



ASX: CEL

## Equity Capital Raising Presentation

Hualilan Gold Project : Cerro Sur looking north to Cerro Norte

**Challenger Exploration Limited**  
**Argentina and Ecuador Gold / Copper Projects**



# IMPORTANT NOTICES AND DISCLAIMER

The release, publication or distribution of this presentation in certain jurisdictions may be restricted by law and therefore persons in such jurisdictions into which this presentation is released, published or distributed should inform themselves about and observe such restrictions.

## OVERVIEW

This investor presentation ("Presentation") has been prepared by Challenger Exploration Limited (ABN 45 123 591 382) ("Challenger Exploration" or "Company") and is dated [x] May 2021. This Presentation has been prepared in relation to a placement of new Challenger Exploration ordinary shares ("New Shares") to 'sophisticated' and 'professional' investors (as defined in the Corporations Act (Cth)) ("Offer").

## SUMMARY INFORMATION

This Presentation contains summary information about the current activities of Challenger Exploration and its subsidiaries and certain acquisitions as at the date of this Presentation. The information in this Presentation is of a general nature and does not purport to be complete. This Presentation does not purport to contain all the information that an investor should consider when making an investment decision nor does it contain all the information which would be required in a disclosure document or prospectus prepared in accordance with the requirements of the Corporations Act. It should be read in conjunction with Challenger Exploration's other periodic and continuous disclosure announcements lodged with the ASX, which are available at [www.asx.com.au](http://www.asx.com.au). Neither Challenger Exploration nor its directors, employees or advisers give any warranties in relation to the statements and information in this Presentation.

## NOT AN OFFER

This Presentation is for information purposes only and is not a prospectus, disclosure document, product disclosure statement or other offering document under Australian law or any other law (and will not be lodged with ASIC or any other regulator and is not approved by or registered with any regulator). The Presentation is not and should not be considered an offer or an invitation to acquire New Shares or any other financial products. This Presentation may not be released or distributed in the United States. This Presentation does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or in any other jurisdiction in which such an offer would be illegal. The New Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold in the United States unless such New Shares have been registered under the U.S. Securities Act, or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. The distribution of this Presentation in other jurisdictions outside Australia may also be restricted by law and any such restrictions should be observed. Any failure to comply with such restrictions may constitute a violation of applicable securities laws (see "International Offering Restrictions").

## NOT FINANCIAL PRODUCT ADVICE

This Presentation does not constitute financial product or investment advice (nor tax, accounting or legal advice) nor is it a recommendation to acquire New Shares and does not and will not form any part of any contract for the acquisition of New Shares. This Presentation has been prepared without taking into account the objectives, financial situation or needs of any particular investor. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek appropriate advice, including financial, legal and taxation advice appropriate to their jurisdiction. Challenger Exploration is not licensed to provide financial product advice in respect of Challenger Exploration shares or any other investment. Cooling off rights do not apply to the acquisition of New Shares.

## FINANCIAL DATA

All dollar values are in Australian dollars ("A\$"). Investors should note that this Presentation contains pro forma financial information. The pro forma financial information provided in this Presentation is for illustrative purposes only and is not represented as being indicative of Challenger Exploration's views on its future financial condition and/ or performance. The pro forma financial information has been prepared by Challenger Exploration and may not have been prepared in accordance with the measurement and recognition requirements or the disclosure requirements, of applicable accounting standards and other mandatory requirements in Australia.

# IMPORTANT NOTICES AND DISCLAIMER

## DISCLAIMER

This presentation is for informational purposes only and does not constitute an offer to sell, or solicitation to purchase, any securities. Such Offer can be made only through proper subscription documentation and only to investors meeting strict suitability requirements. Any failure to comply with these restrictions may constitute a violation of applicable securities laws. In providing this presentation Challenger Exploration Limited ("CEL") has not considered the financial position or needs of the recipient. Persons needing advice should consult their stockbroker, bank manager, solicitor, attorney, accountant or other independent financial and legal advisors.

## FORWARD LOOKING STATEMENTS

Various statements in this presentation constitute statements relating to intentions, future acts and events. Such statements are generally classified as "forward looking statements" and involve known and unknown risks, uncertainties and other important factors that could cause those future acts, events and circumstances to differ materially from what is presented or implicitly portrayed herein. Words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates" and similar expressions are intended to identify forward-looking statements. CEL caution shareholders and prospective shareholders not to place undue reliance on these forward-looking statements, which reflect the view of CEL only as of the date of this presentation. The forward-looking statements made in this presentation relate only to events as of the date on which the statements are made.

## COMPETENT PERSON STATEMENT EXPLORATION RESULTS

The information in this release is an accurate representation of the available data and studies for the material mining project. The information that relates to sampling techniques and data, exploration results and geological interpretation 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. Dr Munroe consents to the inclusion in this report of the matters based on information in the form and context in which it appears. The Australian Securities Exchange has not reviewed and does not accept responsibility for the accuracy or adequacy of this release.

## COMPETENT PERSON STATEMENT HISTORICAL MINERAL ESTIMATES

The information in this release provided under ASX Listing Rules 5.12.2 to 5.12.7 is an accurate representation of the available data and studies for the material mining project. The information that relates to Mineral Resources has been compiled by 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 and has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration to qualify as Competent Person as defined in the 2012 Edition of the JORC Code for Reporting of, Mineral Resources and Ore Reserves. 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.

## JORC CODE

It is a requirement of the ASX Listing Rules that the reporting of ore reserves and mineral resources in Australia comply with the Joint Ore Reserves Committee's Australasian Code for Reporting of Mineral Resources and Ore Reserves ("JORC Code"). Investors outside Australia should note that while ore reserve and mineral resource estimates of the Company in this document comply with the JORC Code (such JORC Code-compliant ore reserves and mineral resources being "Ore Reserves" and "Mineral Resources" respectively), they may not comply with the relevant guidelines in other countries and, in particular, do not comply with Industry Guide 7, which governs disclosures of mineral reserves in registration statements filed with the SEC. Information contained in this document describing mineral deposits may not be comparable to similar information made public by companies subject to the reporting and disclosure requirements of US securities laws. In particular, Industry Guide 7 does not recognise classifications other than proven and probable reserves and, as a result, the SEC generally does not permit mining companies to disclose their mineral resources in SEC filings. You should not assume that quantities reported as "resources" will be converted to reserves under the JORC Code or any other reporting regime or that the Company will be able to legally and economically extract them.

## EXPLORATION RESULTS

Refer to Company Announcements for full details on Exploration Results. CEL is not aware of any new information or data that materially effects the information contained in those announcements

# OVERVIEW

Two complementary assets being aggressively advanced



Challenger aspires to become a globally significant gold producer supported by the Company's current assets

## HUALILAN GOLD PROJECT

 Argentina  Earning 75%

 Historical resource 627,000 oz Au at 13.7 g/t<sup>1</sup>

- Locked up in a dispute for 15 years prior to CEL
- Recent drilling by CEL includes:
  - 8.3m @ 17.7 g/t Au, 257g/t Ag, 0.3% Zn
  - 7.0m @ 13.3 g/t Au, 12.6 g/t Ag, 0.8% Zn
- Intrusion-hosted gold discovery:
  - 39.0m @ 5.5 g/t Au, 2.0 g/t Au, 0.3% Zn
  - 130.8m @ 2.3g/t Au, 1.6g/t Ag, 0.4%Zn
  - 104m @ 1.5 g/t Au, 2.7 g/t Ag, 0.4% Zn
- 30,000m program designed to extend existing mineralisation and support maiden resource – **5 rigs drilling**
- ▶ **Open in all directions with several recent discoveries**

## EL GUAYABO/COLORADO V PROJECT

 Ecuador  Earning up to 100%

 World Class Bulk Gold Target

- 5km along strike from a +17 million ounce orebody
- Regional scale with a 35 km<sup>2</sup> footprint
- Scout drilling 25 years ago defined multiple targets:
  - 156m @ 2.6 g/t Au + 9.7 g/t Ag + 0.2% Cu
  - 112m @ 0.7 g/t Au +14.7 g/t Ag + 0.6 % Cu
- Geophysics and soil geochemistry has defined a number of undrilled large (km<sup>2</sup>) near surface porphyry targets
- ▶ **New discovery in first historical drill holes assayed**
  - **134m @ 1.0 g/t Au, 4.1 g/t Ag**
  - **146m @ 1.5 g/t Au, 1.8 g/t Ag**

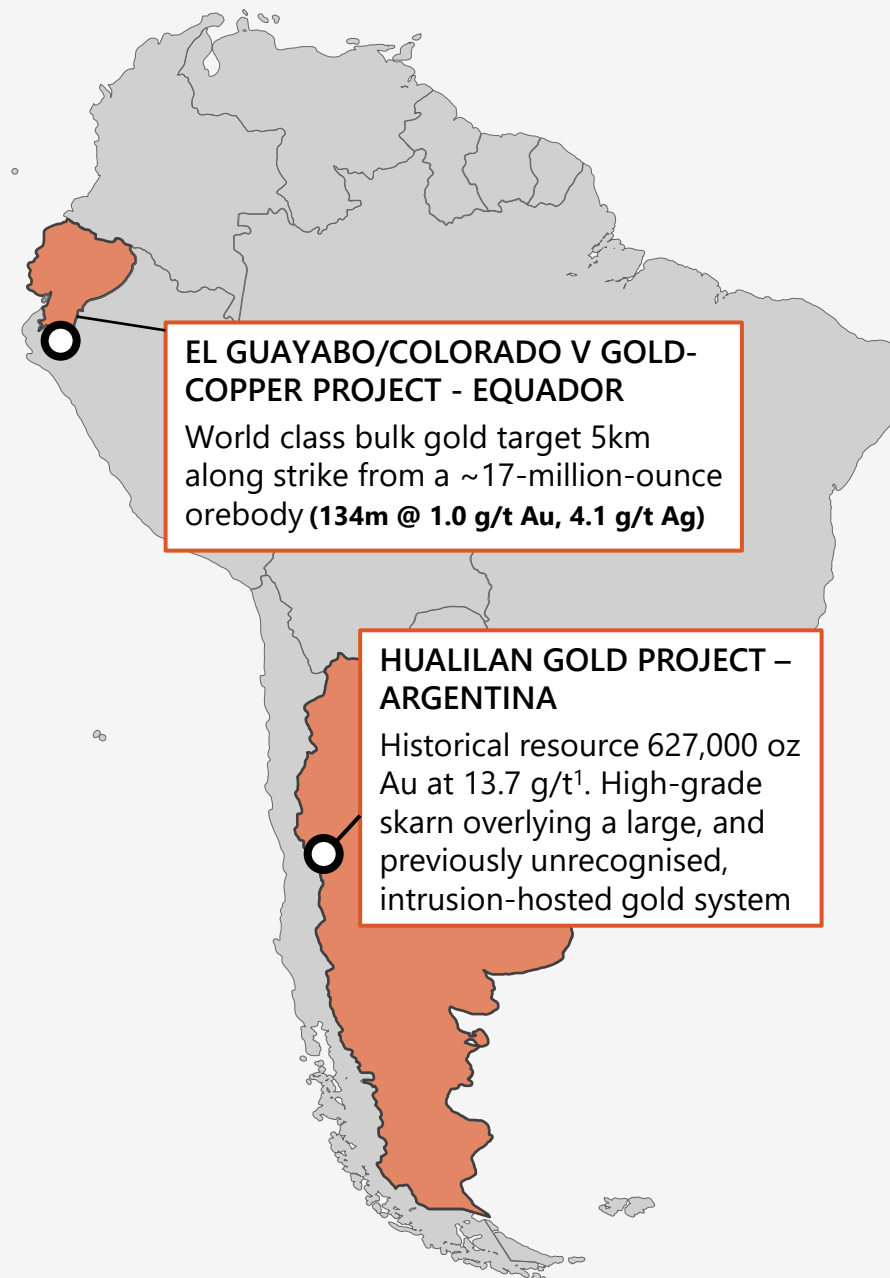
<sup>1</sup>For details of the foreign non-JORC compliant resource and to ensure compliance with LR 5.12 please refer to Slide 24



# INVESTMENT HIGHLIGHTS

## World class projects + management with a proven track record

- Hualilan Gold Project earning up to 75%, with a Historical resource 500,000 oz Au at [10 g/t<sup>1</sup>], with an underlying intrusion-hosted system - **116m @ 1.1 g/t Au**
- Five rig high impact 30,00m drill program currently underway. Better results being returned as we understand the system. Most recent results including:
  - **130.8m at 2.5 g/t AuEq, including 12m at 20.9 g/t AuEq (intrusives)**
  - **110.5m at 3.0 g/t AuEq, including 40.0m at 6.2 g/t AuEq (intrusives)**
  - **69.2m at 3.4 g/t AuEq, including 9.2m at 22.2 g/t AuEq (intrusives)**
  - **209.0m at 1.1 g/t AuEq including 49.0m at 3.0 g/t AuEq (intrusives)**
  - **21.8m at 4.5 g/t AuEq including 3.6m at 16.2 g/t AuEq (skarn)**
  - **4.3m at 36.6 g/t AuEq including 3.5m at 45.5 g/t AuEq (skarn).**
- Formal grant of the Exploration Licence surrounding the Hualilan project (20 km<sup>2</sup>) and acquisition of further strike extensions (60 km<sup>2</sup>).
- Extends CEL footprint on the Hualilan Trend to 18 kilometres of strike compared to the current 2 kilometres of strike drilling has been focused on
- Proposed Capital Raise which will allow:
  - Additional 120,000 metre 8 rig drill program at Hualilan over 10 months
  - Accelerate the move to 100% of the Hualilan project
  - Mining and metallurgical studies prior to PFS



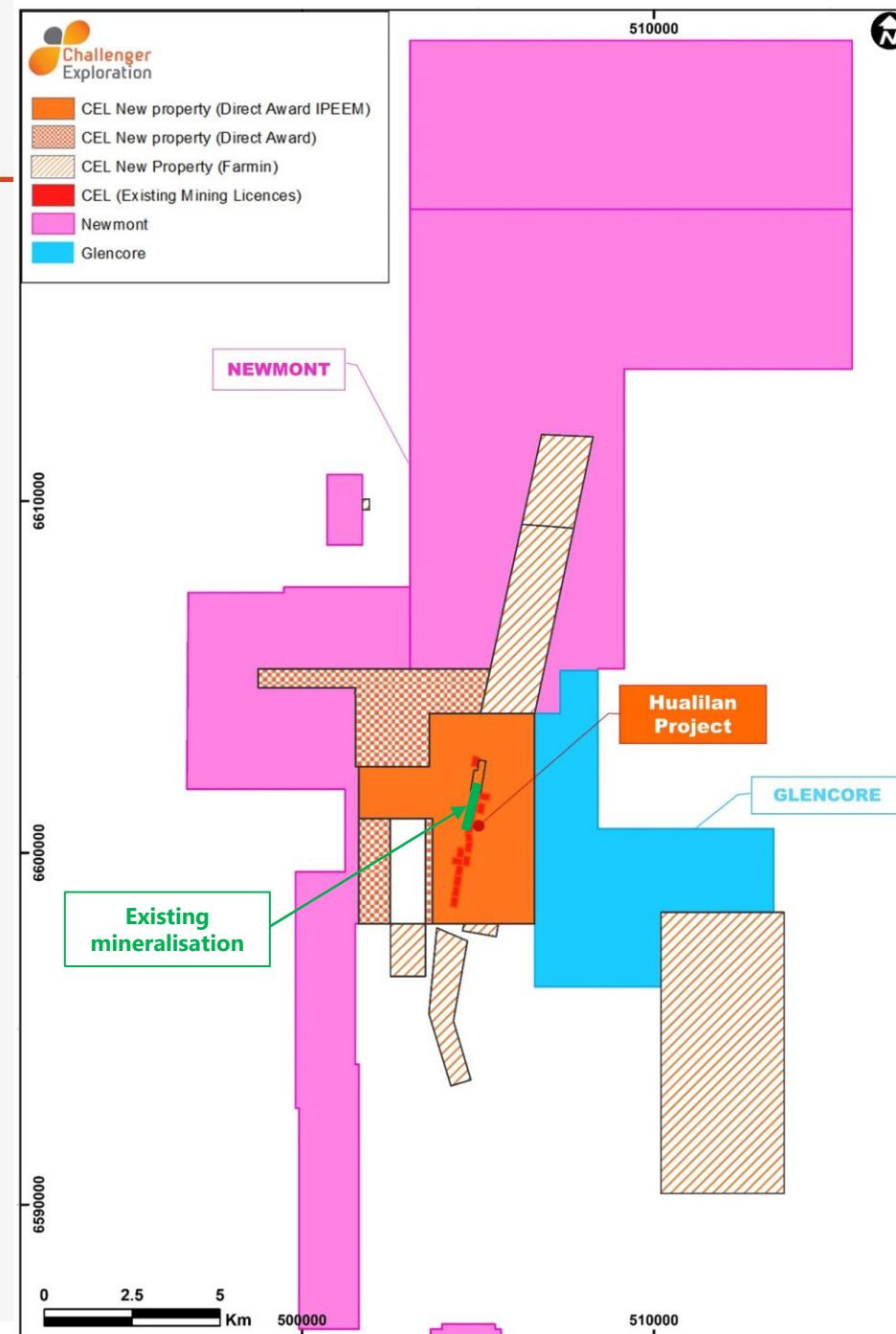
<sup>1</sup> to ensure compliance with LR 5.12 please refer to the Company's ASX Release dated 25 February 2019. These estimates are foreign estimates and not reported in accordance with the JORC Code. A competent person has not done sufficient work to clarify the foreign estimates as a mineral resource in accordance with the JORC Code. It is uncertain that following evaluation and/or further exploration work that the foreign estimate will be able to be reported as a mineral resource. The company is not in possession of any new information or data relating to the foreign estimates that materially impact on the reliability of the estimates that materially impacts on the reliability of the estimates or CEL's ability to verify the foreign estimates estimate as minimal resources in accordance with Appendix 5A (JORC Code). The company confirms that the supporting information provided in the initial market announcement on February 25 2019 continues to apply and is not materially changed. Refer to Slide 22 for Foreign Resource Estimate. <sup>2</sup> Source: Lumina Gold NI 43-101 Technical Report Cangrejos Project July 2020

# 4 FOLD INCREASE IN FOOTPRINT

## District scale tenement position of 80 square kilometres

- Formal Grant of the 20.6 square kilometre "**Ayen**" Exploration Licence which surrounds the existing Mining Licences via the IPEEM<sup>#1</sup>
- Award of three additional Exploration Licences which cover 12.6 square kilometres
- Farmin deal over an additional 46 square kilometres of concessions
  - Fund 100% of annual tenement rentals and mining licence fees
  - present a 5-Year work plan for the concessions to the Mining Ministry
  - fund 100% of this 5 year work program to earn a 90% interest
  - The option to acquire the final 10% for US\$450,000 cash
- Increases the Company's ground position surrounding Hualilan 4 fold:
  - we now have a district scale land position of 80 square kilometres
  - mineralisation open in all directions and emerging as a discovery of significance.
  - tenements cover 18 kilometres strike of the Hualilan Trend compared current drilling which has been concentrated on 2km of strike
- Geophysics covering the expanded footprint to start immediately with IP and Ground magnetics crews expected on site in 2 weeks

<sup>#1</sup> IPEEM - Provincial Institute of Mining Exploration and Exploitation in San Juan Province.





# CAPITAL RAISING – OVERVIEW

## Offer Structure & Size

- Placement to raise approximately A\$42 million, using the Company's available capacity under ASX LR 7.1 & 7.1A

## Offer Pricing

- Offer price of A\$0.28 per New Share represents a:
  - 22.2% discount to the last closing price of A\$0.36 per share;
  - 18.4% discount to the 5 day Volume Weighted Average Price (**VWAP**) of A\$0.343; and
  - 20.4% discount to the 10 day VWAP of A\$0.352

## Ranking

- Pari passu with existing fully paid ordinary shares on issue

## Use of Proceeds

- Proceeds from the Equity Raising will be used to fund further exploration at the Company's Hualilan Project and El Guayabo / Colorado V Projects, as well as provide additional working capital

## Joint Lead Managers

- Henslow Pty Ltd and Canaccord Genuity (Australia) Limited

# CAPITAL RAISING – USES OF FUNDS AND TIMETABLE

Uses of Funds	A\$m
Hualilan Project – 100,000m drill program (resource)	20.0
Hualilan Project – 20,000m drill program (regional exploration)	4.0
Hualilan Project – Acquisition of final 25%	5.0
Hualilan Project – Scoping & Pre Feasibility Study	1.0
Hualilan Project – Geol/Geoph/Heritage + Studies ahead of DFS	4.0
El Guayabo Project – Additional 10,000m drilling program	2.0
Working capital and costs of the offer	6.1
<b>Total</b>	<b>42.1</b>
Event	Time (AEST) / Date
CEL trading halt	7 May 2021
Placement announced and CEL resumes trading	11 May 2021
Settlement of Placement	17 May 2021
Commencement of trading of Placement shares on the ASX	18 May 2021

\*Timetable above is indicative only and may be varied subject to the ASX Listing Rules



# COMPANY GROWTH STRATEGY

**Our Aspiration is to become a globally significant gold producer**

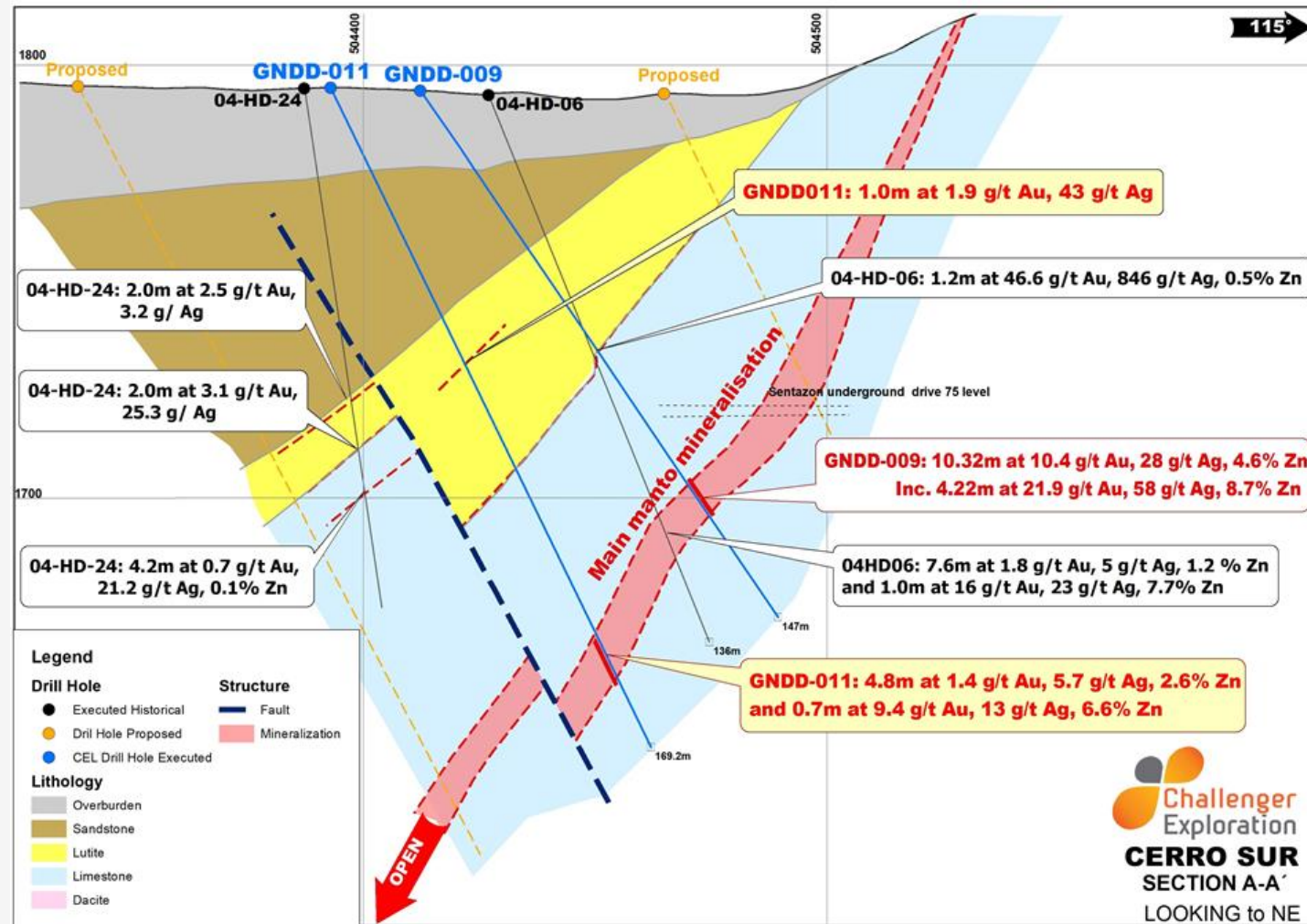
Hualilan Project	FY21 Q4	FY22 Q1	FY22 Q2	FY22 Q3
Drilling	20,000 metres	30,000 metres	30,000 metres	30,000 metres
Scoping + Feasibility Study				PFS commences post maiden resource
JORC Resource Estimate				At completion of 80,000m program
Metallurgical Testing	intrusion-hosted mineralisation	grade improvement and Cu, Pb Zn cons		
Licensing	Grant mining licence extensions	expected grant additional 30 sqkm	Additional southern extensions	
El Guayabo Project	Preparation for drilling	10,000m drilling	10,000m drilling	drilling contingent on results

**Near term catalysts and continual news flow from both projects**

# HUALILAN GOLD PROJECT

## Overview

- High grade gold project with historic skarn resource of 627,000 Oz at 13.7g/t gold [assume 10 g/t AuEq]<sup>#1</sup> with underlying porphyry gold system
- CEL drilling has extended mineralisation in multiple directions and confirmed high grades:
  - 6.1m at 34.6 g/t Au, 21.9 g/t Ag, 2.9% Zn – GNDD-03
  - 6.7m at 14.3 g/t Au, 140 g/t Ag, 7.3% Zn – GNDD-006
- Locked up in a dispute and idle for the past 15 years = **no modern exploration prior to CEL**
- Located in San Juan Argentina - Tier 1 jurisdiction
- Existing mineralisation is on granted mining leases and CEL has a surrounding 26 km<sup>2</sup> EL Application
- Metallurgical test work indicates recoveries >90% via a low unit per cost simple bulk sulphide float
- Excellent infrastructure
  - Power within 2km of site
  - Abundant process water available
  - Sealed highway 400 metres from site
  - 400km by road to concentrate export port



#1 : For details of the foreign non-JORC compliant resource and to ensure compliance with LR 5.12 please refer to Slide 26



# HIGH-GRADE MINERALISATION IS OPEN IN ALL DIRECTIONS

The higher temperature assemblage (center of the system) is at the extreme southern end

Mineralisation outcrops at surface

GNDD-035 – extends Main Manto 100 metres  
5.75m @ 9.5 g/t Au, 29 g/t Ag, 3.5% incl  
3.15m @ 17.1 g/t Au, 29 g/t Ag 5.6 % Zn

Historical drill holes were all drilled  
behind the plane of the mineralisation

Mineralisation at Hualilan comprises 2 distinct orientations  
controlled by regional east-west faults

- Mineralising fluids migrating up the east-west faults forming near vertical east-west veins
- where the faults intersect permeable limestone the limestone beds are replaced with massive sulphides forming manto bodies

Mineralisation outcrops at surface

Mineralisation outcrops at surface

the only drill hole to test the main mineralised zone in 750m of  
strike encountered mineralisation (1m @ 0.7 g/t Au, 1.8 g/t Ag)

GNDD-134  
- 4m at 11.3g/t AuEq  
plus 2.9m at 10.2  
g/t AuEq from 530m

Sanchez Vein

Main Manto

GNDD-141  
6.5m at 16.4g/t AuEq

GNRC-068 – first hole into Sanchez Fault  
27.0m @ 7.9 g/t Au, 16 g/t Ag, 7% Zn  
69.0m @ 3.4 g/t Au, 8.1 g/t Ag 2.8 % Zn

Magnata Vein

GNDD-174, 189, 195  
5.2m at 21.0 g/t AuEq

Sentazon

Muchilera

GNDD-142  
40m at 6.2g/t AuEq

GNDD-046 – Sentazon down dip  
2.9m @ 29.5 g/t Au, 522 g/t Ag,  
10.8% Zn

## Legend

CEL drill hole  
Historical drill hole

Mineralisation  
Outcropping surface  
mineralisation

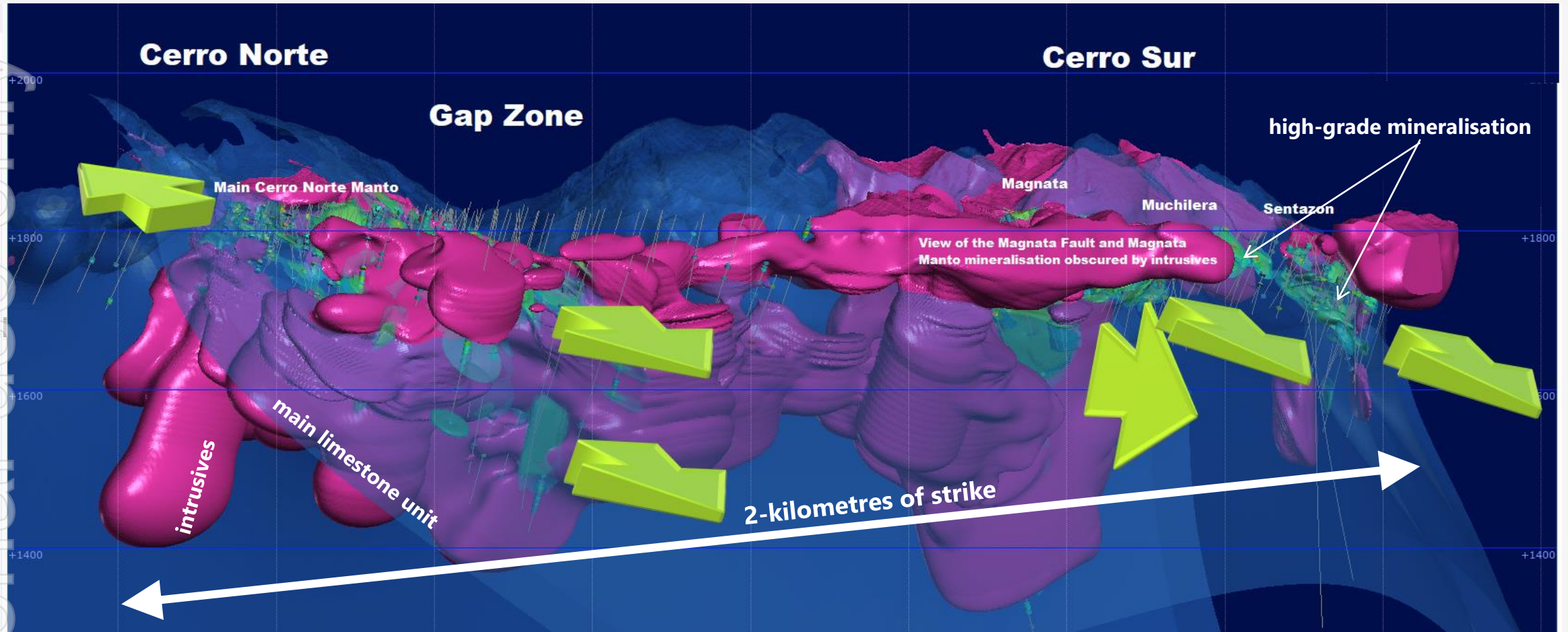


0 500m 1km



# HIGH GRADE MINERALISATION OPEN IN ALL DIRECTIONS

The limit of the intrusives is constrained by a lack of drill data at depth and along strike



**3D leapfrog View Showing the Distribution of the high-grade skarn mineralisation (green) and the intrusives (pink)**

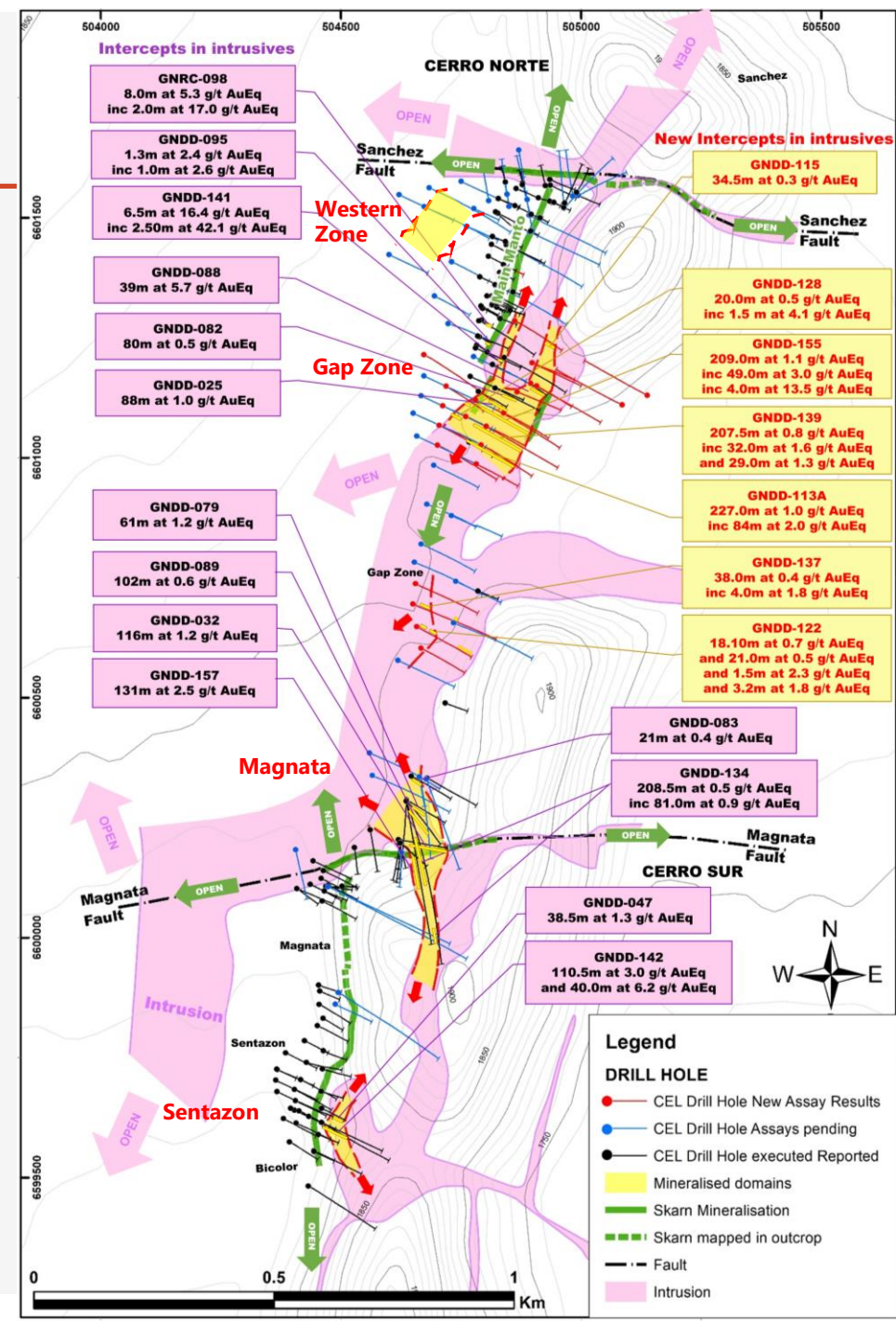
- Note proximity of the intrusives to the high-grade skarn mineralisation
- Skarn mineralisation remains open down plunge and along strike in both directions



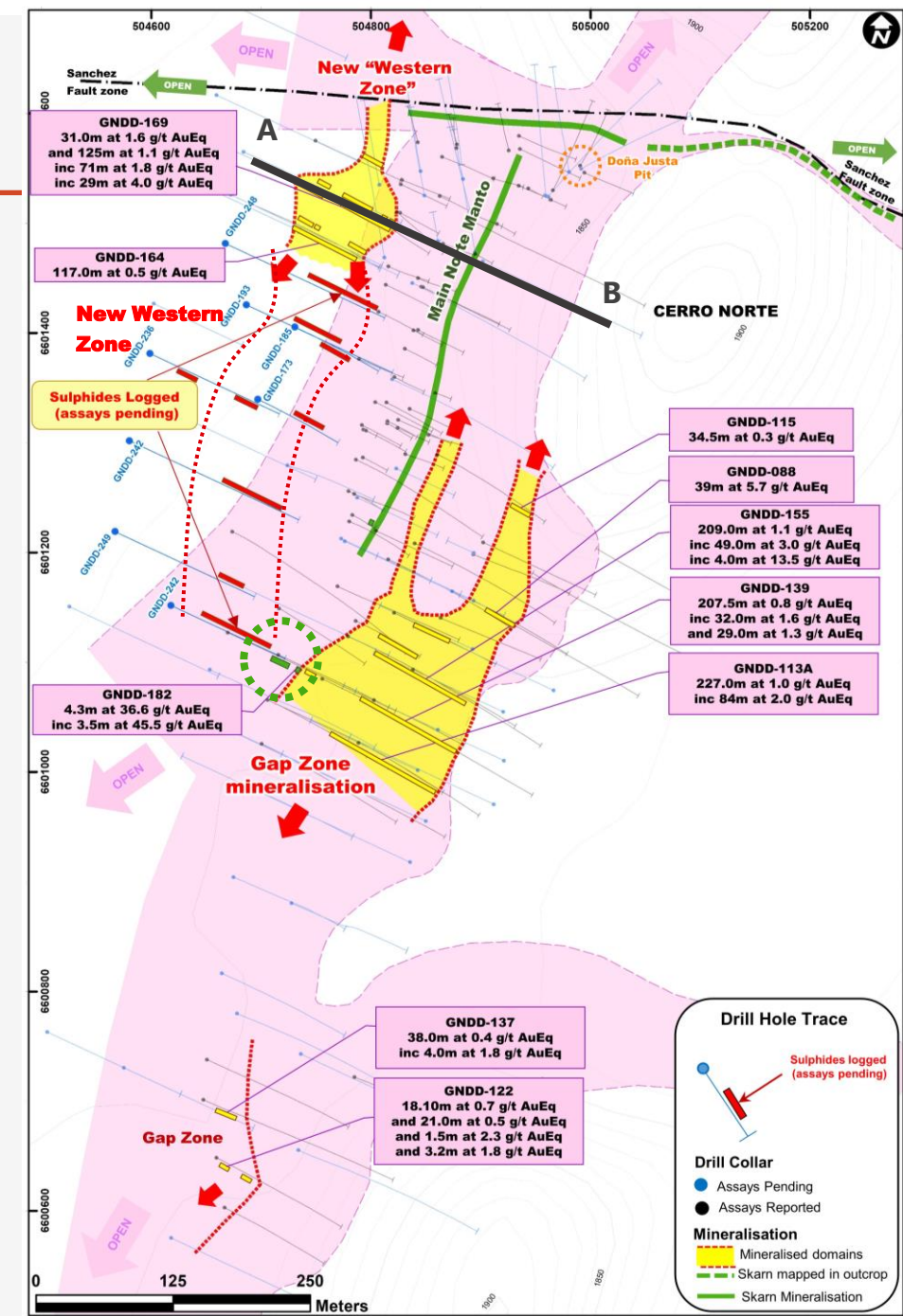
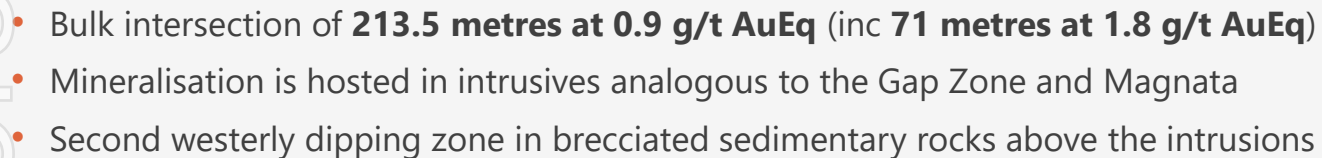
# INTRUSION-HOSTED DISCOVERY

## Large-scale intrusion-hosted gold system underlying the high-grade skarn

- Blind pattern drilling involving fences of 4-5 holes spaced at intervals of 50-100 metres along strike given the majority of the intrusion hosted mineralisation lies under cover:
  - 131m at 2.5 g/t AuEq** – inc **12.0m at 20.9 g/t AuEq** GNDD-157
  - 40.0m at 6.2 g/t AuEq** inc **10.7m at 13.3 g/t AuEq** – GNDD-142
  - 227.0m at 1.0 g/t AuEq** inc **84.0 at 2.0 g/t** – GNDD-113A
  - 209m at 1.1 g/t AuEq** inc **49.0 at 3.0 g/t** – GNDD-155
  - 207.5m at 0.8 g/t AuEq** inc **32.0m at 1.6 g/t AuEq** and **29m at 1.3 g/t AuEq** – GNDD-139
  - 39.0m at 5.7 g/t AuEq** – GNDD-088
  - 61.0m 1.2 g/t AuEq** – GNDD-079
  - 116m at 1.2 g/t AuEq** – GNDD032
  - 88m at 1.0 g/t AuEq (ending in mineralisation)** – GNDD-025
- Mineralisation underlies and is adjacent to the high-grade skarn system and is identical over 2 kilometres of strike and remains open in all directions- **a large system**
- Drilling has defined a number of broad mineralised zones in intrusives which are:
  - Steeply dipping
  - orientated north-south
  - 50-100 metres wide with width increasing at depth
  - starting from surface with mineralisation open below 400 metres vertically
  - average grade 1.1 g/t AuEq (0.9 g/t AuEq excluding GNDD-088 and GNDD-157)**



## Repeat zone 200 metres west of the existing mineralisation





# GAP ZONE INFILL CONFIRMS WIDTH AND A GRADE SURPRISE

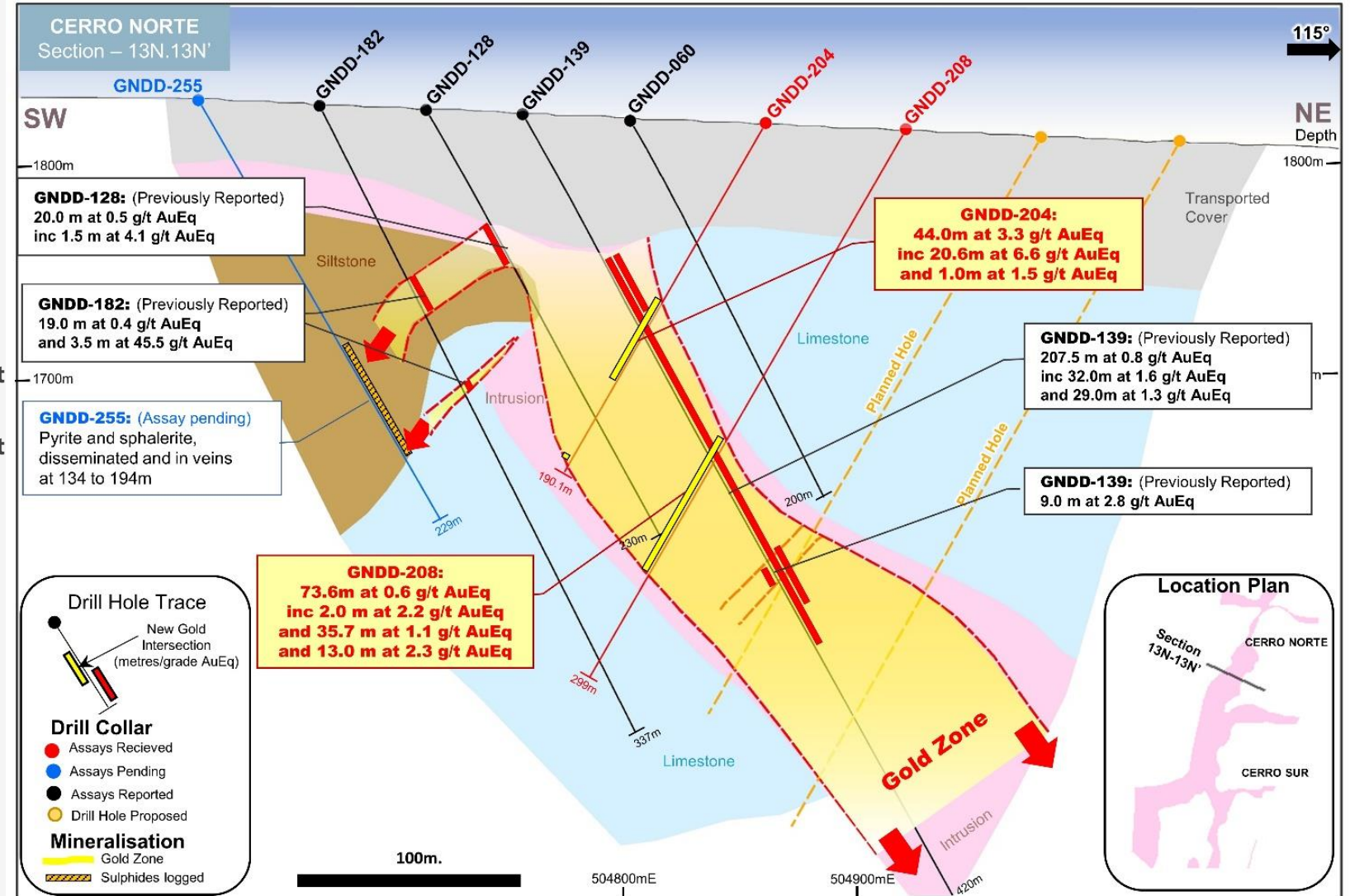
Grade likely to be better than anticipated in the intrusion-hosted mineralisation in the Gap Zone

## Extension of the high-grade skarn

- GNDD-182 extended the high grade skarn mineralisation 200 metres along strike and west of the the intrusives with an intercept of **3.5m at 45.5 g/t AuEq**

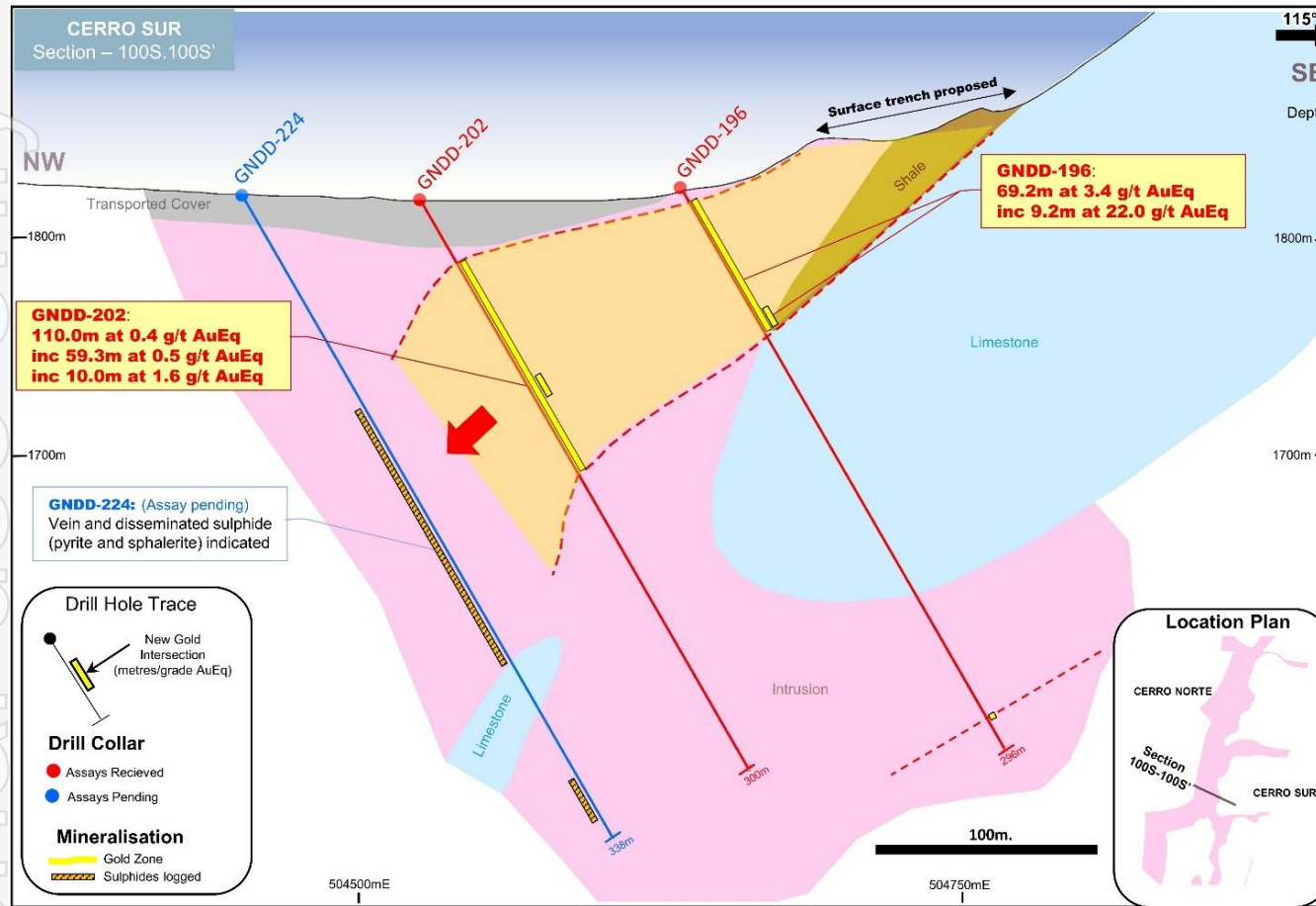
## Gap Zone infill drilling program

- series of 16 holes which has been drilled in the reverse orientation of the earlier drilling to determine true width
  - 44.0m at 3.3 g/t AuEq** including **20.6m at 6.6 g/t AuEq** (GNDD-204)
  - 73.7m at 0.6 g/t AuEq** including **35.7m at 1.1 g/t AuEq** (GNDD-208)
  - 66.8m at 0.7 g/t AuEq** (GNDD-200)
- GNDD-204 and 208 across the upper part of GNDD-139 (**207.5m at 0.8 g/t AuEq**) in what was believed to be the lower grade part of the mineralisation
- GNDD-200 was drilled back across GNDD-082 (**110.0m at 0.5 g/t AuEq**) from 156.0m to the end of the hole
- demonstrates the high-grade shoots within the intrusive more extensive than anticipated

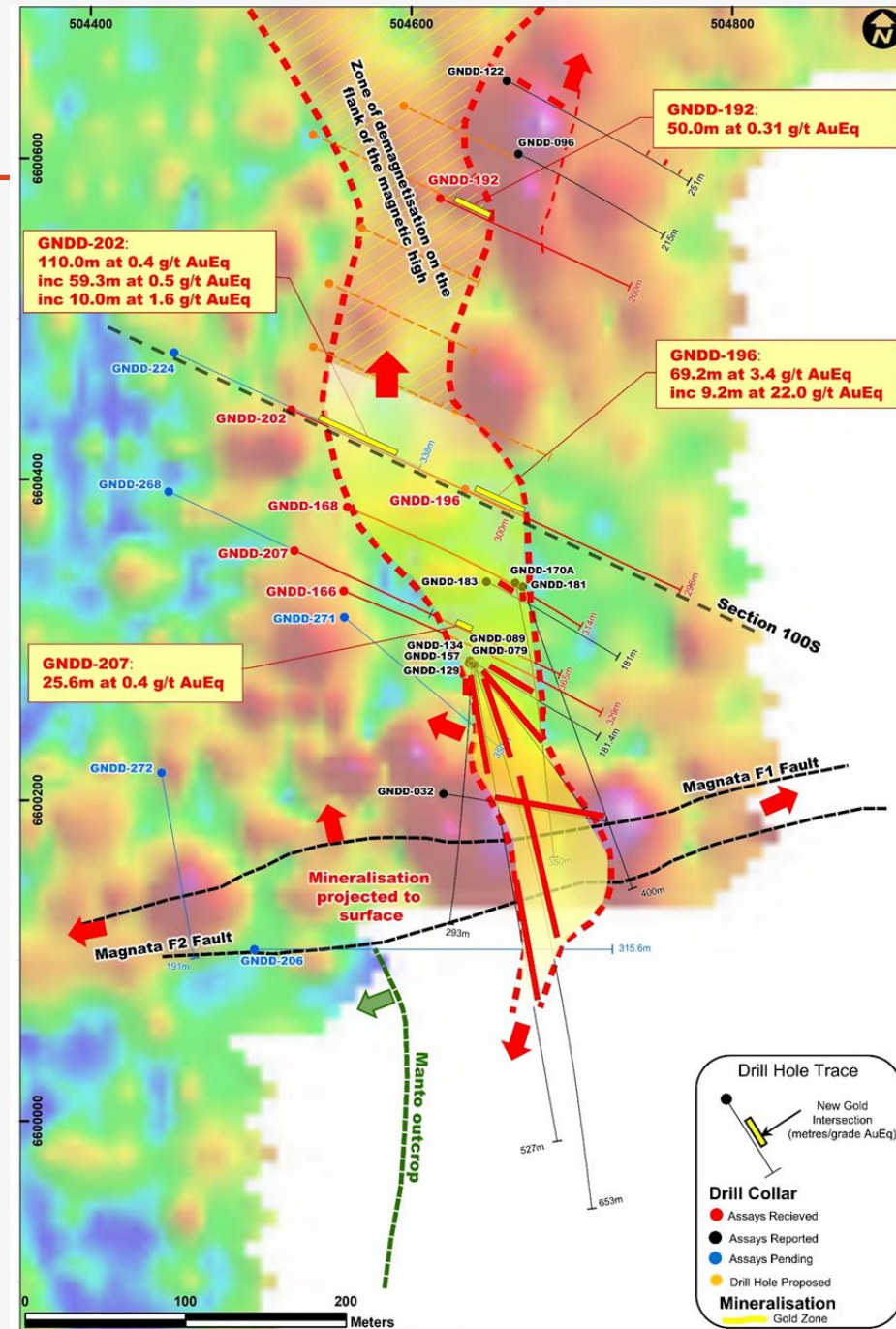


# SIGNIFICANT EXTENSION TO THE NORTH

Zone extended across a fence of holes which appeared to close it to the north



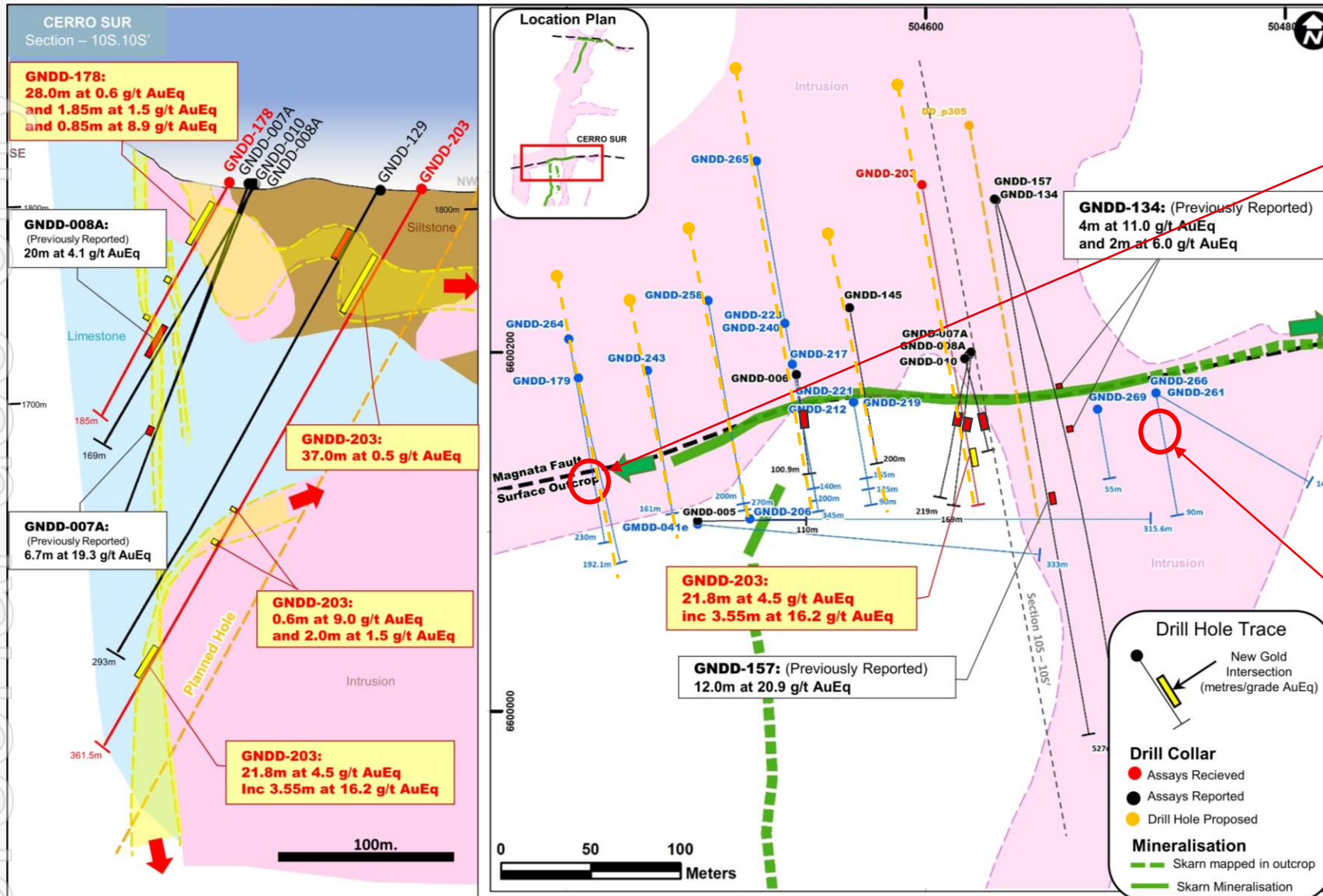
- GNDD-196 (69.2m at 3.4 g/t AuEq) and GNDD-202 extended the near surface mineralisation at Magnata 200 metres north along strike and open a significant drill target to the north
- GNDD-202 confirms this zone 100 metres thick down dip to the west of GNDD-196 with the geophysical target extending for at least another 400 metres to the north





# MAGNATA FAULT EXTENSION DRILLING OFF TO AN EXCELLENT START

Significant skarn/sulphide mineralisation in stepouts at both ends of the Magnata Fault and at depth



GNDD-264: Limestone hosted skarn mineralisation including massive sulphides 105-126 metres downhole



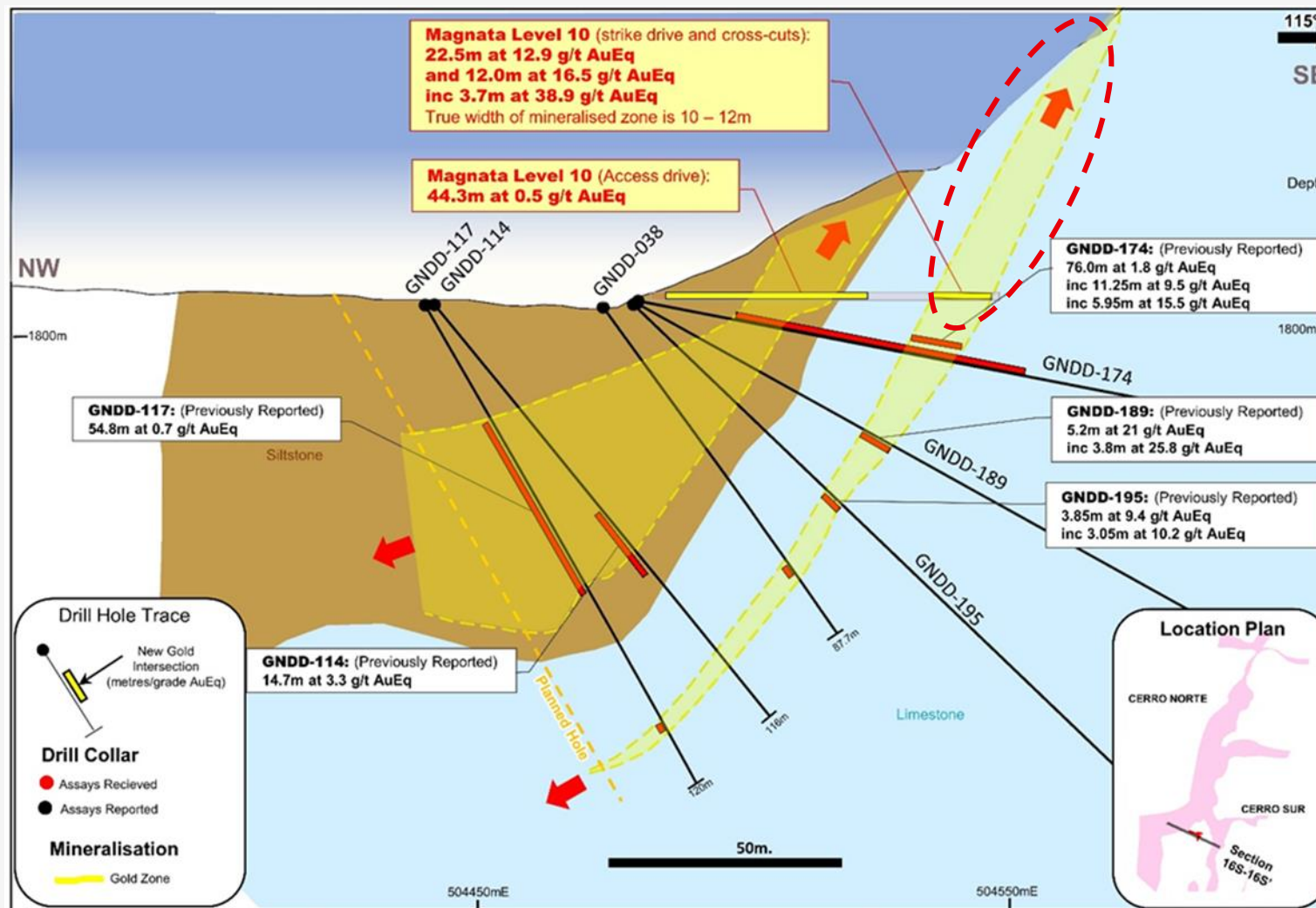
GNDD-266: Skarn mineralisation; 23 metres and 39-77 metres downhole

# UNDERGROUND MAPPING AND SAMPLING PROGRAM

Key work item to push the maximum number of high-grade historical ounces into JORC

## Underground channel sampling

- Key requirement for JORC Resource
- Program expanded and ongoing.
- Results include:
  - 96.5 metres at 15.4 g/t AuEq
  - 71.0m at 10.8 g/t AuEq
  - 22.5m at 12.9 g/t AuEq
  - 12.0m at 16.5 g/t AuEq
- Approximately 50% of the historical resource was based on underground mapping and sampling
- This is predominantly the component of the resource which outcrops in the hill above ground or is near surface
- It also comprises the higher grade component of the historical resource
  - 10g/t AuEq average drillhole intersection
  - 14 g/t AuEq average underground channel sample



Channel Sampling in the Magnata Access tunnel and cross-cuts



# A FAR BIGGER PLAY THAN EXTENDING WITHIN 2KM STRIKE

Exploration has only focussed on one side of the intrusión responsable for Hualilan

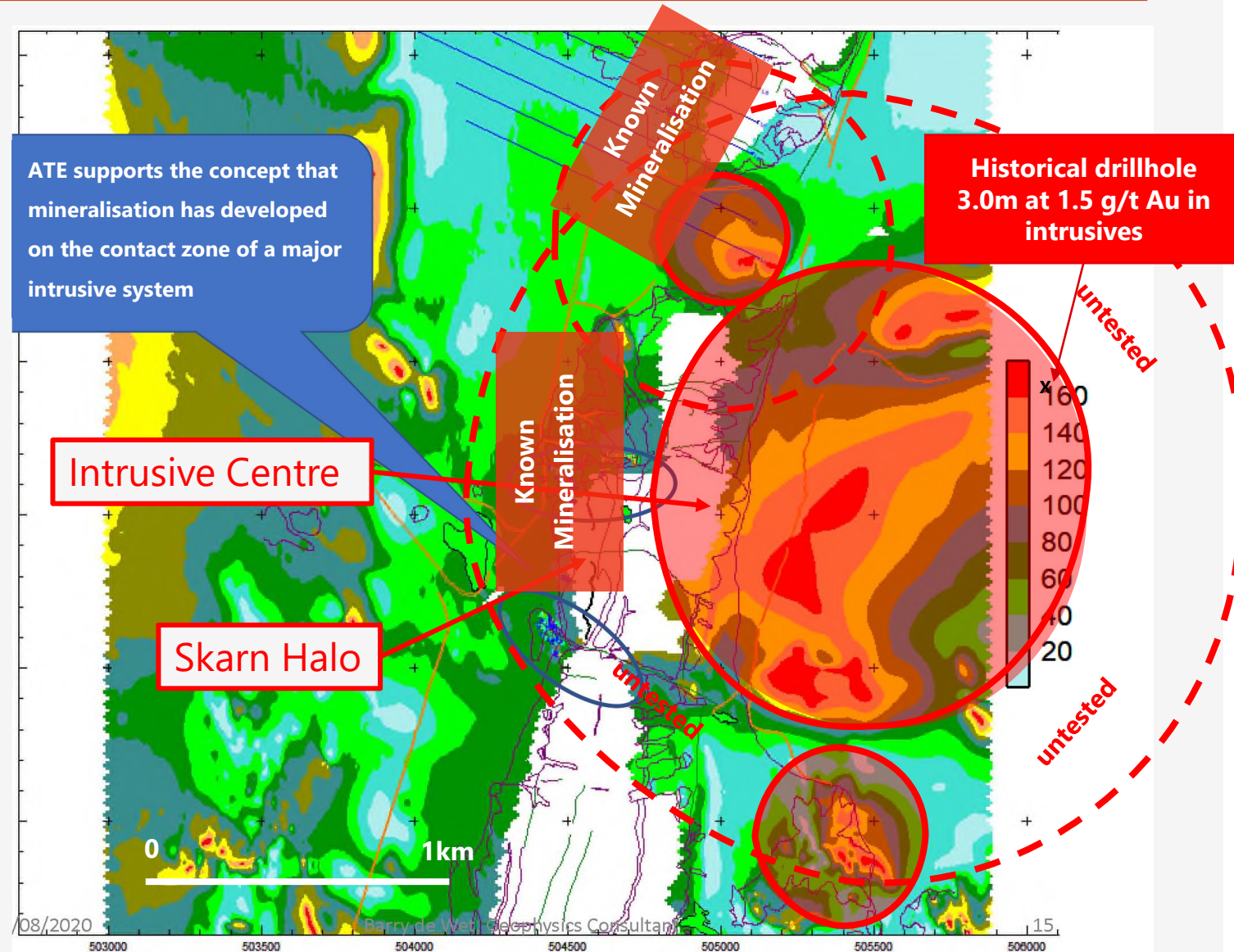
## ✓ Two simple low capital/operating cost options

### 1. Simple Bulk Sulphide Float

- Recoveries of **87-94% (gold)** and **84-86% (silver)**
- P<sub>80</sub> of 100 micron grind – **no fine grind required**
- Attractive concentrate containing 43-56 g/t gold and 120 g/t silver
- Possibility to capture some of the zinc credits with the concentrate containing 14% zinc
- <30ppm Arsenic no deleterious elements
- 70% recovery of Au in float tails via cyanide leach

### 2. Separate Au/Cu, Pb and Zn concentrates

- Recoveries of **89% (gold)**, **84% (silver)**, **73% (zinc)**, **62% (lead)**
- Zinc and lead comprise ~ 10% of the metal value
- 45% of gold recovered by a simple gravity circuit
- 70% of the gold into ultra high-grade concentrate (445-232 g/t Au) which will be highly sought
- Low capital/operating expenditure option on a per tonne throughput basis



## At least 5 intrusive centres of the same age

1. major intrusive centre (source of the mineralisation) located to the east of mineralisation at Cerro Sur.
2. smaller porphyry in the gap zone
3. major intrusive centre (source of the mineralisation) located to the north-west of Cerro Norte
4. an intrusive centre to the west of the Gap Zone
5. a second large intrusive centre at the southern end of the survey

- 
- Tenement Locations**
- CEL New Property (Direct Award)
  - CEL (Existing Mining Licences)
  - CEL New Property (Farmin)
  - Newmont
  - Glencore
- DRILL HOLE**
- CEL Drill Hole New Assay Results
  - CEL Drill Hole Assays pending
  - CEL Drill Hole executed Reported
  - Fault
  - Intrusion



Our Aspiration is to become a globally significant gold producer

## Company Strategy

- Hualilan to provide a high-grade low capex operation in the near term
- Underpins CEL with a low risk, cashflow while we prepare for a much larger bulk gold operation in underlying porphyry and Ecuador
- Hualilan makes execution of a large bulk gold deposit in Ecuador achievable

## Hualilan Gold Project Argentina

- High-grade historical resource
- Significant exploration potential
- Excellent infrastructure in place
- Strategy to aggressively add ounces
- Production will be pursued once we have the benefit of scale

## El Guayabo Project Ecuador

- Exciting traditional near surface Porphyry/Breccia targets
- Wild card of near-term results from assaying historical core
- Potentially significant bulk gold discovery
- Sensible low risk approach to porphyry exploration

Near term catalysts and continual news flow from both projects

# SUMMARY

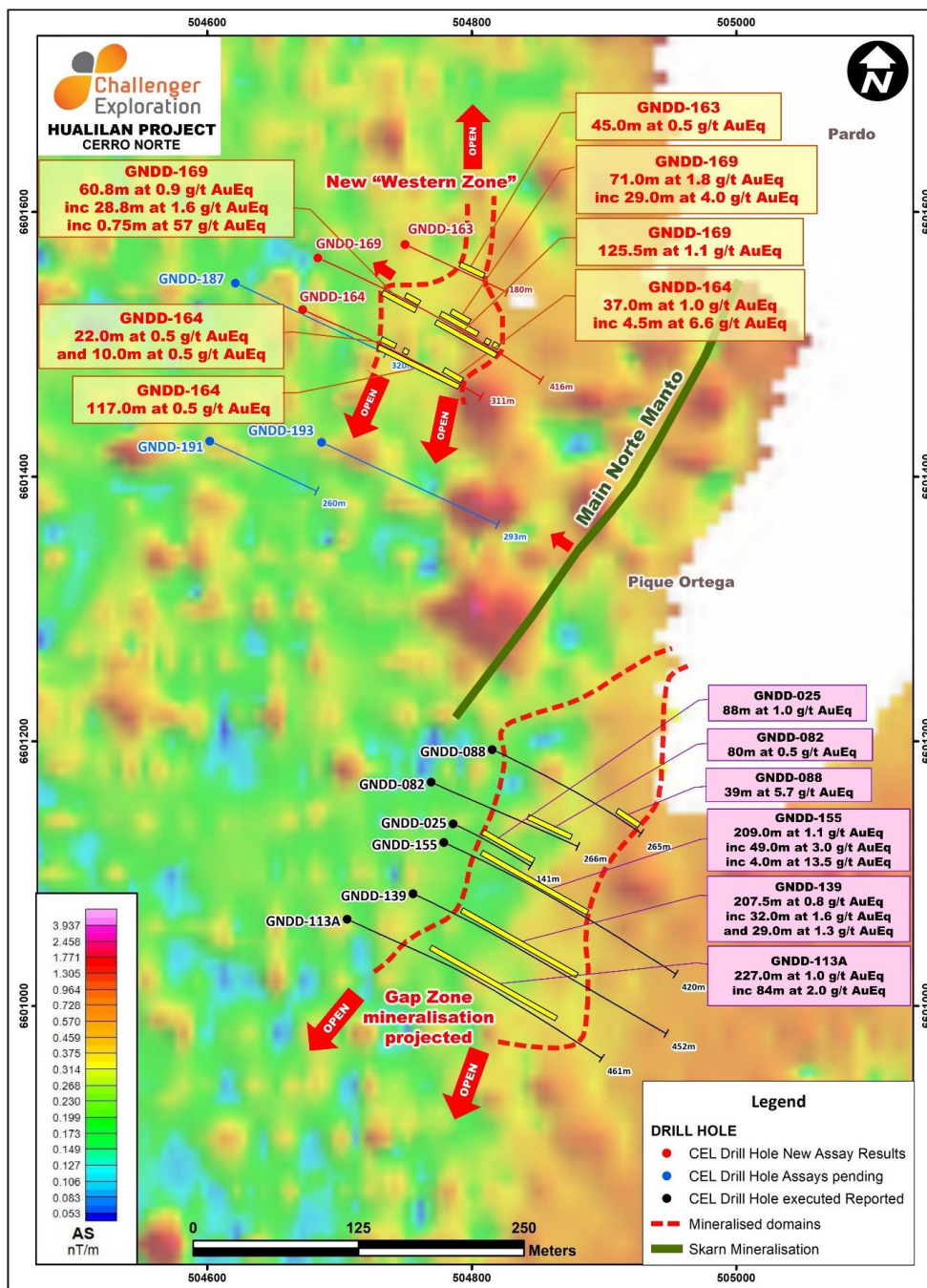
## A significant gold system underlies the historical high-grade skarn

### Hualilan Project, Argentina

- Ongoing news flow that comes with five rigs
- A number of new zones and higher success rates as we better understand the mineralisation – magnetics and IP are important
- We are getting comfortable that Hualilan is large
- View the intrusion-hosted gold in the context of Fort Knox<sup>1</sup> (0.4 g/t Au) or Cadia<sup>2</sup> (0.35 g/t Au, 0.26% Cu) where the combination of a large low grade resource with a high-grade starter resource provide a long life low cost asset
- Current drilling focus:
  - 3-rigs; infill and extension of the high grade skarn mineralisation
  - 1-rig; regional exploration (commence shortly)
  - 1-rig; intrusive hosted mineralisation

### El Guayabo/Colorado V Project, Ecuador

- Regional soil sampling and integration of magnetic data is nearing completion
- Channel sampling/assaying historical core ongoing
- Several holes submitted for assay and channel sampling of the Humedos and Adriano Adit complete and Ecuaba Vein ongoing
- This will allow CEL to finalise targets for the upcoming drilling program



# Appendix 1

## Capital Raise

Terms of the Offer and Risk Disclosure



# KEY RISKS – SPECIFIC

## **Economic conditions**

The future exploration activities of the Company may be affected by a range of factors including activities of parties with overlapping tenure, geological conditions, limitations on activities due to seasonal weather patterns or adverse weather conditions, unanticipated operational and technical difficulties, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, industrial and environmental accidents, industrial disputes, unexpected shortages and increases in the costs of consumables, spare parts, plant, equipment and staff, native title process, changing government regulations and many other factors beyond the control of the Company.

The success of the Company will also depend upon the Company being able to maintain title to the mineral exploration licences comprising the Projects and obtaining all required approvals for their contemplated activities. In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in the value of the Projects, a reduction in the cash reserves of the Company and possible relinquishment of one or more of the mineral exploration licences comprising the Projects.

## **Contractual/Joint Venture Risk**

In order for the Company to be able to achieve its objectives the Company is reliant on the registered holder of the tenements to comply with its contractual obligations under the earn-in agreements with respect to maintaining the tenements in full force and effect, free from any liability to forfeiture or non-renewal.

Interests in tenements in Argentina and Ecuador are governed by the respective national legislation and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance.

Where the registered holder of the tenements fails to comply with conditions of the tenements which results in loss of title to the tenements the Company would lose its interest in the minerals rights being acquired pursuant to the earn-in agreements. It may then be necessary for the Company to approach a court to seek a legal remedy. Legal action can be costly and there can be no guarantee that a legal remedy will be ultimately granted on the appropriate terms. The Company has no current reason to believe that the registered holders of the tenements that it has contracted with will not meet and satisfy their obligations under the earn-in Agreements.

Pursuant to the terms and conditions of the earn-in agreements, the Company has contractual rights and obligations in relation to the co-existence, exploration and potentially mining on the El Guayabo tenement. The Company has the right to do such prospecting, exploration, development, drilling and/or other mining work thereon and thereunder as the Company in its sole discretion may determine advisable and including, without limitation the removal of any ores, minerals and metals from the Concession but only for the purpose of testing. The Company is required to use all reasonable efforts to coordinate with the operator in order to avoid interference with the day to day activities of the existing mine operators.

There is a risk that the Company may not be able to complete all of its preferred exploration programmes in its preferred timetable or at all, as a result of a conflict with the exploration activities of the registered holder of the Tenements.



# KEY RISKS – SPECIFIC

## **Future capital needs and additional funding**

The Company will need to raise further capital (equity or debt) in the future. No assurance can be given that future funding will be available to the Company on favourable terms or at all. If adequate funds are not available on acceptable terms the Company may not be able to further develop its Projects and it may impact on the Company's ability to continue as a going concern.

## **Gold and Copper Price**

The Company's projects are primarily prospective for gold and copper. Gold and copper and other commodity prices can fluctuate significantly and the gold and copper price is exposed to numerous factors beyond the control of the Company. A significant decrease in the gold and / or copper price is likely to adversely affect sentiment and market support towards a copper exploration company. If the Company achieves copper mining production, the Company's financial performance will be dependent in part on the copper price.

## **Reliance on key personnel**

The Company's success largely depends on the core competencies of its Directors and any management and its ability to retain these people.

## **Exchange rate**

Commodities are principally sold throughout the world in United States dollars. In the event of revenue from any operations in Argentina, it is likely to be in United States dollars while costs will be payable either in Argentinean pesos or Australian dollars.

The exchange rates between the various currencies are affected by numerous factors beyond the control of the Company. These factors include economic conditions in the relevant country and elsewhere and the outlook for interest rates, inflation and other economic factors. These factors may have a positive or negative effect on the Company's exploration, project development and production plans and activities, together with the ability to fund those plans and activities.

## **Sovereign Risk**

The Company's projects are subject to the risks associated with operating in a foreign country. These risks may include economic, social or political instability or change, hyperinflation, currency non-convertibility or instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection, mine safety, labour relations as well as government control over mineral properties or government regulations that require the employment of local staff or contractors or require other benefits to be provided to local residents.

Some of the Company's key assets are its contractual interests in tenements in Argentina and Ecuador. Changes in these countries laws and regulations may have a significant effect on the Company's exploration operations, especially changes to environmental, mining, grant or renewal of concessions, royalties and taxation.

The political conditions under which the Company currently operates in Argentina and Ecuador are stable compared to many areas of the world, but arguably are not as stable as those prevailing in Australia. Potential risk to the Company's activities may occur if there are changes to the political, legal and fiscal systems which might affect the ownership and operation of the Company's interests in Argentina and Ecuador. This may also include changes in exchange control regulations, expropriation of mining rights, changes in government and in legislative and regulatory regimes.

# KEY RISKS – SPECIFIC

## **Environmental Risk**

Development of any of the Company's Projects will be dependent on the Company satisfying relevant environmental guidelines and, where required, being approved by government authorities. Failure to obtain such approvals will prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of additional environmental laws and regulations that may be adopted in the future, including whether any such laws or regulations would materially increase the Company's costs of doing business or affect its operations in any area.

## **Acquisitions**

The Company may make acquisitions of, or investment in, companies or assets that are complementary to its business. Any such future transactions are accompanied by the risks commonly encountered in making acquisitions of companies or assets, such as integrating cultures and systems of operation, relocation of operations, short term strain on working capital requirements, achieving mineral exploration success and retaining key staff.

## **Insurance**

The Company may maintain insurance within ranges of coverage that it believes to be consistent with industry practice and having regard to the nature of activities being conducted. However, it is not always possible to cost-effectively insure against all risks associated with such activities. The Company may decide not to take out insurance against certain risks as a result of high premiums or for other reasons. Should liabilities arise on uninsured risks, the Company's business, financial condition and results of operations and the market price of the New Shares may be materially adversely affected.

## **Legal Proceedings**

Legal proceedings may arise from time to time in the course of the business of the Company. As at the date of this document, there are no material legal proceedings affecting the Company and the Directors are not aware of any legal proceedings pending or threatened against or affecting the Company.

# Key Risks – General

## **Securities investments and share market conditions**

There are risks associated with any securities investment. The trading prices of securities trade fluctuate in response to a number of factors.

Furthermore, the stock market, and in particular the market for resource exploration and development companies may experience extreme price and volume fluctuations that may be unrelated or disproportionate to the operating performance of such companies. These factors may materially adversely affect the market price of the securities of the Company regardless of the Company's operational performance. Neither the Company nor the Directors warrant the future performance of the Company, or any return of an investment in the Company.

## **Economic risk**

Changes in both Australia, South America and world economic conditions may adversely affect the financial performance of the Company. Factors such as inflation, currency fluctuations, interest rates, industrial disruption and economic growth may impact on future operations and earnings.

## **Legislative**

Changes in relevant taxes, legal and administration regimes, accounting practice and government policies may adversely affect the financial performance of the Company. Speculative Investment The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the New Shares offered under this document. Therefore, the New Shares to be issued carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those New Shares. Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for New Shares.



# International Offer Restrictions

**This document does not constitute an offer of new ordinary shares ("New Shares") of the Company in any jurisdiction in which it would be unlawful. New Shares may not be offered or sold in any country outside Australia except to the extent permitted below.**

## Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

## New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act"). The New Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

## Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

## Japan

The New Shares have not been and will not be registered under Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948), as amended (the "FIEL") pursuant to an exemption from the registration requirements applicable to a private placement of securities to Qualified Institutional Investors (as defined in and in accordance with Article 2, paragraph 3 of the FIEL and the regulations promulgated thereunder). Accordingly, the New Shares may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan other than Qualified Institutional Investors. Any Qualified Institutional Investor who acquires New Shares may not resell them to any person in Japan that is not a Qualified Institutional Investor, and acquisition by any such person of New Shares is conditional upon the execution of an agreement to that effect.

# International Offer Restrictions

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) an "accredited investor" (as defined in the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

## United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.

The New Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to "qualified investors" (within the meaning of Article 2(e) of the Prospectus Regulation (2017/1129/EU), replacing section 86(7) of the FSMA). This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

## United States

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The New Shares have not been, and will not be, registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

The New Shares will only be offered and sold in the United States to:

- institutional accredited investors (as defined in Rule 501(a)(1), (2), (3) and (7) under the US Securities Act); and
- dealers or other professional fiduciaries organized or incorporated in the United States that are acting for a discretionary or similar account (other than an estate or trust) held for the benefit or account of persons that are not US persons and for which they exercise investment discretion, within the meaning of Rule 902(k)(2)(i) of Regulation S under the US Securities Act.

## European Union

This document has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this document may not be made available, nor may the New Shares be offered for sale, in the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation").

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of New Shares in the European Union is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).

# Appendix 2 Hualilan Gold Project

## Additional Slides





# CORPORATE OVERVIEW

## Corporate

ASX Ticker	CEL
Share Price	36c
<b>Current Shares on Issue</b>	<b>658.2m</b>
Hualilan Acquisition Shrs	50m
Performance Shares	141.3m
Unlisted Options (4c)	86.6m
<b>Fully Diluted</b>	<b>936.1m</b>
<b>Undiluted EV</b>	<b>A\$223m</b>
<b>Fully diluted EV</b>	<b>A\$323m</b>
<b>Cash at bank</b>	<b>A\$14.5m</b>

## Shareholders

Shareholder	Shares	(%)
Top 20 Shareholders	210.0m	32.3
Kris Knauer (CEO)	39.3m	6.6
Fletcher Quinn (Chairman)	23.3m	3.2
CS Third Nominees PL	19.1m	2.9
Eastern Capital Group LLC	19.1m	2.9
Strandline Investments PL	16.3m	2.5

(1) Capital Table Prior to proposed Placement

## Key Executives

### Fletcher Quinn Chairman

Over 35 years experience in venture capital, corporate finance and investment banking.

Fletcher was the foundation Chairman for Citadel Resources and remained as a Board member for the majority of Citadel's history prior to it being taken over for A\$1Bn.

### Kris Knauer CEO

Kris started his career as an exploration geologist before moving into investment banking, initially as a mining analyst.

He led the listing of a package of copper/gold assets in Saudi Arabia to create Citadel Resources (ASX : CGG) becoming the founding Managing Director.

### Scott Funston CFO

Scott is a qualified Chartered Accountant and Company Secretary/CFO with twenty years' experience in the mining industry.

Most recently he was CFO of Avanco Resources where he was responsible for the financial component of the Avanco Resources Definitive Feasibility Study from start-up to a A\$0.5Bn takeover.

### Stuart Munroe Exploration Mgr

As a geologist, with over 25 years experience, he was involved in detailed studies of controls on mineralisation, resource model assessment, and strategic planning.

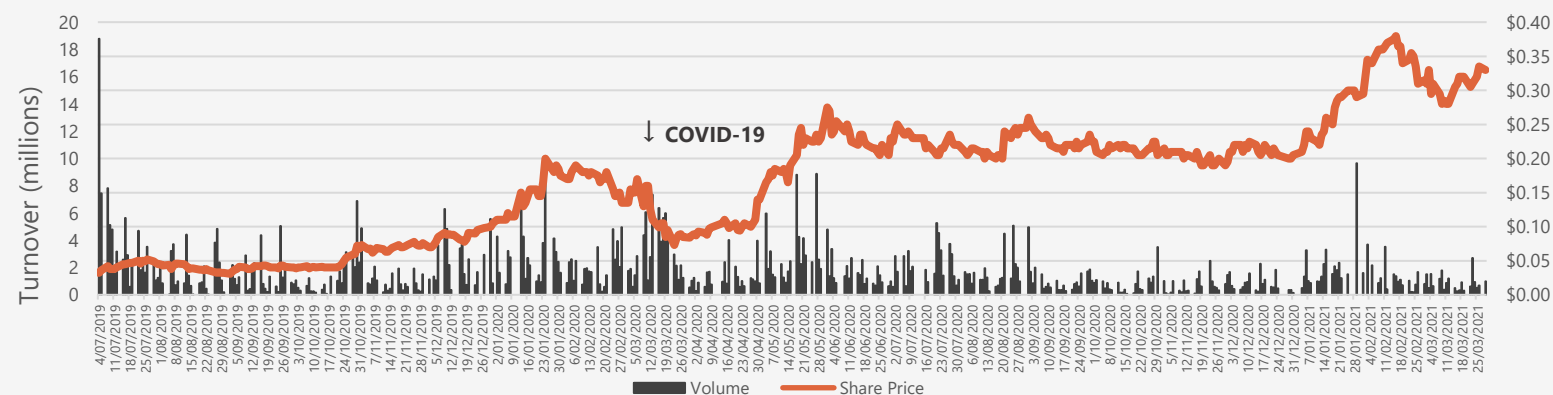
Stuart has extensive experience in the mining industry including roles as Exploration Manager for ASX Listed companies.

### Sergio Rotondo COO

Sergio has a background in construction having managed billion-dollar projects from design through completion. His core competencies are logistics, Government relations, OHS, safety.

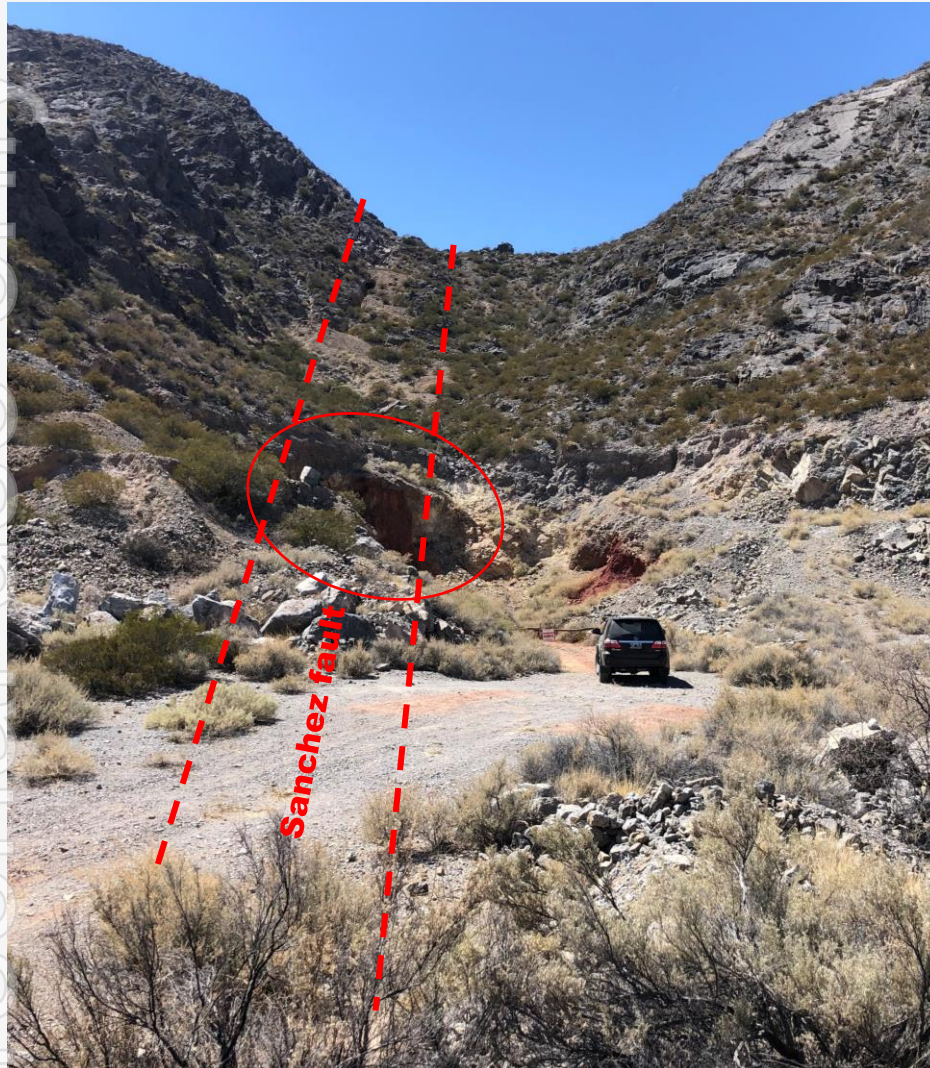
Sergio is also the majority owner of the final 25% of Challengers Hualilan Gold Project in Argentina.

## Share Price



# CURRENT HISTORICAL NON-JORC RESOURCE

Historical drilling failed to test the Sanchez fault due to the topography



## La Mancha Resources 2003 foreign resource estimate for the Hualilan Project ^

Category	Tonnes (kt)	AuEq Grade (g/t)	Gold Equivalents (koz)
Measured	218	14.2	100
Indicated	226	14.6	106
Measured + Indicated	445	14.4	206
Inferred	977	13.4	421
Total of Measured, Indicated & Inferred	1,421	13.7	627

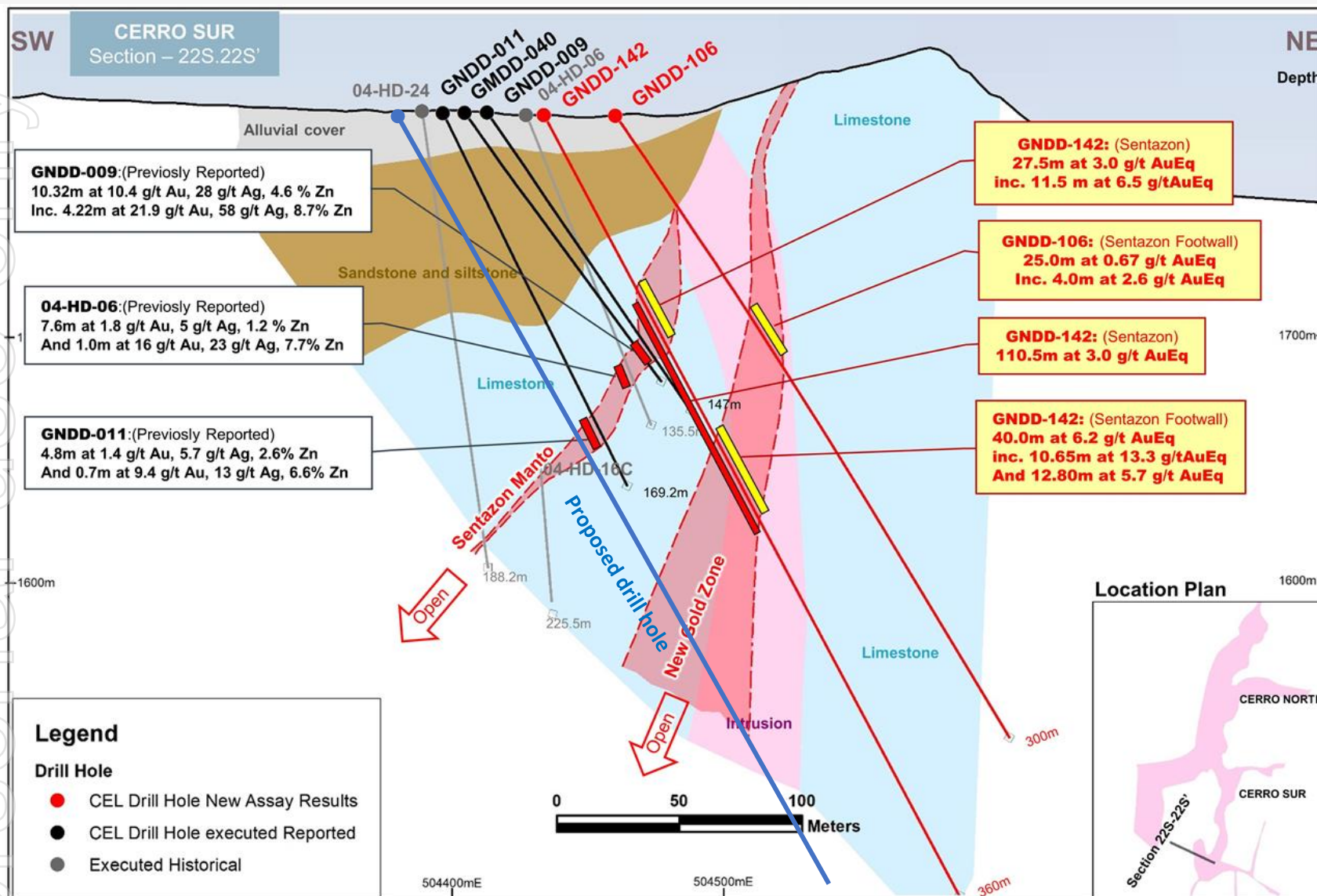
^ Source: La Mancha Resources Toronto Stock Exchange Release dated 14 May 2003 -Independent Report on Gold Resource Estimate. Rounding errors may be present. Troy ounces (oz) tabled here

#1 For details of the foreign non-JORC compliant resource and to ensure compliance with LR 5.12 please refer to the Company's ASX Release dated 25 February 2019. These estimates are foreign estimates and not reported in accordance with the JORC Code. A competent person has not done sufficient work to clarify the foreign estimates as a mineral resource in accordance with the JORC Code. It is uncertain that following evaluation and/or further exploration work that the foreign estimate will be able to be reported as a mineral resource. The company is not in possession of any new information or data relating to the foreign estimates that materially impact on the reliability of the estimates that materially impacts on the reliability of the estimates or CEL's ability to verify the foreign estimates estimate as minimal resources in accordance with Appendix 5A (JORC Code). The company confirms that the supporting information provided in the initial market announcement on February 25, 2019 continues to apply and is not materially changed.



# HUALILAN GOLD PROJECT – NEW ZONE DISCOVERY

Significant mineralisation underneath the main manto at Sentazon



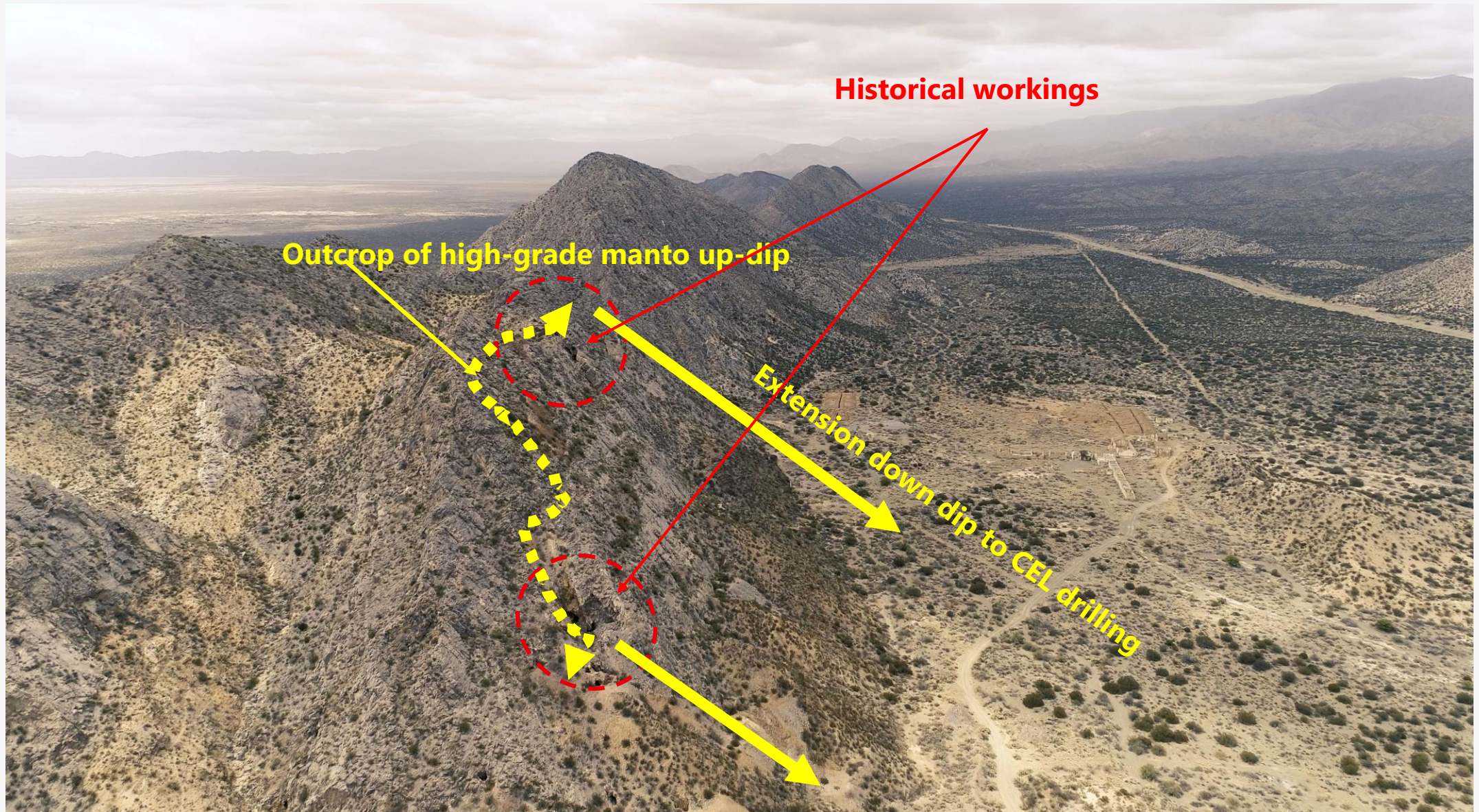
## Discovery below Sentazon Manto

- GNDD-142 intersected high-grade mineralisation 50 metres below the Sentazon Manto returning **40.5 metres at 6.2 g/t AuEq**
- No drilling, with the exception of CEL drill hole GNDD-106 (**25 metres of mineralisation**), was deep enough to test this new zone
- Early CEL hole GNDD-011 was programmed to test for deeper repeats but was terminated early due to drilling problems
- Potential bulk mineralised package created by this this new zone stacked below the Sentazon Manto indicated by the broad intercept of **110.5 metres at 3.0 g/t AuEq**
- Follow up drilling in progress to test down-dip of GNDD-142 and north and south along strike (assays pending)



# HUALILAN GOLD PROJECT – UPDIP POTENTIAL

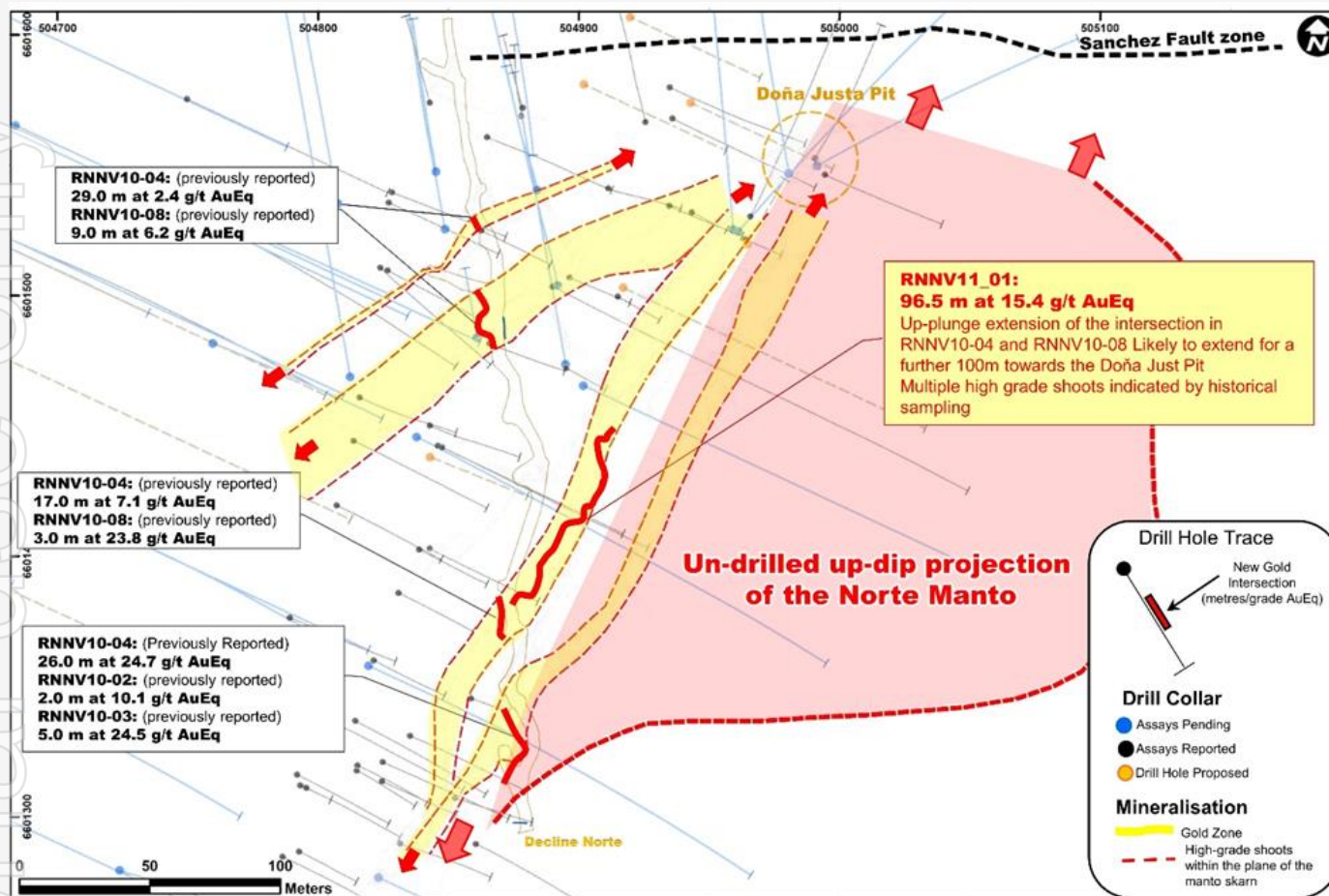
Up to 300 metres of mineralisation up plunge from current drilling



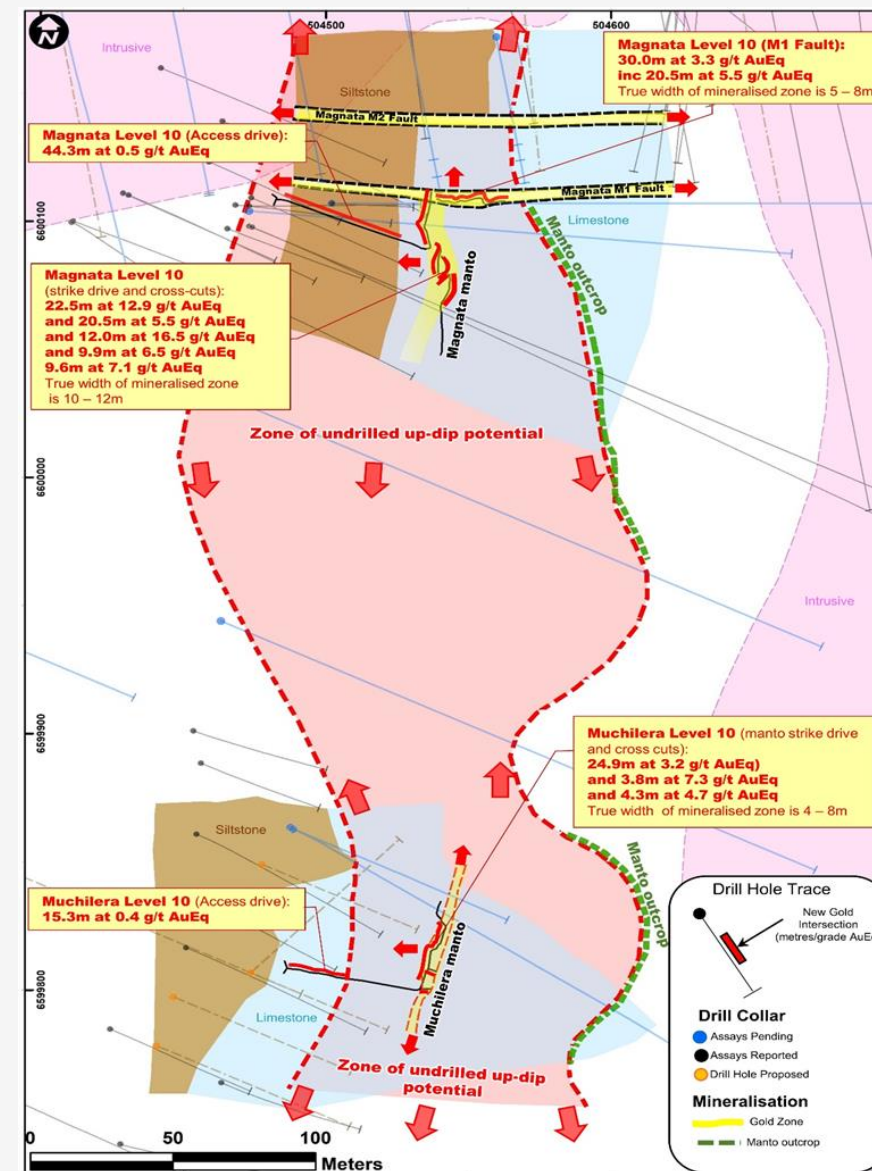


# HUALILAN GOLD PROJECT – UPDIP POTENTIAL

Up to 300 metres of mineralisation up plunge from current drilling remains undrilled



Channel Sampling and undrilled up-dip potential Main manto – Cerro Norte

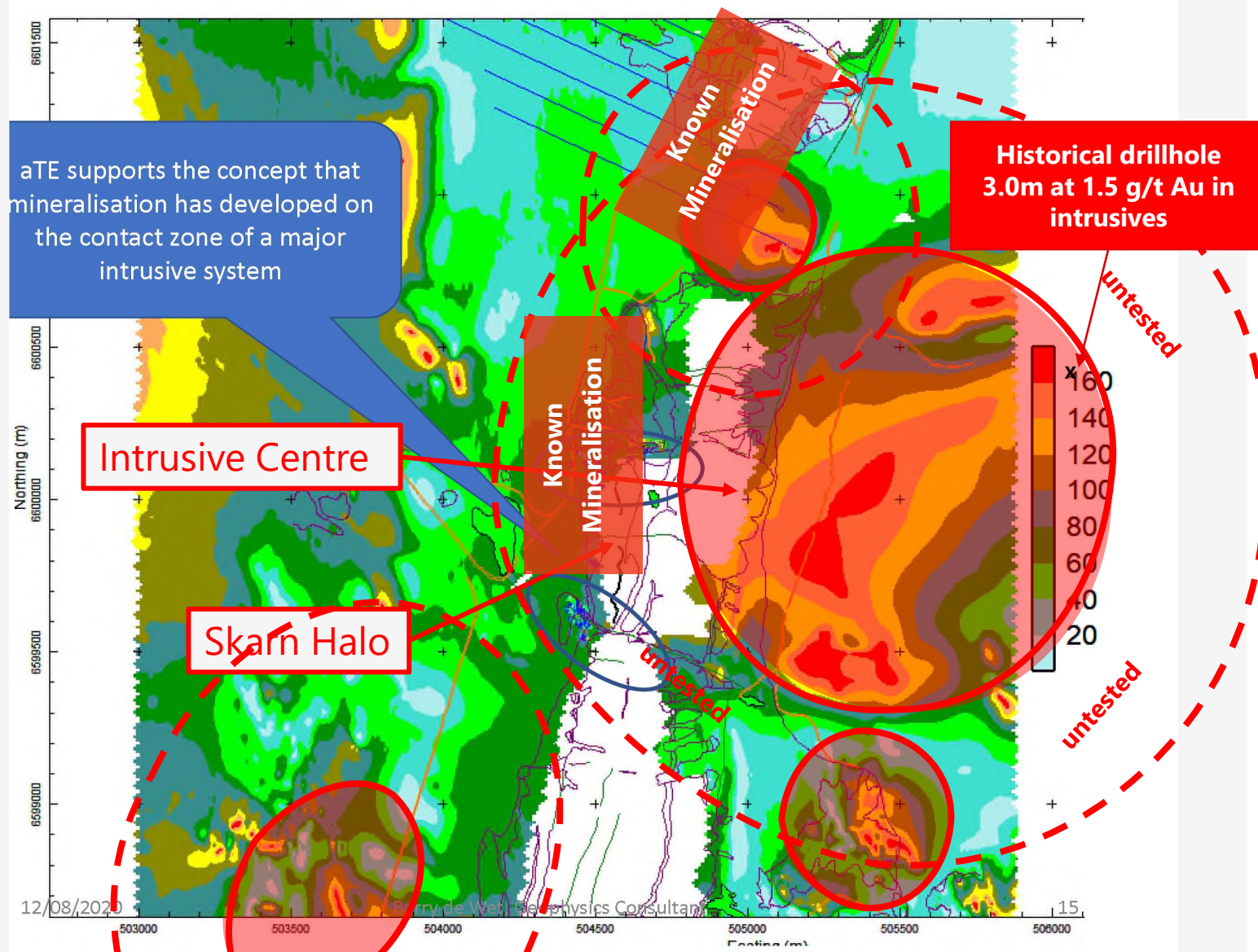
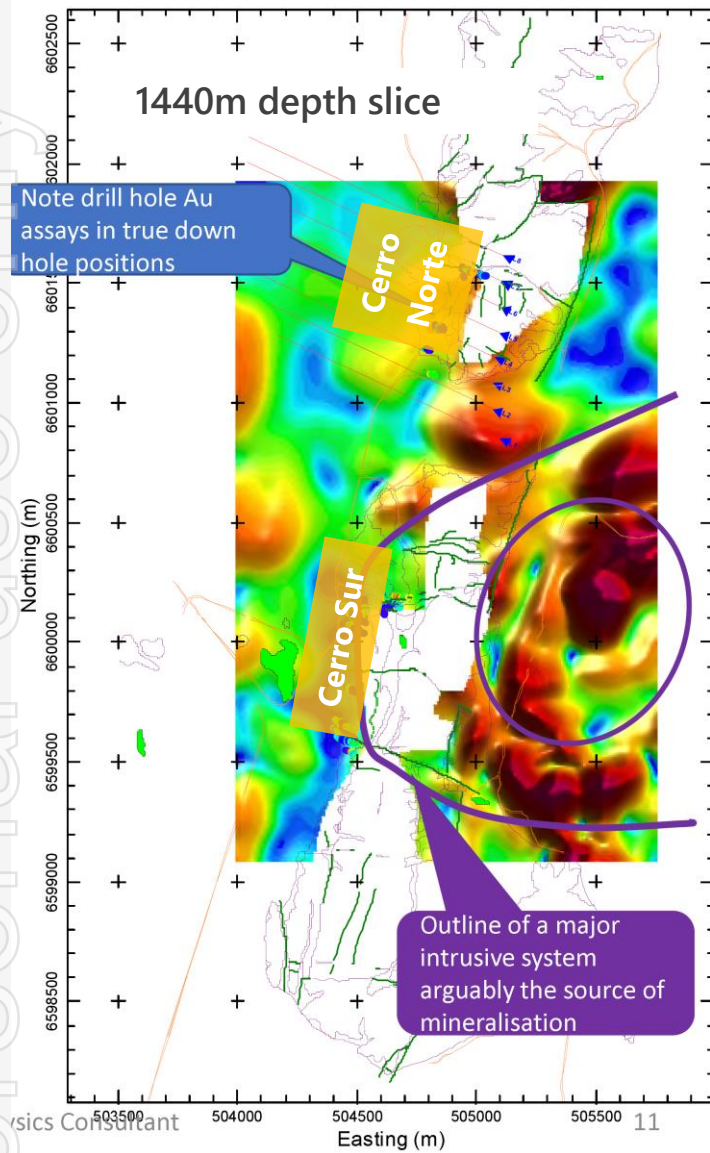


Channel Sampling and undrilled up-dip potential Magnata/Muchilera – Cerro Sur



# A FAR BIGGER PLAY THAN EXTENDING WITHIN 2KM STRIKE

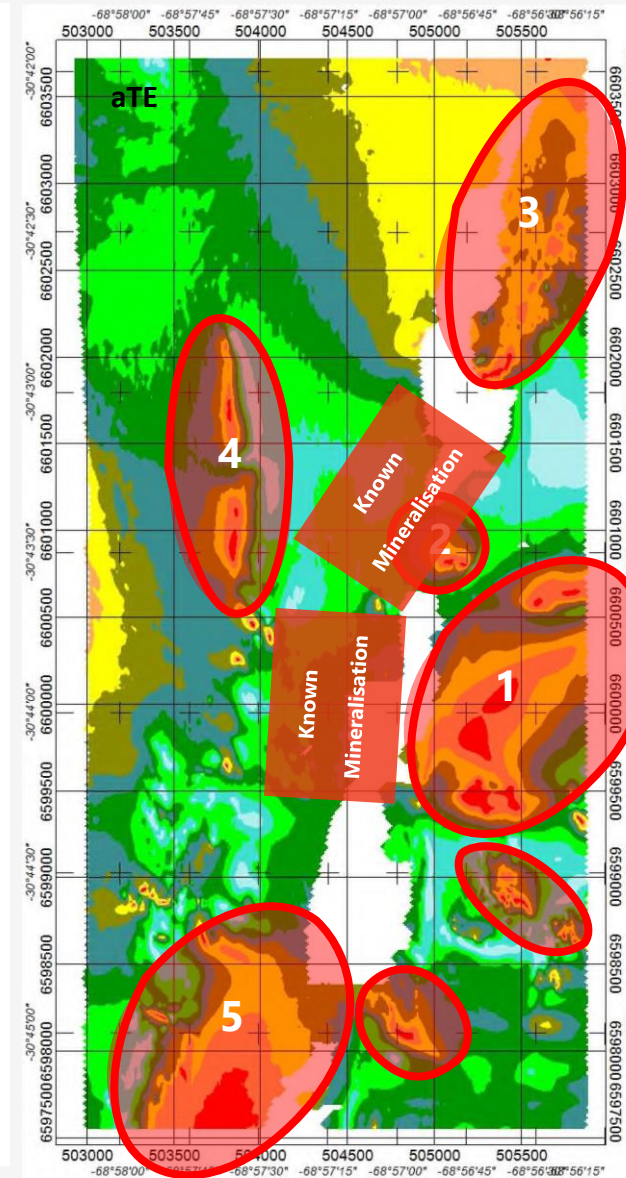
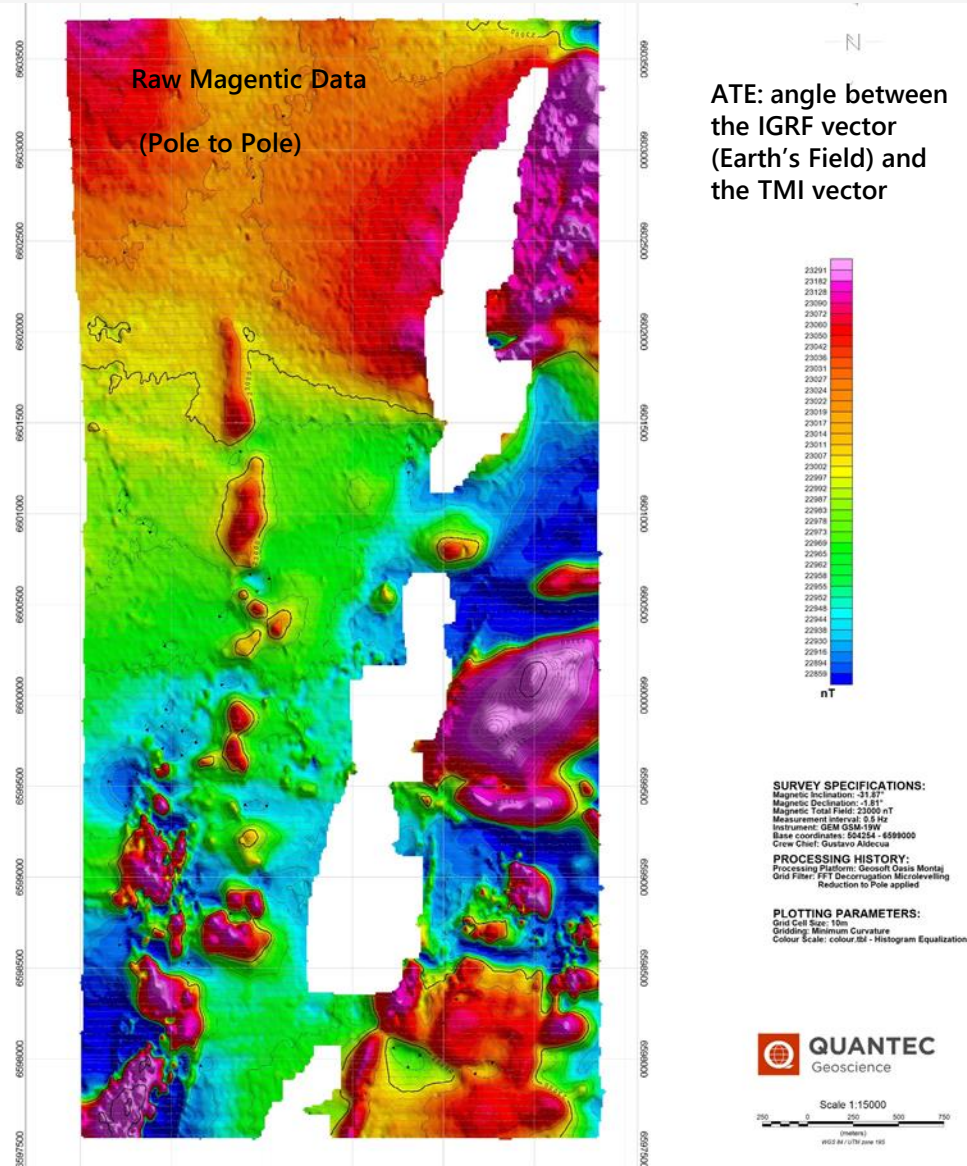
Exploration has only focussed on one side of the intrusión responsible for Hualilan





# REGIONAL ATE FEATURES

At least 5 intrusive centres of the same age



Processing of surface magnetic data indicates there are at least 5 major intrusive centres the same age as the Hualilan

1. major intrusive centre (source of the mineralisation) to the east of Cerro Sur.
2. smaller porphyry in the gap zone
3. major intrusive centre (source of the mineralisation and possible porphyry) north-west of Cerro Norte
4. a second large intrusive centre at the southern end of the survey
5. an intrusive centre to the west of the Gap Zone

- These intrusions provide greater than 20 kilometres of prospective stratigraphy.
- The existing Hualilan mineralisation is confined to 2 kilometres of strike
- We are currently consolidating our ground position further south and north



# HOLE GNDD-009 – TYPICAL SKARN MINERALISATION

10.3m at 10.4 g/t gold, 28 g/t silver, 4.6% zinc from 109.1 metres



Massive:

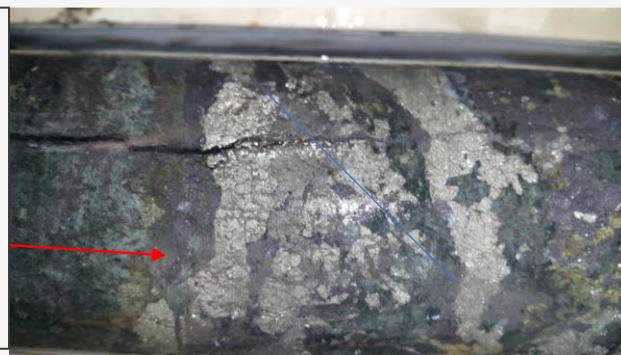
- sphalerite
- chalcopyrite
- galena
- pyrite



Lower contact  
(119.4m)

Massive:

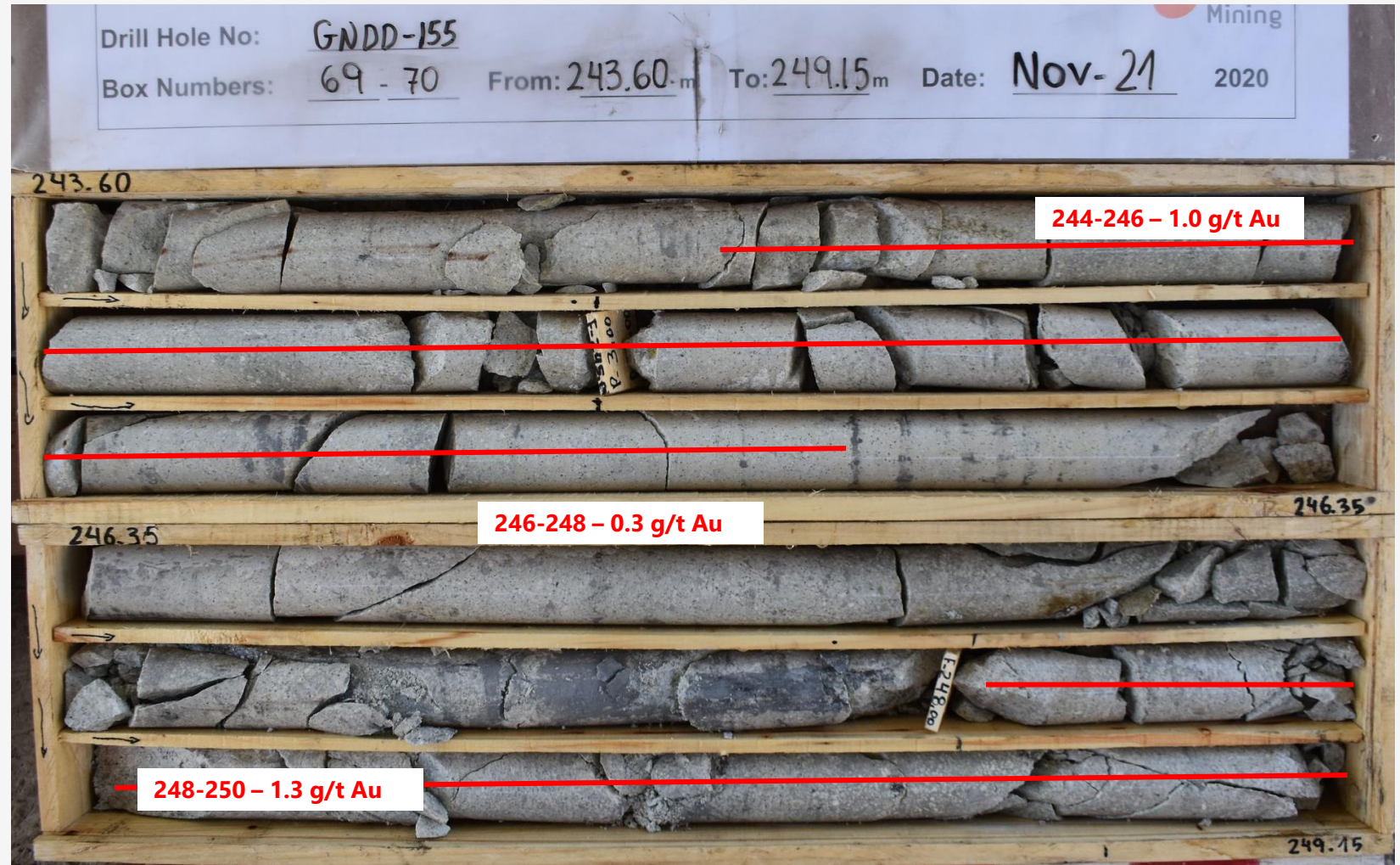
- magnetite
- pyrite
- arsenopyrite





# GNDD-155 (typical mineralised dacite in Gap Zone)

GNDD-155 : 209.0m at 1.0 g/t Au, 1.4 g/t Ag, 0.1% Zn from 59.0m



GNDD- 155 (81-83m – 13.6 g/t Au  
and 83-85m – 13.4 g/t Au)

GNDD-155 : typical mineralisation in dacites

Note - quantitative estimates of mineral abundance have not been provided so as not to cause the market to be misled on the elemental abundance in the absence of chemical assays. Visual observations may not include guidance on elemental abundance that may not be evident with the naked eye.

# Appendix 3

## El Guayabo Project

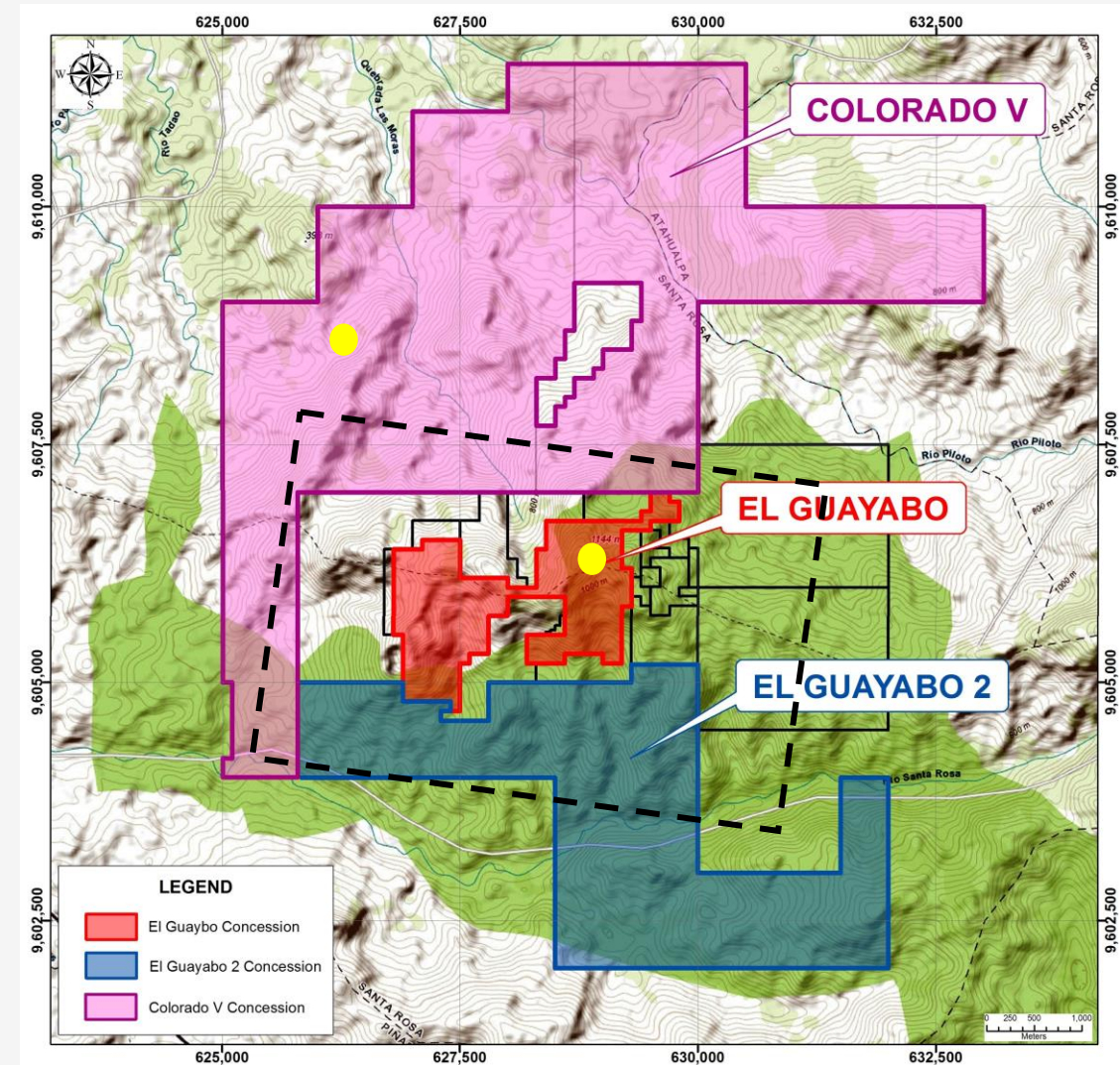




# EL GUAYABO GOLD/COPPER PROJECT – ECUADOR

## Project Overview including the adjoining Colorado V concession

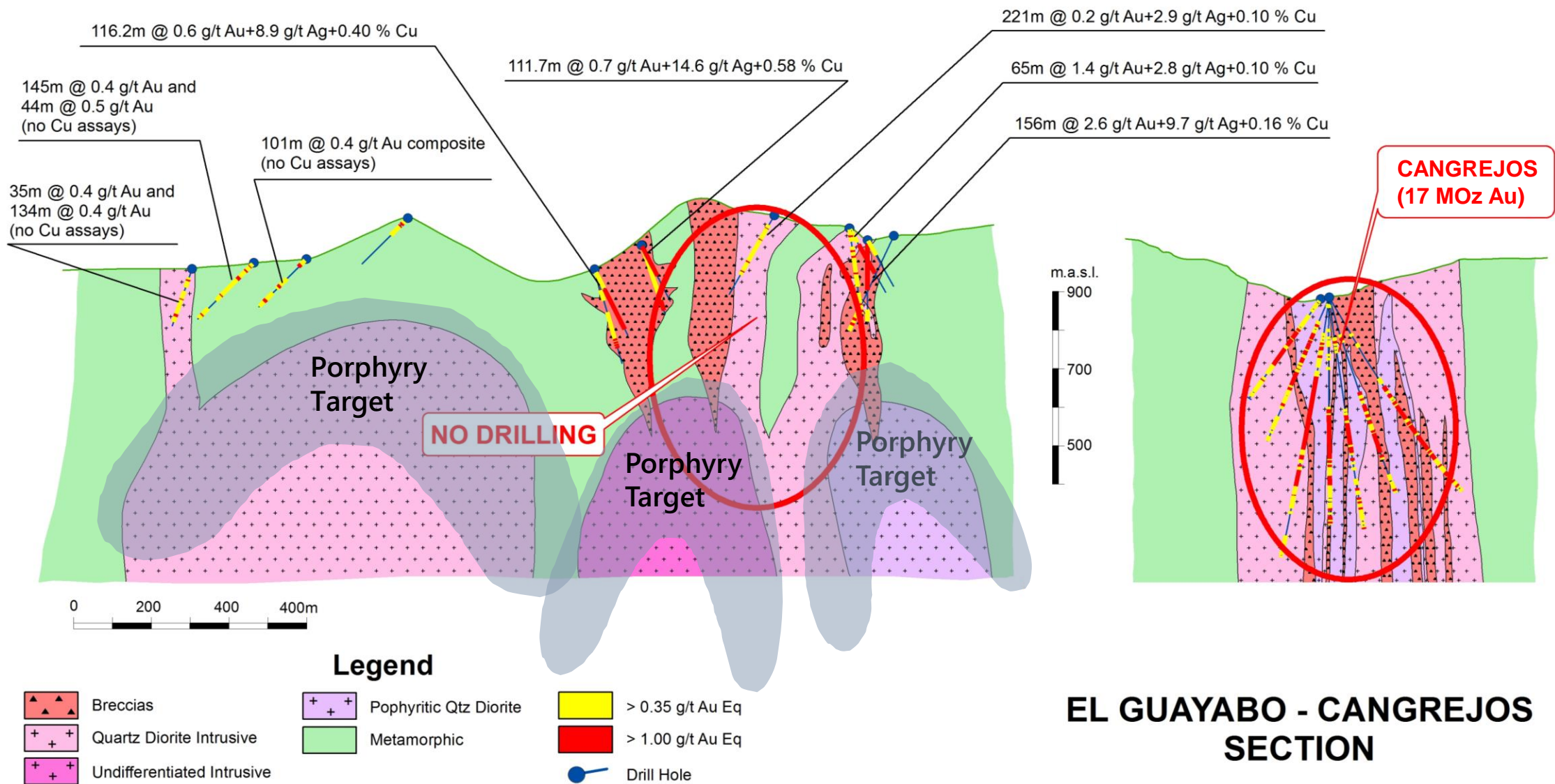
- 35km<sup>2</sup> land package 5km along strike from the 16.7-million ounce Cangrejos<sup>1</sup> deposit which is going through permitting
- Substantial historical drilling results not followed up in over 25 years:
  - **156m @ 2.6 g/t Au + 9.7 g/t Ag + 0.2% Cu**
  - **112m @ 0.6 % Cu + 0.7 g/t Au + 14.7 g/t Ag**
  - **116m @ 0.4% Cu + 0.6 g/t Au + 8.9 g/t Ag**
- Newmont (1994-97) was focused on open cut gold
  - Drilling/logging by local geologists with no porphyry experience
  - Many holes terminated prior to target and ended in mineralisation (2 holes ending in >5 g/t gold) – never followed up
  - Initial holes assayed for gold only (250m @ 0.4g/t Au + logged chalcopryite never followed up)
- CEL has undertaken extensive exploration over the past 12 months to generate targets for drilling and land acquisition:
  - Detailed surface mapping/rock chip sampling and regional soil sampling
  - 3D Geophysical Survey - MT (with IP test lines) covering 16 km<sup>2</sup>
  - Confirmed a bulk gold discovery by the assay of historical core which was partially sampled – **134m @ 1.0 g/t Au and 4.1 g/t Ag**



<sup>1</sup> Source Lumina Gold NI 43-101 Technical Report Cangrejos Project July 2020

# EL GUAYABO GOLD/COPPER PROJECT - GEOLOGY

## Geological Model

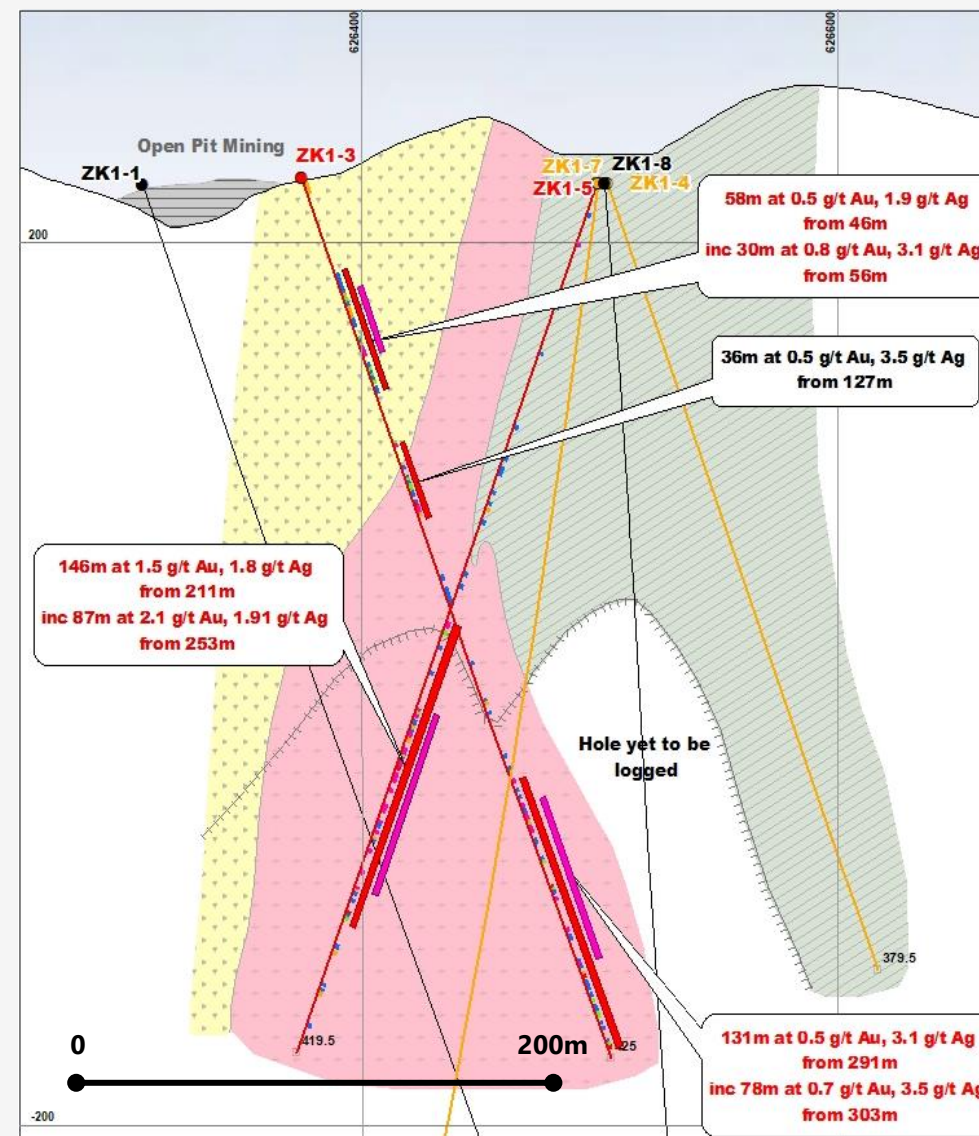




# ECUADOR UPDATE – MULTIPLE LARGE GOLD TARGETS

Large zones of mineralisation defined before any significant expenditure

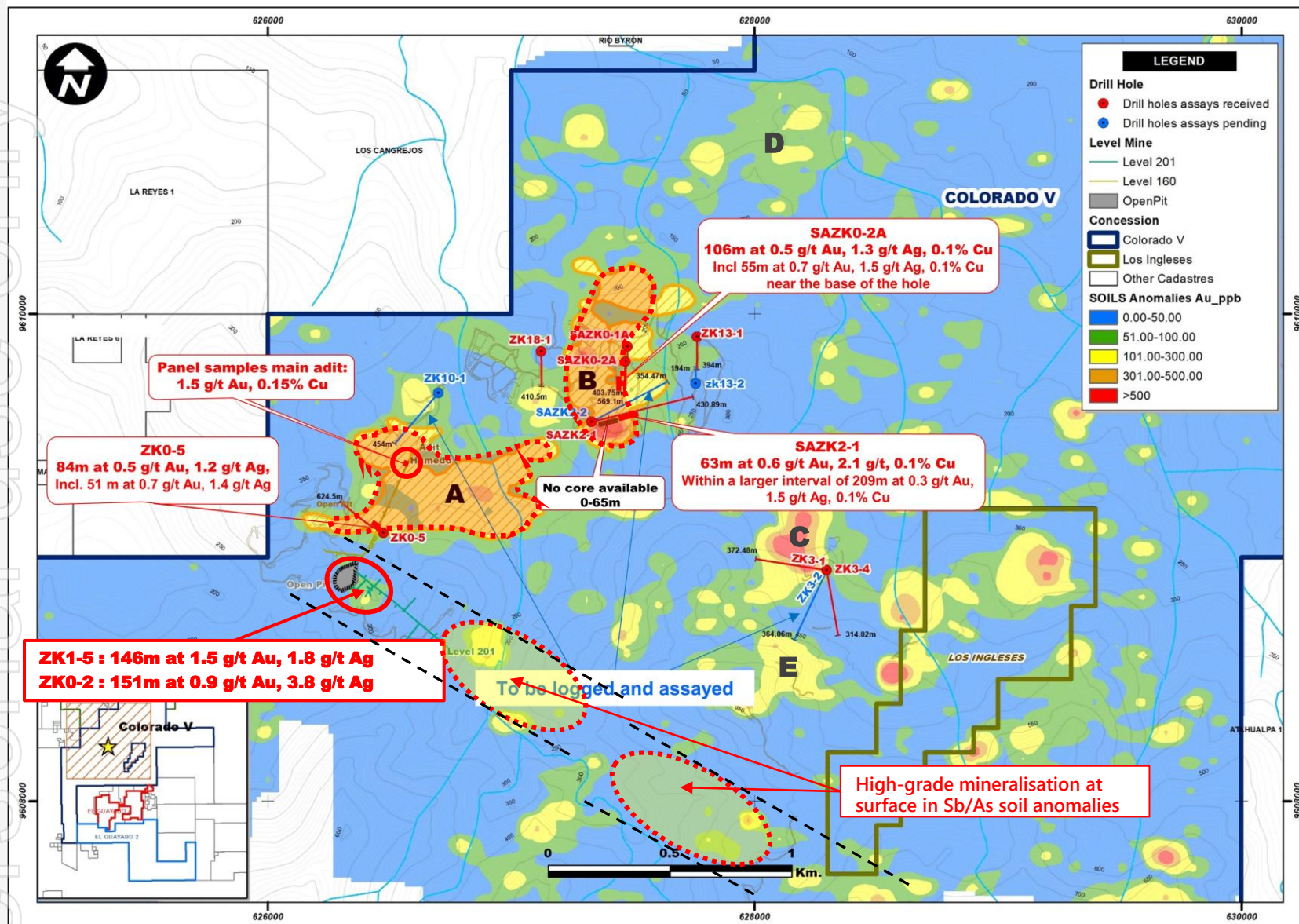
- 60 historical drill holes for a total of 22,000 metres of drilling with the limited assaying focussed on identifying high-grade mill feed
- 500-metre zone of mineralisation defined by underground workings
- Work has focussed on logging and assaying the core from the remaining 30 drill holes and underground rock saw channel samples
- Drilling programmed to start June/July this year
- **146m at 1.5 g/t Au, 1.8 g/t Ag from 211m (ZK1-5)**
  - incl **87m at 2.1 g/t Au, 1.9 g/t Ag**
- Over 250 metres of gold mineralisation in drill hole ZK0-2
  - **151 metres at 0.9 g/t gold and 3.8 g/t** from 225 metres
  - incl **134 metres at 1.0 g/t gold and 4.1 g/t silver**
  - incl **63 metres at 1.6 g/t gold and 5.1 g/t silver**
- Over 200 metres of gold mineralisation in drill hole ZK1-3
  - **58m at 0.5 g/t gold, 1.9 g/t silver from 46 metres**  
incl **30m at 0.8 g/t gold, 3.1 g/t silver**
  - **131m at 0.5 g/t gold, 3.1 g/t silver from 291 metres**  
incl **78m at 0.7 g/t gold, 3.5 g/t silver**





# DRILLING TARGETS ANALOGOUS TO CANGREJOS 5KM AWAY

Recent assay results point to a major discovery



- Number of high tenor gold and copper in soil anomalies > 1km<sup>2</sup> in size not validly tested
- Majority of the drilling was on the flanks of the soil anomalies
- Assays of the initial 8 drill holes have significantly upgraded the prospectivity of these anomalies
- ▶ All drill holes which penetrated the edges of these anomalies returned ore grade intersections which significantly upgrade these large targets
- ▶ the 100-ppb gold soil anomaly defines two 1000 x 500m targets which have not been validly drill tested
- ▶ The higher grade panel sampling (+1.5 g/t gold) in the main adit corresponds with the higher tenor undrilled portion of the Au/Cu/Mo soil anomaly A

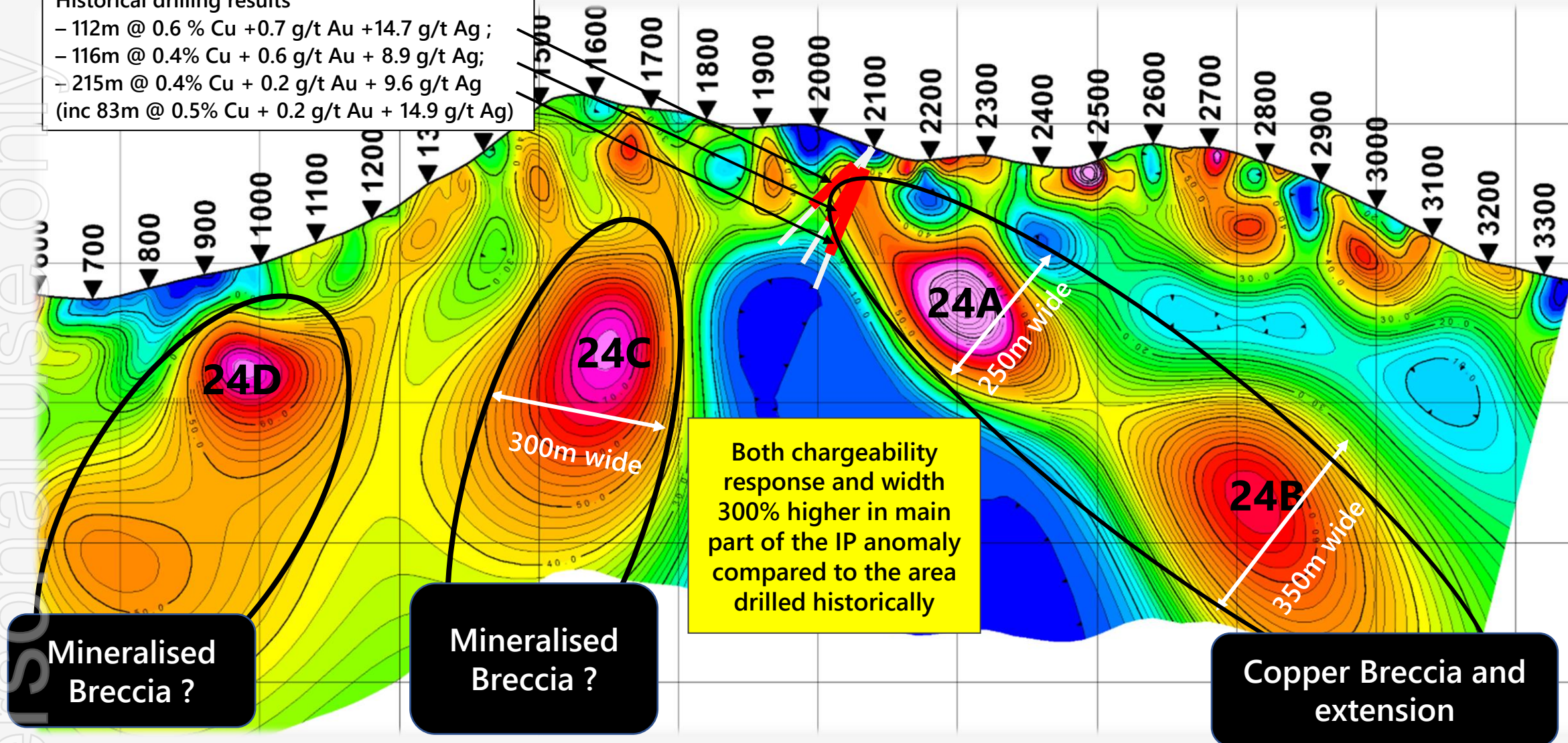


# NORTH-SOUTH IP LINE

Large undrilled mineralised breccia bodies

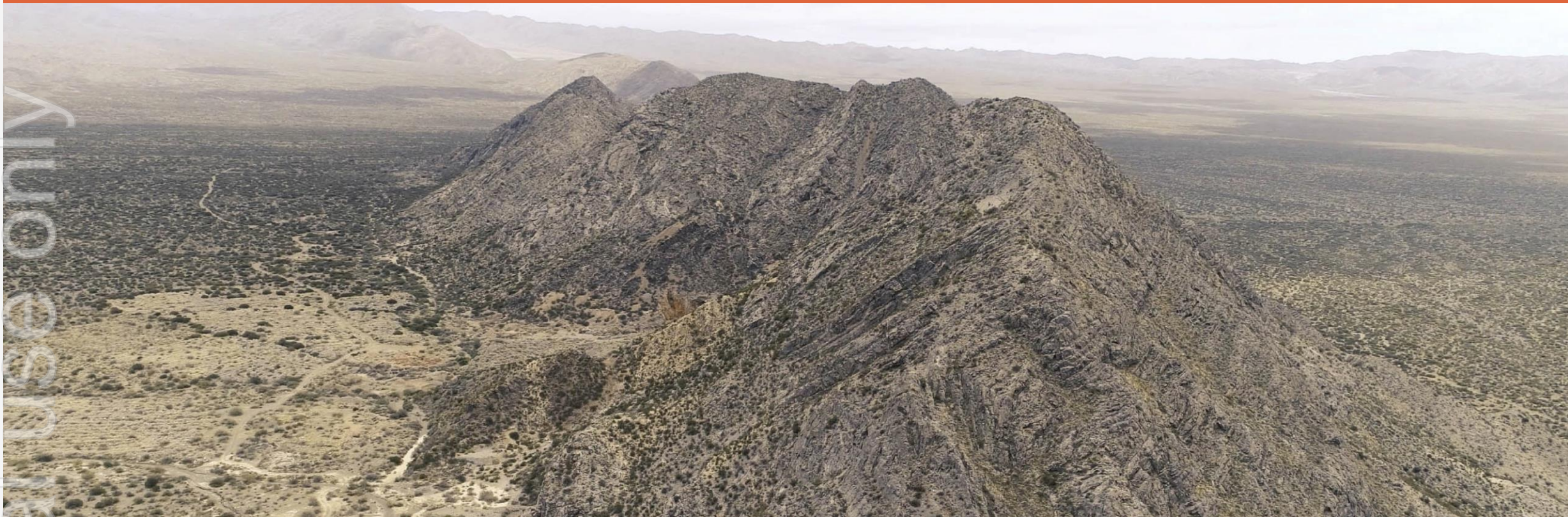
## Historical drilling results

- 112m @ 0.6 % Cu + 0.7 g/t Au + 14.7 g/t Ag ;
- 116m @ 0.4% Cu + 0.6 g/t Au + 8.9 g/t Ag;
- 215m @ 0.4% Cu + 0.2 g/t Au + 9.6 g/t Ag  
(inc 83m @ 0.5% Cu + 0.2 g/t Au + 14.9 g/t Ag)





CHALLENGER EXPLORATION LIMITED (ASX:CEL) ACN 123 591 382  
Level 1, 1205 Hay Street, West Perth WA 6005 | P: +61 8 6380 9235



**Kris Knauer**

CEO & Managing Director

+61 411 885 979

kris.knauer@challengerex.com

**Scott Funston**

CFO & Finance Director

+61 413 867 600

Scott.funston@challengerex.com

**Elvis Jurcevic**

Investor Relations

+61 408 268 271

ej@irxadvisors.com

**Jane Morgan**

Media Relations

+61 405 555 618

jm@janemorganmangement.com.au

**[www.challengerex.com](http://www.challengerex.com)**