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CHALLENGER GOLD UNDERTAKES A$85M EQUITY RAISING AND ANNOUNCES APPOINTMENT OF PETER MARRONE, AS NON-EXECUTIVE CHAIRMAN

Highlights

- Peter Marrone, Allied Gold Chairman & CEO, to join Challenger as Non-Executive Chairman-elect
- Former Yamana Gold Chief Operating Officer, Yohann Bouchard to join Challenger as Chief Operating Officer
- Challenger (with the assistance of Mr. Marrone and Mr. Bouchard) is in active discussions with respect to additional executive appointments
- Mr. Marrone and other lead investors to contribute A$10 million toward a total A$85 million placement undertaken by Challenger ("**Placement**")
- Proceeds of the Placement to be allocated toward:
    - Resource growth drilling campaign aimed at testing broader Hualilan tenement package;
    - Completion of Hualilan DFS;
    - Select capital to prepare for the standalone development of Hualilan; and
    - Working capital & transaction costs.

Commenting on the appointment of Peter Marrone and the concurrent Placement, CEL Chairman, Eduardo Elsztain, said:

"*The addition of Peter Marrone to the Challenger Board as Chairman-elect and Yohann Bouchard as COO is transformational for the strategic direction of Challenger. This appointment and the commitment by Peter and other lead investors of A$10m into the Challenger placement provides a strong vote of confidence in Hualilan and follows a period of extensive due diligence by Peter and Yohann.*

Challenger looks forward to the involvement of Peter and Yohann in the future leadership and direction of Challenger to ensure the Company reaches its full potential and I look forward to working with Peter and Yohann on the Board of Directors in my continuing position on the Challenger Board.

The Placement has been supported by Challenger's four largest existing institutional investors and two new institutional investors which have a successful history investing alongside Peter Marrone. The funds raised will enable the Company to accelerate exploration at Hualilan with Challenger committing to its first material extension drilling campaign in several years."

Overview of Mr. Peter Marrone (Non-Executive Chairman-elect)

Challenger Gold Limited (ASX:CEL) ("**CEL**" or the "**Company**") is pleased to announce the appointment of Peter Marrone as Chairman-elect. Mr. Marrone's election as Non-Executive Chairman will be subject to the receipt of shareholder approval at the Company's forthcoming extraordinary general meeting ("**EGM**") to be held in June 2026. Mr. Marrone has proven global gold discovery and development success with a strong track record of driving shareholder returns.

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Peter Marrone is currently the Chairman and Chief Executive Officer of Allied Gold Corporation, a company which he and his management team took public in 2023. Before Allied Gold, he served as Executive Chairman of Yamana Gold Inc., a company he founded in 2003. With over 35 years of experience in mining, business, and capital markets, Mr. Marrone has founded and taken public several companies across various sectors.

Overview of Mr. Yohann Bouchard (Chief Operating Officer)

Mr. Bouchard brings with him more than 25 years of progressive technical and operations experience in the mining industry.

Most recently, he was President of Andean Precious Metals prior to which he was Executive Vice President and Chief Operating Officer at New Gold. Mr. Bouchard has overseen the successful development of numerous operations including commercial production at New Gold's New Afton's C-Zone and mining the first development ore from the Underground New Gold's Main Zone at Rainy River, both of which were achieved ahead of schedule. In addition, Yohann played a key role in advancing the operations through the free cash flow inflection point.

Prior to New Gold, Mr. Bouchard was Senior Vice President and Chief Operating Officer at Yamana Gold. Mr. Bouchard joined Yamana in October 2014 and was responsible for Yamana Gold's mining operations in the Americas including operations in Argentina's San Juan province. Prior to joining Yamana, Mr. Bouchard occupied key operating and technical positions with Primero Mining Corporation, IAMGOLD Corporation, Breakwater Resources Ltd. and Cambior Inc.

Other Board Changes

Current Non-Executive Chairman, Eduardo Elsztain, will transition to the role of Non-Executive Director following receipt of shareholder approval for Mr. Marrone. With the appointment of Mr. Marrone, Challenger will move to accelerate exploration planning and advance high-priority targets for resource growth across its project portfolio.

Challenger, with the assistance of Mr. Marrone, expects to announce additional executive appointments over the coming months to assist the existing executive team transition into production at Hualilan and expand the Company's exploration and growth focus.

Equity Raising

The Company advises that it has received binding commitments for approximately 708 million new fully paid ordinary shares ("**New Shares**") at an issue price of A$0.12 per New Share ("**Offer Price**") to raise A$85 million comprising:

- A$69.7 million placement to institutional, sophisticated, and professional investors ("**Institutional Placement**");
- A$10.0 million placement to Mr. Marrone (A$8 million) ("**Mr. Marrone Placement**") and other lead investors (A$2 million); and
- A$5.3 million to affiliates of Eduardo Elsztain ("**Director Placement**").

Challenger will also issue one (1) free-attaching unlisted option ("**Options**") for every two (2) New Shares subscribed for and issued pursuant to the Placement. The Options will be exercisable at $0.156 (representing a 30% premium to the Offer Price) with an expiry date of 30 June 2029.

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The Offer Price represented a 11.1% discount to the last close of A$0.135 (7 May 2026) and 17.4% discount to the CEL 20-Day VWAP of A$0.145.

- **Tranche 1**: of the Institutional Placement to raise approximately A$23.1 million via the issue of approximately 193 million New Shares and approximately 96 million Options. Tranche 1 will utilise the Company's existing placement capacity under ASX Listing Rules 7.1 and 7.1A. Settlement of Tranche 1 is expected to occur on Friday, 22 May 2026 and allotment and quotation is expected to occur on Monday, 25 May 2026.
- **Tranche 2**: of the Institutional Placement to raise A$46.5 million via the issue of approximately 388 million New Shares and approximately 194 million Options subject to shareholder approval at a forthcoming EGM.

  In addition to the Institutional Placement and the Mr. Marrone Placement, other lead investors will collectively subscribe for A$2 million via the issue of 16.7 million New Shares and 8.3 million Options on the same terms as the Institutional Placement, which will settle coincident with Tranche 2 of the Institutional Placement, subject to shareholder approval at the forthcoming EGM.
- **Director Placement**: Company directors intend to subscribe for approximately 44.5 million New Shares and approximately 22.3 million Options on the same terms as the Institutional Placement for an aggregate amount of approximately A$5.34 million, subject to shareholder approval at the forthcoming EGM. If approved, the Director Placement will settle at the same time as Tranche 2 of the Institutional Placement.

Mr. Marrone Placement, Share Purchase Agreement and Investor Rights Agreement

In addition to the Institutional Placement, the Company advises that Mr. Marrone has entered into a subscription agreement with the Company whereby he has subscribed for A$8 million in Challenger New Shares and Options on the same terms as the participants in the Institutional Placement (subject to shareholder approval to be sought at the forthcoming EGM).

Pursuant to a share purchase agreement (the "SPA") between the Company, Mr. Marrone and the other lead investors, the Company will issue 200 million shares to Mr. Marrone and the other lead investors as outlined in Table 2 in consideration for 100% of the shares in a private company formed by Mr. Marrone which will provide Challenger with systems integral to the ongoing advancement of the Company and Hualilan (subject to shareholder approval to be sought at the forthcoming EGM). The private company will identify acquisition opportunities and provide financial, capital markets and corporate support. The principals of this private company (under the direction of Mr. Marrone) conducted diligence and provided support with respect to various aspects of Challenger's pre-feasibility study and, in particular, areas for optimization in the future definitive feasibility study.

The SPA has been structured to align Mr. Marrone and the other lead investors with other shareholders, with 66% of the shares subject to a contractual escrow with vesting based on share price performance. Including the significant investment of A$10 million (equal to 3.4% of the existing ordinary issued shares) in the Placement, Mr. Marrone and the other lead investors will own approximately 7.8% of the fully diluted share capital of the Company post-Placement.

In addition, the Company and Mr. Marrone have entered into an investor rights agreement as outlined in Table 1 below.

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Table 1 - Summary of Mr. Marrone Subscription Agreement & Investor Rights Agreement

	Description
Ownership & Quantum	• Mr. Marrone has agreed to subscribe for 66.7 million New Shares and 33.3 Options in Challenger representing approximately 2.0% of the ordinary issued share capital in Challenger (post-deal)

Price	• Subscription price of A$0.12 per share representing a:
	  ○ 11.1% discount to the last closing price (7 May 2026); and
	  ○ 17.4% discount to the 20-day VWAP

Conditions Precedent	• No material adverse change • Completion of the Placement • No interim change of control of Challenger • Shareholder approval at the EGM • Completion of the Mr. Marrone SPA (see Table 2 below for details) • Director deed of access, insurance and indemnity for Mr. Marrone • Title Opinion on the Hualilan project • COO employment agreement for Mr Bouchard • Completion of the Director Placement
Board Nominee	• Mr. Marrone will be entitled to nominate one (1) additional non-executive director to the Board (in addition to his appointment as Non-Executive Chairman), subject to holding 5% of the total issued capital in Challenger on an undiluted basis
Equity Participation	• Mr. Marrone to be given a reasonable opportunity to participate in future equity offers, subject to certain exceptions, on terms no less favourable than to other subscribers, provided that Mr. Marrone continues to hold an interest in at least 5% of the total issued capital in Challenger on an undiluted basis • This right will terminate if Mr. Marrone's shareholding falls below 5% for two (2) consecutive months
Warranties	• Customary representations and warranties

Table 2 - Summary of SPA

	Description
Structure	• Challenger has signed a share purchase agreement ("**SPA**") whereby the Company will acquire all of the issued and outstanding shares of a private company majority controlled by Mr. Marrone for consideration of 200,000,000 shares ("**Consideration Shares**") in the Company to be issued to the shareholders of the private company
Conditions	• Subscription Agreement conditions having been satisfied or waived (other than the SPA condition) • ASX not having indicated that it will refuse quotation of the Consideration Shares • No material adverse change

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Tranche 1	• 68,000,000 Consideration Shares on completion
Tranche 2	• 44,000,000 Consideration Shares subject to voluntary escrow and to be released upon the 20-Day VWAP of Challenger being at least A$0.156 per share (a 30% premia to the Offer Price)
Tranche 3	• 44,000,000 Consideration Shares subject to voluntary escrow and to be released upon the 20-Day VWAP of Challenger being at least A$0.192 per share (a 60% premia to the Offer Price)
Tranche 4	• 44,000,000 Consideration Shares subject to voluntary escrow and to be released upon the 20-Day VWAP of Challenger being at least A$0.228 per share (a 90% premia to the Offer Price)
Buy-back	• The Consideration Shares issued pursuant to Tranches 2, 3 and 4 will be bought-back for nil consideration if the respective price milestones are not met within 5 years from the date of issue

Voting Intentions

Challenger's shareholders (including members of management and the Board that are not participating in the Placement) who together currently hold a relevant interest (within the meaning of the *Corporations Act 2001* (Cth)) in approximately 31.6% of the total number of Challenger ordinary shares on issue as at the date of this announcement, have each confirmed their current intention to vote the Challenger shares in which they hold a relevant interest at the time of the EGM in favour of the resolutions to be proposed at the EGM relating to the matters set out in this announcement.

Director Placement & Concurrent SPA Shares

Pursuant to an investor rights agreement between the Company and each of Inversiones Financieras Del Sur and Dolphin Real Assets Fund SPC Ltd (together, the "**Current Investors**"), (i) the Current Investors (and/or their nominees) will subscribe for approximately 44.5 million New Shares and approximately 22.3 million Options for an aggregate amount of A$5.34 million (the "**Director Placement**"); and (ii) the Company will issue to the Current Investors (and/or their nominees) 50 million shares in relation to the shares to be issued by the Company in connection with the SPA (the "**Concurrent SPA Shares**"), in each case subject to shareholder approval at the forthcoming EGM. If approved, the Concurrent SPA Shares will be issued at the same time as Tranche 2 of the Institutional Placement and the Director Placement.

The Concurrent SPA Shares will be issued on the following terms, being the same as those issued under the SPA:

- Tranche 1: 17 million Concurrent SPA Shares issued upon receipt of shareholder approval at the EGM;
- Tranche 2: 11 million Concurrent SPA Shares issued upon receipt of shareholder approval at the EGM subject to voluntary escrow and to be released upon the 20-Day VWAP of Challenger being at least A$0.156 per share (a 30% premia to the Offer Price);
- Tranche 3: 11 million Concurrent SPA Shares issued upon receipt of shareholder approval at the EGM subject to voluntary escrow and to be released upon the 20-Day VWAP of Challenger being at least A$0.192 per share (a 60% premia to the Offer Price); and
- Tranche 4: 11 million Concurrent SPA Shares issued upon receipt of shareholder approval at the EGM subject to voluntary escrow and to be released upon the 20-Day VWAP of Challenger being at least A$0.228 per share (a 90% premia to the Offer Price).

The Concurrent SPA Shares are also subject to the same buy-back rights as set out in the SPA above if the relevant milestone is not met within 5 years from the date of issue.

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Inter-Conditionality

The Mr. Marrone Placement, the placement to other lead investors, the completion of the SPA, the Director Placement and the issuance of the Concurrent SPA Shares are inter-conditional.

Consolidation

In connection with the transaction, the Company also intends to undertake a consolidation of its issued capital on a 20:1 basis ("**Consolidation**"), subject to shareholder approval to be sought at the forthcoming EGM. All share and option numbers in this announcement are stated on a pre-Consolidation basis, unless otherwise stated.

Indicative Timetable

Indicative Timetable	Date
Announcement of the Placement and SPA	Monday, 18 May 2026
Settlement – Tranche 1 Institutional Placement New Shares	Friday, 22 May 2026
Allotment and Normal Trading of New Shares pursuant to Tranche 1 Institutional Placement & Allotment of Options pursuant to Tranche 1 Institutional Placement	Monday, 25 May 2026
Notice of Meeting sent to shareholders	Late-May
Extraordinary General Meeting	Indicatively late June 2026
Settlement of the Tranche 2 Institutional Placement, the Mr. Marrone Placement, the placement to other lead investors and the Director Placement	Indicatively early July 2026
Allotment & Normal Trading of New Shares pursuant to Tranche 2 Institutional Placement, Mr. Marrone Placement, placement to other lead investors and Director Placement.	
Allotment of Options pursuant to Tranche 2 Institutional Placement, Mr. Marrone Placement, placement to other lead investors and Director Placement	Indicatively early July 2026
Allotment of SPA Shares and Concurrent SPA Shares	
Completion of the Consolidation	Indicatively mid-late July 2026

Note: the timetable above is indicative only and is subject to change.

Advisers

Sternship Advisers acted as adviser to the Company.

Sternship Advisers, Evolution Capital Pty Ltd and Euroz Hartleys Limited acted as Joint Lead Managers to the Institutional Placement.

Hannam & Partners acted as Co-Manager to the Institutional Placement.

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Further details regarding the Placement are set out in the Appendix 3B of today's date.

This ASX announcement was approved and authorised by the Board.

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