new restated amounts. Non-monetary items at historical cost are property, plant and equipment, exploration and evaluation assets and deferred tax liabilities.

Statement of profit or loss and other comprehensive income

(d) Income and expenses, which include interest and currency exchange differences are restated from the original date of recognition. This is except for items such as depreciation and amortisation as explained above in paragraph (c). Where there is income or losses arising from using two different measurement units i.e., items measured at different dates, it is necessary to identify the compared amounts, separately restate them and compare them again, but with amounts already restated.

(e) The income or losses arising due to the exposure to the change in purchasing power of currency due to the holding of monetary assets and liabilities is shown in a separate item in the statement of profit or loss and other comprehensive income for the period.

(f) The restatement of non-monetary assets in the terms of the current unit of measurement at the end of the reporting period without an equivalent adjustment for tax purposes, results in a temporary taxable difference and the recognition of a deferred tax liability. The movement in any deferred tax balances is recognised through the statement of profit or loss and other comprehensive income.

Statement of changes in equity

(g) All components of equity are restated by applying the general prices index as from the beginning of the period. Movements in relation to the components of equity are determined based on the original recognition date with the exception of share capital which is maintained at its nominal value.

Assets, liabilities, equity items, income (excluding comparatives) of the subsidiary in Argentina whose functional currency is the currency of a hyperinflationary economy is translated into the AUD presentation currency at the closing rate at the date of the most recent statement of financial position. The exchange rate between Australian dollar and Argentine Peso at 30 June 2025 was AUD1 = ARS781.5 (31 December 2024: AUD1 = ARS639.5).

The Group’s comparative balances and amounts were presented in a stable currency and therefore are not adjusted for subsequent changes in the price level or exchange rates. This resulted in a difference, arising on the adoption of hyperinflation accounting, between the closing equity of the previous period and the opening equity of the current period. The Group recognised this difference directly in the foreign currency translation reserve in the statement of changes in equity.

Note 5. Other income

	Consolidated	
	30 Jun 2025	30 Jun 2024
	$	$
Interest received	22,420	47,401
Gain on blue chip swaps[1]	161,140	682,954
Fair value gain on derivative liability (refer note 9)	-	636,019
Foreign exchange gain	1,647,677	-
Other income	1,831,237	1,366,374

[1]The Group use a legal trading mechanism commonly known as the Blue Chip Swap in which the Argentinian subsidiary, Golden Mining SA, buys Argentinian securities in USD, who then sells the securities in Argentina for Argentinian Peso on the same day. This is to enable the Group to fund working capital in its Argentinian operations. Historically, the Blue Chip Swap rate has diverged significantly from Argentina's official exchange rate resulting in the Group recognising a gain from Blue Chip Swap transactions. The divergence decreases significantly during the financial period, resulting in a much smaller gain recognised for the current half-year.

The Blue Chips Swaps are financial instruments where the gain or loss associated with the trading of these financial instruments is treated as other income or other expenses. The Group holds no Argentinian securities at 30 June 2025 (31 December 2024: nil) and never holds Argentinian securities overnight.

Note 6. Exploration and evaluation expenditure

	Consolidated	
	30 Jun 2025	31 Dec 2024
	$	$
Exploration and evaluation	218,147,665	222,000,458

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial half-year are set out below:

Consolidated	$
Balance at 1 January 2024	138,714,424
Additions	16,521,616
Impact of hyperinflation and foreign exchange movements	66,764,418
Balance at 31 December 2024	222,000,458
Additions	6,077,142
Impact of hyperinflation and foreign exchange movements	(9,929,935)
Balance at 30 June 2025	218,147,665

In accordance with the Group's accounting policies, exploration and evaluation expenditure incurred by or on behalf of the Group is accumulated separately for each area of interest. Each area of interest is limited to a size related to a known or probable mineral resource capable of supporting a mining operation.

Exploration and evaluation expenditure for each area of interest is expensed as incurred unless one of the following conditions is met:
- such costs are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale; or
- exploration and evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in relation to the area are continuing.

Note 6. Exploration and evaluation expenditure (continued)

Where a decision is made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment. To the extent that there are insufficient, un-depleted resource ounces relating to the particular area of interest, the capitalised costs relating to the area of interest are written off against income in the year. Exploration costs capitalised in relation to areas that have sufficient un-depleted resource ounces are reclassified to capitalised mining costs once a decision to proceed with development is made.

The Group's accounting policy is consistent with AASB 6 Exploration for and Evaluation of Mineral Resources (AASB 6). The Group has considered the facts and circumstances available at 30 June 2025 and determined that its projects in Argentina and Ecuador continue to meet the criteria under AASB 6 to be recognised as exploration and evaluation assets as at that date given no Final Investment Decision had been made at the half-year to proceed with development.

Note 7. Prepayment for toll processing

	Consolidated	
	30 Jun 2025	31 Dec 2024
	$	$
Non-current assets		
Prepayment for toll processing	3,227,576	-

On 30 December 2024, the Group signed the definitive Binding Toll Processing Agreement (the 'Agreement') with Casposo Argentina Mining Limited, a subsidiary of Austral Gold Limited, the operator of the Casposo treatment plant located in San Juan Argentina, for toll processing ore from the Hualilan Gold Project. Austral Gold Limited is a company related to Mr. Elsztain, the Group's non-executive chairman.

Under the terms of the Agreement, on 10 January 2025, the Group made an upfront payment of US$2 million as a user fee for the right to have access to the Casposo treatment plant over three years. The amount would be repaid if the plant was not ready for commercial operations by 31 July 2025, other than due to delays and other matters beyond Casposo's control, and/or the Technical Committee, comprised of employees of Challenger and the Group determines, after conducting all relevant studies and testing, that less than 70% of the material from Challenger's Hualilan project processed at Casposo's plant will be recovered. As at 30 June 2025, the Casposo treatment plant was still under refurbishment and the upfront payment was therefore recognised as a prepayment.

Note 8. Trade and other payables

	Consolidated	
	30 Jun 2025	31 Dec 2024
	$	$
Current liabilities		
Trade payables	1,379,657	1,232,050
Accruals	1,083,332	988,262
Provision for employee entitlements	412,223	513,663
Other payables	89,377	143,610
	2,964,589	2,877,585

Trade creditors are non-interest bearing and are normally settled on 30-day terms.

Note 9. Interest bearing and derivative liabilities

	Consolidated	
	30 Jun 2025	31 Dec 2024
	$	$
Current liabilities		
Motor vehicle loan	14,204	34,199
QRC Debenture	18,663,362	18,859,350
Toll Mining loan facility[1]	3,189,667	-
	21,867,233	18,893,549

[1]On 26 March 2025, the Company announced a drawdown of US$2m from a Project Finance Facility for Toll Mining. The facility is unsecured and repayable after receipt of first cashflow from Toll Milling. Interest rate on the facility is 8.5% if repaid before 7 December 2025 and 12.75% if repaid after 7 December 2025. A fee of 4% on the drawdown value net of costs was paid in cash to the advisors (Middlegate). The proceeds will be used for early works associated with preparation for mining to support Toll Milling.

Convertible Debentures
The Group issued a USD $15 million 9% convertible debentures on 6 September 2022. The Debentures are convertible into fully paid equity securities in the share capital of the Group, at the option of the debenture holder, subject to and in accordance with the terms and conditions of the Debenture Agreement between the Group and the debenture holder.

The Debentures are unsecured with a coupon (interest) rate of 9% (7% payable in cash and 2% payable in either cash or Shares, at the debenture holder's election) payable quarterly in arrears. The Share price used to calculate the number of Shares to be issued for the interest component payable in Shares is the 20-day VWAP ending three trading days prior to the interest being payable. The Debentures have a four-year term from closing and will be repayable by the Group upon expiry in September 2026 to the extent not otherwise converted earlier into Shares. The Debentures can be converted to equity at any time at the option of the Debenture holder during their term, resulting in the current classification of all debenture related liabilities.

The Debentures give the holder option to convert the debenture into equity (being a call option) and the associated potential issue of shares give rise to a variable amount, in Australian dollars, of equity that would be issued by the Group and therefore the debenture fails to meet the requirements to be classified as equity. It was concluded that the Derivative Financial liability – conversion component is not clearly and closely related to the debt host contract and is therefore bifurcated and measured separately. The Derivative Financial liability – conversion component has therefore been accounted as fair value through profit and loss, with the conversion feature dependant on foreign exchange rates and other factors as set out below.

In relation to the conversion feature of the Debentures, management performed a valuation at fair value on initial recognition and at the balance date with the movement in the fair value recognised in the profit or loss. The loan component of Debentures is measured at fair value on recognition and is subsequently measured at amortised cost using the effective interest rate method.

Valuation of Derivative Financial liability – conversion component

At 30 June 2025, the Group determined the fair value of the conversion feature of the Debentures to be $342,988 (31 December 2024: $132,198) with the following key valuation assumptions:

Note 9. Interest bearing and derivative liabilities (continued)

***Share Price*:** CEL's share price based on the Company's closing share price as at 30 June 2025 and 31 December 2024. The significant increase in the Company's share price at 30 June 2025 is the key driver for the significant increase in the fair value of the conversion component.

Volatility: Calculated using implied volatility of 70% for the CEL share price at 30 June 2025 (70% at 31 December 2024);

Risk free rate: The Australian 3 year bond rate of 3.271% (3.843% at 31 December 2024);

Dividend yield: Assumed that the Company will not pay a dividend during the life of the debenture;

Foreign Exchange: the interpolated RBA conversion rate of $0.655058 was used as the conversion rate from USD to AUD ($0.632895 at 31 December 2024).

Note 10. Issued capital

	Consolidated			
	30 Jun 2025 Shares	31 Dec 2024 Shares	30 Jun 2025 $	31 Dec 2024 $
Ordinary shares - fully paid	2,065,508,989	1,532,201,046	186,182,125	151,328,201

Note 10. Issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	$
Balance	1 January 2024	1,261,168,374	134,013,483
Placement	28 March 2024	66,377,283	5,642,069
Shares issued in lieu of salary	02 April 2024	2,190,366	204,104
Shares issued in lieu of debenture interest	02 April 2024	1,500,000	120,000
Placement	18 April 2024	47,058,823	4,000,000
Shares issued for broker services	22 April 2024	3,318,664	282,103
Shares issued on vesting of performance shares	05 June 2024	407,685	27,315
Shares issued in lieu of services provided by a Director	05 June 2024	705,882	47,294
Shares issued in lieu of services provided by a Director	05 June 2024	8,500,000	569,500
Shares issued in lieu of debenture interest	02 July 2024	1,875,000	106,875
Shares issues in lieu of supplier payment	16 July 2024	682,187	47,206
Shares issued on vesting performance rights	16 July 2024	10,000,000	700,000
Placement	16 October 2024	22,222,222	1,000,000
Shares issues in lieu of supplier payment	16 October 2024	3,429,767	209,216
Share purchase plan	25 October 2024	88,888,675	4,000,000
Shares issued in lieu of debenture interest	16 October 2024	1,875,000	97,500
Shares issued on vesting performance rights	07 November 2024	6,000,000	420,000
Shares issues in lieu of supplier payment	08 November 2024	6,001,118	283,090
Share issue transaction costs, net of tax		-	(441,554)
Balance	31 December 2024	1,532,201,046	151,328,201
Placement[1]	10 January 2025	147,726,678	6,647,701
Shares issued on vesting of performance shares	15 January 2025	1,611,757	97,537
Shares issued in lieu of debenture interest	15 January 2025	2,500,000	110,000
Shares issues in lieu of supplier payment - Finder's fee	15 January 2025	1,500,000	67,500
Shares issues in lieu of supplier payment - Consultants	15 January 2025	2,200,000	99,000
Shares issued on vesting of performance shares	01 May 2025	894,508	232,163
Shares issued in lieu of debenture interest	01 May 2025	1,875,000	150,000
Placement	11 June 2025	375,000,000	30,000,000
Share issue transaction costs, net of tax		-	(2,549,977)
Balance	30 June 2025	2,065,508,989	186,182,125

Note 10. Issued capital (continued)

[1] On 10 January 2025, the Group announced the completion of the $6.6 million strategic placement to Inversiones Financieras del Sur S.A. (an entity controlled by Mr. Elsztain, the Group's non-executive Chairman) and issued 147,726,678 ordinary shares at a price of 4.5 cents. Each share has an attached ordinary share purchase warrant of the Company. The share purchase warrants will have a period of two (2) years at a strike price equivalent to the Placement Price plus 10% during the first 12 months then the Placement Price plus 20% after 12 months.

On 4 June 2025, the Group announced it has successfully raised approximately $34.5 million through the receipt of binding commitments for a two-tranche placement of approximately 431 million fully paid ordinary shares at an issue price of $0.08 per share to institutional, sophisticated, and professional investors. The Company will also issue one (1) free-attaching unlisted option for every two (2) new shares subscribed. The options will be exercisable at $0.12 with an expiry date three years from the date of issue.

The shares will be issued in two tranches:

- Tranche 1: to raise $30 million via the issue of 375 million shares under the Company's available placement capacity. Tranche 1 was settled on 10 June 2025. The free attaching options under Tranche 1 (187.5 million options) were subsequently issued in August 2025 after receiving the shareholder approval at an extraordinary general meeting.
- Tranche 2: to raise a minimum of approximately $4.5 million via the issue of approximately 56 million shares to the Elsztain Group. The Elsztain Group has committed to a minimum 12.72% pre-rate participation subject to shareholder approval. As part of Tranche 2, the Company Directors Kris Knauer and Fletcher Quinn have collectively subscribed for approximately 1.3 million shares and approximately 0.6 million options. Tranche 2 was issued subsequent to the half-year after receiving the shareholder approval in August 2025.

The Group does not have authorised capital nor par value in respect of its issued capital. Ordinary shares have the right to receive dividends as declared and, in the event of a winding up of the Group, to participate in the proceeds from sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or proxy, at a meeting of the Group.

Note 11. Earnings per share

	Consolidated	
	30 Jun 2025 $	30 Jun 2024 $
Profit after income tax attributable to the owners of Challenger Gold Limited	7,257,221	53,890,474
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	1,719,213,314	1,318,709,812
Adjustments for calculation of diluted earnings per share:		
Performance shares and options over ordinary shares	65,461,973	42,780,693
Weighted average number of ordinary shares used in calculating diluted earnings per share	1,784,675,287	1,361,490,505
	Cents	**Cents**
Basic earnings per share	0.42	4.09
Diluted earnings per share	0.41	3.96

For fully diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of dilutive potential ordinary shares. The Group's potentially dilutive securities consist of share options, performance shares and performance rights.

Note 12. Income tax benefit

	Consolidated	
	30 Jun 2025	30 Jun 2024
	$	$
Numerical reconciliation of income tax benefit and tax at the statutory rate		
Profit before income tax benefit	6,801,817	51,563,283
Tax at the statutory tax rate of 30% (2024: 30%)	2,040,545	15,468,985
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-assessable income - hyperinflation	(3,992,926)	(21,668,894)
Non-taxable fair value gain	63,237	(190,806)
Differences in tax rate of subsidiaries operating in different jurisdictions	505,360	2,763,100
Other deferred tax assets not recognised relating to tax losses	928,380	1,300,424
Income tax benefit	(455,404)	(2,327,191)

Note 13. Related party transactions

During the period, the total aggregate related party transactions for directors' fees, consulting services and reimbursements as provided by key management personnel and their related parties for the half-year ended 30 June 2025 totalled $543,540 (30 June 2024: $253,498). The outstanding balance relating to the above transactions at 30 June 2025 was $107,142 (30 June 2024: $21,307).

On 10 January 2025, the Company issued 147,726,678 fully paid ordinary shares and 147,726,678 options to raise $6.6m to an entity associated with the Elsztain Group which is related to Mr Eduardo Elsztain. The securities were issued in relation to the definitive Binding Toll Processing Agreement with Casposo Argentina Mining Limited ("Casposo"), the operator of the Casposo treatment plant located in San Juan Argentina, for toll processing ore from the Hualilan Gold Project. Casposo is a wholly own subsidiary of Austral Gold Limited. Elsztain Group is a major shareholder of Austral Gold Limited.
Key terms of the agreement include:

- The parties agree to set up a technical and advisory committee made up of up to three professionals from each party.
- Casposo to use best commercial efforts to finance, directly or through third parties, the funds required for the refurbishment and commercial startup of the Casposo Plant on or before July 31, 2025
- Operator: The Casposo Plant will be operated by Casposo´s local branch in Argentina, named Casposo Argentina Ltd. Sucursal Argentina.
- Guaranteed throughput Tonnage: guaranteed toll treatment of 150,000 tons available to Challenger per year, with a guaranteed toll treatment capacity available to Challenger of 450,000 tons over a three (3) year period.

As part of the agreement, the Group shall pay Casposo a user fee for the right to access the Plant of $US3 million, of which US$2 million was paid in January 2025 and the balance of US$1 million shall be payable in January 2027 with interest accruing at 6% per annum. The US$2 million paid in January 2025 will be refunded if certain conditions are not met, including the plant not being ready for commercial operations by 31 July 2025, or the plant not being capable of meeting operational targets.

As further detailed in note 10, subsequent to half-year end, the Company issued the following shares under Tranche 2 of the placement announced on 4 June 2025 after receiving the shareholder approval on 22 August 2025:

- 93,475,343 shares at $0.08 per share to raise circa $7.5m and 46,737,672 options with a term of three years and an exercise price of $0.12 per share to Dolphin Real Assets Fund SPC Ltd – Golden Juniors Segregated Portfolio – a Company related to Mr. Eduardo Elsztain, the Group 's non-executive chairman.
- 625,000 shares at $0.08 per share to raise circa $50k and 312,500 options with a term of three years and an exercise price of $0.12 per share to Knauer Family Super Pty Ltd – a Company related to Mr. Kris Knauer, the Group's managing director.
- 625,000 shares at $0.08 per share to raise circa $50k and 312,500 options with a term of three years and an exercise price of $0.12 per share to LQ Super Pty Ltd – a Company related to Mr. Fletcher Quinn, the Group's director.

Additionally, the Company issued 15,000,000 fully paid ordinary Shares to Dr Sonia Delgado upon the exercise of vested performance rights.

Note 13. Related party transactions (continued)

Subsequent to half-year end, the Company issued to Directors 94,725,343 Shares and 234,862,672 unlisted options under the Tranche 2 of the Placement as announced on 4 June 2025 and approved by shareholders on 22 August 2025. Additionally, the Company issued 15,000,000 fully paid ordinary Shares to Dr Sonia Delgado upon the exercise of vested performance rights.

Note 14. Fair value measurement

Fair value hierarchy
The fair value of a financial asset or a financial liability is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair values of cash and cash equivalents, trade and other receivables, borrowings and trade and other payables approximate their carrying values, as a result of their short maturity.

The valuation techniques used have not changed for each of these financial instruments from the prior period.

Note 15. Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 16. Events after the reporting period

On 21 July 2025, the Company announced the appointment of Carolina Zang as Non-Executive Director.

On 21 July 2025, the Company announced the expiry of 10,000,000 unlisted options.

On 27 August 2025, the Company issued 94,725,343 Shares and 234,862,672 unlisted options under the Tranche 2 of the Placement as announced on 4 June 2025 and approved by shareholders on 22 August 2025 to raise circa $7.5m (before costs). The Company also issued 15,000,000 unlisted options to lead manager of the Placement.

On 27 August 2025, the Company issued 15,000,000 fully paid ordinary Shares to Dr Sonia Delgado upon the exercise of vested performance rights.

No other matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Note 17. Share-based payments

During the year, share-based payments consisted of the following:

	Consolidated	
	30 Jun 2025 $	30 Jun 2024 $
Performance rights	431,117	114,969

Options

Set out below are summaries of options granted by the Company:

Note 17. Share-based payments (continued)

30 Jun 2025

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the half-year
14/04/2021	20/07/2025	$0.450	10,000,000	-	-	-	10,000,000
28/03/2024	28/03/2025	$0.140	66,377,283	-	-	(66,377,283)	-
07/06/2024	28/03/2025	$0.140	50,377,687	-	-	(50,377,687)	-
07/01/2025	07/01/2027	$0.050	-	147,726,678	-	-	147,726,678
16/01/2025	06/01/2027	$0.050	-	3,333,333	-	-	3,333,333
			126,754,970	151,060,011	-	(116,754,970)	161,060,011

As detailed in note 10, on 10 January 2025 the company issued 147,726,678 options as free attaching options to the January placement. On 16 January 2025 the company issued 3,333,333 options to consultants for the January placement with the same terms as the free attaching options issued on 10 January 2025.
On 25 March 2025 116,754,970 options expired.

Performance Rights

Set out below are summaries of performance rights granted by the Company:

Grant date	**Expiry date**	**Balance at 31 December 2024**	**Granted**	**Exercised**	**Lapsed**	**Balance at 30 June 2025**	**Vested**
16 March 2020	4 July 2026	899,027	-	(143,182)	-	755,845	755,845
September 2021	4 July 2026	7,532,600	-	(1,714,017)	-	5,818,583	7,014,227
4 May 2023[2]	4 July 2030	16,500,000	-	-	-	16,500,000	-
21 Jun 2023	8 February 2025	1,000,000	-	-	(1,000,000)	-	-
21 Jun 2023	8 February 2026	1,000,000	-	-	-	1,000,000	-
4 June 2024	4 July 2026	649,066	-	(649,066)	-	-	-
4 June 2024[1]	31 December 2026	22,500,000	-	-	(22,500,000)	-	-
4 June 2024	4 June 2031	999,999	-	-	-	999,999	-
4 June 2024	4 June 2031	1,000,000	-	-	-	1,000,000	1,000,000
3 March 2025[1]	3 March 2032	-	22,500,000	-	-	22,500,000	15,000,000
		52,080,692	22,500,000	(2,506,265)	(23,500,000)	48,574,427	23,770,072

[1]On 4 June 2024, the Company issued 22,500,000 incentive performance rights one of the Directors (Dr Sonia Delgado) after approval at the Company's Annual General Meeting. The vesting conditions are set out below:

Milestone	**No of shares**	**Vesting Condition**
1	7,500,000	Successful completion of a BFS or a DFS for the Hualilan Gold Project that leads to an announcement that the Hualian Gold Project will progress to construction or a change in control event.
2	7,500,000	Successful granting of an Environmental Impact Assessment (EIA) for the development of the Hualilan Gold Project or a change in control event.
3	7,500,000	Commissioning of a processing plant for the Hualian Gold Project or a change in control event.

Of the above Performance Rights, on the 3 March 2025, the shareholders approved the cancellation of 22,500,000 Performance Rights issued to one of the Directors (Dr Sonia Delgado) and new Performance Rights reissued. The new Performance Rights have the following milestones, which are expected to be met in the near term:

Note 17. Share-based payments (continued)

Milestone	No of shares	Vesting Condition
1	15,000,000	Successful granting of an EIA assessment for the Hualilan Project (or a change in control event).
2	7,500,000	Successful granting of an EIA (and all other) approvals for trucking and processing of Hualilan ore to the Toll Treatment Plant.

As disclosed in the Group's 2024 financial statements for the year-end, even though these replacement Performance Rights were approved and issued in 2025, their terms were mutually agreed between Dr Sonia Delgado and the Company prior to 31 December 2024. Dr Sonia Delgado's 2024 remuneration therefore included the estimated amortisation of these Performance Rights amounting to $774,664 over the expected vesting period. The valuation of these Performance Rights was trued up during the half-year using the share price at the shareholder approval date on 3 March 2025 with the remaining value of $552,836 recognised as the exploration and evaluation expenses during the half-year.

[2]Management assessed that at 30 June 2025, it is probable that the vesting conditions would be met for a portion of these performance rights and therefore an expense for this portion was recognised.

Note 18. Contingent liabilities

The Directors are of the opinion that there are no contingent liabilities or contingent assets as at 30 June 2025.

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2025 and of its performance for the financial half-year ended on that date; and

- subject to the achievement of the matters disclosed in note 2, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors

____
Kris Knauer
Managing Director

12 September 2025
Perth, Western Australia

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Independent auditor's review report to the members of Challenger Gold Limited

Conclusion

We have reviewed the accompanying half-year financial report of Challenger Gold Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2025 and of its consolidated financial performance for the half-year ended on that date; and

b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (*including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty related to going concern

We draw attention to Note 2 in the half-year financial report, which describes the principal conditions that raise doubt about the Group's ability to continue as a going concern. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' responsibilities for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2025 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Ernst & Young

Ernst & Young

V L Hoang
Partner
Perth
12 September 2025