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# Annual Report

For the year ended  
31 December 2024

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# Corporate Directory

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## Company 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

## Joint Company Secretaries

**Ms Kelly Moore**  
**Ms Michelle Kennedy**

## Registered Office

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<b>Auditor</b>	<b>Solicitors</b>	<b>Share Registry</b>	<b>Securities Exchange Listing</b>
Ernst and Young (EY) 11 Mounts Bay Road Perth WA 6000	Steinepreis Paganin Level 4 The Read Buildings 16 Milligan Street Perth WA 6000	Automic Registry Services Level 5 191 St Georges Terrace Perth WA 6000  <b>Ph:</b> 1300 288 664 <b>Web:</b> <a href="http://www.automic.com.au">www.automic.com.au</a>	Australian Securities Exchange  <b>ASX Code:</b> CEL <b>ACN</b> 123 591 382

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# Sustainability Report 2024

# Sustainability, Governance and Accountability

Challenger Gold understands that sustainability, governance, and accountability are not limited to the company's performance alone. Rather, there is a need to recognise the interconnectedness of all stakeholders including shareholders, communities, suppliers, government organisations, and employees, and to create value for all. The Company's Corporate Social Responsibility strategy is centered around sustainability and the creation of value for all stakeholders.

## Sustainability

Challenger Gold's sustainability strategy is founded on a set of values that fully encapsulate our organisation. These values are as follows:

- Integrity and honesty,
- Building high-performance teams.
- Being a good neighbor, generating local development
- Environmental responsibility and,
- Diversity and inclusion.

## Environment – Impact and Performance

Challenger Gold is committed to conducting future operations in a way that will benefit the livelihoods of our host communities.

Throughout the years of our work, our Company has prioritised reducing our environmental impact by addressing past activities of previous operators through remediation efforts, working on the preservation of the biodiversity sites around our operations, and complying with environmental regulations.

In 2023 Challenger Gold made noteworthy efforts toward the treatment of water provided to the nearby communities. As a result, many families who would have otherwise been exposed to contaminated water were able to access safe water thanks to these initiatives.

In 2023, the Company took steps to reduce and compensate for its carbon emission. In Ecuador, the Company calculated its first carbon footprint in order to identify areas where emissions can be

reduced, as well as exploring opportunities for carbon offsetting to help mitigate the environmental impact of its operations. This commitment to sustainability is a key part of Guayabo project approach to responsible corporate citizenship, and in 2024 we reduced our carbon footprint in about a 10% from our 2023 base line.

Some of the highlights of our Environmental program included:

"El Guayabo" project has a history of environmental damage resulting from contaminated run-off and acid mine drainage caused by past owners and artisanal mining. However, since acquiring the project, Challenger Gold has taken action to address these issues. Specifically, a special-purpose water treatment plant has been implemented to treat all water used for mining operations, ensuring that it is safe and recycled into the local network. This has been a critical step in mitigating the environmental impact of historical activities at the site. From 2019 to 2024 we have treated 1'538.170,56 m<sup>3</sup> of water.



## Fast Facts

**192.689,28M<sup>3</sup>**

of water treated by the Company at the El Guayabo Project, Ecuador during 2024

**+ 63%**

of our camp construction is ecological

**+ 7.480M<sup>2</sup>**

Another Key environmental pillar is the reforestation areas that, for many years, were environmentally devastated by previous landowners. So far, we have restored more than 7.480 m<sup>2</sup> bringing the soil back to its natural activity

Challenger Gold's comprehensive restoration plan – the REFORESTATION of Key areas around Guayabo project, aligned with the Ministry of environment

## Social - People and Culture, and Community Engagement

Challenger Gold has made significant efforts to establish itself as a trusted and valued member of the local communities where it operates in Ecuador. The Company has been successful in executing its operating plan by proactively engaging with local communities early on, in order to establish a strong social license to operate for the long term. This approach has been crucial to building sustainable relationships with local stakeholders and ensuring the Company's continued success.

### Jobs

**+60**

Direct and indirect jobs created Ecuador.

### Community Engagement

**+150**

Hours of dialogue and coordination with communities around our project in Ecuador.

**95%**

Locals employed with a 95% retention rate.

**+100**

Families received support from the company during difficult times caused by natural disasters and flooding in the province where we operate.

**+30**

Women with new local businesses supported via Challenger Gold.

**+180**

Children, young & major adults benefited from educational programs and the repowering of a community school.

**+130**

Young students and elderly adults enrolled in the school created by Challenger Gold for literacy and accelerated high school education so they can access employment opportunities or pursue further studies.

**+60**

Community women associated with local service ventures in Ecuador, within the gender equity program.

**We built our sustainability strategy for the next 5 years Ecuador**

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## Governance – Commitment

Challenger Gold is dedicated to upholding high standards of corporate citizenship and conducting its operations with honesty, integrity, and professionalism. The Company is committed to treating all stakeholders with respect and to operating in compliance with all applicable laws and regulations. This approach reflects Challenger Gold's commitment to responsible and ethical business practices, which are fundamental to its long-term success.

All members of Challenger Gold's Management & team are significant shareholders in our Company. As such, they are fully aligned with the interests of all Company shareholders, including those of the community, supply chain, and end-user customer stakeholders. This alignment reflects the Company's commitment to responsible and sustainable business practices, as well as its focus on creating long-term value for all participants.



# Responsible and Positive Footprint

## 1. Environmental Impact Statement

### Historic Environmental Approval for the Hualilán Mining Project

On October 22, 2024, Hualilán obtained the Environmental Impact Statement (EIS) for its production stage, a historic milestone as it is the first gold project to receive the EIA in 17 years in the province of San Juan. Located in the department of Ullum, the scope of the EIS includes 19 mining rights, including the Hualilán Mining Groups No. 1 and No. 2.

## 2. Carbon Footprint

Climate action is essential in the fight against climate change; in this way, it is the responsibility of all countries, companies and society in general to measure and quantify their carbon footprint with the aim of decarbonising their activities and, thus, reducing greenhouse gas (GHG) emissions. In addition, the compensation (neutralisation) of emissions is a commitment for our activities to be considered carbon neutral.

**Responsible mining:** Meeting and going beyond regulatory requirements to generate a positive impact on employees, communities and the environment is the fundamental purpose of GMSA. Following this guideline, we measure our footprint in the three (3) Scopes established by the GHG (Greenhouse Gas Protocol) protocol.

#### Scope 1

It includes direct emissions generated by sources owned or controlled by the company, such as power generation (electricity, heat, steam, etc.) emissions generated by transport activities that are owned or under the absolute control of the organisation (raw materials, employees, etc.) and fugitive emissions resulting from leakage or gas releases, intentional or unintentional.

#### Scope 2

It includes emissions that are a consequence of the company's activities, but that occur from sources that are owned or controlled by another organisation. These emissions primarily include those generated as a result of the electricity purchased and consumed by the company during the period under evaluation.

#### Scope 3

It includes emissions that occur from sources that are not owned or controlled by the company but that are considered the responsibility of the organisation such as air flights, organic waste management, raw materials, employees, etc.

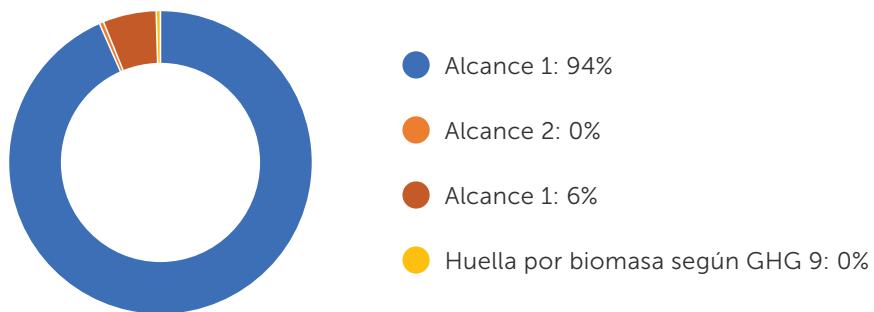
#### Biomass Chapter 9 – ECCR

Direct CO<sub>2</sub> emissions from biomass combustion and GHG emissions and emissions not covered by the Kyoto Protocol, such as CFCs, NOx, etc.

## 2.1 Our Results

In April 2024, GMSA received a visit from Oscar Echeverry, General Manager of the Carbon Negative Certifier, with the aim of getting to know the Hualilán Project and the San Juan offices to make an on-site control of the data collected by the company's sustainability area for the measurement of the Carbon Footprint for the year 2023.

**Toneladas de CO<sub>2</sub>e**



Source: Golden Mining S.A. Greenhouse Gas Inventory

The comparison of historical results shows a reduction in the carbon footprint between the two periods (2022 and 2023), going from 513.3 to 474.1 tons of CO<sub>2</sub>e, it is a reduction focused on scope 1, it is the changes in operations according to the stage in which the project is and the efforts to make consumption more efficient that have generated a decrease in the total footprint. GMSA offset the entire footprint for all three scopes. In this way, we once again obtained the international certification of being a 100% carbon neutral company in force until 31-12-2024.

This milestone continues to position GMSA as the first and only mining company in Argentina to have achieved the aforementioned certification.



**GMSA – The Only Mining Company in Argentina to be Carbon Neutral**

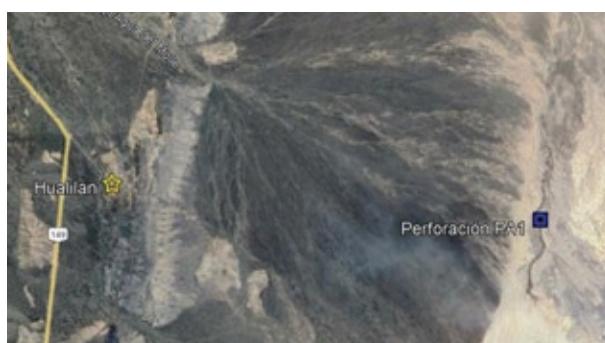
### 3. Environmental Monitoring

#### 3.1 Wells for Hydrogeological Monitoring

The Hualilán Project has two wells for groundwater monitoring which were drilled between 2022 and 2023, both culminating in great success. The drilling work, by the Rotary method, began once the work of preparing the land, locating and leveling the drilling machine, construction of the pools and injection gutter and preparation of the mud were completed.

In Well PA-1, the Drilltech DK25 equipment with a drilling capacity of 200 m was used, owned by the Company Nivel Construcciones, in charge of the execution of the work. more efficient that have generated a decrease in the total footprint. GMSA offset the entire footprint for all three scopes. In this way, we once again obtained the international certification of being a 100% carbon neutral company in force until 31-12-2024.

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*Location of the PA-1 drill hole*



*Location of the PA-2 drill hole*

In Well PA-2, the Ingersoll Rand equipment with a drilling capacity of 450 m was used, owned by the Goland Drilling Company, in charge of the execution of the work.



*Drilling equipment*



*Well casing. 12" Blind Spout*

**Monthly Groundwater Quality Monitoring**



### ***3.2 Weather Stations***

The Hualilán Project has three meteorological stations, located at three strategic points surrounding the project in order that the data collected by them are representative of the climatic conditions of the area, such data provide valuable information to our database and allow an in-depth knowledge based on evidence of the meteorological characteristics of the area.

### ***3.3 Evaporation Measuring Station***

The evaporation measurement equipment was acquired in 2023, which allows us to obtain more complete data on the local weather and feed our database. This is of vital importance for the life of the project, since, the greater the quantity and quality of data, the less uncertainty there is when it comes to evaluating and preventing environmental damage. The evaporation measurement station works in conjunction with the 3 existing climate measurement stations, thus completing the data already collected by them.

### 3.3.1 Features and Operation of the Evapometer

The tank type is a "Class A". This is a cylindrical tank made of galvanized sheet, 1.21 m in diameter and 25 cm deep. It is placed on a 10 cm high wooden platform, perfectly horizontal. The volume of water needed to keep the level constant is measured, in the unit of time, which can be 6, 12 or 24 hours. The volume of water consumed is transformed into mm of evaporated water per unit of time. It is installed on a wooden stand, which is placed and leveled on the ground, away from shrubs, trees, and other obstacles that obstruct the natural airflow around it, representing open water in an open area. On a daily basis, the result of evaporation and precipitation is measured inside the wellbore, using a high-quality evaporation micrometer with a measurement range of 100 mm and an accuracy of 0.02 mm.



### 3.4 Air Quality

In the Hualilán Project, constant air quality monitoring is carried out, this allows the database to be kept updated and comply with current regulations. Samples are taken once a week by the Enviro SG Laboratory at strategic points in the project area, in order to present the results obtained from the analysis of the samples extracted, comparing the results with current legislation at the National and/or Provincial level.

Determinations to be made on:

- PM 10 Particulate Matter
- PM T Particulate Matter
- Lead over PMT
- Arsenic over PMT
- Mercury over PMT
- Cadmium over PMT
- Silica on PMT
- Carbon Monoxide
- Carbon Dioxide
- Nitrogen Dioxide
- Azufre Dioxide
- Ozone
- Hydrogen Sulfide
- Weather data

The sampling methodology according to the different matrices is based on internationally recognised standards such as ASTM and EPA (U.S. Environmental Protection Agency).

### **3.5 Flora and Fauna Monitoring Plan**

Actions aimed at protecting biodiversity require detailed information on the species that make up the communities as well as on the interactions of organisms among themselves, with the habitat they occupy and with the societies that make use of the different resources of natural systems.

Since its inception, GMSA has developed plans in accordance with the research and preservation of biodiversity in our area of influence. In turn, as a requirement of the EIS for the next stage, 2 annual comprehensive monitoring must be carried out, in order to complete the survey against seasons, and thus manifest a database of all the biota of the place.

Wildlife species monitoring is an environmental management tool that is currently used to determine changes in the ecosystem. Monitoring programs at different scales and biological levels are of vital importance for the correct evaluation of conservation and development programs. Monitoring allows the systematic collection of information on different species over time and serves to evidence population trends over a given time. Population trend is understood as the sustained and systematic variation in population size over time, and which differs from cyclical, seasonal or stochastic variations.

### **3.6 Drilling Mud**

Within the framework of compliance with current environmental regulations, a Drilling Mud Monitoring Plan was carried out for the Hualilán Project during the year 2024. This plan is part of the requirements established by Law 522-L and its decree 1211, annex V, which regulate the parameters that drilling muds must meet in the province of San Juan, Argentina.

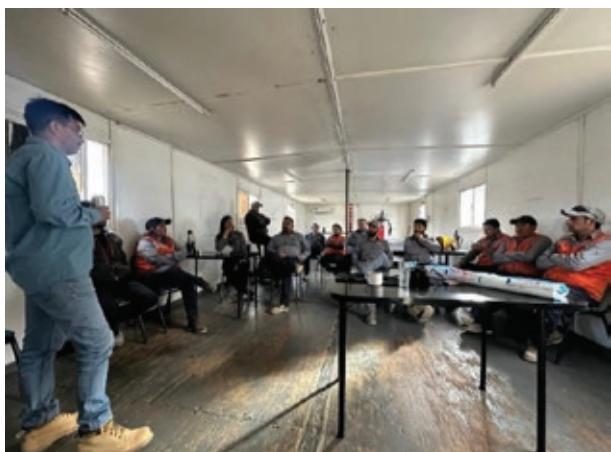
The analyses were carried out by the Enviro SG Laboratory and the results obtained fully comply with the criteria established by the applicable regulations, thus guaranteeing that the operations are carried out in an environmentally friendly manner.

## 4. Environmental education

### 4.1 Carbon Footprint - Presentation of Results to Employees

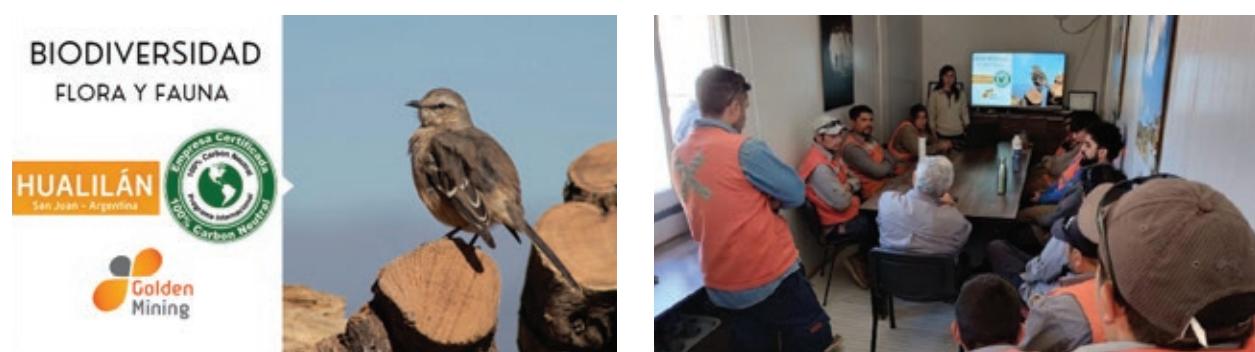
In April 2024, GMSA received a visit from Oscar Echeverry, General Manager of the Carbon Negative Certifier, with the aim of visiting the offices in San Juan and the Hualilán Project to carry out an on-site control of the data collected by the company's sustainability area for the measurement of the Carbon Footprint for the year 2023.

During their stay, a participatory talk was held with GMSA employees in the Hualilán Project, with the aim of disseminating this milestone internally, sharing details of the data collection methodology to measure emissions, and exchanging opinions to continue on the path of being a company that holds strong ideals of sustainability.



## 4.2 Talk on Biodiversity

Following our guidelines, and complying with the annual planning of training and talks on environmental and hygiene and safety issues, on October 1, 2024, a talk on Biodiversity was given to employees. It should be noted that the students of the EPET school No. 9 of Ullum were present at the talk, who at the time were doing their internships in the project within the framework of the "Educational Linkage" program, dependent on the community relations area of GMSA.



Biodiversity is the variety of living organisms, whether animal or vegetable, present in a given place. During the talk, they talked about the fundamental nature of this in the stability of ecosystems and how it provides a series of free and vital services for humanity, such as pollination, erosion control and the availability of refuge for the various species present in a given area.

The phytogeographic province in which the Hualilán Project "Phytogeographic Province of the Monte" is located and its geographical and climatic characteristics and its diversity of plant and animal species and the crucial role they play in the balance of the ecosystem were also discussed. With the participation of all the employees present, the impacts of our work activities on biodiversity and how each of us can contribute positively to the care of it and how we invest in biological diversity were discussed.

As a company, we aim for the continuity of training and talks on environmental issues, seeking not only to fulfill our responsibilities, but also to empower our team to become agents of change. We believe that by delving into these topics, we foster a culture of awareness and responsibility that translates into a positive and sustainable impact, reflecting our commitment to excellence in the present and future of our business.

## **5. Meeting "Building Sustainable Futures in Synergy", organised by Broker Andino, DAMS and Conexión, with the participation of the executive director of Sistema B**

From the Environment area and the Community Relations area of GMSA, the first meeting "Building Sustainable Futures in Synergy", organised by Broker Andino, DAMS and Conexión, with the participation of the executive director of Sistema B Argentina, Ms. Marina Arias, is attended.

During this day, we explored how strategic alliances can transform the mining industry towards genuine sustainability.

The key points discussed were:

### **1. Sustainability Certifications and their Impact**

The relevance and benefits of certifications as a B corporation in mining were analysed.

### **2. Evaluation of Sustainable Suppliers**

Effective methods for measuring the sustainable impact of suppliers in mining were shared. Strategies for selecting suppliers committed to sustainable practices were discussed.

### **3. Fostering Partnerships for Sustainability**

Strategies and benefits of alliances between mining companies and service providers were highlighted. Success stories and lessons learned in sustainable collaborations were presented.

In addition, it delved into:

- Technological innovations and emerging practices for more sustainable mining.
- Strategies to identify and avoid greenwashing in sustainability communication.
- The importance of transparency and authenticity in environmental impact claims.

The dynamic was teamwork with the participants of each table, which consisted of introducing themselves (name - company - role in the company) and then analysing the proposed topic and presenting to the rest of the members the point of view on the chosen topic.

# Responsible and Robust Business

## 1. Global Compact Argentina Network

As of July 2023, GMSA is part of the United Nations Global Compact Argentina Network, the largest sustainability initiative in the world. The Global Compact (1999) is based on the vision of working together between companies and the UN to create a "global impact" in terms of shared values and principles. It is a call for companies to incorporate 10 universal principles related to human rights, labour, the environment and the fight against corruption into their strategies and operations, as well as to act in ways that advance social objectives and the implementation of the SDGs. Golden Mining S.A. has been a member since July 2023 and was able to join thanks to the fact that our programs are already aligned with these principles.

Our programs are aligned with the following principles:

### Human rights

**Principle 1:** Companies should support and respect the protection of internationally recognised fundamental human rights within their sphere of influence.

**Principle 2:** Companies must ensure that their companies are not complicit in the violation of Human Rights.

### Labor standards

**Principle 3:** Enterprises should support freedom of association and the effective recognition of the right to collective bargaining.

**Principle 4:** Enterprises should support the elimination of all forms of forced or coerced labour.

**Principle 5:** Businesses should support the eradication of child labour.

**Principle 6:** Employers should support the abolition of discriminatory practices in employment.

### Environment

**Principle 7:** Companies should maintain a preventive approach that favors the environment.

**Principle 8:** Companies should encourage initiatives that promote greater environmental responsibility.

**Principle 9:** Enterprises should encourage the development and dissemination of environmentally friendly technologies.

### Anticorruption

**Principle 10:** Companies should work against corruption in all its forms, including extortion and bribery.

## 2. Sustainable Development Goals

The Sustainable Development Goals (SDGs) and the Global Compact have a common purpose, as both initiatives seek to promote responsible and sustainable business practices. The SDGs, on the other hand, are a set of global goals to eradicate poverty, protect the planet and ensure prosperity for all.

Our corporate sustainability strategy is firmly aligned with the goals of sustainable development.



# Thriving and Nearby Communities

## 1. Community Engagement

GMSA's commitment to the community is reflected in an ongoing and sustained effort that goes beyond isolated interventions. We hold regular formal and informal meetings with various Community Leaders. These interactions, organised by the Community Relations area, allow us to listen and understand local expectations and needs. This approach is not only essential to building and maintaining the social license to operate, but it also reinforces our presence as an integral part of the community. In addition, it allows us to carry out annual plans that are aligned with the problems and priorities identified in the community, thus ensuring a positive impact.



### 1.1 Education Meetings

#### 1.1.1 UNSJ School of Trades

GMSA held meetings with UNSJ personnel to evaluate the possibility of providing training in response to the needs and demand of the inhabitants of the department of Ullum, in order for them to obtain certifications with the endorsement of the UNSJ in the training of different trades in order to increase labor competitiveness.

#### 1.1.2 Ullum Higher School

The meeting, requested by the Institute, aimed to explore opportunities for collaboration and establish a communication channel for future projects. Topics such as the availability of the teaching team for training, tutorials and follow-up in the community were addressed, in addition to the mention of the director of the Higher Institute of Ullum on the possibility, in the future, of refurbishing a building for productive and tourist activities in the department (a project that they plan to have in the future, considering that the place belongs to the Ministry of Education).

GMSA provided its business contact for the reception of formal proposals and left open the possibility of future meetings that strengthen the relationship with the Institute.





### Mountain Bike Equipment Ullum

On December 18, in response to a request for assistance from a mountain bike team made up of two athletes from the department of Ullum, sneakers and sports clothing were delivered to support their activity and promote the development of local sports



#### **1.4 Meeting with Local Suppliers**

A meeting was held with the Chamber of Mining and Renewable Energy Suppliers of the department of Ullum (CAPROMER), a key sector for the development of the community. The objective was to establish and strengthen links to work together in the equitable and responsible development of the department. It was agreed to hold future periodic meetings to advance this collaborative effort.

#### **1.5 Meeting of GMSA Business Leaders**

To facilitate access to training in trades, the Community Relations area coordinated with the head of the School of Trades, Mrs. Natalia Alfaro, the pre-registration of Business Leaders in the electricity course of the Municipal School of Trades, agreeing that when they are on their work break they attend the place with the relevant documentation.

### **2. Life Project Workshop**

In the months of April, May and June 2024, the life project workshop entitled "Making the Way" is held, planned by the Community Relations area of GMSA. The life project defines what the person wants or seeks to achieve in the different areas of their life and what steps they are going to take to achieve these goals. Therefore, it is an instrument of direction, in addition to serving to motivate the individual to achieve their goals and guide their actions to achieve them. The life project has often been determined by the adoption of existing patterns in the culture and transmitted from various institutions such as the family, the church, the State, among others.

The aim of this workshop is to invite adolescents to reflect on what each one wants and how they imagine themselves in their lives, opening the way to self-knowledge and self-decision-making, visualising them as transforming agents of their realities.

This workshop is incorporated into the planning starting this year, taking into account the socioeconomic baseline carried out by the company in the department, which showed that 81% of the population is below the poverty line, 43.5% below the indigence line and very high percentages of school dropouts, which directly influences the low or non-existent existence of professionals in the department.

For this reason, in the area of Community Relations of the Hualilán project, the incorporation of a life project workshop that accompanies, guides and motivates the young people of Ullum arises. In this way, GMSA offers a space for reflection, where workshop participants can express their personal concerns and experiences, which allows them to resize and improve their life plan.

## **Contents**

### **Module 1**

- Concept of life project.
- What is the purpose of a life project?
- Steps in the development of a life plan.

### **Module 2**

- Diving into the different possibilities:
- Concepts: Trades – higher education – departmental and provincial educational offer – tertiary education – undergraduate degree – postgraduate training (courses, diplomas, master's degrees, doctorates) – doctoral and postdoctoral training – scholarships.

### **Module 3**

- Motivation, self-determination / how these concepts impact the development of our self-esteem.
- For the better appropriation of the concepts, group dynamics and techniques were applied in the different modules.
- Speakers: Bachelor of Psychology Natalia Adarvez – Bachelor of Social Work Melisa Lobato.
- Recipients
- The workshop is aimed at 7th grade students of EPET School No. 9 (41), a group of young people from the Evangelical Church (15) and a group from the Catholic Church (7).

## **Recipients**

- The workshop is aimed at 7th grade students of EPET School No. 9 (41), a group of young people from the Evangelical Church (15) and a group from the Catholic Church (7).

## 2.1 EPET N°9

The first group to take the workshop are the 7th year students of the Technical School of Ullum.

### 40 7th Year Young People Took Part in the Life Project Workshop

The workshop began in April, this time aimed at 40 total students from both divisions of the last year. In this group, the workshop was extended to three meetings (one module per meeting), culminating on May 8 as planned. Although in the planning of the workshop the meetings were agreed to last an hour and a half, due to the large group, they were extended to two hours on each of the occasions. At the beginning of the dictation, a white-covered notebook was given so that everyone can use it to carry out their own life plan.

In the first stage, the task consisted of making a collage that defines who I am and at the end of the 3rd module, in the final stage, the collage was about who I want to be, yielding in some cases results that are related to their future in the study of a profession such as: medicine, engineering, nursing, psychology, systems programmer, nutrition, architecture, interior design, etc.; and in other cases, they mentioned what person they want to be, what values they want to have and how they want to position themselves from "now".

It is of great value to mention that the activity and the beginning on the path of self-knowledge, brings out various emotions in the students, which some are encouraged to share, being a moment of group reflection.



## **2.2 Evangelical Church**

### **15 Young People who attend The Evangelical Church of Ullum took the Life Project Workshop**

The workshop began at the end of April, continuing with the second meeting in June. On this occasion, it was aimed at 15 adolescents who attend the Evangelical Church, of various ages (12 to 20 years old).

Due to the characteristics of the group and the different time availability among the attendees, it was coordinated to split the three modules divided into two meetings, starting each time at 7:00 p.m. and ending at 10:00 p.m.

It is important to mention that, as it is a heterogeneous group, the contents were adapted to the different ages/realities. On the other hand, this workshop had a family atmosphere, due to the good availability of the pastors, who opened the doors of their homes so that the young people would not be inconvenienced, considering that the Church is removed from the home of some of them. This favoured active participation as we were in a small space, with greater proximity and eye contact.



### 2.3 Catholic Church

#### 7 Young People who attend The Catholic Church of Ullum carried out The Life Project Workshop

On this occasion, the workshop is held intensively on June 15 from 9:00 a.m. to 2:00 p.m., due to the characteristics of the group in terms of ages and occupations. Unlike the other 2 groups (EPET N°9 – Evangelical Church), it can be noted that, in this one, 3 of the young people are pursuing their university studies, one of them in search of work or a university career and another 3 in the penultimate year of secondary level. It is for this reason that adjustments were made in the program of the workshop in terms of the intensive modality, and also, in relation to the contents of module 2, where the experiences in higher education of these 3 young people were included, managing to comment from their experience to the rest of the attendees.

In relation to the latter, considering that they have already made a choice of their career, it was proposed that they inquire about where they would like to practice the profession they are studying (2 Nursing and 1 Agricultural Technician), inviting them to visualise themselves in the different scenarios, providing in any case the information corresponding to module 2, being enriched in the diversity of the group. Although the workshop is designed for adolescents, it is adaptable in that at all stages of life our life plan can be developed or redefined and adapted to different areas such as professional, university, family, work, etc.

To conclude, it is significant to mention that, although GMSA had already made contact with the Catholic Church on some occasions by telephone and at the end of 2023 in the donation of Christmas bags, it is only from this workshop that an approach and articulated work with the coordinator of the youth group is achieved, successfully completing the workshop.



### 3. Ullum School Orchestra

In the month of July 2024, the municipality of Ullum, represented by the Mayor David Domínguez; the School Orchestra Foundation, represented by Mr. Jorge Rodrigo; and the company Golden Mining S.A., represented by the Vice President and Principal Director, Dr. Sonia Delgado, entered into an agreement to start the School Orchestra in the department of Ullum.

Classes are held on Mondays, Wednesdays and Fridays of each week until the end of the year; There are two groups, the first takes classes from 5:00 p.m. to 6:30 p.m. and the second from 6:30 p.m. to 8:00 p.m., in each shift there is a quota of 15 boys and girls, the only entry requirement is to be between 7 and 10 years old to start this first stage of learning string instruments.

The creation of the Ullum School Orchestra aims to contribute to the integral development of the human being and link him with the community through exchange, cooperation and the cultivation of transcendental values, which have an impact on the formation of the child, the young person and the family environment. It is for this reason and considering the socioeconomic and cultural aspects analysed in the departmental baseline that the School Orchestra in the department of Ullum arises from GMSA as a project, in order to benefit the children of the community.



For personal use only



**30 Boys and Girls Started The School Orchestra with Instruments and Teachers provided by Golden Mining**

## 4. Multidisciplinary Mining

### ***Recipients***

6th and 7th grade students of the EPET School N°9 of the Ullum department.

### ***Objective***

To make adolescents in the last two years of secondary school aware of the different professions and trades necessary for the development of mining activity, the general aspects of each profession or trade, areas of work and institutions where the different careers can be studied.

Through this experience, it was sought to motivate students to continue their higher studies and/or train in the different trades necessary in the industry, in order to promote educational continuity, or to make visible the existence of other jobs that do not necessarily require university instruction.

It seeks to generate a transformative impact in a community that faces challenges related to high rates of population below the poverty line, school dropout and lack of continuity in higher education. Through information and practical experiences, a comprehensive vision of job opportunities in the mining sector was provided, inspiring students to explore various viable alternatives for their professional and/or work future. In addition, the different areas in which each profession can be developed, both inside and outside mining, were addressed, offering a broad perspective of the multiple options for labor insertion. In this way, it aims to contribute to the educational and social development of this group of students.

In relation to the guidelines, there were 6 meetings, starting in August and culminating in October. Each of these lasted approximately 90 minutes, where 7 presentations were given on:

1. Social work
2. Environment
3. Hygiene and Safety
4. Communication
5. Computer science
6. Geology
7. Psychology

In relation to the methodology, they were dynamic and brief presentations where theory was combined with practical examples.

As for the interaction with the students, the space was opened to questions, debates and participatory exercises that encouraged reflection, with visual presentations that encouraged interest, in order to facilitate understanding.

### **1st Meeting: Environmental Management and Social Work**

In this first meeting, the areas of Community Relations and Environment of GMSA attended the EPET School N°9, making 2 presentations, on the professions of Social Work and Environmental Management. In the presentation of Ambiente, the experience of the Bachelor of Environmental Management from GMSA was shared.

The Hualilán project was presented as an example of the company's real commitment to sustainability. The neutralisation of the carbon footprint was mentioned, a milestone that demonstrates the possibility that mining and environmental care can coexist responsibly. Likewise, the various job opportunities offered by environmental management were addressed, from consultancies that advise on sustainable practices to roles in the mining industry to implement environmental management systems. Opportunities in research and development of clean technologies, environmental education, as well as participation in government agencies and NGOs that promote sustainability policies were also highlighted.

This type of activity demonstrates that environmental management is a key field to innovate and build a more sustainable future, where communities and the natural environment can benefit from each other. In addition, the importance of offering young people the opportunity to explore the possibilities that lie ahead was emphasised, allowing them to broaden their perspective on the options available for their future.

In the presentation of the Bachelor's Degree in Social Work, belonging to the Community Relations area of GMSA, several key aspects were addressed for students to better understand this discipline. First, a definition of Social Work was offered as a profession that promotes social change, problem solving in human relationships, and strengthening people's autonomy to improve their quality of life. It was highlighted that Social Work focuses on the empowerment of individuals, groups and communities.

Regarding the work areas, it was mentioned that Social Work can be practiced in various areas, and in particular in areas such as community relations. This illustrated how this profession can contribute to improving relations between companies and the communities in which they operate.



### **2nd Meeting: Hygiene and Safety**

In the second meeting, the presentation of the profession of Hygiene and Safety was made. This meeting allowed the students to understand the importance of this discipline in the protection and well-being of workers within the mining sector and in other work areas.

During this session, knowledge and experiences were shared on risk perception and the importance of preventing accidents and occupational diseases.

The activity was enriching, evidencing the interest and commitment of young people towards safety in the mining industry. Relevant topics were addressed and practical and didactic advice was provided on how to be aware of risks not only in the workplace, but also in everyday life with the aim of inspiring students to adopt a responsible and safety-focused attitude.





### ***3rd Meeting: Communication***

In the presentation of the Communication profession, entitled "Communication Moves Mountains", students were introduced to the fundamental role that communication plays in personal and professional life. It was explained how effective communication influences the day-to-day life of environments, making them more beneficial and productive. The importance of active listening and being clear and concise in messages was highlighted. In a didactic and entertaining way, the famous game of the "broken telephone" was included to illustrate how a message can be easily distorted when it is not communicated properly.

The experience of giving this talk confirmed the relevance of communication in all areas of life, especially in highly demanding work contexts, such as mining. It was inspiring to observe the students' interest in discovering how such a fundamental skill can directly impact their daily lives. Students understood the importance of listening, being clear, and maintaining a steady stream of feedback. These skills, although simple in appearance, are essential to build efficient professionals and responsible leaders.

## **4th Meeting: Geology**

In the fourth meeting, the Geology area of GMSA was pleased to offer the presentation entitled "Fundamentals of Geology and Job Opportunity". During the meeting, what geology is, its geological evolution, the different environments it studies and the importance it has in the development of mining, were described. It was highlighted that geology is a key profession for the development of peoples, not only as a source of employment, but also as a basis for industrial growth. Many students did not know this discipline, so it was relevant to be able to disseminate and inform about geology, showing its wide range of application and the diverse job offer it offers.



## **5th Meeting: Computer Science**

During this meeting, whose speaker was the head of the IT area of GMSA, the study processes and labor challenges faced by this profession were addressed, with the aim of inspiring and motivating young people to explore the world of technology. Within the presentation, some of the myths related to who can study this career were discussed, highlighting that computer science is within the reach of anyone interested, without the need to have an expensive computer or be a "genius in mathematics". In addition, special emphasis was placed on the certifications that can be obtained, whether or not you take the degree, and that these certifications offer a quick job opportunity. It is important to note that it is one of the presentations in which students expressed the greatest interest, being notorious in the queries about the different certifications and specific doubts about how to enroll in the career, among others.



### 6th Meeting: Psychology

In the meeting on organisational psychology, several key topics were addressed about the role of this discipline in the work context, and it was sought that students understand how it contributes to well-being and effectiveness within an organisation. It began by explaining that organisational psychology is responsible for studying behavior in the workplace, focusing on improving the work environment and the well-being of employees. Among its main functions, the design and execution of workshops and training programs that not only promote the development of specific skills, but also promote the emotional well-being of employees, adapting to the particular needs of the company, was highlighted.

To deepen these concepts, a group dynamic was carried out in which each group received a sheet with an image that represented three rows: one for "Criticise", another for "Judging" and a last one for "Help". The "Criticise" and "Judge" rows were filled with people, while the "Help" row was empty. The groups analysed the image from different angles, detecting that they all observed as a problem that the "help" line was without people. Each group contributed reflections:

- **Group 1:** Identified emerging issues such as lack of communication, camaraderie, tolerance, and empathy, suggesting solutions such as leadership workshops, teamwork, and active listening, and culminated with a group conclusion on the importance of empathy and collaboration.
- **Group 2 and Group 3:** Both interpreted the image in terms of conflicts and proposed solutions to resolve them. In their analysis, they explored how these conflicts reflect everyday challenges.
- **Group 4:** This group reflected on the image and concluded with the phrase "Do not give to receive, give to help," highlighting an altruistic approach to work and personal relationships.
- **Group 5:** Relate the image to problems such as: the tendency to judge and criticise instead of helping, emphasising how common it is to opt for criticism rather than help.

To close the activity, the symbolism of the empty row for "Help" was discussed. It was reflected on how, even if you don't see people in that line, it is possible that those who are helping do not really need to stand in line because they are already busy in the action of helping. With this, the importance of building an environment where empathy and mutual help are daily practices, which can be carried out in all areas (family, friends, school, work) was emphasised. This exercise not only served to understand organisational psychology, but also to apply these concepts in a practical and reflective way, promoting in students the idea of contributing to the common welfare.



#### **4.1. Multidisciplinary Mining - UNSJ**

In October, a presentation was held aimed at advanced students of the Bachelor's Degree in Social Work at the UNSJ.

At the request of the Professor of the Habitat Chair, and within the framework of the Multidisciplinary Mining program, the Faculty of Social Sciences was assisted by the Community Relations area of GMSA.

The objective of the activity was to broaden the work horizons of the students by showing them the functions of this profession in the mining field, specifically within the area of Community Relations.

During the meeting, it was explained how the CR area aims to establish and maintain relationships of trust and collaboration between the company and the local community, identifying community needs and developing corporate social responsibility programs and projects that promote sustainable development and the general well-being of the population. Among the highlighted initiatives were actions in education, health, economic development and promotion of local employment, in addition to mentioning that the area should function as a key communication channel between the company and stakeholders.

The value of Social Work as a profession oriented to social change, the resolution of problems in human relations and the empowerment of individuals, groups and communities to improve their quality of life was also highlighted. The students were able to observe how these principles are integrated into the daily work of the area, where not only immediate needs are addressed, but also opportunities for long-term sustainable growth are created for communities.

During the presentation, the aim was to motivate future professionals to consider this sector as a field where Social Work can have a significant impact. It was highlighted that social intervention within a company is transformative, allowing to strengthen ties with key actors and achieve collaborative work aligned with the true needs of the community.



## 5. Suicide Prevention Workshop

### ***Let's Talk Mental Health: Identifying Signs and Intervention Strategies***

On September 18, 2024, the Community Relations area of GMSA held an informative and awareness discussion on suicide prevention. This event was held at the Social Action Building located in the Ullum II neighborhood, within the framework of World Suicide Prevention Day, commemorated on September 10. The main objective was to raise awareness in the community about this social problem that strongly affects the department of Ullum and the province in general.

During the meeting, fundamental topics such as: suicidal ideation, suicidal threat, suicidal plan and suicidal behavior were addressed; The multicausality of the suicidal process and the phases it goes through were also discussed, in addition to demystifying common misconceptions about suicide. Likewise, personal, family and social risk factors were detailed, and the importance of identifying triggers that can precipitate suicidal behaviors was underlined, as well as the protective factors that can act as barriers to prevent these episodes.

The attendees were very attentive and participatory, which enriched the dynamics of the meeting. In a special way, the courage of several participants who shared their personal experiences was highlighted, creating an environment of trust and mutual support.

One of the most significant aspects was the community's request for this workshop to be repeated in other groups and sectors of the department. The attendees mentioned that in Ullum there is a marked stigma around mental health, which makes it difficult to seek help and open dialogue on these issues, underlining the need to generate more spaces of containment.

The meeting on suicide prevention highlighted that there is still much work to be done on awareness, education and eradication of the stigma associated with mental health. These meetings are of utmost importance because they allow direct contact with different sectors of the community and with people who, in their daily lives, are in contact with critical situations that may involve individuals at risk.

The activity was organised to address the growing problem of mental health and suicide, highlighting that this is the third consecutive year that the workshop is taught in the department. Although information and prevention spaces have been created, it is essential to continue strengthening these efforts in a sustained manner to generate a positive impact on the community.



An aspect to highlight was the participation of departmental referents, such as the Mayor of Ullum and the head of the Diversity, Gender and Problematic Consumption Teams, among others. Their presence reflects the relevance that these issues have for the local government and reinforces the commitment for GMSA to continue promoting mental health and suicide prevention in the department.

In addition to strategies to act in crisis situations, the importance of early attention was emphasised when recognising warning signs. Prevention and the need to intervene in time were discussed, highlighting topics such as open communication, social integration, the development of problem-solving skills and positive self-esteem, among others. These factors were presented as key tools to strengthen emotional well-being and prevent certain situations from reaching a critical state.

These types of meetings not only contribute to reducing the stigma around mental health, but also empower the community to become an agent of change and support in their environment, helping to strengthen the social fabric in the face of a problem that affects the whole of society.

### **5.1 Workshop on Suicide Prevention for Mothers of the Evangelical Church**

On November 13, 2024, in response to a request made by the pastors of the Evangelical Church during the previous workshop, the Community Relations area in conjunction with the GMSA psychologist carried out a new edition of the workshop "Let's Talk About Mental Health: Identifying Signs and Intervention Strategies".

The event was held in the afternoon, at the Las Lomas Club, attended by a group of approximately 40 mothers and some young people who attend the Church.

The main objective of this meeting was to provide key information and practical tools to address the problem of suicide from a community perspective, considering the particular dynamics of the group. During the workshop, the importance of the following was emphasised:

- Identify early warning signs, such as changes in behavior, verbalisations of hopelessness, or isolation.
- Strengthen protective factors, such as emotional support, open communication, social integration, and the development of personal skills.
- Develop intervention strategies that allow participants to act as agents of support and containment in their family and community environments.

Unlike the previous meeting, in which the small group facilitated some participants to share personal experiences, the dynamics of this workshop, having a larger group, focused on consultations and participations related to specific situations involving children and young people in the school environment. In particular, concerns were addressed about how to act as parents in the face of warning signs in this context, highlighting the preventive role from home and the importance of strengthening communication with educational institutions.

This workshop reaffirms GMSA's commitment to mental health and suicide prevention in the department of Ullum, responding to the specific needs of the community and working in an articulated manner with local institutions to expand the scope of these initiatives.



## 6. Back to School

The "Back to School" program aims to encourage children to remain in educational institutions, considering the various socioeconomic vulnerabilities that affect families in the department of Ullum. In this way, Golden Mining contributes to the reduction of inequalities, expanding opportunities for access to education, based on concrete actions. In the current year, 100 school kits and 100 overalls were delivered in the Ullum department.

They were distributed as follows:

### *Religious organisation*

On 08/03/2024, 10 school kits and 10 overalls are delivered to Mr. Pablo Migueles and Mrs. Mara Molgaray, Pastors of the Evangelical Church, who carry out various activities with groups of children and adolescents.



### *Municipality of Ullum*

On 03/07/2024, 55 school kits and 55 overalls are delivered to the Mayor of the department, Mr. David Domínguez.



## ***Social Organisations***

1-On 03/12/2024, 10 school kits and 10 overalls are delivered to Mrs. Alejandra Bustos, referent of the "Bichito de Luz" picnic area located in Villa del Lago.



2-On 08/03/2024, 10 school kits and 10 overalls are delivered to Mrs. Luciana Peralta, secretary of the "Calas Foundation" (Bº Grimalt, Bº 25 de Mayo, Bº Municipal). 3-On 08/03/2024, 15 school kits and 10 overalls are delivered to Mr. Alejandro Chirino and Mrs. Sarah Flores, referents of picnic areas (Bº 25 de Mayo, Bº Vicente Grimalt, Villa Sta. Rosa).



## 7. Hualilán Our House

The "Hualilán Nuestra Casa" Visits Program has the purpose of building and strengthening ties through guided tours of different groups that want to learn about the experience of the Hualilán project in the field.

### 7.1 University of Germany

On the first visit of 2024, a group of master's students, who are on exchange, are attending the project, doing internships in the territory (6 months in Germany – 2 in Argentina).



**Ruhr Bochum University of  
Germany In Hualilán**

**11 Master's Students  
and 3 Professors**

**Argentine-German Binational Master's Degree "Applied Geothermal Energy"**

The total group is 14 people, made up of 11 students, from different countries (Pakistan, Germany, Egypt, India, Cameroon, Spain and Argentina), with a bachelor's degree that qualifies them to pursue the master's degree, accompanied by 3 professors from the Ruhr University Bochum.





### 14 Students and Teachers from the University of La Plata

Geology students and professors who visited Hualilán are part of the SEG-UNLP Student Chapter of the National University of La Plata, sponsored by the Society of Economic Geologists of the USA, an area where they carry out activities related to the study of mineral deposits, one of these activities being field trips.



**45 Students and Teachers from the Industrial School in Hualilán**

During this year, students and teachers from various educational institutions had the opportunity to visit the Hualilán project, as part of GMSA's commitment to transparency and the strengthening of ties with the educational community. On each visit, GMSA geologists shared the history of the project, relevant information on geological topics and aspects of interest in the area, in an enriching exchange for both visitors and GMSA collaborators. These experiences not only strengthen knowledge, but also promote interest in science and work in responsible mining.

With this initiative, GMSA seeks to actively contribute to education and keep its doors open to future groups, reaffirming its policy of openness towards stakeholders. We thank all the participants of this cycle of visits, and we leave open the possibility of receiving others in the coming years, consolidating our commitment to contribute to development and learning in the community.

Geology students and professors who visited Hualilán are part of the SEG-UNLP Student Chapter of the National University of La Plata, sponsored by the Society of Economic Geologists of the USA, an area where they carry out activities related to the study of mineral deposits, one of these activities being field trips.



## 8. Educational Linkage

The Educational Linkage Program, organised by the Community Relations area of the Hualilán project, aims to generate professional practices for local students, establishing links with educational institutions in order to allow the training of students within the project.

### 8.1 Domingo F. Sarmiento Industrial School

Within the framework of this program, on August 5, 2024, the Domingo Faustino Sarmiento Industrial School, represented by the Vice Director Raúl Trujillo; and the company Golden Mining S.A., represented by the Vice President and Titular Director, Dr. Sonia Delgado, enter into an agreement to start the pre-professional internships.



The interns, who are in their last year of the Mining Technician, completed a total of 40 hours in Hualilán, entering in 2 groups (group A: 3 students – group B: 4 students), each of these groups arrived on Monday, returning on Friday of the same week.

**Group A: 12/08/2024 to 16/08/2024.**

**Group B: 19/08/2024 to 23/08/2024.**



40 Hours of Internship in Hualilán

## **8.2 EPET School No. 9 of Ullúm**

On August 23, 2024, the EPET School No. 9, represented by Mr. Principal Osvaldo Rosas; and the company Golden Mining S.A., represented by the Vice President and Titular Director, Dr. Sonia Delgado, enter into an agreement to begin the pre-professional internships.

These practices were carried out by 7th year students from the two divisions. The lines of study and the tasks to be developed were oriented to the competencies of a chemical technician, in accordance with the current curricular design. Activities carried out by the students include:

- Sample collection: Identification of minerals;
- Registration of witnesses: cuts, analysis, degree of fracturing and recognition of minerals in the cores obtained.
- Sample preparation: crushing, grinding, quartering, fractionation and packaging processes of the samples.
- Laboratory and analysis of minerals (chemical tests).

After practice, they engage in specific tasks such as:

- Obtaining and creating a georeferenced satellite image of the project.
- Practices related to the use of GPS.
- Creation of a report adjusted to the academic requirements of your chair.
- Oral presentation.

### ***Duration and structure of the internship:***

Each student will complete a total of 80 hours of internship in Hualilán. Interns will be divided into two groups:

- Group A: composed of 6 students, will work during the weeks of 09/09 to 13/09 and from 23/09 to 27/09.
- Group B: also with 6 students, will participate from 16/09 to 20/09 and from 30/09 to 04/10.



**80 Hours of Internship in Hualilán**

### **8.3 Postdoctoral - CONICET**

Within the framework of this program, in order to continue establishing links with the different educational institutions and generating knowledge exchange, the doors of the Hulilán project are opened for the realisation of a CONICET postdoctoral fellowship to the Bachelor of Geology, Mrs. Verónica Bastías.

The title of the research is "Metallogenetic characterisation of the mineralising magmatism of the Hualilán mining district, western foothills of San Juan"; being directed by Dr. Nora A. Rubinstein and Dr. Lorena C. Previley, who accompany Verónica on the visit to the project on August 14, 15 and 16 of this year.

The general objective of this research is to metallogenetically characterise the mesosilicic intrusives of the Hualilán mining district in order to identify those responsible for the mineralising processes.

The post-doctoral fellowship plan plans to carry out a research project, the results of which will contribute in a general way to increase the knowledge of the non-renewable resources of the region and to generate guides to guide the exploration of porphyry-type deposits in the region. In particular, they will elucidate the evolution of the mineralising system that gave rise to the deposits that make up the Hualilán Mining District. To achieve these objectives, the following studies are proposed:

- Petro-mineralogical studies of the intrusive bodies of the mineralised area, which will allow the identification of the units genetically linked to the mineralisation and the alterations that affect them.
- Geochemical studies of total rock (major, minor and trace elements) from representative samples of intrusives, to characterise the magma that gave rise to them and thus evaluate their mineralising potential.
- Mineral chemistry studies that allow the evaluation of the emplacement conditions of mineralising magma (T, P and fO<sub>2</sub>), in order to discriminate between sterile and potentially mineralised intrusives.
- Petrographic, microthermometric and spectrometric studies of fluid inclusions to determine the physical-chemical conditions (temperature, salinity and pressure) and composition of mineralising fluids and their temporal evolution.
- Isotopic analysis (Pb, S) of ore ores, in order to determine the source of sulfur and metals and obtain a model age for mineralisation.

#### **8.4 Undergraduate Thesis - University of Buenos Aires**

Within the framework of the Educational Linkage program, and with the purpose of consolidating relations with educational institutions and promoting the exchange of knowledge, the Hualilán project opens its doors for the completion of the final degree project in Geology by the student Bianca Balsari. The research is supervised by Dr. Sebastián Oriolo as thesis director and Dr. Verónica Bastías as co-director. They, together with the students, made a visit to Hualilán on August 14, 15 and 16 to carry out field activities and collect essential data for the research.



##### **Project objectives**

Structural and kinematic characterisation of gold deposits: The study will focus on analysing and defining the role of geological structures as metallotects in gold deposits.

Determination of the age of mineralisation: Through various methodologies, we will seek to establish the chronology of the mineralisation processes.

##### **Methodology to be used**

- 3D structural and kinematic analysis: This approach will allow a detailed understanding of geological structures and their movements over time.
- K-Ar geochronology in sericite: it is a technique used to determine the age of minerals and rocks, based on radioactive decay. This technique is especially useful for dating rocks and minerals that contain potassium, such as sericite.
- Mineralogical characterisation of ore minerals: An analysis of the minerals present will be carried out to identify their properties and compositions.

This project will not only contribute to the student's academic development, but will also offer valuable scientific knowledge for the Hualilán project, aligning with our mission to promote the growth of knowledge and innovation in the mining industry.

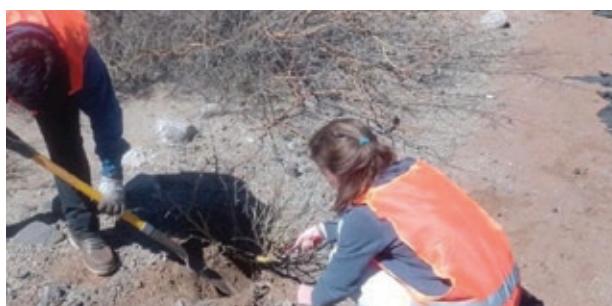
## 9. Educational Partnerships

In the month of July 2024, the National University of San Juan, represented by Mr. Rector Mgter. Eng. Tadeo Berenguer; the Faculty of Engineering, represented by the Dean Eng. Mario Fernández; the Mining Research Institute, represented by Mr. Marcelo Bellini and the company Golden Mining S.A. represented by Mrs. Vice President and Titular Director Dr. Sonia Delgado, celebrate complementary minutes in relation to the project "Application of Environmental Phytoremediation techniques for the removal of heavy metals". It is relevant to mention that in 2023 a framework agreement was signed with the UNSJ, which is why, on this occasion, it is celebrated through a complementary act in relation to the aforementioned project. This research was carried out in the Leach Pads of the Old Hualilán Mine and surrounding areas.



The Institute of Mining Research, the Institute of Chemical Engineering, the Faculty of Engineering, the Institute of Basic Sciences and the Faculty of Philosophy, Humanities and Arts participated in it. On the one hand, solid samples were taken from the leach pads that will allow microorganisms (bacteria) tolerant to heavy metals to be isolated. On the other hand, samples of native flora were taken from the area surrounding the leach pads, which will allow determining which plants are tolerant to heavy metals and in which organs (roots, stems and leaves) they are accumulated.

The results they intend to obtain from this research will contribute to the identification of native species and bacteria capable of tolerating and accumulating heavy metals, being suitable for the remediation of mining liabilities. In addition, it will allow the classification of the flora in phytoremediators or phytostabilizers, an important condition to take into account when implementing a remediation program. The team visited the project on September 12, attended by Dr. Natalia Hidalgo and fellow Luis Cañari from the Institute of Mining Research of the Faculty of Engineering of the UNSJ, the Biologist Victoria Perera from the Institute of Chemical Engineering of the Faculty of Engineering of the UNSJ, and Professor Melisa Rosa from the Institute of Basic Sciences of the Faculty of Humanities of Arts of the UNSJ.



## 10. Participation in community events

### **Children's Day**

On August 16, 2024, as part of the celebration of Children's Day, GMSA had the honor of accompanying the Ullum Multiple Special Education School in its celebration. With the aim of bringing joy to children, a donation of toys was made by our company, which was received with great enthusiasm by the educational community.

The event was held at the facilities of the educational institution and had the active participation of the GMSA Community Relations area, which was present to support and share this special moment with students and teachers. Our collaboration was another example of GMSA's commitment to local communities and, in particular, to the education and well-being of children and young people in the region.



As a gesture of gratitude for the donation provided, the Ullum Multiple Special Education School presented GMSA with a certificate of appreciation.

In addition, the teenagers who participate in the school's cooking workshop prepared a special present (artisanal sweet), showing their skills and dedication. Likewise, the students of the painting workshop created a painting that reflects the collaborative spirit of the educational community. These expressions of affection and gratitude symbolise the close relationship between the institution and our company, consolidating a bond that we will continue to strengthen over time.

### ***Christmas***

On December 19 and 20, 2023, the Community Relations team, on behalf of GMSA, was present by delivering Christmas bags in different sectors of the Ullum community, in order to provide collaboration to the picnic areas.

#### ***Religious Organisations:***

- 1-15 Christmas bags are given to Mr. Pablo Migueles and Mrs. Mara Molgaray, Pastors of the Evangelical Church.
- 2-15 Christmas bags are given to Mr. Elías Molina, coordinator of the youth group of the Church "Nuestra Señora de los Dolores".
- Social Organisations:
- 1-15 Christmas bags are delivered to Mrs. Alejandra Bustos, referent of the "Bichito de Luz" picnic area located in Villa del Lago.
- 2-20 Christmas bags are delivered to Mrs. Daniela Salinas, referent of 3 picnic areas (Bº Grimalt, Bº 25 de Mayo, Bº Municipal) "Fundación Calas".
- 3-24 Christmas bags are delivered to Mr. Alejandro Chirino and Mrs. Sarah Flores, referents of 6 picnic areas.

In their entirety, they expressed gratitude to Golden Mining, mentioning the importance of donations considering the socio-economic situation that the families of the department are going through.



## 11. Health and Recreation

GMSA has led an innovative social responsibility project that will have a direct impact on the quality of life of the inhabitants of the department of Ullum. This effort translates into the equipment of this square, starting in the second half of 2024 with the first intervention in the B° Grimalt, with the possibility of including another departmental square in the 2025 planning. In it there are not only recreational spaces with games for children, but also has healthy equipment for the physical activity of young people and adults.

The innovation of this project lies in the materials used. All playgrounds and healthy equipment have been built with drill rods donated by drilling companies, an approach that promotes sustainability and efficient use of resources. In addition, this project is the result of joint work between various areas of GMSA, with the key collaboration of our suppliers, who provided materials such as drill pipes, paint and other essential supplies. Images are included documenting the progress of the project, from the initial installation of the paintless games to their final stage.

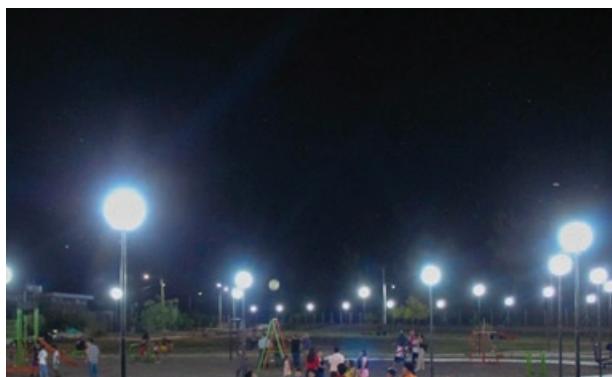
The municipality of Ullum has also played a fundamental role, adding lighting in the squares to ensure that these spaces are safe and accessible to the entire community, among other supplies. This project reinforces GMSA's commitment to the community, demonstrating that, when different sectors work together, significant transformations can be achieved in people's well-being and quality of life.



**Healthy Games and Equipment Built  
With Drill Rods**

### ***Opening Ceremony "Children's Square - Don Wilson Gil"***

On November 21, 2024, the opening ceremony of the "Plaza de los Niños - Don Wilson Oscar Gil" was held, marking an important milestone in the development of this project. The event was attended by authorities from the municipality of Ullum, the executive director of Challenger Gold, Dr. Sonia Delgado, GMSA employees, suppliers of the company and the Ullun community, who celebrated the completion of the square with an act full of enthusiasm and social commitment.



# Development of our Partners

## 1. Educational Completion

Golden Mining's Educational Completion program continues to promote the continuity and completion of secondary studies for its employees, providing existing alternatives. At the same time, new training opportunities in trades of interest are reported.

Status of the Children and Adults 2000 Plan:

Plan Children: Throughout the year, continuous consultations were carried out on the resumption of this program, and although it was mentioned that there would be continuity, there is still no specific date. Employees who participate in this program have only 1 or 2 modules left to finish, but their progress has been paused due to the lack of dates to resume.

Adults 2000 Program: In November 2023, the Community Relations area accompanied 2 collaborators in the pre-registration process and registration for their first subject, including contact with the support line in Buenos Aires to resolve the complete registration due to delays. After starting, both expressed doubts about the online modality; one of them has decided to study in parallel at the CENS in Ullum while he evaluates which option is the most suitable.

In October of this year, a new community member showed interest in finishing high school; from the area he was sent information and a tutorial about the program, managing to open his account in the SIU guaraní system (account necessary for registration of subjects and taking exams), and now he is in the process of gathering the documentation of his previous studies to complete the information requested by this program that after the collaborator uploads it to the system must be approved by the Adults 2000 program.

On the other hand, a non-employee of these programs must take only one subject at Ullum High School to complete their studies, but has not yet taken the exam.

The Community Relations team accompanies each employee who shows interest in completing their studies, providing support and advice to solve any obstacles that may arise. However, it is highlighted that the motivation to continue with studies depends on each person, and in some cases, this motivation may be temporary. In others, employees remain committed and advance with their studies.



In 2024, the following training in Occupational Health and Safety were given in the Hualilan Project:

- Use and conservation of work tools.
- Burns, prevention and treatment.
- Tools to assess hazards and risks.
- Use and care of PPE.
- Hearing protection.
- Risk control preparation of ATS.
- Correct postures - Loading manual.
- Hazardous waste classification.
- Fire prevention and extinction.
- Packaging and preparation of injured person.
- Thunderstorms.
- Use of fire extinguishers and fire classes.



On December 3 and 10, 2024, the Risk Prevention Department carried out an emergency, evacuation, first aid and emergency activation drill at the Hualilán Project facilities.

The main objective of the activity was to strengthen the capacities of employees for the prevention and attention of contingencies that could arise during the performance of their daily tasks. It also sought to promote awareness and continuous improvement in occupational safety and health.

The drill was carried out on two dates to have the active participation of both rosters of participants, which made it possible to guarantee the practical training and comprehensive learning of all the personnel involved. In this way, the commitment to operational safety and the protection of the physical integrity of workers is reinforced, essential elements for the sustainability of operations at the Hualilán Project.

The specific objectives of the drill were:

- Measure response times based on evacuation flows.
- Verify adverse situations, considered as vulnerable and/or threats of the response plan.
- Establish opportunities for improvement in the emergency response plan.
- Verify the level of commitment of the exercise participants.
- Verify the degree of collaboration of the participants.
- Verify the operation of alarms, devices and evacuation signals.

### 3. Organisational Psychology

The purpose of Organisational Psychology in our organisation is to design and implement strategies and programs that contribute to the emotional well-being and optimal performance of our employees in the work environment. This approach covers:

- Carrying out psychological evaluations to identify needs, problems and areas of opportunity among the staff.
- The promotion of reflective strategies that promote motivation, self-determination and resilience in the team.

Throughout the year, a series of workshops and activities were developed, designed to address the different dimensions of psychological and emotional well-being, ensuring access to employees of both rosters. The following are details:

#### ***Implemented Workshops (2 editions per workshop)***



1. Motivation, Self-Determination and Self-Efficacy Workshop



2. Assertive Communication Workshop



3. High Performance Teams Workshop, Identify results and performance objectives.



4. Coexistence, Respect and Care of the Bond



5. In Mental Health Month: Workshop on Suicidal Behavior Disorder: Identify and prevent risk factors, as well as promote protective factors inside and outside the workplace.



6. Reflective and Introspective Workshop "A Stop on the Road"



7. Hydration Awareness Campaign



8. Reflections on the Roster: Reflective workshop in relation to the Roster, how I pass through it, development of strategies to optimise well-being.



9. Reflective workshop, fears, limiting and intrusive ideas. Broaden your perspective.

These initiatives seek not only to improve the work environment, but also to promote personal and professional satisfaction, creating an environment that prioritises emotional health, psychological safety, and the integral growth of all employees.

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# Annual Financial Report 2024

# Directors' Report

**The Directors present their financial report of Challenger Gold Limited (referred to hereafter as 'Challenger', the 'Company' or 'parent entity') and of the consolidated group (referred to hereafter as the 'Group'), being the Company and its controlled entities for the year ended 31 December 2024.**

## Information on Directors

The names and details of the Group's Directors who held office during the financial year ended 31 December 2024 and until the date of this report are as follows. Directors were in office for the entire period unless otherwise stated.

### Eduardo Elsztain

**Non-Executive Chairman - appointed 4 March 2025 (length of service less than 1 month)**

**Experience and expertise:** 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.

**Other current directorships:** Austral Gold Ltd (ASX:AGD), Inversiones y Representaciones S.A. (NYSE:IRS) Cresud S.A.C.I.F. y A. (NASDAQ:CRESY), BYMA:CRES), Brasilagro – Companhia Brasileira de Propriedades Agrícolas (NYSE:LND), Banco Hipotecario S.A. (BYMA:BHIP)

**Former directorships (last 3 years):** None

**Interests in shares:** 215,004,384

**Interests in options:** 214,103,961

**Interests in rights:** Nil

### Sergio Rotondo

**Executive Vice Chairman - appointed as Executive Vice-Chairman and resigned as Executive Chairman on 4 March 2025, appointed as Executive Director on 9 September 2021 and Executive Chairman 20 September 2023 (length of service 3 years, 6 months)**

**Qualifications:** MECOM, MBA

**Experience and expertise:** Mr Sergio Rotondo has an extensive background in managing billion-dollar construction projects from design through to completion and has partnered with some of Argentina's largest real estate developers and designers. Importantly, Mr Rotondo is also the founder of Golden Mining SA, the previous owner of Hualilan Gold Project.

**Other current directorships:** None

**Former directorships (last 3 years):** None

**Interests in shares:** 89,000,000

**Interests in options:** Nil

**Interests in rights:** Nil

### **Kris Knauer**

**Managing Director (length of service 5 years, 9 months)**

**Qualifications:** B.Sc (Hons), (Geological and Earth Sciences, Geosciences)

**Experience and expertise:** Mr Knauer started his career as an exploration geologist before moving into investment banking, initially as a mining analyst. He is an experienced listed company CEO. He led the listing of a package of copper/gold assets in Saudi Arabia to create Citadel Resource Group Ltd, becoming the Managing Director for the first 18 months. Citadel completed a DFS on the Jabal Sayid copper project in Saudi Arabia before being taken over for \$1 billion.

**Other current directorships:** None

**Former directorships (last 3 years):** None

**Interests in shares:** 89,278,666

**Interests in options:** Nil

**Interests in rights:** Nil

### **Sonia Delgado**

**Executive Director (length of service 1 year 1 month)**

**Qualifications:** LLB (Hons) MLaw

**Experience and expertise:** Over a distinguished career in the Argentinian public sector, Dr. Delgado has occupied positions including: Assistant Office of the State Prosecutor of the Province of San Juan; Undersecretary of Planning and Promotion of Mining Development and, more recently, Secretary of Mining for the province of San Juan, Argentina. Dr. Delgado's legal background and strategic view is a significant asset in navigating the regulatory environment of the mining industry.

**Other current directorships:** None

**Former directorships (last 3 years):** None

**Interests in shares:** 8,500,000

**Interests in options:** Nil

**Interests in rights:** 22,500,000

### **Fletcher Quinn**

**Non-Executive Director appointed as Non-Executive Director and resigned as Chairman on 20 September 2023, appointed as Chairman 4 July 2019 (length of service 5 years, 9 months)**

**Experience and expertise:** Mr Quinn has over 35 years' experience in venture capital, corporate finance and investment banking. This includes extensive experience with both listed and unlisted companies, including public company development, management and governance. Mr Quinn was the founding Chairman for ASX entities Citadel Resource Group and Sirocco Resources.

**Other current directorships:** None

**Former directorships (last 3 years):** None

**Interests in shares:** 28,549,316

**Interests in options:** Nil

**Interests in rights:** Nil

### **Pinchas Althaus**

**Non-Executive Director (length of service 1 year 11 months)**

**Qualifications:** MRb

**Experience and expertise:** Mr Althaus is based in New York and has been an Executive in the mining and resource sector since 2002. Mr Althaus was most recently the Founder and Chief Executive Officer of USA Rare Earth, which acquired and developed the Round Top heavy rare earth and critical minerals project in Texas.

As CEO Mr Althaus transformed USA Rare Earth from a resource startup to one of the highest-valued rare earth companies in North America. Under his tenure, USA Rare Earth opened the first rare earth and critical minerals processing facility in North America, located in Colorado, and acquired the only neodymium-iron-boron (NdFeB) permanent magnet manufacturing system in the Americas, formerly owned and operated in North Carolina by Hitachi Metals America, Ltd.

Additionally, Mr Althaus has experience in the gold sector as the former founder and CEO of Dominion Minerals Corp, which acquired and developed the Cerro Corcha Gold / Copper project in Panama. During his tenure as CEO, Dominion defined a significant open-ended gold and copper deposit with a project NPV in excess of US\$500 million.

**Other current directorships:** None

**Former directorships (last 3 years):** None

**Interests in shares:** 17,500,000

**Interests in options:** Nil

**Interests in rights:** 1,000,000

### **Brett Hackett**

**Non-Executive Director (length of service 1 year 8 months)**

**Experience and expertise:** Brett has 33 years of experience as an Australian diplomat. For the last 13 years, his principal focus has been on expanding Australia's economic and political relationships with the countries of Latin America.

He has served as Ambassador on three occasions; as Australia's first resident Ambassador in Afghanistan (2006-2008), as Ambassador to Brazil (2011-2014), and most recently as Ambassador to Argentina (2018-2023).

In Mr Hackett's role as Ambassador to Argentina he accrued considerable experience in promoting Australian interests, particularly in Argentina's mining sector. Mr Hackett is highly regarded on both sides of politics in Argentina and, as the most recently returned Ambassador, he maintains a current and enviable list of contacts in Argentina.

**Other current directorships:** None

**Former directorships (last 3 years):** None

**Interests in shares:** 705,882

**Interests in options:** Nil

**Interests in rights:** 999,999

*'Other current directorships' quoted above are current directorships for listed entities only and exclude directorships of all other types of entities, unless otherwise stated.*

*'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and exclude directorships of all other types of entities, unless otherwise stated.*

## Company Secretaries

### Ms Kelly Moore and Ms Michelle Kennedy

**(appointed 3 July 2024)**

Ms Moore is a qualified Chartered Accountant and Company Secretary with extensive experience in providing accounting and secretarial advice to public companies. Ms Moore holds a Bachelor of Commerce degree from the University of Western Australia, is a fellow of the Chartered Accountants Australia and New Zealand, is a graduate of the Australian Institute of Company Directors and an associate member of the Governance Institute of Australia.

Ms Kennedy is a qualified Chartered Accountant with experience in providing financial reporting and corporate advisory services to public companies. Ms Kennedy holds a Bachelor of

## Meetings of Directors

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 31 December 2024, and the number of meetings attended by each Director were:

Director	Full Board	
	Attended	Held
Sergio Rotondo	3	3
Kris Knauer	3	3
Fletcher Quinn	3	3
Pinchas Althaus	2	3
Brett Hackett	3	3
Sonia Delgado	1	3

Held represents the number of meetings held during the time the Director held office.

## Principal Activities

The principal activity of the Group is gold and copper exploration in Argentina and Ecuador.

## Review of Operations

The profit for the Group after providing for income tax amounted to \$74,598,218 (31 December 2023: \$53,861,800).

The following is a summary of the activities of the Group for the year ended 31 December 2024.

In accordance with the continuous disclosure requirements, readers are referred to the announcements lodged with the Australian Securities Exchange regarding the activities of the Company.

During the first half of the year, the Company completed two placements to raise \$9.6m before costs through the issue of 113,436,106 new ordinary shares to two investors. Both placements were completed at a price of 8.5 cents representing a 6% premium to the last trading price before the placement of 8.0 cents and a 9% premium to the 20 day VWAP of 7.8 cents. They included a one for one free attaching option exercisable at a price of 14 cents per share with an expiry of 12 months from issue date.

The lead investor was a group controlled by Mr Eduardo Elsztain who took an initial 5% stake in the Company. Mr Elsztain is a prominent Argentine businessman who has built a huge portfolio of real assets in the last 3 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 Argentina.

On 2 October 2024, the Company announced that it had entered into an agreement with an entity associated with the Elsztain Group to issue 147,726,678 fully paid ordinary shares and 147,726,678 options to raise \$6.6 million. The issue of the securities was subject to various milestones being met, these milestones were met subsequent to the financial year end. On 10 January 2025, the Company announced that it had completed the \$6.6 million strategic placement to Inversiones Financieras del Sur S.A (an entity controlled by Mr Eduardo Elsztain) through the issue of 147,726,678 fully paid ordinary shares at an issue price of 4.5 cents per share and 147,726,678 unlisted options with an exercise price of \$0.045 plus 10% in the first 12 months and then plus 20% for the second 12 months, with an expiry of two years.

On 4 March 2025, the Company announced the appointment of Mr Eduardo Elsztain as the Non-Executive Chairman with Mr Sergio Rotondo remaining on the Board as Vice Chairman.

In addition, the Company completed a Share Purchase Plan ('SPP') in October 2024, raising \$4m (before costs) through the issue of 22,222,223 new fully paid shares. The SPP was well supported, with total applications exceeding \$7.8m. The Company completed a private placement to sophisticated investors in conjunction with the SPP to raise an additional \$1m (before costs) through the issue of 22,222,222 new fully paid shares at an issue price of 4.5 cents per share.

Strategic investment has been secured and the Company now intends to fund the larger stand-alone Hualilan BFS from cashflow generated from Toll Milling. The Group will explore other finance options to progress its tolling arrangement and its exploration activities, including:

- A Strategic Investor; or
- Royalty or Stream Finance; or
- Other forms of non-dilutive finance.

The Annual General Meeting ('AGM') of the Company was held on Friday, 31 May 2024 with all resolutions having been successfully passed by shareholder. Refer to the Notice of Meeting lodged with the ASX for full details.

Post shareholder approval at the AGM, the Company issued 9,205,882 new shares to Directors in recognition of services performed to date and 23,499,999 performance rights to appropriately incentivise future performance.

Post year end, on 3 March 2025, the Company held a general meeting of shareholders where, among other things, it was approved to issue Dr Sonia Delgado 22,500,000 performance rights. On 4 June 2024, the Company issued 22,500,000 Performance Rights to Dr Sonia Delgado following Shareholder approval received on 31 May 2024. The Company will cancel these existing Performance Rights and issue Dr Delgado the same number of new Performance Rights to replace the cancelled Performance Rights.

# 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<sup>2</sup>. Subsequently, CEL has increased its landholding around the project to 632 square kilometres.

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## Highlights

- Toll Milling Agreement executed for the toll processing of ore from Hualilan.
- Pre-Feasibility Study ('PFS') progressing well with all critical path elements completed:
  - 1,910 metre geotechnical drill program completed during the half-year to verify open pit ('OP') slope design parameters.
  - Open pit operating cost model, whittle pit optimisations, open pit mine design, and open pit mine schedule completed showing a significant increase in the scale of the open pit.
  - Underground stope optimisations completed with underground mine design in progress.
  - Four hydrological holes and flow testing and hydrogeological modelling completed
  - Updated processing cost models, including Heap Leach cost, completed.
  - All metallurgical testwork on the critical path for the PFS completed.
  - Initial contract mining and contract haulage quotes received in response to RFQ's (Requests for Quotation).
  - Owner operated mining cost model complete.
  - Labour cost model complete.
- Employment of General Manager for Hualilan who brings 35+ years of mining operational and technical expertise, with leadership roles in both large and small-scale projects across South America. He will lead the operational readiness phase for Toll Milling, managing the transition from development to full-scale production and overseeing daily mining activities.
- Hualilan regional exploration program delivers - defining a 20 square kilometre copper target:
  - Located 10km southeast of Hualian and open with the strongest anomaly at the southern edge.
  - Coincident iodine anomaly, a pathfinder for several large copper systems located in arid climates such as Broken Hill (NSW) and Chuquicamata (Chile).
  - No previous exploration as the area is overlain by transported cover.
- Ongoing metallurgical test work for the stand-alone Life Of Mine (LOM) studies continues to yield encouraging results that should improve potential project economics.
- All five material opportunities identified to improve the Scoping Study successfully matured to be incorporated into the LOM Study.
- Independent carbon modelling of the Hualilan Scoping Study demonstrated that it will potentially be the lowest carbon intensity gold mine listed on the ASX, and well inside the lowest quartile of carbon emissions per ounce ("CO2e/oz") on a global basis.

## Toll Milling

### Toll Milling Agreement Executed

Subsequent to the end of the year, CEL completed the execution of the definitive Binding Toll Processing Agreement (the 'Agreement') with Casposo Argentina Mining Limited, the operator of the Casposo treatment plant located in San Juan Argentina (the 'Toll Mill Operator'), for toll processing ore from the Hualilan Gold Project. Additionally, the US\$2M upfront payment required under the Toll Processing Agreement has been paid. This guarantees toll processing of 150,000 tonnes per annum of Hualilan material over three years, with a total secured capacity of 450,000 tonnes.

The primary objective of the Toll Treatment strategy is to capitalize on the current high gold price (above US\$3,000/oz) to generate early cash flow. This cashflow will be allocated towards the construction of the standard-alone Hualilan Gold project.

The Casposo Plant is located 170km from Hualilan via established roads. It has historically produced over 323,000 ounces of gold and 13.2 million ounces of silver. During operations, the plant achieved average annual production of 40,000 ounces of gold and 1.6 million ounces of silver at recoveries of 90% for gold and 79% for silver.

The Company has identified 450,000t of Hualilan material containing approximately 90,000 oz of gold and 495,000 oz silver contained in 4 starter pits for Toll processing.

Open pit designs have been completed for these pits generating Potential Mining Inventory (PMI) for Toll Milling of 478,000t which starts at surface (see ASX Relelase October 2024). The average grade of this Toll Milling Inventory is 5.8 g/t Au, 32.2 g/t Ag containing 85,550 Oz (Au) and 495,334 oz (Ag) (79,044 Oz Au Indicated, 18,240 Oz Au Inferred, and 448,861 Oz Ag Indicated, 88782 Oz Ag Inferred) . This represents 3% of the total Hualilan mineral resource of 2.8Moz AuEq.

The terms of the Toll processing Agreement are summarised below:

- Base Toll Processing Fee: Processing at cost including processing costs uplift for additional reagent consumption which is typical of an agreement of this type.
- Monthly Access Fee: US\$8.80/t, with a monthly minimum payment of US\$110,000 from the start of Toll Milling.
- Upfront Payment: US\$2M, with US\$1M deferred until the second year, equivalent to US\$6.67/t.
- Performance Fee: Incentive-based fee of 20-30% of milling costs depending on recovery rates, expected to range between US\$12-18/t.

Gold Recovery (%)	70% – 80%	+ 80% – 85%	+ 85%
Margin over Processing Costs	20%	25%	30%

Table 1 - Recovery Based Performance Fee

The agreement includes a safeguard: the upfront payment is refundable if: the plant is not operating by 31 July 2025 unless the delay is caused by matters related to the mining or extraction of mineralised material from the Hualilan Project or matters otherwise beyond Caspaso's control or; if additional testwork indicates that the gold recovery of Hualilan material via Toll Processing will be below 70%. The Pre-Feasibility Study for the Toll Process is progressing well with a final decision to mine to be made in the near future.

### ***Operational Details***

Initial processing will operate in 90-day campaign cycles over a 12-month period, unless the Technical Committee decides to extend such a term. The Technical Committee, with equal representation from both parties, will evaluate transitioning to continuous processing after the first year based on operational performance. Batch processing removes reconciliation risk from Toll processing.

CEL retains full ownership of ore and all resulting products throughout the process, with established protocols for gold-in-circuit measurement.

CEL representatives at the plant may request adjustments to treatment rate and metallurgical parameters as needed.



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### Toll Milling Mineralisation

The Scoping Study reported open pit inventory of 1.4mt at 3.6 g/t Au, 23 g/t Ag in three pits, the North, Central, and South open pits. These pits had a combined strip ratio of 6 to 1. The Company has completed a series of pit optimisations focused on Toll Milling which identified four low strip high-grade starter pits at Sanchez, Cerro Norte, Magnata and Sentazon suitable for Toll Milling (Figure 1).

Open pit designs have been completed for these pits generating Mineralisation for Toll Milling of 478,000t which starts at surface (Table 1). The average grade of this Toll Milling Inventory is 5.8 g/t Au, 32.2 g/t Ag containing 85,550 Oz (Au) and 495,334 oz (Ag) (79,044 Oz Au Indicated, 18,240 Oz Au Inferred and 448,861 Oz Ag Indicated, 88782 Oz Ag Inferred). This represents 3% of the total Hualilan mineral resource of 2.8Moz AuEq.

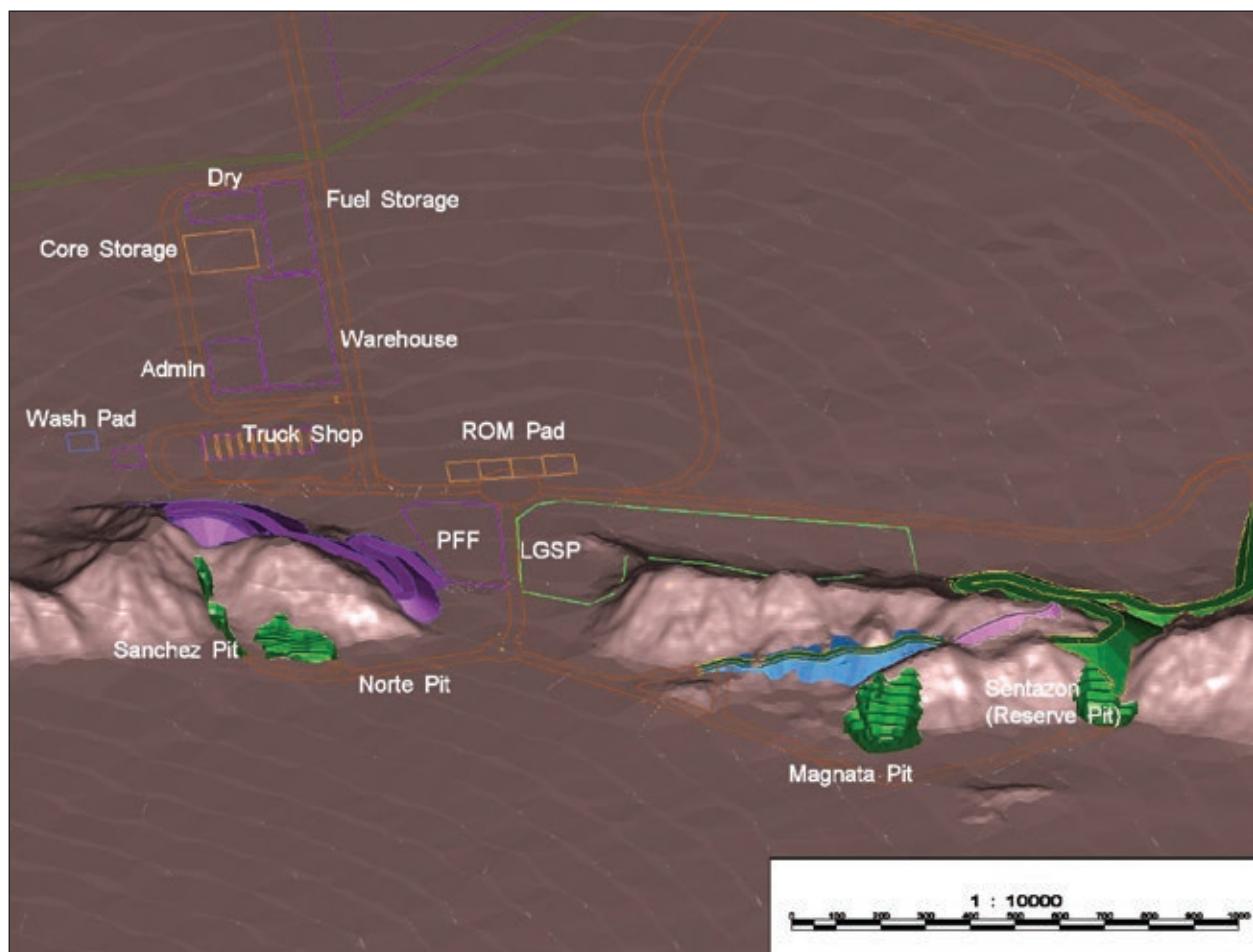


Figure 1 – Proposed Toll Mining Site Layout

The Hualilan Mineralisation intended to be treated via Toll Milling is predominantly oxide material which is better suited to treatment via the Toll Milling Plant rather than the flotation plant planned in the larger stand-alone Hualilan development.

Mineralisation	Material (t)	Au (g/t)	Ag (g/t)	Au Contained (oz)	Ag Contained (oz)	Strip Ratio (Mineralisation vs. SP + Waste)
Sanchez Pit – Indicated	(t)	6.92	11.81	20839.19	35565.15	2.2
Sanchez Pit – Inferred	1,175.01	3.42	4.99	129.21	188.53	2.2
Norte Pit – Indicated	98,873.64	8.14	48.37	25878.82	153778.71	3.5
Norte Pit – Inferred	46,371.46	3.80	14.78	5665.97	22037.63	3.5
Magnata Pit – Indicated	153,363.51	4.65	42.82	22930.56	211158.38	4.2
Magnata Pit – Inferred	24,133.59	3.93	23.45	3049.68	18197.19	4.2
Sentazon Pit – Indicated	53,030.53	5.51	28.36	9395.44	48358.39	6.6
Sentazon Pit – Inferred	7,821.85	2.65	24.29	20839.19	35565.15	6.6
<b>Total Indicated category</b>	<b>398,923.59</b>	<b>6.16</b>	<b>34.99</b>	<b>79,044.01</b>	<b>448,860.63</b>	<b>3.9</b>
<b>Total Inferred category</b>	<b>124,710.59</b>	<b>4.55</b>	<b>22.14</b>	<b>18,240.30</b>	<b>88,781.74</b>	<b>3.9</b>
<b>Total Mineralisation – Toll Treated</b>	<b>478,426</b>	<b>5.76</b>	<b>32.20</b>	<b>88,550</b>	<b>495,334</b>	<b>3.9</b>
Total Mineralisation – Stockpiled	387,064	1.33	11.71	16,606	145,721	
Waste	1,480,359					
<b>Total Material Moved</b>	<b>2,345,849</b>					

Table 2 – Toll Milling open pit design (Toll Milling Inventory

Note waste includes the following lower grade mineralisation that will be stockpiled at Hualilan for later processing in the stand-alone Hualilan plant:

- 148,531t Heap Leach material (0.3 g/t Au, 4.7 g/t Ag)
- 238,533t Flotation material (2.0 g/t Au, 16.1 g/t Ag)

## Supporting Metallurgical Testwork

### CEL Leach testwork

During and subsequent to the Scoping Study the Company has undertaken an extensive body of metallurgical testwork that validates the economic recovery of gold and silver in the toll treatment plant. This includes testing on a composite designed to be representative of the higher-grade (predominantly skarn) mineralisation in the Scoping Study mine plan which is representative of the proposed Toll Milling mineralisation. The results of this testwork indicate gold recoveries of 83-84% and silver recoveries up to 68.5% from a combination of gravity and cyanide leach in the high-grade skarn mineralisation (Table 3).

The Company has commenced a series of leach testwork designed to mirror the flow sheet in the Toll Treatment plant on a series of different grade composites designed to be representative of the start-up mineralisation. Results from this series of metallurgical testwork are pending.

Test	Sample ID	Mass g, ml	Grade (g/t, mg/l)		Distribution (%)	
			Au	Ag	Au	Ag
75 microns (72 hour)	Gravity Conc	15.3	224	662	30.2	10.4
	Leach Liquor	2484	2.32	0.48	53.1	2.6
	Leach Residue	1961	0.97	43.0	16.8	86.9
	<b>Recovery</b>				<b>83.2</b>	<b>13.1</b>
	Head (calc)	1976	5.74	49.1	100.0	100
	Head (direct)		5.20	47.6		
109 microns (72 hour)	Gravity Conc	14.4	174	643	23.2	9.7
	Leach Liquor	2461	2.55	22.0	60.8	58.8
	Leach Residue	1959	0.88	15.4	16.0	31.5
	<b>Recovery</b>				<b>84.0</b>	<b>68.5</b>
	Head (calc)	1973	5.47	48.5	100.0	100
	Head (direct)		5.20	47.6		
154 microns (72 hour)	Gravity Conc	8.7	217	820	16.6	7.1
	Leach Liquor	2442	2.77	22.6	62.0	57.4
	Leach Residue	1985	1.23	17.9	21.4	35.5
	<b>Recovery</b>				<b>78.6</b>	<b>64.5</b>
	Head (calc)	1994	5.71	50.2	100.0	100
	Head (direct)		5.20	47.6		

Table 3 - Summary CEL gravity/cyanide leach Metallurgical testwork

### Metallurgical testwork undertaken by the Toll Milling Plant owner

The Toll Treatment plant owner undertook a series of independent metallurgical testwork using three 50kg bulk samples taken from Cerro Norte/Sanchez area. The RDJ sample, located within the proposed Norte starter pit, and the CHM and UG samples located further south in the main Cerro Norte Manto. The assay results of the three bulk samples are shown in Table 4.

Cyanide Leach tests were undertaken on each of the three samples at a grind of 75 microns (P80 of 75  $\mu$ ) and 106 microns (P80 of 106  $\mu$ ) at a Cyanide concentration of 2.5 g/l. The Gold and silver recoveries from this test are outlined in Table 5. The RDJ and UG samples returned average recoveries of 94% (RDJ) and 91% (UG) for gold and 79% (RDJ) and 67% (UG) for silver. These samples are considered representative of the oxide material on the Sanchez and Dona Justa starter pits. The CHM sample returned lower average recoveries of 66% (Au) and 78% (Ag). This bulk sample was from the Main Cerro Norte Manto which is not captured in the two Cerro Norte starter pits.

Sample	Au (g/t)	Ag (g/t)	Pb (%)	Zn (%)	As (ppm)
RDJ	4.4	66.7	0.08%	>1%	92
CHM	8.5	108.6	>1%	>1%	1028
ESC-UG	4.6	62.4	0.77%	>1%	52

Table 4 – Composite samples taken by Toll Milling Plant operator for metallurgical testing



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Sample/Test	Leach Time (hours)	Au Recovery (%)	Ag Recovery (%)
RDJ	24	90.1%	82.1%
106-micron grind	48	95.9%	81.2%
RDJ	24	91.9%	76.4%
106-micron grind	48	95.4%	78.5%
RDJ	24	95.1%	78.0%
74-micron grind	48	96.6%	80.1%
UG	24	89.5%	63.5%
106-micron grind	48	90.9%	67.6%
UG0	24	89.7%	67.0%
74-micron grind	48	92.0%	69.0%
CHM	24	65.0%	77.5%
106-micron grind	48	66.4%	77.0%
CHM	24	65.5%	75.0%
106-micron grind	48	67.8%	77.0%
CHM	24	65.2%	78.0%
76-micron grind	48	67.0%	82.0%
<b>Average</b>	<b>24</b>	<b>81.5%</b>	<b>74.7%</b>
	<b>28</b>	<b>84.0%</b>	<b>76.6%</b>

Table 5 – Summary cyanide leach testwork on Hualilan material undertaken by the Toll Mill owner

### Toll Milling Plant Technical Study

During the year, an independent technical study of the plant was completed for CEL. The technical study included an extensive review of the Toll Milling Plant flow sheet and engineering data, the re-start plan including capex and operating cost models, and a 2-day field visit and plant inspection to determine the plant status. The technical study identified no fatal flaws in the plant, restart plan, or toll treatment strategy with other key findings summarised below.

#### **Plant Assessment**

The Casposo treatment plant has a nominal capacity of 400,000 tpa. The technical study confirmed the crushing and grinding circuits are in good condition, with installed mill capacity exceeding requirements by 50%. The gravity circuit, leach circuit, and Merrill Crowe circuit are in good condition.

The only potential factor limiting the nameplate throughput capacity of 400,000 tpa was the solid/liquid separation stage which does not appear to have sufficient capacity despite using high levels of flocculant dosing. The recommendation was for this circuit be operated at a lower capacity and a lower dosage of flocculant. The technical study indicates the plant could efficiently process 300,000 tpa using lower flocculant levels which is more than sufficient to cover minimum Toll Milling commitment of 150,000 tpa to CEL.

### **Capital and Operating Costs**

The independent technical study also included the review of the capital required for the plant refurbishment and the necessary working capital required for pre-commissioning, which is anticipated to be completed by 31 July 2025. This funding is expected to be provided by the Mill Operator either directly or through third parties, in accordance with the binding Agreement executed between the parties. The estimated capital for the plant refurbishment primarily includes US\$4 million for spares and replacement parts, which is in line with expectations.

Evaluation of the operating cost model indicated no red flags. The 300,000 tpa treatment rate (with consequent lower flocculant consumption) recommended has the potential to lead to a small (7%) increase in treatment costs for Hualilan ore, as estimated by the Plant operator. The technical study noted Treatment cost estimates for Hualilan ore compared to Casposo ore are conservative including an allowance of US\$5.50/t for additional cyanide consumption and an additional US\$1.50/t G&A allowance for Hualilan ore.

The technical study indicates that after adequate resumption of operations at the Plant, operating costs could likely be optimized. A more detailed review of the operating cost model was recommended which will be undertaken in the Toll Treatment Startup Scoping Study.

### **Metallurgical Performance**

This review confirmed the viability of the Casposo Plant for the Toll Treatment of Hualilan ore with the gravity-leach-Merrill Crowe circuit well-suited for processing Hualilan oxide and transition zone ore.

Key findings were excellent leach kinetics for Hualilan material, with optimal gold recovery achieved in 24 hours compared to the 72 hours historically required for Casposo ore. It was recommended the gravity circuit be included to maximize gold recovery. The technical study concluded that testwork shows a strong correlation between the gold grade in the Hualilan ore and the gold recovery (from gravity plus cyanidation) that can be used to predict the Au recovery in the Casposo plant. The test work indicates likely recoveries according to the equation:

$$\text{Gold Recovery (\%)} = 2.43 \times (\text{Au head grade g/t}) + 76.1$$

This indicates Au recoveries are projected to exceed 90% compared to the recovery of 80-85% used in CEL desktop modelling.

### **Funding for Toll Milling Plant restart**

During the year, the Toll Mill Operator recently completed a successful financing of US\$7 million to refurbish the Casposo Plant for toll milling material from Challenger's Hualilan Project (ASX release 23 Dec 2024). The funding was secured by Austral Gold's subsidiary, Casposo Argentina Mining Ltd. (Casposo), through a US\$7 million secured loan from Banco San Juan S.A. in Argentina. These funds will be allocated to refurbish the Casposo Plant, supporting the Agreement with CEL to process mineralised material from CEL's Hualilan Project.

## Scoping Study

The Company previously completed a Scoping Study that focused on the high-grade core of the Hualilan Gold Project to present a low startup-capital project capable of being funded by the Company in the current challenging market conditions.

Highlights of the study included:

- Forecast EBITDA of US\$738m (A\$1.1 billion) over Life of Mine (LOM) at a price of US\$1750 Au;
- Rapid payback period of under 1.25 years based on current production target; and,
- Average annual production target of 116,000 oz Au, 440,000 oz Ag, 9,175 t Zn;
- Global lowest-quartile C1 cash cost of US\$527/oz (A\$811) and AISC of US\$830/oz (A\$1,277)

The study presented an initial economic evaluation of Hualilan and suggested that the project could become one of the lowest-cost ASX producers, with a rapid payback period, and average annual production of 116,000 oz gold (141,000 oz gold equivalent) based on the Study production target. Notwithstanding the outstanding outcome of the Study, the Company has identified several clear, and potentially material, opportunities for optimisation and improvement which will be evaluated in the Hualilan PFS.

During the year, work on the Hualilan LOM Study continued with several critical path elements completed. Given the Company's immediate focus is on Toll Milling and mining readiness the LOM Study, while being progressed, is expected to be completed after the commencement of Toll Milling.

## Geotechnical Drill program

A 1,910 metre geotechnical diamond core drilling program to verify open pit slope design parameters was completed in the second week of July 2024. Geotechnical logging, and sample submission for geotechnical testing with SGS laboratories is complete with results pending. In addition to the geotechnical drilling an Acoustic Televiewer program was conducted in the geotechnical drillholes and a series of historical drill holes to gather additional information to incorporate into the Hualilan geotechnical model.

## Hydrogeological drill program and groundwater modelling

Four RC holes for a combined 700 metres and flow testing was completed during the half-year. These holes were located on the proposed Tailings Storage facility, within the proposed PFS open pit, at the proposed location of the PFS treatment plant, and proposed waste dump location. Following the flow test results, which were in line with expectations, hydrogeological modelling was completed by local consultants. Additionally, this work included the development of a groundwater model and monitoring plan.

## Open Pit Optimisation and Open Pit Design

The final open pit operating cost model has been delivered and whittle pit optimisations (using US\$1800 Au) completed. Pit optimisation is the key step in unlocking the full economic potential of an open pit operation. Whittle is the industry standard for pit optimisation providing a suite mining value chain optimisation. Whittle software determines the optimal shape for an open pit in three dimensions through implementation of the Lerchs-Grossmann algorithm, also generating the maximum undiscounted operating surplus for the set of economic parameters used to develop that pit optimization shell.

The pit optimisations produced a significant increase in the scale of the open pit from the Scoping Study with the 82% Revenue Factor (RF82) pit shell containing 34 million tons of the existing Hualilan MRE and the 94% Revenue Factor (RF94) shell containing 48 million tons of the total 68 million tons of mineralisation contained in the MRE. Open pit mine design, and open pit mine scheduling has been completed for the PFS base case.

## Underground Mine Optimisation and Design

A suite of underground stope optimisations using the Mineable Stope Optimiser ('MSO') has been completed at varying underground mining costs. The MSO's have been clipped to the PFS base case pit showing approximately 40% of the Scoping Study underground mining inventory remains underneath the base case PFS open pit. Underground mine design and scheduling is underway.

## Metallurgical testwork

All critical path metallurgical testwork required for the PFS has been completed. Results from the third panel of Column Leach testwork, using a crush size of 0.5 and 1 inch, have been delivered and are currently being reviewed and modelled. The results indicate no material reduction in recovery in the jump from 1/4 inch to half inch crush size which has a positive effect on heap leach economics. An additional series of variability flotation testwork evaluating the low-grade zinc concentration pathway has been completed with results pending. The first two of six locked-cycle flotation tests evaluating this pathway have also been completed (results pending) with the final four locked cycle tests nearing completion.

## Processing Cost Modelling

Updated processing cost models have been completed for the three types of PMI (potential mining inventory) in the Scoping Study. These updated cost models include the conversion of the Au-Ag concentrate to Dore on site. Heap Leach cost models are complete. It is likely that the processing cost model for the Type C (higher-grade Zn material treated by sequential floatation) will be updated to capture the low-grade zinc concentration pathway which employs a simplified flow sheet and fewer reagents.

## Metallurgical Testwork – Low Grade Zinc Concentration Pathway

During the year, the results of metallurgical testwork investigating a potential low-grade zinc concentration pathway were released. This program was undertaken to evaluate one of the several clear and material opportunities for improvement of the Hualilan Scoping Study, for inclusion in the PFS. These material opportunities include:

1. The recently confirmed conversion of the Au-Ag concentrate produced by the flotation circuit into Doré on site, thereby reducing transport and TC/RC costs, and increasing payability.
2. Inclusion of a heap leach, alongside a floatation circuit, to capture value from the low-grade portion of the Hualilan orebody, which was excluded under the low-risk/ high-grade/ low-tonnage scoping study strategy.
3. Re-optimisation focused on a larger open pit case rather than the high-grade/ low-tonnage underground focused Scoping Study strategy given the improved gold price and outlook.
4. Re-optimisation of both the underground and open pit (which was done at a gold price of US\$1700) using the materially lower costs and cut-off grades supported by work subsequent to the completion of the Scoping Study.
5. Reduction in the cut-off grade of zinc ore fed into the flotation circuit.

The results of the testwork investigating the potential lower-grade zinc concentration pathway support the generation of a simplified flow sheet permitting:

This metallurgical testwork provides the potential to unlock a significant proportion of the zinc at Hualilan. Based on flotation test work undertaken for the Scoping Study, an assumption was used in the Scoping Study that an economic zinc concentrate was only achievable from head grades  $\geq 1.5\%$  Zn. The Hualilan MRE contains approximately 211.5 kt Zn above 0.4% Zn compared with the 62 kt Zn produced in the study mine plan which focused on the high-grade core of Hualilan.

This 62 kt of Zn contributed revenue of \$US132 million to the overall SS revenue of \$US1,157 million. Thus, the additional zinc recovery has the potential to provide a material increase in the revenue and overall value of Hualilan.

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## Independent Carbon Emissions Modeling – Hualilan Gold Project

During the year, CEL announced the results of the independent carbon modelling of Scope 1 and Scope 2 emissions of the Company's 100% owned Hualilan Gold Project. The carbon modelling was completed by Mining Plus using the Hualilan Scoping Study mining plan and production forecasts.

The Hualilan Scoping Study presented an initial economic evaluation of the project and suggests that the project could become one of the lowest-cost ASX producers, with a rapid payback period, average annual production of 116,000 oz gold, and Life of Mine EBITDA of A\$1.1 billion at US\$1,750/oz. The Company is completing a Pre-Feasibility Study for Hualilan which will incorporate several material opportunities identified to improve already attractive Scoping Study outcome.

Hualilan is forecast to be potentially the lowest Green House Gas ('GHG') emitter on a per ounce of production basis of all ASX listed gold producers with emissions intensity of 0.09t CO<sub>2</sub>e/oz to 0.11 CO<sub>2</sub>e/oz, six times lower than the Australian average emissions intensity. The figure below shows the total GHG emissions of Australian operations as well as ASIC data.

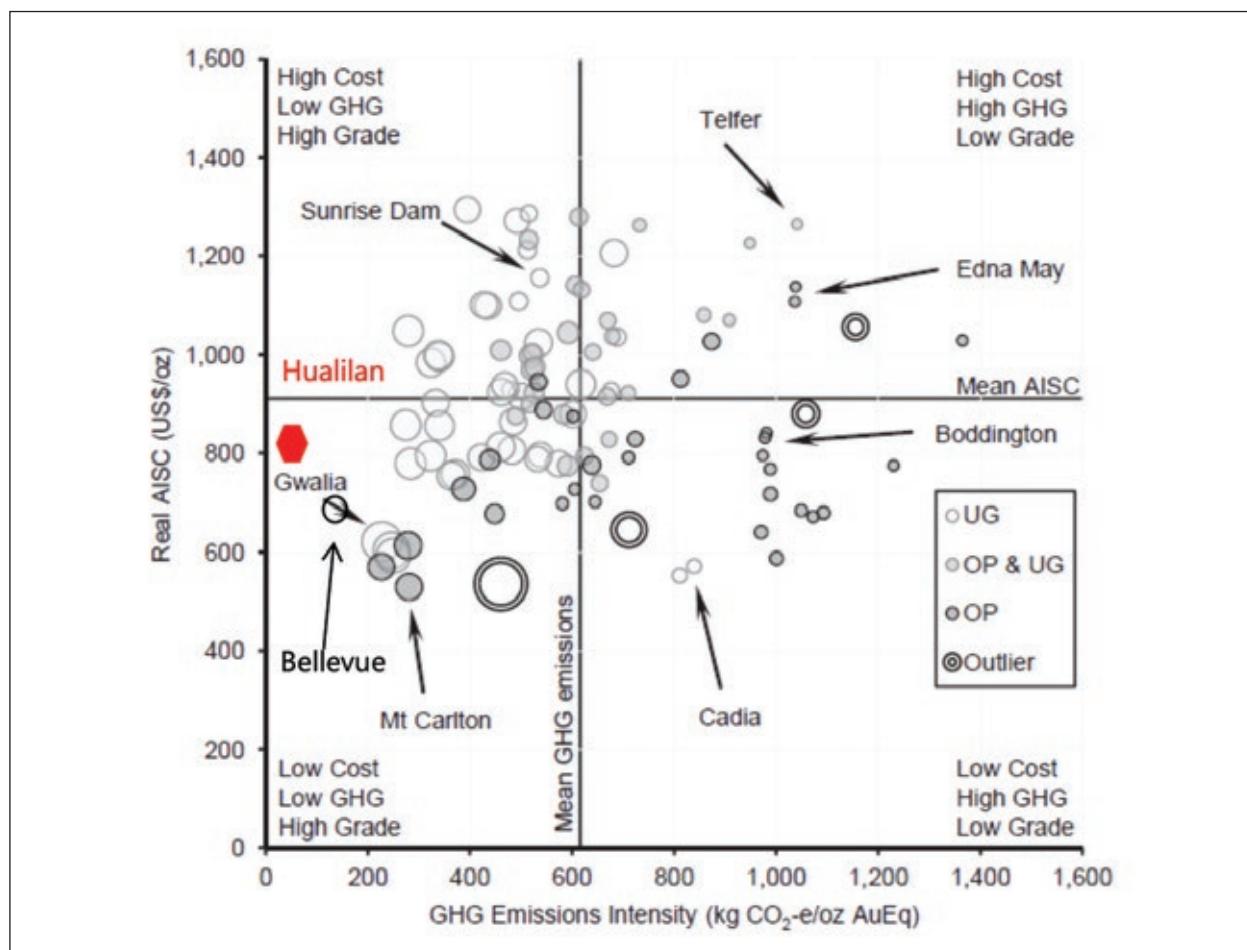


Figure 2 – GHG Emissions Intensity and AISC: Australian Operations (Ulrich, Trench, Hagemann 2020)

## Regional Exploration Program

### Ionic Leach™ (IL) assays

The regional program, targeting Hualilan repeats and skarn-related mineralisation along the 30 kilometres of prospective strike identified by the Company, continues to progress. During the year, results for another 1275 Ionic Leach™ ('IL') samples were received.

IL is partial assay geochemical technique designed for exploring under cover. Approximately 70% of the Greater Hualilan has thin transported cover, generally no more than 30 metres thick, however this makes traditional soil sampling techniques ineffective. The IL program has been specifically designed to detect subtle but diagnostic element responses at surface that can characterise geology and mineral systems beneath transported cover.

This IL program has covered approximately 50 square kilometres of the Company's 604 square kilometre and is being extended to cover an additional 150 square kilometres surrounding Hualilan. This program is approximately 56% complete with 3,846 samples for which assays have been received, and another 3,000 samples planned/pending.

The soil sampling with Ionic Leach assay program was oriented and tested west of Hualilan on 200 metre spaced lines and via four 7.5 kilometre long regional traverses located east of Hualilan. Two of the lines east of Hualilan defined a discrete zone of anomalous copper with coincident anomalous silver, molybdenum, tellurium and associated pathfinder elements.

The test lines also encountered zones of anomalous gold and gold pathfinder elements however the immediate focus of sampling was to define what appeared to be a significant copper target (Figure 3). The copper (and gold) anomalies are interpreted as being potentially representative of deeper mineral systems leading the Company to undertake a regional program comprising 400 metre spaced lines with 100 metre soil sample spacing for Ionic Leach assay.

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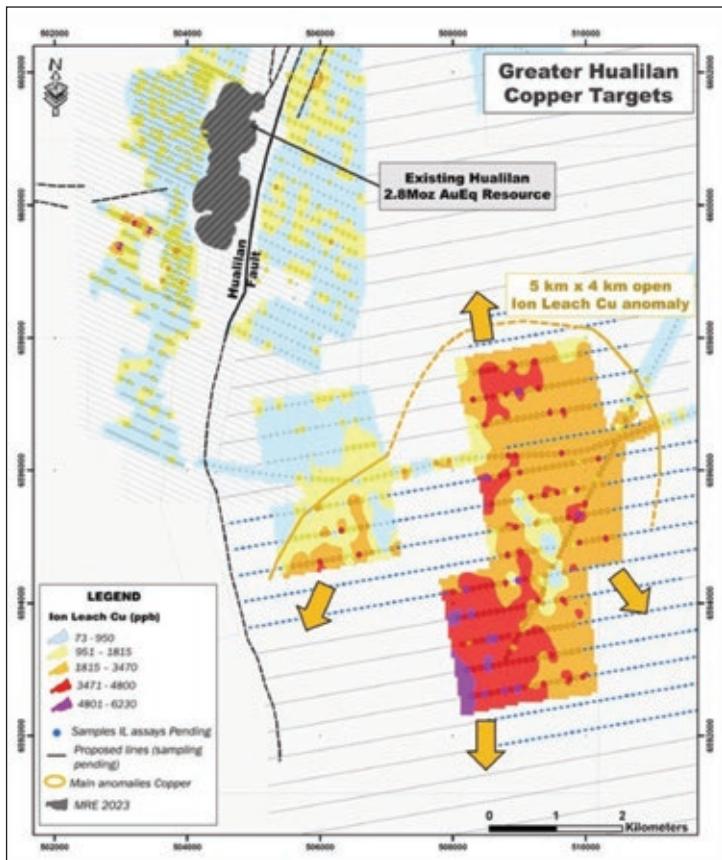


Figure 3 – Copper Soil Survey (Ionic Leach) result including planned surveying

### Copper Anomaly

Ionic leach assay has defined a Copper, Silver, Molybdenum, Tellurium anomaly covering an area of 5-kilometres (north-south) x 4-kilometres (east-west) located 5-10 kilometres to the southeast of Hualian. Figure 3 shows the individual sample points which range from 0-800ppb (background) up to 6230 ppb copper (IL). The anomaly remains open to the south and west.

In addition to the copper anomaly there are coincident anomalies for other pathfinder elements associated with copper mineralisation. This includes a coincident iodine anomaly as well as arsenic, tungsten, palladium and cadmium. The iodine anomaly may be a result of the presence of copper iodide and silver iodide minerals in the weathered rock below the cover. These minerals may form in arid environments. Significant examples of iodine associated copper systems include Broken Hill (NSW) and Chuquicamata (Chile).

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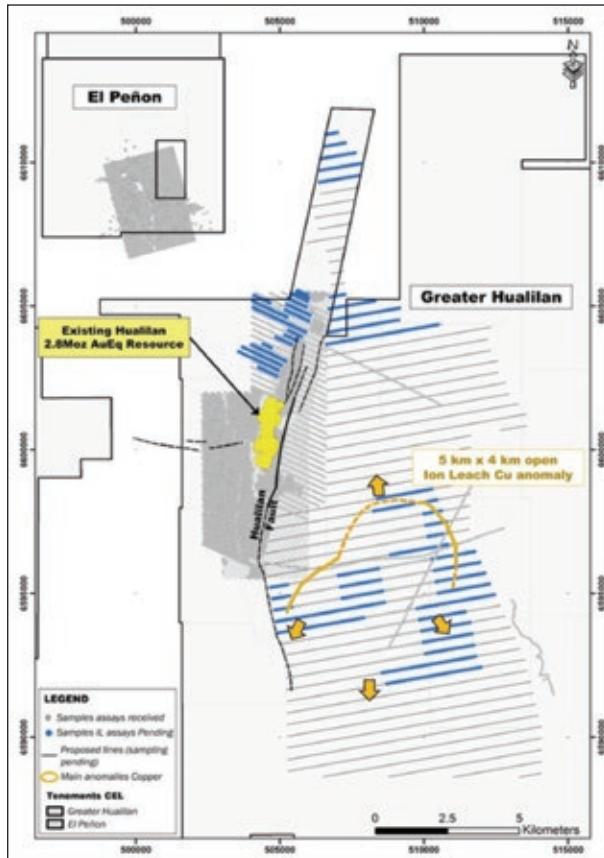


Figure 4 – Regional Ionic Leach Survey progress (showing completed and planned regional surveying)

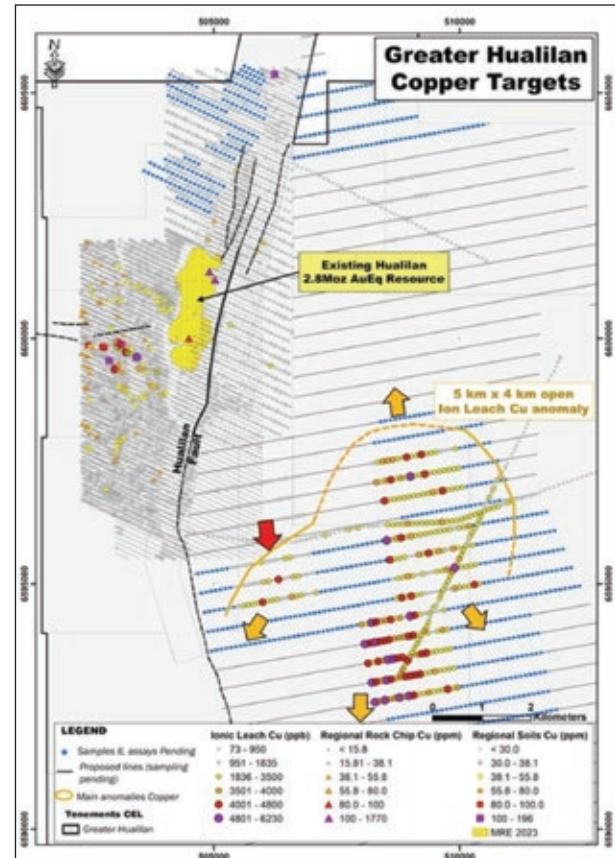


Figure 5 - Individual Ionic leach Cu results and planned regional 400m spaced survey lines

# El Guayabo Gold And Colorado V Gold/Copper Project – Ecuador

The El Guayabo Project is located in El Oro Province, southern Ecuador, and comprises three contiguous tenements, the El Guaybo, El Guaybo 2, and Colorado V tenements. The Company has drilled fourteen of fifteen regionally significant Au-soil anomalies with over 500 metres of mineralisation intersected in seven of these fourteen 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** including **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 AuEq** 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

- Capital raise during the half allowed the opportunity to maximise the value of CEL's Ecuador assets (current Mineral Resource Estimate (MRE) of 4.5 million ounces gold equivalent) for divestment.
- CEL has completed 22,000 metre drill program designed to produce a maiden MRE at Colorado-V in Ecuador.
- The Company anticipates producing a maiden MRE at Colorado V in Ecuador upon the completion of the drilling program.
- Subsequently, CEL intends to initiate a strategic process to explore options to monetise, or spin-off, its Ecuador assets.

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# Colorado V Concession Drill Program

During the year, the Company completed its Colorado Resource Drilling Program. The Company is earning an initial 50% interest in Colorado V by investing US\$8 million. The current resource drilling program is expected to fulfill the Company's earn-in commitments under the Colorado V farm-in agreement. The Company plans to explore options to monetise, or spin-off its Ecuador assets to focus on the near-term high-grade production opportunity at its flagship Hualilan Gold project, following the release of a maiden MRE at Colorado V.

Colorado-A adjoins the 100% owned El Guayabo project which has a previously established 4.5 Moz1 resource based on 34 drill holes, for 22,572 metres.

The Company had completed 13,800 metres, in addition to 29,134 metres of historic drilling, at Colorado V prior to the 2024 resource drilling program. All CEL holes generated significant drill intercepts (Table 6) defining mineralisation over 600 metres of strike and 300 metres true width on both the CV-A and CV-B anomalies.

The CV-A and CV-B anomalies at Colorado-V have a similar footprint and have produced similar drill results to holes within the El Guayabo Resource. Previous results from Colorado V, include:

- 402.8m at 0.6 g/t AuEq2 incl 180.9 m at 1.0 g/t AuEq2 (CVDD-22-010 - CV-A anomaly)
- 528.7m at 0.5 g/t AuEq2 incl 397.1m at 0.6 g/t AuEq2 (CVDD-22-001 - CV-A anomaly)
- 570.0m at 0.4 g/t AuEq2 incl 306.0m at 0.5 g/t AuEq2 (CVDD-22-002 - CV-B anomaly)

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Drill Hole (#)	From (m)	To (m)	Interval (m)	Au (g/t)	Ag (g/t)	Cu (%)	Mo (ppm)	AuEq (g/t)	Comments	Gram Metres	Anomaly Drilled
CVDD-22-001	4.5	533.2	528.7	0.3	2.3	0.1	13.2	0.5	1.0 g/t AuEq cutoff	260.8	CV-A
	incl.	4.5	401.6	397.1	0.3	2.8	0.1	14.3	0.6	1.0 g/t AuEq cutoff	
	incl.	6.0	114.0	108.0	0.4	2.8	0.1	15.8	0.7	1.0 g/t AuEq cutoff	
	and	168.6	296.8	130.2	0.4	3.3	0.1	15.6	0.7	1.0 g/t AuEq cutoff	
	incl.	273.5	284.3	10.8	2.5	14.9	0.4	9.2	3.3	1.0 g/t AuEq cutoff	
CVDD-22-002	5.0	575.0	570.0	0.2	2.0	0.1	11.4	0.4	0.1 g/t AuEq cutoff	218.6	CV-B
	incl.	14.0	320.7	306.7	0.2	2.3	0.1	13.6	0.5	0.5 g/t AuEq cutoff	
	incl.	174.7	199.5	24.9	0.4	4.5	0.3	53.4	0.9	1.0 g/t AuEq cutoff	
	incl.	309.3	319.2	9.9	1.0	6.1	0.3	15.8	1.5	1.0 g/t AuEq cutoff	
	and	387.1	396.2	9.1	0.8	6.9	0.1	8.9	1.1	1.0 g/t AuEq cutoff	
	6.00	490.2	504.2	14.0	0.8	1.3	0.0	24.7	0.9	1.0 g/t AuEq cutoff	
CVDD-22-003	2.5	eoH	509.9	0.2	1.4	0.1	31.3	0.4	0.1 g/t AuEq cutoff	204.0	CV-A
	incl.	2.5	248.5	244.0	0.4	1.8	0.1	44.8	0.6	0.5 g/t AuEq cutoff	
	incl.	2.5	159.4	156.9	0.4	1.8	0.1	54.7	0.7	1.0 g/t AuEq cutoff	
	incl.	2.5	75.8	73.3	0.6	1.8	0.1	59.1	0.8	1.0 g/t AuEq cutoff	
	6.00	66.3	75.8	9.5	0.9	1.4	0.1	146.0	1.2	1.0 g/t AuEq cutoff	
CVDD-22-004	203.0	eoH	456.2	0.1	0.9	0.1	10.9	0.3	0.1 g/t AuEq cutoff	114.1	CV-B
	incl.	443.9	649.3	205.4	0.2	1.0	0.1	11.1	0.3	0.5 g/t AuEq cutoff	
	incl.	448.4	504.5	56.1	0.2	1.1	0.1	8.3	0.4	1.0 g/t AuEq cutoff	
	incl.	593.0	602.0	9.0	0.8	0.9	0.0	6.7	0.7	1.0 g/t AuEq cutoff	
CVDD-22-005	8.1	572.2	564.1	0.2	2.3	0.1	44.1	0.4	0.1 g/t AuEq cutoff	225.6	CV-A
	incl.	8.1	288.1	278.0	0.3	3.2	0.1	68.2	0.6	0.5 g/t AuEq cutoff	
	incl.	25.8	154.5	128.7	0.4	3.4	0.1	112.1	0.7	1.0 g/t AuEq cutoff	
CVDD-22-006	96.4	600.7	504.3	0.3	1.4	0.1	1.8	0.3	0.1 g/t AuEq cutoff	151.3	CV-B
	incl.	97.9	374.0	276.1	0.3	1.5	0.1	1.9	0.4	1.0 g/t AuEq cutoff	
	incl.	200.2	209.1	8.9	0.6	1.2	0.1	1.1	0.8	1.0 g/t AuEq cutoff	
	and	257.9	374.0	116.1	0.4	2.6	0.1	2.0	0.5	1.0 g/t AuEq cutoff	
	incl.	257.9	288.9	31.0	0.3	4.0	0.2	1.4	0.6	1.0 g/t AuEq cutoff	
	and	385.0	374.0	9.0	1.5	2.0	0.2	1.7	1.9	1.0 g/t AuEq cutoff	
CVDD-22-007	73.9	806.1	732.2	0.2	1.2	0.0	8.1	0.3	0.1 g/t AuEq cutoff	219.7	CV-A
	incl.	251.0	589.3	338.3	0.3	1.5	0.1	6.8	0.4	1.0 g/t AuEq cutoff	
	incl.	251.0	498.2	247.2	0.4	1.7	0.1	5.8	0.5	1.0 g/t AuEq cutoff	
	incl.	251.0	301.7	50.7	0.8	1.8	0.1	5.1	0.9	1.0 g/t AuEq cutoff	
	and	422.5	438.3	15.8	0.6	1.6	0.1	4.0	0.7	1.0 g/t AuEq cutoff	
CVDD-22-008	129.8	179.2	49.5	0.2	0.7	0.0	1.3	0.3	0.1 g/t AuEq cutoff	12.4	CV-B
	and	431.1	448.8	17.7	0.2	1.2	0.1	4.0	0.3	0.1 g/t AuEq cutoff	
CVDD-22-009	1.0	196.4	194.4	0.1	1.2	0.0	11.1	0.2	0.1 g/t AuEq cutoff	38.9	CV-A
	and	259.3	397.8	136.5	0.1	1.2	0.1	12.4	0.2	0.1 g/t AuEq cutoff	
	and	812.5	886.5	74.3	0.1	0.6	0.0	13.0	0.2	0.1 g/t AuEq cutoff	
CVDD-22-010	114.5	888.4	773.9	0.3	1.3	0.1	11.8	0.4	0.1 g/t AuEq cutoff	309.6	CV-A
	incl.	182.3	585.1	402.8	0.4	1.7	0.1	10.9	0.6	1.0 g/t AuEq cutoff	
	incl.	182.3	482.1	299.8	0.5	1.8	0.1	11.7	0.7	1.0 g/t AuEq cutoff	
	incl.	182.3	363.2	180.9	0.7	2.4	0.1	9.5	1.0	1.0 g/t AuEq cutoff	
	incl.	182.3	244.7	62.4	1.5	2.7	0.1	7.0	1.8	1.0 g/t AuEq cutoff	
CVDD-22-013	227.0	472.8	245.8	0.2	1.4	0.0	2.6	0.2	0.1 g/t AuEq cutoff	48.1	Between CV-A CV-B
	incl.	265.0	291.0	26.0	0.2	2.5	0.0	1.3	0.2	0.1 g/t AuEq cutoff	
	and	319.0	333.0	14.0	0.2	4.2	0.0	2.9	0.3	0.1 g/t AuEq cutoff	
	and	366.4	367.4	1.0	1.6	1.2	0.0	1.8	1.6	0.1 g/t AuEq cutoff	
	and	396.0	449.9	53.9	0.3	2.0	0.0	2.5	0.3	0.1 g/t AuEq cutoff	
	incl.	434.5	435.9	1.4	1.7	11.0	0.1	0.9	2.0	1.0 g/t AuEq cutoff	
	and	731.7	733.2	1.5	0.3	0.4	0.0	1425.6	1.3	1.0 g/t AuEq cutoff	

Table 6 – Drill Intercepts CV-A and CV-B anomalies Colorado V

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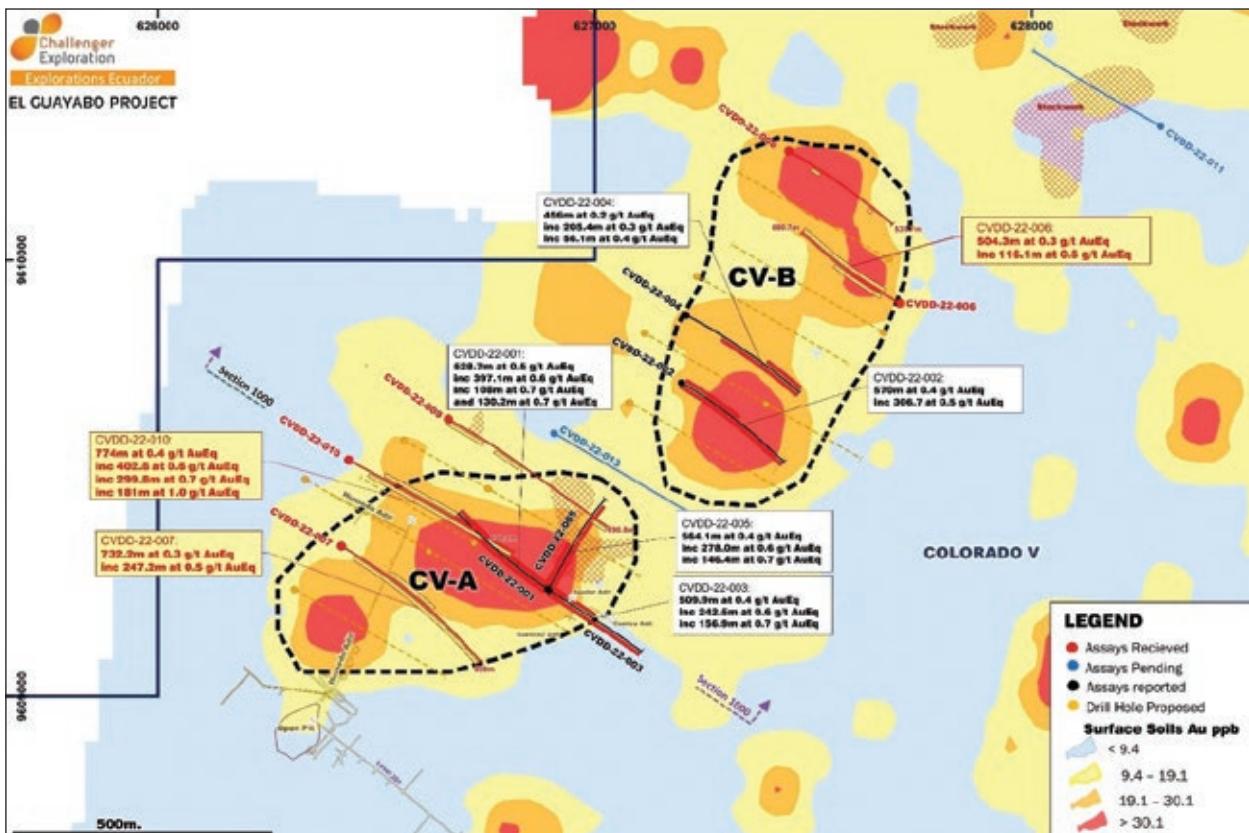


Figure 6 - CV-A and CV-B drilling and proposed drill program Colorado V concession

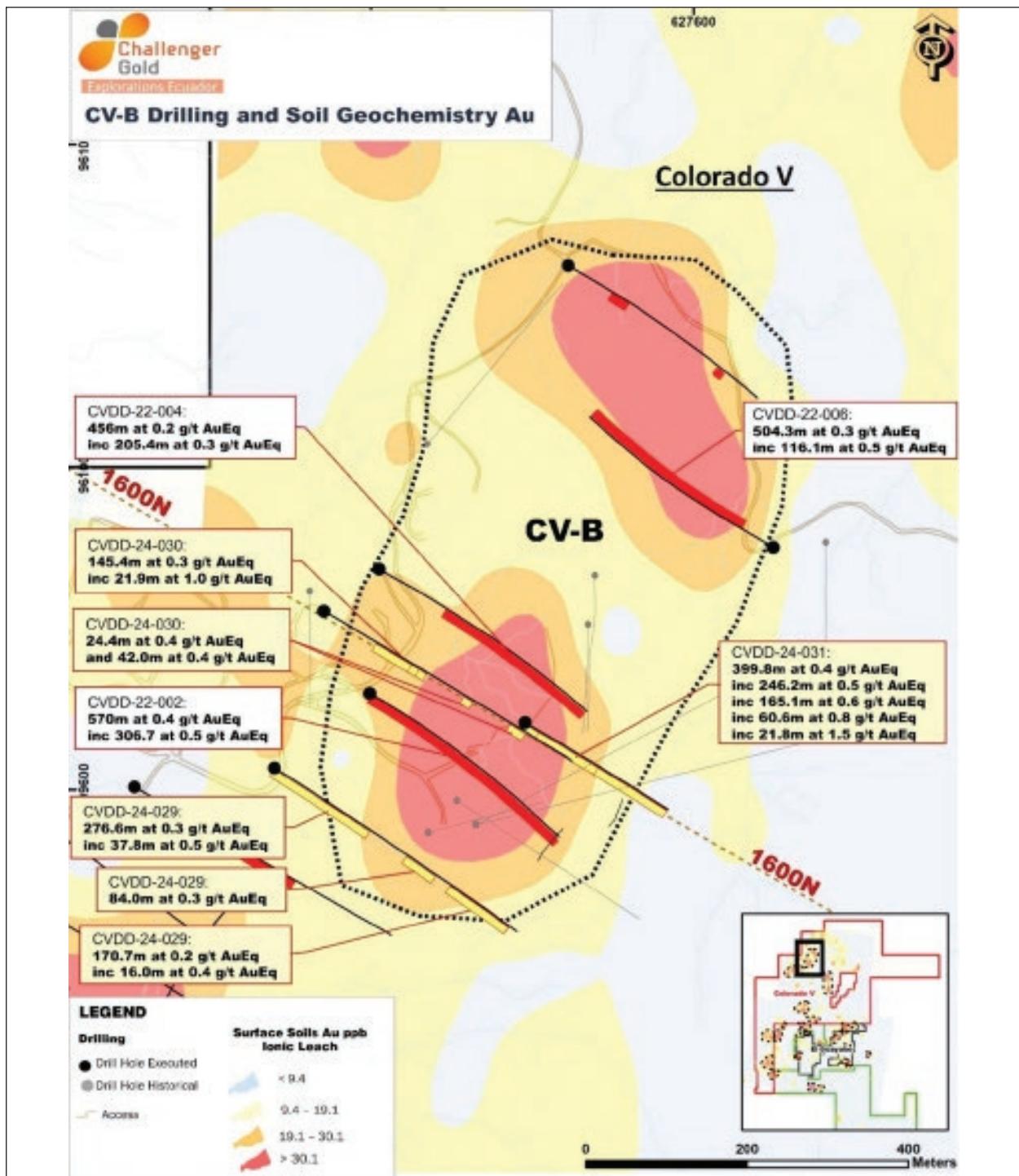


Figure 7 – Showing Final holes of resource drill program on CV-B Anomaly

## 2024 Resource Drilling Program

The 2024 resource drilling program comprised 15 additional diamond core holes for 9002 metres. The program was successful in extending and infilling the mineralisation at the CV-A and CV-b anomalies. Highlights of the program are detailed below.

### CVDD-22-019

CVDD-22-019 was drilled from the same location as CVDD-22-018 but in the opposite direction to test the northeastern extent of the CV-A anomaly, situated between CVDD-22-001 (528.7m at 0.5 g/t AuEq) and CVDD-22-009 (331m at 0.2 g/t AuEq) which defines the northeastern margin of the **mineralisation. This hole intersected 496.9 metres at 0.3 g/t AuEq (0.16 g/t gold, 1.7 g/t silver, 0.08% copper, 19.1 ppm molybdenum), including 213.8 metres at 0.4 g/t AuEq (0.23 g/t gold, 1.8 g/t silver, 0.09% copper, 13.9 ppm molybdenum)** with zones of higher-grade mineralization (see Table 2). This broad intersection extends the northeastern limit of the CV-A mineralization by an additional 125 metres along strike.

### CVDD-24-020

CVDD-24-020 was drilled to test 200 metres up-dip from drill hole CVDD-22-001, which had previously intersected 528.7m at 0.5 g/t AuEq, including 397.1m at 0.6 g/t AuEq. This new hole intersected 574 metres of mineralization from the surface, extending the mineralization 200 metres up-dip from CVDD-22-001.

The intersection in CVDD-24-020 comprised **573.7 metres at 0.4 g/t AuEq (0.24 g/t gold, 1.9 g/t silver, 0.08% copper, 10.8 ppm molybdenum), including 339.3 metres at 0.5 g/t AuEq (0.29 g/t gold, 2.5 g/t silver, 0.10% copper, 14.4 ppm molybdenum)**. Additionally, the intersection included a combined **195.9 metres grading 0.6 g/t AuEq** (see Table 1), plus a second deeper zone of **18.8 metres at 0.5 g/t AuEq (0.45 g/t gold, 1.6 g/t silver, 0.04% copper, 2.6 ppm molybdenum)** from 546.9 metres.

### CVDD-24-022

CVDD-022 was drilled to test 200 metres up-dip of CVDD-22-007 (which intersected 732.3m at 0.3 g/t AuEq, including 247.2m at 0.5 g/t AuEq) and 200 metres south along strike from CVDD-22-001 and CVDD-22-003. The hole intersected 599.1 metres of mineralization from the surface, extending the mineralization 200 metres up-dip and 150 metres south along the strike, where mineralization remains open. CVDD-24-025 (assays pending) was drilled to extend the mineralization an additional 150 metres south along the strike.

The CVDD-24-022 intersection comprised **599.1 metres at 0.4 g/t AuEq (0.23 g/t gold, 1.4 g/t silver, 0.06% copper, 17.7 ppm molybdenum)**. This intersection included several higher-grade zones of mineralization, including (refer to Table 7):

- 14.3 metres at 0.5 g/t AuEq (0.35 g/t gold, 1.8 g/t silver, 0.06% copper, 3.9 ppm molybdenum)
- 59.7 metres at 0.5 g/t AuEq (0.38 g/t gold, 1.3 g/t silver, 0.06% copper, 5.8 ppm molybdenum)
- 10.0 metres at 0.6 g/t AuEq (0.49 g/t gold, 2.1 g/t silver, 0.07% copper, 12.2 ppm molybdenum)
- 122.0 metres at 0.5 g/t AuEq (0.28 g/t gold, 1.7 g/t silver, 0.10% copper, 37.7 ppm molybdenum)
- 15.7 metres at 0.8 g/t AuEq (0.56 g/t gold, 3.2 g/t silver, 0.13% copper, 23.3 ppm molybdenum)

### **GNDD-029**

GNDD-029 was on the CV-B soil anomaly 150 metres southwest along strike from CVDD-22-002 (570m at 0.4 g/t AuEq inc 306.7m at 0.5 g/t AuEq). The hole intersected 276.6 m at 0.3 g/t AuEq (0.3 g/t Au, 1.5 g/t Ag, 0.1 % Cu) from surface including 37.8m at 0.5 g/t AuEq (0.3 g/t Au, 4.0 g/t Ag, 0.1% Cu). Additionally, the hole intersected two deeper zones of mineralisation 84.0m at 0.3 g/t AuEq (0.2 g/t Au, 0.9 g/t Ag, 0.03% Cu) from 383.2m and 170.7m at 0.2g/t AuEq (0.1 g/t Au, 0.7 g/t Ag, 0.02% Cu) from 508.4m. CVDD-24-029 successfully extended the CV-B mineralisation 150 metres south along strike and confirmed that mineralisation remains open to the south along strike at CV-B.

### **CVDD-24-030 and CVDD-24-031**

CVDD-24-030 and CVDD-24-031 were drilled on the same fence of drilling midway between earlier holes CVDD-22002 and CVDD-22-004. CVDD-030 was designed to infill between CVDD-22-002 and CVDD-22-004 to allow the estimation of a MRE in accordance with the JORC Code while hole CVDD-24-0031 was a test designed to extend the mineralisation downdip 200 metres.

### **GNDD-24-030**

GNDD-24-030 intersected a broad zone of mineralisation as prognosed. The hole intersected 145.5 m at 0.3 g/t AuEq (0.2 g/t Au, 1.5 g/t Ag, 0.1 % Cu) including 21.9m at 1.0 g/t AuEq (0.5 g/t Au, 4.0 g/t Ag, 0.2% Cu) and a deeper intersection of 24.4m at 0.4g/t AuEq (0.4 g/t Au, 1.1 g/t Ag, 0.03% Cu) from 403.8m.

### **GNDD-24-031**

GNDD-24-031 intersected a broad zone of mineralisation from surface to the end of the hole intersecting 399.8 m at 0.4 g/t AuEq (0.3 g/t Au, 1.5 g/t Ag, 0.1 % Cu) including 21.9m at 0.5 g/t AuEq (0.4 g/t Au, 1.6 g/t Ag, 0.1% Cu) from surface including 165.1m at 0.6g/t AuEq (0.4 g/t Au, 1.5 g/t Ag, 0.1% Cu) from 40.9m and a high grade zone of 21.8m at 1.5g/t AuEq (1.3 g/t Au, 2.1 g/t Ag, 0.1% Cu) from 184.3m. CVDD-24-031 indicates that mineralisation at CV-B remains open to the east.

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Drill Hole (#)	From (m)	To (m)	Interval (m)	Au (g/t)	Ag (g/t)	Cu (%)	Mo (ppm)	AuEq (g/t)	Comments	Gram Metres
<b>CVDD-24-018</b>	386.3	438.3	<b>52</b>	0.24	0.85	0.08	2.3	<b>0.39</b>	0.1 g/t AuEq cut off	<b>20.1</b>
inc	394.3	405	<b>10.7</b>	0.45	0.87	0.08	2.2	<b>0.59</b>	0.5 g/t AuEq cut off	<b>6.4</b>
and	429	438.3	<b>9.3</b>	0.31	1.25	0.15	2.3	<b>0.59</b>	0.5 g/t AuEq cut off	<b>5.5</b>
<b>CVDD-24-019</b>	122.6	619.5	<b>496.9</b>	0.16	1.68	0.08	19.1	<b>0.32</b>	0.1 g/t AuEq cut off	<b>159.5</b>
incl.	145.9	154	<b>8</b>	0.3	9.14	0.23	19.2	<b>0.81</b>	1.0 g/t AuEq cut off	<b>6.6</b>
and	299	512.8	<b>213.8</b>	0.23	1.79	0.09	13.9	<b>0.42</b>	0.5 g/t AuEq cut off	<b>88.8</b>
inc	299	351	<b>52</b>	0.41	2.49	0.12	9.3	<b>0.65</b>	0.5 g/t AuEq cut off	<b>33.6</b>
inc	325	345	<b>20</b>	0.63	2.89	0.15	7.8	<b>0.93</b>	1.0 g/t AuEq cut off	<b>18.6</b>
and	510.8	512.8	<b>2</b>	3.11	3.93	0.16	6.9	<b>3.44</b>	1.0 g/t AuEq cut off	<b>6.9</b>
<b>CVDD-24-020</b>	0	573.7	<b>573.7</b>	0.24	1.92	0.08	10.8	<b>0.4</b>	0.1 g/t AuEq cut off	<b>227.3</b>
inc	0	339.3	<b>339.3</b>	0.29	2.5	0.1	14.4	<b>0.49</b>	0.5 g/t AuEq cut off	<b>165.7</b>
inc	15.9	49.7	<b>33.8</b>	0.3	6.17	0.13	14.4	<b>0.61</b>	1.0 g/t AuEq cut off	<b>20.7</b>
inc	70.1	83.9	<b>13.8</b>	0.42	2.63	0.11	16.8	<b>0.66</b>	0.5 g/t AuEq cut off	<b>9</b>
and	119.6	218.2	<b>98.6</b>	0.4	2.26	0.1	19.1	<b>0.61</b>	0.5 g/t AuEq cut off	<b>60.1</b>
inc	162.8	218.2	<b>55.4</b>	0.45	2.21	0.11	12.1	<b>0.67</b>	0.5 g/t AuEq cut off	<b>37</b>
and	260.6	269.4	<b>8.8</b>	0.3	2.03	0.18	11.2	<b>0.63</b>	0.5 g/t AuEq cut off	<b>5.6</b>
and	546.9	561.7	<b>14.8</b>	0.46	1.75	0.05	2.6	<b>0.57</b>	0.5 g/t AuEq cut off	<b>10.2</b>
<b>CVDD-24-021</b>	118.5	126.5	<b>8</b>	0.24	0.66	0.02	1.7	<b>0.27</b>	0.1 g/t AuEq cut off	<b>2.2</b>
and	199.1	219.1	<b>20</b>	0.27	0.91	0.01	1.4	<b>0.31</b>	0.1 g/t AuEq cut off	<b>6.2</b>
and	247.9	271.2	<b>23.3</b>	0.29	0.76	0.01	1.4	<b>0.31</b>	0.1 g/t AuEq cut off	<b>7.3</b>
<b>CVDD-24-022</b>	0	599.1	<b>599.1</b>	0.23	1.43	0.06	17.7	<b>0.36</b>	0.1 g/t AuEq cut off	<b>213.3</b>
inc	128.7	143	<b>14.3</b>	0.35	1.8	0.06	3.9	<b>0.48</b>	0.5 g/t AuEq cut off	<b>6.9</b>
and	170.8	230.5	<b>59.7</b>	0.38	1.35	0.06	5.8	<b>0.51</b>	0.5 g/t AuEq cut off	<b>30.4</b>
inc	170.8	212.3	<b>41.4</b>	0.43	1.66	0.07	5.3	<b>0.58</b>	0.5 g/t AuEq cut off	<b>24</b>
and	284.8	294.8	<b>10</b>	0.49	2.12	0.07	12.2	<b>0.65</b>	0.5 g/t AuEq cut off	<b>6.5</b>
and	387.2	509.2	<b>122</b>	0.28	1.73	0.1	37.7	<b>0.5</b>	0.5 g/t AuEq cut off	<b>60.5</b>
inc	387.2	398	<b>10.8</b>	0.54	3.3	0.11	51	<b>0.81</b>	0.5 g/t AuEq cut off	<b>8.8</b>
inc	433.9	450.3	<b>16.5</b>	0.37	1.77	0.11	31.9	<b>0.59</b>	0.5 g/t AuEq cut off	<b>9.8</b>
inc	477.3	509.2	<b>31.9</b>	0.32	2.23	0.15	60.2	<b>0.64</b>	0.5 g/t AuEq cut off	<b>20.4</b>
and	549.6	565.3	<b>15.7</b>	0.56	3.22	0.13	23.3	<b>0.83</b>	0.5 g/t AuEq cut off	<b>13</b>
<b>CVDD-24-023</b>	52.3	56.3	<b>4</b>	1.59	2.44	0.05	0.7	<b>1.7</b>	0.1 g/t AuEq cut off	<b>6.8</b>
	247.3	400.3	<b>152.9</b>	0.28	1.34	0.04	1.1	<b>0.4</b>	0.1 g/t AuEq cut off	<b>55.8</b>
inc	260.5	268.5	<b>8</b>	0.74	0.94	0.01	0.6	<b>0.8</b>	0.5 g/t AuEq cut off	<b>6.2</b>
and	292.8	342	<b>49.2</b>	0.4	1.87	0.06	1.2	<b>0.5</b>	0.5 g/t AuEq cut off	<b>25.9</b>
inc	300.8	308.8	<b>8</b>	0.63	2.64	0.07	1.6	<b>0.8</b>	0.5 g/t AuEq cut off	<b>6.2</b>
and	318.8	324.8	<b>6</b>	0.66	2.02	0.07	1.1	<b>0.8</b>	0.5 g/t AuEq cut off	<b>4.8</b>
and	385.9	395.1	<b>9.2</b>	0.52	2.69	0.11	1.5	<b>0.7</b>	0.5 g/t AuEq cut off	<b>6.7</b>
	462.2	655	<b>192.8</b>	0.22	1.61	0.07	5	<b>0.4</b>	0.1 g/t AuEq cut off	<b>68.6</b>
inc	478.2	530.2	<b>52</b>	0.38	1.47	0.06	2.3	<b>0.5</b>	0.5 g/t AuEq cut off	<b>26.1</b>
and	613.8	645.2	<b>31.5</b>	0.27	2.81	0.12	6.2	<b>0.5</b>	0.5 g/t AuEq cut off	<b>16.3</b>

Drill Hole (#)	From (m)	To (m)	Interval (m)	Au (g/t)	Ag (g/t)	Cu (%)	Mo (ppm)	AuEq (g/t)	Comments	Gram Metres
<b>CVDD-24-024</b>	0	711.6	<b>711.6</b>	0.25	1.77	0.07	16.5	<b>0.4</b>	0.1 g/t AuEq cut off	<b>279.8</b>
inc	0	401.1	<b>401.1</b>	0.32	2.13	0.07	12.5	<b>0.5</b>	0.5 g/t AuEq cut off	<b>192.1</b>
inc	0	210.9	<b>210.9</b>	0.41	2.85	0.08	13.9	<b>0.6</b>	0.5 g/t AuEq cut off	<b>125.5</b>
inc	4	53.5	<b>49.5</b>	0.52	2.35	0.07	8.3	<b>0.7</b>	0.5 g/t AuEq cut off	<b>33.3</b>
and	120.6	210.9	<b>90.4</b>	0.46	4.1	0.12	18.4	<b>0.7</b>	0.5 g/t AuEq cut off	<b>65.3</b>
inc	138.6	167.8	<b>29.3</b>	0.8	6.81	0.19	17	<b>1.2</b>	1.0 g/t AuEq cut off	<b>35.5</b>
and	274.4	313.9	<b>39.5</b>	0.47	2.01	0.09	10.3	<b>0.7</b>	0.5 g/t AuEq cut off	<b>25.9</b>
<b>CVDD-24-025</b>	176.3	406.7	<b>230.4</b>	0.19	1	0.03	3.7	<b>0.3</b>	0.1 g/t AuEq cut off	<b>59.2</b>
inc	176.3	187.7	<b>11.4</b>	0.42	0.47	0.02	3.3	<b>0.5</b>	0.5 g/t AuEq cut off	<b>5.2</b>
and	245.8	254.1	<b>8.2</b>	0.33	0.94	0.03	3.5	<b>0.4</b>	0.5 g/t AuEq cut off	<b>3.3</b>
and	328.4	344.7	<b>16.3</b>	0.4	1.7	0.04	5.4	<b>0.5</b>	0.5 g/t AuEq cut off	<b>8.2</b>
	565.9	587.8	<b>21.9</b>	0.24	0.86	0.04	13.2	<b>0.3</b>	0.1 g/t AuEq cut off	<b>7</b>
	613.8	667.4	<b>53.6</b>	0.2	1.69	0.06	4.8	<b>0.3</b>	0.1 g/t AuEq cut off	<b>17.8</b>
<b>CVDD-24-026</b>	0	657.3	<b>657.3</b>	0.23	2.31	0.1	23.8	<b>0.4</b>	0.1 g/t AuEq cut off	<b>292.6</b>
inc	0	537.6	<b>537.6</b>	0.25	2.6	0.11	19.2	<b>0.5</b>	0.5 g/t AuEq cut off	<b>257.6</b>
inc	42.1	103	<b>60.9</b>	0.29	4.54	0.13	8.8	<b>0.6</b>	0.5 g/t AuEq cut off	<b>35.1</b>
inc	69	96.5	<b>27.5</b>	0.41	4.8	0.15	8.7	<b>0.7</b>	0.5 g/t AuEq cut off	<b>20.1</b>
and	149.8	203.5	<b>53.7</b>	0.31	2.98	0.12	10.3	<b>0.6</b>	0.5 g/t AuEq cut off	<b>30</b>
and	243.7	298.1	<b>54.4</b>	0.31	2.39	0.12	18.5	<b>0.6</b>	0.5 g/t AuEq cut off	<b>30.3</b>
and	348.4	408.4	<b>60</b>	0.28	2.72	0.15	30	<b>0.6</b>	0.5 g/t AuEq cut off	<b>34.8</b>
and	430.6	457.5	<b>26.9</b>	0.36	2.01	0.12	34	<b>0.6</b>	0.5 g/t AuEq cut off	<b>16.5</b>
and	610.7	620.7	<b>10</b>	0.35	1.3	0.11	32.2	<b>0.6</b>	0.5 g/t AuEq cut off	<b>5.8</b>
<b>CVDD-24-027</b>	250.3	552.9	<b>302.6</b>	0.21	1.36	0.05	4.4	<b>0.3</b>	0.1 g/t AuEq cut off	<b>94</b>
inc	250.3	448.6	<b>198.3</b>	0.27	1.58	0.05	5.7	<b>0.4</b>	0.5 g/t AuEq cut off	<b>76.1</b>
inc	263.3	397.5	<b>134.2</b>	0.33	2.05	0.07	7.2	<b>0.5</b>	0.5 g/t AuEq cut off	<b>64.7</b>
inc	263.3	287.2	<b>23.9</b>	0.48	3.46	0.15	8.3	<b>0.8</b>	0.5 g/t AuEq cut off	<b>18.5</b>
inc	263.3	269.3	<b>6</b>	1.44	11.1	0.44	14.8	<b>2.3</b>	1.0 g/t AuEq cut off	<b>14</b>
and	317.5	323.8	<b>6.3</b>	0.55	1.12	0.04	1.8	<b>0.6</b>	0.5 g/t AuEq cut off	<b>3.9</b>
and	346	372.7	<b>26.8</b>	0.49	3.31	0.09	13.3	<b>0.7</b>	0.5 g/t AuEq cut off	<b>18.4</b>
<b>CVDD-24-028</b>	52.3	754	<b>701.7</b>	0.29	1.74	0.05	6.8	<b>0.4</b>	0.1 g/t AuEq cut off	<b>283.7</b>
inc	52.3	513.3	<b>461</b>	0.35	2.08	0.06	3.1	<b>0.5</b>	0.5 g/t AuEq cut off	<b>221.1</b>
inc	52.3	297.1	<b>244.8</b>	0.42	2.62	0.06	2	<b>0.6</b>	0.5 g/t AuEq cut off	<b>138.1</b>
inc	137.6	241.2	<b>103.6</b>	0.66	2.92	0.07	2.1	<b>0.8</b>	0.5 g/t AuEq cut off	<b>84.4</b>
inc	137.6	162	<b>24.4</b>	1.02	2.54	0.06	2	<b>1.1</b>	1.0 g/t AuEq cut off	<b>27.9</b>
and	174	188.6	<b>14.6</b>	0.88	3.02	0.07	1.9	<b>1</b>	0.5 g/t AuEq cut off	<b>15.3</b>
and	205.6	241.2	<b>35.6</b>	0.76	3.92	0.09	2.5	<b>1</b>	0.5 g/t AuEq cut off	<b>34.2</b>
and	588.3	596.6	<b>8.3</b>	0.7	5.38	0.12	16.3	<b>1</b>	0.5 g/t AuEq cut off	<b>8.1</b>
and	617.8	625	<b>7.2</b>	0.32	2.64	0.09	18.8	<b>0.5</b>	0.5 g/t AuEq cut off	<b>3.8</b>
and	740.4	748.9	<b>8.5</b>	0.91	1.1	0.05	11.6	<b>1</b>	0.5 g/t AuEq cut off	<b>8.8</b>

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Drill Hole (#)	From (m)	To (m)	Interval (m)	Au (g/t)	Ag (g/t)	Cu (%)	Mo (ppm)	AuEq (g/t)	Comments	Gram Metres
<b>CVDD-24-029</b>	0	276.6	<b>276.6</b>	0.3	1.5	0.06	13.7	<b>0.3</b>	0.1 g/t AuEq cut off	<b>69.8</b>
inc	10.4	48.2	<b>37.8</b>	0.3	4	0.1	6.4	<b>0.5</b>	0.5 g/t AuEq cut off	<b>19.3</b>
and	254.4	272.6	<b>18.2</b>	0.3	1.3	0.06	50.1	<b>0.4</b>	0.5 g/t AuEq cut off	<b>8.1</b>
and	383.2	467.2	<b>84</b>	0.2	0.9	0.03	11	<b>0.3</b>	0.1 g/t AuEq cut off	<b>22.4</b>
and	508.4	679.1	<b>170.7</b>	0.1	0.7	0.02	13.3	<b>0.2</b>	0.1 g/t AuEq cut off	<b>35.1</b>
inc	631.1	647.1	<b>16</b>	0.3	0.6	0.02	17.8	<b>0.4</b>	0.5 g/t AuEq cut off	<b>6.5</b>
<b>CVDD-24-030</b>	34	45.4	<b>11.4</b>	0.3	2.7	0.1	12.4	<b>0.5</b>	0.1 g/t AuEq cut off	<b>5.4</b>
and	153.5	298.9	<b>145.4</b>	0.1	1.5	0.07	18.8	<b>0.3</b>	0.1 g/t AuEq cut off	<b>42.4</b>
inc	255.2	277.1	<b>21.9</b>	0.5	4	0.21	68.5	<b>1</b>	0.5 g/t AuEq cut off	<b>21.6</b>
and	403.8	428.2	<b>24.4</b>	0.4	1.1	0.03	13.7	<b>0.4</b>	0.1 g/t AuEq cut off	<b>10.8</b>
inc	403.8	405.8	<b>2</b>	3.6	0.8	0.03	1.9	<b>3.6</b>	1.0 g/t AuEq cut off	<b>7.3</b>
<b>CVDD-24-031</b>	2.7	402.5	<b>399.8</b>	0.3	1.5	0.06	8.7	<b>0.4</b>	0.1 g/t AuEq cut off	<b>158.8</b>
inc	2.7	248.9	<b>246.2</b>	0.4	1.6	0.07	11.7	<b>0.5</b>	0.1 g/t AuEq cut off	<b>126.3</b>
inc	40.9	206	<b>165.1</b>	0.4	1.5	0.08	12.7	<b>0.6</b>	0.5 g/t AuEq cut off	<b>96.5</b>
inc	145.5	206	<b>60.6</b>	0.7	1.8	0.07	17.9	<b>0.8</b>	0.5 g/t AuEq cut off	<b>49.5</b>
inc	184.3	206	<b>21.8</b>	1.3	2	0.08	32.9	<b>1.5</b>	1.0 g/t AuEq cut off	<b>32</b>
<b>CVDD-24-032</b>	34.2	36.7	<b>2.5</b>	0.3	2.4	0.04	2.3	<b>0.4</b>	0.5 g/t AuEq cut off	<b>1</b>
and	109.3	117.3	<b>8</b>	0.2	1.8	0.02	1.4	<b>0.2</b>	0.5 g/t AuEq cut off	<b>2</b>
and	208.1	212.1	<b>4</b>	0.2	3.9	0.02	2.3	<b>0.2</b>	0.5 g/t AuEq cut off	<b>0.9</b>
and	226.2	239.2	<b>13</b>	2.6	6	0.09	1.2	<b>2.8</b>	0.5 g/t AuEq cut off	<b>37</b>
and	461.6	467.6	<b>6</b>	0.3	0.5	0.02	2.1	<b>0.3</b>	0.5 g/t AuEq cut off	<b>1.7</b>
and	576.2	613.3	<b>37.2</b>	0.1	1.1	0.04	4.6	<b>0.2</b>	0.5 g/t AuEq cut off	<b>7.5</b>

Table 7 – Significant Intercepts reported current Colorado V drill Program

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# 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. The existing CEL drilling and the 29,134 metres of historical drilling provide an opportunity to add significant value to the project with limited infill drilling designed to allow the estimation of a MRE for CV-A and CV-B prior to monetisation.

Completing the earn-in commitments under the Colorado-V farm-in will simplify the ownership structure and remove a perceived a key risk associated with the asset. The potential increase in scale and removing ownership risk is expected to enhance the value extracted from this asset. Monetisation options include listing the Company's Ecuador assets on the Toronto Stock Exchange (or other recognised international exchange), a trade sale or farm-in.

## Mineral Resource Estimates

The Company has reported the following Mineral Resource Estimates:

### Hualilan Project

Domain	Category	Mt	Au (g/t)	Ag (g/t)	Zn (%)	Pb (%)	AuEq (g/t)	AuEq (Mozs)
US\$1800 optimised shell	Indicated	45.5	1	5.1	0.38	0.06	1.3	1.9
> 0.30 ppm AuEq	Inferred	9.6	1.1	7.3	0.43	0.06	1.4	0.44
Below US\$1800 shell	Indicated	2.7	2	9	0.89	0.05	2.5	0.22
>1.0ppm AuEq	Inferred	2.8	2.1	12.4	1.1	0.07	2.8	0.24
<b>Total</b>		<b>60.6</b>	<b>6.2</b>	<b>33.8</b>	<b>2.8</b>	<b>0.24</b>	<b>8</b>	<b>2.8</b>

Table 8 – Hualilan Hold Project Mineral Resource Estimate (March 2023)

Note: Some rounding errors may be present

### El Guayabo Project

Domain	Category	Mt	Au (g/t)	Ag (g/t)	Zn (%)	Pb (%)	AuEq (g/t)	AuEq (Mozs)
US\$1800 optimised shell	Inferred	212.2	0.36	2.8	0.07	6.5	0.5	3.4
> 0.30 g/t AuEq								
Below US\$1800 shell	Inferred	56.5	0.46	1.8	0.07	7.5	0.59	11
>0.4 g/t AuEq								
<b>Total</b>		<b>268.7</b>	<b>0.38</b>	<b>2.6</b>	<b>0.07</b>	<b>7.2</b>	<b>0.52</b>	<b>4.5</b>

Table 9 – El Guayabo Interim MRE (June 2023)

Note: Some rounding errors may be present

### Gold Equivalent (AuEq) values - Requirements under the JORC Code

- Assumed commodity prices for the calculation of AuEq is Au US\$1,780 Oz, Ag US\$22 Oz, Cu US\$9,650/t, Mo US\$40,500/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 Hualilan AuEq assumptions) based on metallurgical test work.
- The formula used:  $AuEq (g/t) = Au (g/t) + [Ag (g/t) \times 0.01236] + [Cu (\%) \times 1.68604] + [Mo (\%) \times 7.076120]$
- 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.

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

### Governance Arrangements and Internal Controls

The Company has ensured that the Mineral Resources quoted are subject to good governance arrangements and internal controls. The Mineral Resources reported have been generated by independent external consultants who are experienced in best practices in modelling and estimation methods. The consultants have also undertaken reviews of the quality and suitability of the underlying information used to determine the resource estimate. In addition, the Company management carry out regular reviews and audits of internal processes and external contractors that have been engaged by the Company.

## Forward Looking Statements

The announcement may contain certain forward-looking statements. Words 'anticipate', 'believe', 'expect', 'forecast', 'estimate', 'likely', 'intend', 'should', 'could', 'may', 'target', 'plan', 'potential' and other similar expressions are intended to identify forward-looking statements. Indication of, and guidance on, future costings, earnings and financial position and performance are also forward-looking statements.

Such forward looking statements are not guarantees of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Challenger Gold Ltd, its officers, employees, agents and associates, which may cause actual results to differ materially from those expressed or implied in such forward-looking statements. Actual results, performance, or outcomes may differ materially from any projections or forward-looking statements or the assumptions on which those statements are based.

You should not place any undue reliance on forward-looking statements and neither Challenger nor its directors, officers, employees, servants or agents assume any responsibility to update such information. The stated Production Targets are based on the Company's current expectations of future results or events and should not be relied upon by investors when making investment decisions. Further evaluation work and appropriate studies are required to establish sufficient confidence that this target will be met.

Financial numbers, unless stated as final, are provisional and subject to change when final grades, weight and pricing are agreed under the terms of the offtake agreement. Figures in this announcement may not sum due to rounding. All dollar amounts in this report refer to Australian Dollar unless otherwise stated.

## Scoping Study

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.

## Prior Announcements

Title	Date
Hualilan Gold Project Scoping Study	8-Nov-23
Amended-Pathway to Dore for Hualilan Gold-Silver Concentrate	13-Dec-23
CEL Defines 5km Copper Target South of Hualilan	29-Apr-24
Ongoing Metallurgical Test Work Improves Hualilan Economics	16-May-24
Carbon Modelling of Hualilan Outlines CEL's ESG Credentials	5-Jun-24
500 metre Intercepts in First Drill Holes from Ecuador	26-Jul-24
CEL Targets Q2 2025 Production via Investment & Toll Milling	2-Oct-24
Share Purchase Plan Results	25-Oct-24
Environmental Approval Granted for Hualilan Gold Project	30-Oct-24
Positive Results from Resource Drilling in Ecuador	13-Nov-24
Toll Processing Agreement & Strategic Placement Completion	10-Jan-25

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.

## Dividends

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

## Likely developments and expected results of operations

Likely developments in the operations of the Group are set out in the above review of operations in this annual financial report. Any future prospects are dependent upon the results of future exploration and evaluation.

# Business Risks

## Risks Overview

### Financing risks

Additional funding may be required in the event the costs exceed the Group's estimates and to effectively implement its business and operation plans in the future to take advantage of the opportunities for acquisitions or other business opportunities and to meet any unanticipated liabilities or expenses which the Group may incur may depend in part on its ability to raise additional funds.

The Group may seek to raise further funds through equity or debt financing or other means. Failure to obtain sufficient financing for the Group's activities and future projects may result in delay and indefinite postponement of development. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Group and might involve substantial dilution to Shareholders.

### Governmental policies and legislation

Any adverse changes in governmental policies or legislation affecting exploration and mining activities (directly or indirectly) can have a positive or negative impact on the Group.

### Hyperinflation

Argentina's hyperinflation is currently declining. The annualised rate was 66.9% at end of February 2025, down from 117.8% at end of December 2024. This makes forecasting of budget and foreign exchange rates difficult, and such forecasts are subject to considerable uncertainty. The Group mitigates this risk through negotiating contracts in USD and reducing exposure to costs in the local currency.

The inflation rate has had an impact on the intercompany loans in Argentina. Exploration expenses recorded in Australian dollars in the financial statements have reduced in line with Argentinian foreign currency weakness on conversion. This has had an effect on foreign currency reserves in the Equity component of the balance sheet.

### Exploration risks

The future exploration activities of the Group 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 Group.

Possible future development of mining operations at the Group's projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or

increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.

The Group's mineral properties are at various stages of exploration and development. There can be no assurance that exploration of the mineral properties, or any other tenements that may be acquired in the future, will result in the discovery of an economic ore deposit or JORC Code resource classification. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

### ***Matters subsequent to the end of the financial year***

On 10 January 2025, the Company announced that it had completed the \$6.6 million strategic placement to Inversiones Financieras del Sur S.A (an entity controlled by Mr Eduardo Elsztain) through the issue of 147,726,678 fully paid ordinary shares at an issue price of 4.5 cents per share and 147,726,678 unlisted options with an exercise price of \$0.045 plus 10% in the first 12 months and then plus 20% for the second 12 months, with an expiry of two years.

On 3 March 2025, the Company held a general meeting of shareholders where, among other things, it was approved to issue Dr Sonia Delgado 22,500,000 performance rights.

On 4 March 2025, the Company announced the appointment of Mr Eduardo Elsztain as the Non-Executive Chairman with Mr Sergio Rotondo remaining on the Board as Vice Chairman.

On 26 March 2025, the Company announced that it has drawn down the first US\$2 million of a US\$20 million facility. This first tranche, granted in March 2025, is unsecured and repayable after receipt of first cashflow from Toll Milling. Any subsequent drawdown under the facility is subject to satisfactory completion of due diligence by the lender and mutual agreement with the Company, including the facility repayment terms. Interest rate on the facility is 8.5% per annum if repaid before 7 December 2025 and 12.75% per annum if repaid after 7 December 2025. The first tranche proceeds will be used for early works associated with preparation for mining to support Toll Milling and general working capital.

### **Other matters**

No other matter or circumstance has arisen since 31 December 2024 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.

### ***Environmental regulation***

The Group is subject to environmental regulation in relation to its exploration activities. It aims to ensure that the highest standard of environmental care is achieved, and that it complies with all relevant environmental legislation. The Directors are not aware of any breaches during the period covered by this report.

# Remuneration Report (Audited)

**The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all Directors.

## **Key Management Personnel**

**Sergio Rotondo:** Executive Chairman

**Kris Knauer:** Managing Director

**Sonia Delgado:** Executive Director

**Fletcher Quinn:** Non-Executive Director

**Pini Althaus:** Non-Executive Director

**Brett Hackett:** Non-Executive Director

**Scott Funston:** Company Secretary and Chief Financial Officer, resigned 3 July 2024

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional disclosures relating to key management personnel

## Principles used to determine the nature and amount of remuneration

The remuneration policy of the Group has been designed to align Director objectives with shareholder and business objectives by providing a fixed remuneration component that is assessed on an annual basis in line with market rates. The Board of Challenger Gold believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best Directors to run and manage the Group, as well as create goal congruence between directors and shareholders. The remuneration policy, setting the terms and conditions for executive and non-executive directors and other senior staff members, was developed and approved by the Board.

The Board of Directors is responsible for determining and reviewing compensation arrangements for the executive team. The Board will assess the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high-quality Board and executive team.

### ***The Board's policy for determining the nature and amount of remuneration for board members and senior executives is as follows:***

In determining competitive remuneration rates, the Board considers local and international trends among comparative companies and the industry generally so that Executive Directors and Senior Executives remuneration is in line with market practice and is reasonable in the context of Australian executive reward practices. All Executive Directors and Senior Executives receive a base salary (which is based on factors such as length of service and experience), superannuation

(where applicable), and may be issued as options or performance shares from time to time, including to non-executive directors. Key management personnel need to remain employed by the Group at the time of vesting of any issued performance rights or options.

The Group is currently an exploration entity, and therefore speculative in terms of performance. Consistent with attracting and retaining talented executives, Executive Directors and Senior Executives are paid market rates associated with individuals in similar positions within the same industry. Options and other performance incentives continue to be issued particularly if the Group moves from exploration towards development and becoming a producing entity and key performance indicators such as market capitalisation and production and reserves growth can be used as measurements for assessing executive performance.

Options and other performance rights are valued using the Black-Scholes option pricing model and Monte Carlo Simulation, which takes account of factors such as the option exercise price, the current level and volatility of the underlying share price and the time to maturity of the option. Although a value is ascribed and included in total remuneration, it should be noted that the Executive Directors and Senior Executives have not received this amount and the option or performance right may have no actual financial value unless the share price achieves the option exercise price or conditions associated with the performance rights met.

The Board policy is to remunerate non-executive Directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the non-executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. The maximum aggregate amount of fees that can be paid to non-executive Directors is subject to approval by shareholders at the Annual General Meeting. Non-executive Directors may receive performance shares or options, and receive salary in shares in lieu of cash. Directors are encouraged to hold shares in the Company.

In accordance with the Company's constitution, the aggregate fee remuneration for Non-Executive Directors has been set at an amount not to exceed \$500,000 per annum. This amount may only be increased with the approval of Shareholders at a general meeting.

The Group may engage remuneration consultants from time to time. The Group will ensure any recommendation from a remuneration consultant will be made free from undue influence from any members of Key Management Personnel. The Group did not engage remuneration consultants for the financial year ended 31 December 2024.



## Details of Remuneration

### Amounts of remuneration

Details of the remuneration of key management personnel of the Group are set out in the following tables.

	Short-term benefits				Post-employment benefits Super-annuation <sup>5</sup>	Long-term benefits Long service leave	Share-based payments Equity-settled	Total
	Remuneration base	Consulting fee	Cash bonus	Non-monetary				
2024	\$	\$	\$	\$	\$	\$	\$	\$
<b>Non-Executive Directors:</b>								
Fletcher Quinn	60,000	–	–	–	–	–	–	60,000
Pini Althaus	–	–	–	–	–	–	41,704 <sup>1</sup>	41,704
Brett Hackett	–	–	–	–	–	–	90,964 <sup>2</sup>	90,964
<b>Executive Directors:</b>								
Sergio Rotondo	319,779	–	–	–	–	–	–	319,779
Kris Knauer	295,000	–	–	–	–	–	–	295,000
Sonia Delgado	317,773	–	–	–	–	–	1,347,164 <sup>3</sup>	1,664,937
<b>Other Key Management Personnel:</b>								
Scott Funston <sup>4</sup>	164,358	–	–	–	–	–	–	164,358
	<b>1,156,910</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1,479,832</b>	<b>2,636,742</b>

<sup>1</sup> In the prior year, on the 31 May 2023 the Shareholders approved the issue of 3,000,000 Performance Rights to Mr Pini Althaus. The amount in the current year relates to the amortisation of these Performance Rights over the vesting period.

<sup>2</sup> The amount in the current year relates to the following:

- Director fee of \$43,670 being the yearly amortised value of shares to be issued to Mr. Hackett in lieu of salary as approved at the 31 May 2024 Annual General Meeting ("AGM") for the period 4 May 2023 to 31 May 2025.
- Ad-hoc consulting fee of \$47,294 being the value of 705,882 shares issued to Mr. Hackett for his services during the financial year as approved at the 31 May 2024 Annual General Meeting valued at the share price at the AGM date. The number of shares has been determined based on an agreed remuneration of \$60,000 divided by the share price of \$0.085 being the issue price on the April Placement.

<sup>3</sup> The amount in the current year relates to the following:

- Issue of 8,500,000 shares in accordance with a service agreement signed during the financial year as approved at the AGM on the 31 May 2024. The shares were valued based on the share price at the AGM date totalling \$569,500. The purpose of the issue of Shares is to remunerate Dr Delgado for her past services to the Company.
- Value of \$774,664 relating to the amortisation value of new 22,500,000 Performance Rights issued to Dr. Delgado subsequent to year-end where the terms were mutually agreed and services started before 31 December 2024.

<sup>4</sup> Mr Scott Funston resigned on 3 July 2024.

No superannuation contributions for Australian based directors as salary and fees are paid to a director controlled company.

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	Short-term benefits				Post-employment benefits Super-annuation <sup>5</sup>	Long-term benefits Long service leave	Share-based payments Equity-settled	Total
	Remuneration base	Consulting fee	Cash bonus	Non-monetary				
2023	\$	\$	\$	\$	\$	\$	\$	\$
<b>Non-Executive Directors:</b>								
Fletcher Quinn	60,000	–	–	–	–	–	–	60,000
Pini Althaus <sup>1</sup>	–	–	–	–	–	–	59,371	59,371
Brett Hackett <sup>2</sup>	–	–	–	–	–	–	44,945	44,945
<b>Executive Directors:</b>								
Sergio Rotondo	324,036	–	–	–	–	–	–	324,036
Kris Knauer	295,000	–	–	–	–	–	–	295,000
Sonia Delgado <sup>3</sup>	15,902	–	–	–	–	–	–	15,902
Scott Funston <sup>4</sup>	245,000	–	–	–	–	–	350,000	595,000
	<b>939,938</b>	–	–	–	–	–	<b>454,316</b>	<b>1,394,254</b>

<sup>1</sup> Appointed on 8 February 2023. On 31 May 2023 the Shareholders approved the issue of 3,000,000 Performance Rights to Mr Pini Althaus. The amount reflected in equity settled share based payments relates to the amortisation of these Performance Rights over the vesting period.

<sup>2</sup> Appointed 4 May 2023, the value of remuneration is determined based on estimated number of shares to be granted using share price at 31 December 2023 amortised over the vesting period

<sup>3</sup> Appointed 28 November 2023

<sup>4</sup> Resigned as a Director 4 May 2023

No superannuation contributions as salary and fees are paid to a controlled company

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration		At risk - STI		At risk - LTI	
	2024	2023	2024	2023	2024	2023
<b>Non-Executive Directors:</b>						
Fletcher Quinn	100%	100%	–	–	–	–
Pini Althaus	–	–	–	–	100%	100%
Brett Hackett	100%	100%	–	–	–	–
<b>Executive Directors:</b>						
Sergio Rotondo	100%	100%	–	–	–	–
Kris Knauer	100%	100%	–	–	–	–
Sonia Delgado	19%	100%	–	–	81%	–
<b>Other Key Management Personnel:</b>						
Scott Funston	100%	41%	–	–	–	59%

## Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

### **Kris Knauer Managing Director**

**Agreement commenced:** 5 July 2021

**Term of agreement:** Two (2) years from the Commencement Date or until validly terminated. The agreement has been extended on the same terms until a new agreement is concluded.

The Group may terminate the agreement by providing six (6) months' written notice.

**Details:** Base fee: \$295,000 p.a. inclusive of superannuation.

**Incentives:** Mr Knauer is eligible to receive Securities under the Group's Incentive Option Plan and Performance Rights Plan. No Securities were granted under the Group's Incentive Option Plan and Performance Rights Plan during the year ended 31 December 2024 to Mr Knauer.

**Expenses:** Mr Knauer is entitled to reimbursement for all reasonable travelling expenses, accommodation and general expenses incurred in the performance of his duties under the agreement.

### **Sergio Rotondo Executive Chairman**

**(appointed as Executive Vice-Chairman and resigned as Executive Chairman on 4 March 2025, appointed as Executive Director on 9 September 2021 and Executive Chairman 20 September 2023) (length of service 3 years, 6 months)**

**Agreement commenced:** 20 September 2023

**Term of agreement:** The agreement may be terminated by either party at any time.

**Details:** Base fee: USD \$210,000 p.a.

**Incentives:** Mr Rotondo is eligible to receive Securities under the Group's Incentive Option Plan and Performance Rights Plan. No Securities were granted under the Group's Incentive Option Plan and Performance Rights Plan during the year ended 31 December 2024 to Mr Rotondo.

**Expenses:** Mr Rotondo is entitled to reimbursement for all reasonable travelling expenses, accommodation and general expenses incurred in the performance of his duties under the agreement.

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***Sonia Delgado  
Executive Director***

**Agreement commenced:** 28 November 2023

**Term of agreement:** The agreement may be terminated by either party by providing three (3) months' written notice.

**Details:** Base fee: USD \$200,000 p.a.

**Incentives:** Dr Delgado is eligible to receive Securities under the Group's Incentive Option Plan and Performance Rights Plan.

**Expenses:** Dr Delgado is entitled to reimbursement for all reasonable travelling expenses, accommodation and general expenses incurred in the performance of her duties under the agreement

**Annual leave:** 20 days p.a.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

## Share-based compensation

### Issue of shares

Details of shares issued to Directors and other key management personnel as part of compensation during the year ended 31 December 2024 are set out below:

Name	Date	Shares	Issue price	\$
Sonia Delgado <sup>1</sup>	5-Jun-24	8,500,000	\$0.07	569,500
Brett Hackett <sup>2</sup>	5-Jun-24	705,882	\$0.07	47,294

<sup>1</sup> The shares were issued for services provided to the Company in accordance to a service agreement signed during the financial year. The issue of the shares was approved at the AGM on 31 May 2024 and this is the date of the issue price.

<sup>2</sup> The shares were issued for ad-hoc consulting fees payable for the services during the financial year as approved at the AGM on 31 May 2024.

### Options

There were no options over ordinary shares issued to Directors and other key management personnel as part of compensation that were outstanding as at 31 December 2024.

### Performance rights

The number of performance rights over ordinary shares granted to and vested by Directors and other key management personnel as part of compensation during the year ended 31 December 2024 are set out below:

Name	Number of rights granted during the year	Number of rights granted during the year	Number of rights vested during the year	Number of rights vested during the year
	2024	2023	2024	2023
Sonia Delgado <sup>1</sup>	22,500,000	–	–	–
Brett Hackett <sup>1</sup>	999,999	–	–	–
Pini Althaus <sup>2</sup>	–	3,000,000	–	–
Scott Funston	–	–	–	10,000,000

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<sup>1</sup> On 4 June 2024, the Company issued 23,499,999 performance rights to Directors. The performance rights will vest upon satisfaction of the following milestones:

- 7,833,333 Performance Rights will vest upon the successful completion of a preliminary feasibility study (PFS) for the Hualian Gold Project that leads to an announcement the Hualian Gold Project will progress to either a bankable feasibility study (BFS) or a definitive feasibility study (DFS) or a change in control event;
- 7,833,333 Performance Rights will vest upon the successful completion of a BFS or a DFS for the Hualian Gold Project that leads to an announcement the Hualian Gold Project will progress to construction or a change of control event;
- 7,833,333 Performance Rights will vest upon the commissioning of a processing plant for the Hualian Gold Project or a change in control event.

The Company considered the likelihood of these Performance Rights vesting is low and no share based payment expense has been recognised in relation to these Performance Rights.

In relation to the 22,500,000 Performance Rights issued to Dr Sonia Delgado, on the 3 March 2025, the shareholders approved these Performance Rights to be cancelled and new Performance Rights reissued. The new Performance Rights have the following milestones:

- 15,000,000 Performance Rights will convert into Shares upon the successful granting of an EIA assessment for the Hualilan Project (or a change in control event).
- 7,500,000 Performance Rights will convert into Shares upon the successful granting of an EIA (and all other) approvals for trucking and processing of Hualilan ore to the Toll Treatment Plant.

Even though these replacement Performance Rights were approved and issued subsequent to year-end, their terms were mutually agreed between Dr Sonia Delgado and the Company prior to year-end. Dr Sonia Delgado's remuneration for the current year includes the estimated amortisation of these Performance Rights over the expected vesting period.

<sup>2</sup> On 31 May 2023, the Shareholders approved the issue of 3,000,000 Performance Rights to Mr Pini Althaus. The Performance Rights have the following milestones:

- 1,000,000 Performance Rights will vest upon the Company's share price trading on ASX at a volume weighted average price (VWAP) at or above a price of A\$0.30 per share for 20 consecutive trading days on which the Company's shares have actually traded or before 8 February 2024.
- 1,000,000 Performance Rights will vest upon the Company's share price trading on ASX at a VWAP at or above a price of A\$0.40 per share for 20 consecutive trading days on which the Company's shares have actually traded or before 8 February 2025.
- 1,000,000 Performance Rights will vest upon the Company's share price trading on ASX at a VWAP at or above a price of A\$0.40 per share for 20 consecutive trading days on which the Company's shares have actually traded or before 8 February 2026.

1,000,000 of the above Performance Rights lapsed on 8 February 2024.

Performance rights granted carry no dividend or voting rights.

## Additional disclosures relating to key management personnel

### Shareholding

The number of shares in the Company held during the financial year by each Director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
<b>Ordinary shares:</b>					
Sergio Rotondo	89,000,000	–	–	–	89,000,000
Kris Knauer	89,278,666	–	–	–	89,278,666
Sonia Delgado	–	8,500,000	–	–	8,500,000
Pini Althaus	17,500,000	–	–	–	17,500,000
Fletcher Quinn	27,199,432	–	1,008,275	–	28,207,707
Brett Hackett	–	705,882	–	–	705,882
Scott Funston <sup>1</sup>	7,160,417	–	–	(7,160,417)	–
	<b>230,138,515</b>	<b>9,205,882</b>	<b>1,008,275</b>	<b>(7,160,417)</b>	<b>233,192,255</b>

<sup>1</sup> Mr Funston resigned effective 3 July 2024.

There were no options held by Key Management Personnel during the financial year.

### **Performance rights holding**

The number of performance rights over ordinary shares in the Company held during the financial year by each Director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	<b>Balance at the start of the year</b>	<b>Granted as part of remuneration</b>	<b>Exercised</b>	<b>Expired/forfeited/other</b>	<b>Balance at the end of the year</b>
Sonia Delgado	-	22,500,000	-	-	22,500,000
Pini Althaus	3,000,000	-	-	(1,000,000)	2,000,000
Brett Hackett	-	999,999	-	-	999,999
Scott Funston	10,000,000	-	-	(10,000,000)*	-
	<b>13,000,000</b>	<b>23,499,999</b>	<b>-</b>	<b>(11,000,000)</b>	<b>25,499,999</b>

\* Performance rights were exercised subsequent to Mr Funston's resignation on 3 July 2024.

### Other transactions with key management personnel and their related parties

- In the current year Seco Resources Pty Ltd ("Seco"), a company of which Mr Quinn is a Director, charged the Company Director Fees of \$60,000 (31 December 2023: \$60,000). \$Nil (31 December 2023: \$5,000) was outstanding at period end.
- In the current year Greenfield Securities Pty Ltd ("Greenfield"), a company of which Mr Knauer is a Director, charged the Company Director Fees of \$295,000 (31 December 2023: \$295,000) and reimbursements of travel and other expenses of \$186,792 (31 December 2023: \$131,791). \$84,191 (31 December 2023: \$24,583) was outstanding at period end.
- In the current year Resourceful International Consulting Pty Ltd ("Resourceful"), a company of which Mt Funston is a Director, charged the Company \$164,358 for services as CFO and Company Secretary (31 December 2023: Executive Director, Company Secretary and CFO services \$245,000). \$Nil (31 December 2023: \$20,417) was outstanding at period end.

**This concludes the remuneration report, which has been audited.**

### Shares under option

Unissued ordinary shares of the Company under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
20-Apr-21	20-Jul-25	\$0.45	10,000,000
7-Jan-25	6-Jan-27	\$0.05	147,726,678
			<b>157,726,678</b>

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

### Shares under performance rights

Unissued ordinary shares of the Company under performance rights at the date of this report are as follows:

Grant date	Expiry date	Number under rights
16-Mar-20	4-Jul-26	899,027
Sep-21	4-Jul-26	7,532,600
4-May-23	4-Jul-30	16,500,000
21-Jun-23	8-Feb-26	1,000,000
4-Jun-24	4-Jul-26	649,066
4-Jun-24	31-Dec-26	22,500,000
4-Jun-24	3-Jun-31	1,999,999
		<b>51,080,692</b>

No person entitled to exercise the performance rights had or has any right by virtue of the performance right to participate in any share issue of the Company or of any other body corporate.

### **Shares issued on the exercise of performance rights**

There were 16,407,685 ordinary shares of the Company issued on the exercise of performance rights during the year ended 31 December 2024 (31 December 2023: 120,000,000).

### **Debentures**

At the date of this report, convertible debentures with a principal amount of USD \$15 million can be converted into shares at a share price of \$0.25 per share expiring on the 12 September 2026.

### **Indemnity and insurance of officers**

The Company has indemnified the Directors and executives of the Company for costs incurred, in their capacity as a Director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the Directors and Executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

### **Indemnity and insurance of auditor**

To the extent permitted by law, the Group has agreed to indemnify its auditors, Ernst & Young Australia, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount).

No payment has been made to indemnify Ernst & Young Australia during or since the end of the period.

### **Proceedings on behalf of the Company**

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

### **Non-audit services**

Ernst and Young did not provide any non-audit services during the financial year ended 31 December 2024.

### **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.

#### **Auditor**

Ernst and Young continues in office in accordance with section 327 of the Corporations Act 2001.

### **Corporate governance statement**

The Board of Challenger Gold Limited is committed to achieving and demonstrating the highest standards of Corporate Governance. The Board is responsible to its shareholders for the performance of the Company and seeks to communicate extensively with shareholders. The Board believes that sound Corporate Governance practices will assist in the creation of shareholder wealth and provide accountability. The Company has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (4th edition) published by the ASX Corporate Governance Council. In accordance with ASX Listing Rule 4.10.3, the Company has elected to disclose its Corporate Governance policies and its compliance with them on its website, rather than in the Annual Report. Accordingly, information about the Company's Corporate Governance practices is set out on the Company's website at

*challengergold.com/corporate/corporate-governance/*

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors



**Kris Knauer**  
Managing Director

31 March 2025

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## Auditor's Independence Declaration



Ernst & Young  
11 Mounts Bay Road  
Perth WA 6000 Australia  
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222  
Fax: +61 8 9429 2436  
ey.com/au

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

As lead auditor for the audit of the financial report of Challenger Gold Limited for the financial year ended 31 December 2024, 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 audit;
- b. No contraventions of any applicable code of professional conduct in relation to the audit; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

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

*Ernst & Young*

Ernst & Young

V L Hoang  
Partner  
31 March 2025

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# Financial Statements and Notes

## Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2024

	Note	2024 \$	2023 \$
Other income	5	2,627,861	9,622,062
Gain on net monetary position	2	81,324,793	48,788,194
<b>Expenses</b>			
Accounting and audit fees		(332,779)	(163,857)
Consultants' and directors' fees		(1,723,618)	(1,145,458)
Legal and compliance		(199,989)	(101,887)
Investor relations, conferences, and corporate advice		(444,760)	(319,856)
Employee expenses		(299,324)	(121,296)
Travel expenses		(340,602)	(247,896)
Public company and administration expenses		(1,189,552)	(951,467)
Share-based payments	22	(156,672)	(860,205)
Foreign exchange loss		(2,790,104)	–
Depreciation		(226,914)	(174,996)
Finance costs		(4,480,529)	(4,187,386)
Other		(216,662)	(96,840)
<b>Profit before income tax expense</b>		<b>71,551,149</b>	<b>50,039,112</b>
Income tax benefit	6	3,047,069	3,822,688
<b>Profit after income tax expense for the year attributable to the owners of Challenger Gold Limited</b>		<b>74,598,218</b>	<b>53,861,800</b>
<b>Other comprehensive loss</b>			
Items that will be reclassified subsequently to profit or loss			
Exchange difference on translation of foreign operations		(16,066,254)	(86,702,116)
Other comprehensive loss for the year, net of tax		(16,066,254)	(86,702,116)
<b>Total comprehensive income/(loss) for the year attributable to the owners of Challenger Gold Limited</b>		<b>58,531,964</b>	<b>(32,840,316)</b>
		Cents	Cents
Basic earnings per share	16	5.39	4.7
Diluted earnings per share	16	5.35	4.6

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

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**Consolidated Statement of Financial Position****As at 31 December 2024**

	Note	2024 \$	2023 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	853,144	4,345,983
Other receivables	9	191,034	177,770
Prepayments		106,117	546,993
<b>Total current assets</b>		<b>1,150,295</b>	<b>5,070,746</b>
<b>Non-current assets</b>			
Other receivables	9	2,448,211	2,120,518
Property, plant and equipment	10	655,438	567,522
Exploration and evaluation expenditure	11	222,000,458	138,714,424
Right of use asset		219,238	–
<b>Total non-current assets</b>		<b>225,323,345</b>	<b>141,402,464</b>
<b>Total assets</b>		<b>226,473,640</b>	<b>146,473,210</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	12	2,766,791	1,257,516
Provisions		110,794	112,480
Interest bearing liabilities	13	18,893,549	14,285,517
Derivative liabilities	13	132,198	1,038,143
<b>Total current liabilities</b>		<b>21,903,332</b>	<b>16,693,656</b>
<b>Non-current liabilities</b>			
Lease liabilities		223,020	–
Deferred tax liabilities	6	1,307,024	2,323,928
Interest bearing and derivative liabilities	13	–	46,065
<b>Total non-current liabilities</b>		<b>1,530,044</b>	<b>2,369,993</b>
<b>Total liabilities</b>		<b>23,433,376</b>	<b>19,063,649</b>
<b>Net assets</b>		<b>203,040,264</b>	<b>127,409,561</b>
<b>Equity</b>			
Issued capital	14	151,328,201	134,013,483
Reserves	15	(122,907,185)	(106,624,952)
Retained profits		174,619,248	100,021,030
<b>Total equity</b>		<b>203,040,264</b>	<b>127,409,561</b>

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

## Consolidated Statement of Changes in Equity

For the year ended 31 December 2024

	Issued capital	Share based payment reserve	Foreign exchange reserve	Retained profit	Total equity
Consolidated	\$	\$	\$	\$	\$
Balance at 1 January 2023	123,620,259	4,082,147	(24,624,354)	46,159,230	149,237,282
Profit after income tax expense for the year	–	–	–	53,861,800	53,861,800
Other comprehensive loss for the year, net of tax	–	–	(86,702,116)	–	(86,702,116)
<b>Total comprehensive (loss)/income for the year</b>	<b>–</b>	<b>–</b>	<b>(86,702,116)</b>	<b>53,861,800</b>	<b>(32,840,316)</b>
<b>Transactions with owners in their capacity as owners:</b>					
Issued capital	10,393,224	(207,500)	–	–	10,185,724
Share-based payments (note 22)	–	826,871	–	–	826,871
<b>Balance at 31 December 2023</b>	<b>134,013,483</b>	<b>4,701,518</b>	<b>(111,326,470)</b>	<b>100,021,030</b>	<b>127,409,561</b>
	Issued capital	Share based payment reserve	Foreign exchange reserve	Retained profit	Total equity
Consolidated	\$	\$	\$	\$	\$
Balance at 1 January 2024	134,013,483	4,701,518	(111,326,470)	100,021,030	127,409,561
Profit after income tax expense for the year	–	–	–	74,598,218	74,598,218
Other comprehensive loss for the year, net of tax	–	–	(16,066,254)	–	(16,066,254)
<b>Total comprehensive (loss)/income for the year</b>	<b>–</b>	<b>–</b>	<b>(16,066,254)</b>	<b>74,598,218</b>	<b>58,531,964</b>
<b>Transactions with owners in their capacity as owners:</b>					
Issued capital	17,314,718	(1,147,315)	–	–	16,167,403
Share-based payments (note 22)	–	931,336	–	–	931,336
<b>Balance at 31 December 2024</b>	<b>151,328,201</b>	<b>4,485,539</b>	<b>(127,392,724)</b>	<b>174,619,248</b>	<b>203,040,264</b>

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

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**Consolidated Statement of Cash Flows****For the year ended 31 December 2024**

	Note	2024 \$	2023 \$
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees		(5,118,918)	(3,950,183)
Interest paid		(1,611,949)	(1,415,962)
Interest received		48,001	109,112
<b>Net cash used in operating activities</b>	<b>8</b>	<b>(6,682,866)</b>	<b>(5,257,033)</b>
<b>Cash flows from investing activities</b>			
Receipts from Blue Chip Swaps transactions		1,263,142	4,942,590
Expenditure on exploration		(13,003,752)	(20,075,104)
Expenditure on property, plant, and equipment		(8,571)	(54,736)
<b>Net cash used in investing activities</b>		<b>(11,749,181)</b>	<b>(15,187,250)</b>
<b>Cash flows from financing activities</b>			
Repayment of loans		(19,204)	(17,055)
Proceeds from share issue		14,642,070	10,000,000
Repayment of lease liability		(15,829)	-
Share issue costs		(159,450)	(684,625)
<b>Net cash from financing activities</b>		<b>14,447,587</b>	<b>9,298,320</b>
Net decrease in cash and cash equivalents		(3,984,460)	(11,145,963)
Cash and cash equivalents at the beginning of the financial year		4,345,983	15,426,824
Effects of exchange rate changes on cash and cash equivalents		491,621	65,122
<b>Cash and cash equivalents at the end of the financial year</b>	<b>7</b>	<b>853,144</b>	<b>4,345,983</b>

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

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## Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

### 1. General information

The 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 year. These financial statements are presented in Australian dollars, which is Challenger Gold Limited's functional and presentation currency.

Challenger Gold Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 1, 100 Havelock Street, West Perth, Western Australia, 6005

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 financial statements were authorised for issue, in accordance with a resolution of Directors, on 31 March 2025. The Directors have the power to amend and reissue the financial statements.

### 2. Material accounting policy information

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. There was no material impact to Group accounting policies other than stated below.

AASB 2020-1 Amendments to AASs – Classification of Liabilities as Current or Non-current and AASB 2022-6 Amendments to AASs – Non-current Liabilities with Covenants clarified the classification of liabilities as current or non-current which impacts the disclosure of the interest bearing liabilities. There is no change required to the financial statements.

#### New Accounting Standards not yet effective

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. Except as stated below, any expected changes are not expected to have a material impact on Group accounting policies.

## AASB 18 PRESENTATION AND DISCLOSURE IN FINANCIAL STATEMENTS ("AASB 18")

In June 2024, the Australian Accounting Standards Board issued AASB 18 to improve how entities communicate in their financial statements, with a particular focus on information about financial performance in the statement of profit or loss. The key presentation and disclosure requirements established by AASB 18 are:

- The presentation of newly defined subtotals in the statement of profit or loss.
- The disclosure of management-defined performance measures.
- Enhanced requirements for grouping information (i.e. aggregation and disaggregation).

The new standard is effective for annual reporting periods beginning on or after 1 January 2027. The Group is currently assessing the impact of the new standard however expects there to be significant impact to the disclosure of the consolidated statement of profit or loss and other comprehensive income.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. Except as stated above, the changes are not expected to have a material impact on Group accounting policies.

## **Going concern**

The annual 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 the business.

The Group has a net current liability position of \$20,753,037 at 31 December 2024 (31 December 2023: \$11,622,910) and a net cash outflow from operating and investing activities of \$18,432,047 for the year ended 31 December 2024 (31 December 2023: \$20,444,283).

The net current liability position as at 31 December 2024 and 31 December 2023 is mainly due to the debentures issued in September 2022 and the associated derivative liability totalling \$18,991,548 (31 December 2023: \$15,307,457) being recognised as a current liability. As disclosed in note 13, even though the debentures are not due until 12 September 2026, they 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 Group had cash and cash equivalents of \$853,144 at 31 December 2024 (31 December 2023: \$4,345,983).

The Group will require further funding to progress its tolling arrangements and exploration projects. Based on the Group's cash flow forecast for the period ending 31 March 2026, the Board of Directors is aware of the Group's need to access additional capital in the next 12 months to enable the Group to continue its normal business activities to ensure the realisation of assets and extinguishment of liabilities as and when they fall due, including progression of its exploration interests.

Based on the Group's 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 raise additional funding, either from debt or equity markets to enable it 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.

On 10 January 2025, the Company announced it had completed the Strategic Placement to Inversiones Financieras del Sur S.A. to raise net proceeds of \$6,647,700 through the issue of 147,726,678 fully paid ordinary shares and 147,726,678 free attaching options.

On 26 March 2025, the Company announced that it has drawn down the first US\$2 million of a US\$20 million facility. This first tranche, granted in March 2025, is unsecured and repayable after receipt of first cashflow from Toll Milling. Any subsequent drawdown under the facility is subject to satisfactory completion of due diligence by the lender and mutual agreement with the Company, including the facility repayment terms. The first tranche proceeds will be used for early works associated with preparation for mining to support Toll Milling and general working capital.

In the event that all the funding options available to the Group do not transpire and the Group is unable 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.

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**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

### ***Historical cost convention***

The financial statements have been prepared under the historical cost convention, unless otherwise stated.

### ***Critical accounting estimates***

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's

accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

## Income Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, as at the end of the reporting period.

Deferred income tax is provided on all temporary differences as at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted, or substantively enacted, as at the end of the reporting period.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

## Foreign currency translation

The financial statements are presented in Australian dollars, which is Challenger Gold Limited's functional and presentation currency.

### *Foreign currency transactions*

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

### *Foreign operations*

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

## Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 23.

## Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Challenger Gold Limited ('Challenger Gold Limited' or 'parent entity') as at 31 December 2024 and the results of all subsidiaries for the year then ended. Challenger Gold Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the

Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The functional currencies of the subsidiaries in the Group are United States Dollars (USD), Argentinian Peso's, South African Rand (ZAR) and Australian Dollars (AUD). The presentation currency is Australian Dollars (AUD).

The exchange differences arising on the translation are taken directly to a separate component of equity, being recognised in the foreign currency translation reserve.

As at reporting date the assets and liabilities of the non-hyperinflationary subsidiaries are translated into the presentation currency of Challenger Gold Limited at the rate of exchange ruling at the end of the reporting period and income and expenses are translated at the weighted average exchange rate for the year (note 2 Hyperinflation).

On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in profit or loss.

## **Investments and other financial assets**

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an

accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

#### ***Financial assets at amortised cost***

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

#### ***Impairment of financial assets***

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

#### ***Impairment of non-financial assets***

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

## **Other receivables**

All receivables other than statutory receivables such as VAT and GST are held at amortised cost less any expected credit loss. An expected credit loss provision, when applicable, is made to reflect changes in credit risk since the initial recognition.

## **Trade and other payables**

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. Amounts are unsecured and are usually paid within 30 to 45 days of recognition.

## **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 117.8% for the year ended 31 December 2024 and 211.4% for the year ended 31 December 2023. The effects of the application of AASB 129 are detailed below:

#### ***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 31 December 2024 and 31 December 2023
- 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, deferred tax liabilities, prepayments and right of use assets.

#### ***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

### **3. Critical accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

#### **Fair value of derivative financial liability**

Estimating fair value for the derivative financial liability requires the determination of the most appropriate valuation model and the determination of the most appropriate inputs to the valuation model. The assumptions used for estimating the fair value of the derivative financial liability are disclosed in note 13.

## Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted.

Where equity-settled transactions vest based on achieving financial or operational milestones, the Group must estimate the period over which these targets are expected to be met based on current performance and forecast future performance.

## Exploration and evaluation expenditure carried forward

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves.

In addition to applying judgement to determine whether future economic benefits are likely to arise from the Group's exploration and evaluation assets or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves, the Group has to apply a number of estimates and assumptions. The determination of a Joint Ore Reserves Committee (JORC) resource is itself an estimation process that involves varying degrees of uncertainty depending on how the resources are classified (i.e., measured, indicated or inferred).

Estimates and assumptions may change as new information becomes available. If, after expenditure is capitalised, information becomes available suggesting that the recovery of expenditure is unlikely the relevant capitalised amount is written off to the statement of profit or loss and other comprehensive income in the period when the new information becomes available.

For exploration and evaluation carried forward, the Group continues to assess the stage of the projects based on whether the projects have met technical and commercial feasibility completion, which includes financing approval for Hualilan, at 31 December 2024. A bankable feasibility study (BFS) or a definitive feasibility study (DFS) have not been completed (being technical feasibility) and financing options and approval have not been confirmed (commercial feasibility), therefore continues to be recognised as capitalised exploration and evaluation.

## **Impairment of exploration and evaluation assets**

The carrying value of capitalised exploration and evaluation expenditure is assessed for impairment on a regular basis or whenever impairment indicators are present. When information becomes available suggesting that the recovery of expenditure which had previously been capitalised is unlikely or that the Group no longer holds tenure, the asset is tested to determine the recoverable amount and assess whether this is below carrying amount. If the recoverable amount is below the carrying amount, then the asset is impaired.

The determination as to whether there are any indicators to require capitalised exploration and evaluation expenditure to be assessed for impairment, involves a number of judgments including whether the Group has tenure, whether it will be able to perform ongoing expenditure and whether there is sufficient information for a decision to be made that the area of interest is not commercially viable. The Group performed an assessment of the impairment indicators at period end, taking into account the following factors:

- The Group still has the right to explore the tenements;
- To date there have been no adverse findings reported, identified from technical studies undertaken or other data or information that would affect the Group or the exploration and evaluation expenditure assets of the Group; and
- Substantial further expenditure is forecast at 31 December 2024 and beyond, to continue to advance development for the tenements held by the Group.

As a result of considering these factors, the directors did not identify any impairment indicators.

## 4. Operating segments

### Identification of reportable operating segments

The Group has identified its operating segments on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers ('CODM')) 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.

Unless otherwise stated, all amounts reported to the Board of Directors as the CODM are determined in accordance with AASB 8 Operating Segments.

	Australia	Argentina	Ecuador	Consolidated
	\$	\$	\$	\$
<b>31 December 2024</b>				
<b>For the year ended 31 December 2024</b>				
Interest income	17,116	52,328	–	69,444
Other income	905,945	1,651,043	1,429	2,558,417
<b>Total segment income</b>	<b>923,061</b>	<b>1,703,371</b>	<b>1,429</b>	<b>2,627,861</b>
Gain on net monetary position	–	81,324,793	–	81,324,793
Finance Costs	(4,424,920)	(55,609)	–	(4,480,529)
Foreign exchange loss	(2,295,089)	(495,015)	–	(2,790,104)
<b>Segment net profit / (loss) before tax</b>	<b>(8,494,761)</b>	<b>80,135,633</b>	<b>(89,723)</b>	<b>71,551,149</b>
<b>At 31 December 2024</b>				
Total segment assets	46,052,315	145,787,675	34,633,650	226,473,640
<b>Total segment liabilities</b>	<b>20,776,633</b>	<b>2,191,299</b>	<b>465,444</b>	<b>23,433,376</b>
<b>Included within segment assets</b>				
Cash at bank	432,385	49,189	371,570	853,144
Plant and equipment and exploration expenditure	45,534,357	143,235,475	33,886,064	222,655,896

	Australia	Argentina	Ecuador	Consolidated
	\$	\$	\$	\$
<b>31-Dec-23</b>				
<b>For the year ended 31 December 2023</b>				
Interest income	91,190	21,823	–	113,013
Other income	5,307,578	4,197,301	4,170	9,509,049
<b>Total segment income</b>	<b>5,398,768</b>	<b>4,219,124</b>	<b>4,170</b>	<b>9,622,062</b>
Gain on net monetary position	–	48,788,194	–	48,788,194
Finance Costs	(3,967,000)	(220,386)	–	(4,187,386)
Foreign exchange loss	–	–	–	–
<b>Segment net profit / (loss) before tax</b>	<b>(856,594)</b>	<b>50,988,803</b>	<b>(93,097)</b>	<b>50,039,112</b>
<b>At 31 December 2023</b>				
Total segment assets	43,366,259	76,388,302	26,718,649	146,473,210
<b>Total segment liabilities</b>	<b>16,136,653</b>	<b>2,775,452</b>	<b>151,544</b>	<b>19,063,649</b>
<b>Included within segment assets</b>				
Cash at bank	3,686,844	411,379	247,760	4,345,983
Plant and equipment and exploration expenditure	39,614,220	73,329,479	26,337,919	139,281,618

### Accounting policy for operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the CODM. The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

## 5. Other income

	2024 \$	2023 \$
Foreign exchange gain	–	512,718
Interest received	69,444	113,013
Gain on blue chip swaps <sup>1</sup>	1,651,044	3,174,657
Fair value gain on derivative liability	905,945	5,817,504
Other income	1,428	4,170
<b>Other income</b>	<b>2,627,861</b>	<b>9,622,062</b>

<sup>1</sup> In 2019, the Argentine government reinstated exchange controls restricting the purchase of foreign currencies. As a result of these exchange controls, 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. 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 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 31 December 2024 (31 December 2023: nil) and never holds Argentinian securities overnight.

### Accounting policy for other income

The following specific recognition criteria must also be met before income is recognised:

#### Interest

Interest income is recognised as the interest accrues on the related financial asset. Interest is determined using the effective interest rate method, which applies the interest rate that discounts estimated future cash receipts over the expected life of the related financial asset.

## 6. Income tax expense

	2024 \$	2023 \$
<b>Numerical reconciliation of income tax expense and tax at the statutory rate</b>		
Profit before income tax expense	71,551,149	50,039,112
Tax at the statutory tax rate of 30% (2023: 30%)	21,465,345	15,011,734
<b>Tax effect amounts which are not deductible/(taxable) in calculating taxable income:</b>		
Non deductible expenses	704,510	258,062
Hyper inflation adjustments	(31,094,541)	(21,667,217)
Non taxable fair value gain	(271,783)	(1,745,251)
Differences in tax rate of subsidiaries operating in different jurisdictions	4,006,782	2,549,218
Other deferred tax assets not recognised	2,142,618	1,770,766
<b>Income tax benefit</b>	<b>(3,047,069)</b>	<b>(3,822,688)</b>
<b>Comprises of:</b>		
Current tax	–	–
Deferred tax	(3,047,069)	(3,822,688)
<b>Income tax benefit</b>	<b>(3,047,069)</b>	<b>(3,822,688)</b>
 <b>The following tax deferred tax balances have been recognised</b>		
Gain on blue chip swaps	(2,311,245)	(2,167,903)
Hyperinflation adjustments	229,575	(578,525)
Tax losses	8,785,718	6,825,563
Deferred tax assets not recognised	(8,011,072)	(6,403,063)
<b>Net deferred tax liabilities</b>	<b>(1,307,024)</b>	<b>(2,323,928)</b>

The tax benefits of the above Deferred Tax Assets will only be obtained if:

- a. the company derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;
- b. the company continues to comply with the conditions for deductibility imposed by law; and
- c. no changes in income tax legislation adversely affect the company in utilising the benefits.

## Tax Consolidation

### i. Members of the tax consolidated group and the tax sharing arrangement

Challenger Gold Limited and its 100% owned Australian resident subsidiaries formed a tax consolidated group with effect from 1 July 2020. Challenger Gold Limited is the head entity of the tax consolidated group. Members of the tax consolidated group have not entered into a tax sharing agreement, as in Australia the group has nominal taxable income, however has an arrangement that provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement on the basis that the possibility of default is remote. A Tax Sharing Agreement and a Tax Funding Agreement may be entered into in the future.

### ii. Tax effect accounting by members of the tax consolidated group

*Measurement method adopted under AASB Interpretation 1052 Tax Consolidation Accounting*

Effectively, each entity is treated as though it is a separate division of the consolidated group, and transactions between entities that are part of the same consolidated group are ignored for Australian income tax purposes. The asset-based model determines the tax cost base of assets held by a subsidiary member when it joins a consolidated group. The tax cost base to the head company of the joining entity's assets is determined through the allocation of the allocable cost amount ("ACA") to the entity's underlying assets. There is no resetting of the tax cost of assets held by the head company of a consolidated group. The Group has adopted the stand-alone tax payer approach for each entity in the Group.

## 7. Cash and cash equivalents

	2024	2023
	\$	\$
<b>Current assets</b>		
<b>Cash at bank</b>	<b>853,144</b>	4,345,983

## Accounting policy for cash and cash equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

For the purpose of the statement of cash flows, cash consists of cash and cash equivalents as defined above, net of bank overdrafts.

**8. Reconciliation of profit after income tax to net cash used in operating activities**

	2024 \$	2023 \$
Profit after income tax expense for the year	74,598,218	53,861,800
<b>Adjustments for:</b>		
Depreciation	226,914	174,996
Non-cash finance costs relating to Debentures	2,652,827	2,312,635
Foreign exchange (gains)/loss	2,790,104	(65,122)
Loss on sale of equipment	–	4,170
Share based payments	156,672	860,205
Fair value gain on derivative liability	(905,945)	(5,817,504)
Hyperinflation adjustments	(81,324,793)	(48,788,194)
Gain on sale of Blue-Chip Swaps	(1,651,044)	(3,174,657)
<b>Change in operating assets and liabilities:</b>		
Decrease in Deferred Tax Liability	(3,047,069)	(3,822,688)
Increase in receivables and prepayments	(13,264)	(190,122)
Decrease in payables and accruals	(165,486)	(612,552)
<b>Net cash used in operating activities</b>	<b>(6,682,866)</b>	<b>(5,257,033)</b>

## 9. Other receivables

	2024 \$	2023 \$
<b>Current assets</b>		
Other receivables	175,590	145,879
GST Receivable	15,444	31,891
	<b>191,034</b>	<b>177,770</b>
<b>Non-current assets</b>		
VAT receivable <sup>1</sup>	2,448,211	2,120,518
	<b>2,639,245</b>	<b>2,298,288</b>

<sup>1</sup> VAT receivable relates to exploration and evaluation expenditure in Argentina. The Secretary of Mining in Argentina allows the Group to present the VAT recovery only two times during the year and to present claims after 14 months from the date of invoices. All the relevant invoices are currently in the process of being recovered with the Secretary of Mining.

### Accounting policy for other receivables

All receivables other than statutory receivables such as VAT and GST are held at amortised cost less any expected credit loss. An expected credit loss provision, when applicable, is made to reflect changes in credit risk since the initial recognition.

## 10. Property, plant and equipment

	2024 \$	2023 \$
<b>Non-current assets</b>		
Plant and equipment - at cost	825,761	685,517
Less: Accumulated depreciation	(170,323)	(117,995)
	<b>655,438</b>	<b>567,522</b>

### Accounting policy for property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is provided on a straight line basis on all property, plant and equipment over 3 to 10 years.

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

## 11. Exploration and evaluation expenditure

	2024 \$	2023 \$
<b>Non-current assets</b>		
Exploration and evaluation	222,000,458	138,714,424

### Reconciliations

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

<b>Consolidated</b>	\$
Balance at 1 January 2023	154,145,647
Additions	19,986,418
Impact of hyperinflation and foreign exchange movements	(35,417,641)
Balance at 31 December 2023	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

## 11. Exploration and evaluation expenditure (continued)

### ***Accounting policy for exploration and evaluation assets***

Exploration and evaluation expenditure incurred by or on behalf of the Group is accumulated separately for each area of interest. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure but does not include general overheads or administrative expenditure not having a specific nexus with a particular 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.

Expenditure which fails to meet the conditions outlined above is written off, furthermore, the directors regularly review the carrying value of exploration and evaluation expenditure and make write downs if the values are not expected to be recoverable.

Identifiable exploration assets acquired are recognised as assets at their cost of acquisition. Exploration assets acquired are reassessed on a regular basis and these costs are carried forward provided that at least one of the conditions referred to above is met.

Exploration and evaluation expenditure incurred subsequent to acquisition in respect of an exploration asset acquired, is accounted for in accordance with the policy outlined above for exploration expenditure incurred by or on behalf of the entity.

When an area of interest is abandoned, any expenditure carried forward in respect of that area is written off. Expenditure is not carried forward in respect of any area of interest unless the Group's right of tenure to that area of interest is current.

## 12. Trade and other payables

	Consolidated	
	2024 \$	2023 \$
<b>Current liabilities</b>		
Trade payables	1,232,050	844,378
Accruals	988,262	139,101
Provision for employee entitlements	402,869	12,295
Other payables	143,610	261,742
	<b>2,766,791</b>	<b>1,257,516</b>

Refer to note 17 for further information on financial instruments and risk management.

### Accounting policy for trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. Amounts are unsecured and are usually paid within 30 to 45 days of recognition.

### 13. Interest bearing and derivative liabilities

	Consolidated	
	2024 \$	2023 \$
<b>Current liabilities</b>		
Motor vehicle loan <sup>1</sup>	34,199	16,203
Debentures - loan component	18,859,350	14,269,314
	<b>18,893,549</b>	<b>14,285,517</b>
<b>Non-current liabilities</b>		
Motor vehicle loan <sup>1</sup>	–	46,065
	<b>18,893,549</b>	<b>14,331,582</b>

<sup>1</sup> A loan funding arrangement was entered into to purchase four motor vehicles. The liability is denominated in Argentinian Peso at nominal interest rate of 131.72%.

***Movements in interest bearing loans and derivative financial liability:***

	Debentures – loan component <sup>2</sup> \$	Derivative financial liability – conversion component <sup>2</sup> \$
<b>31 December 2024</b>		
At beginning of the period	14,269,314	1,038,143
Accrued interest	4,234,840	–
Interest paid in cash	(1,573,534)	–
Interest paid in shares	(453,750)	–
Amortisation of deferred transactions costs	166,889	–
Foreign exchange loss	2,215,591	–
Fair value movement	–	(905,945)
<b>Total</b>	<b>18,859,350</b>	<b>132,198</b>
<b>31 December 2023</b>		
At beginning of the period	12,189,826	6,855,647
Accrued interest	3,726,107	–
Interest paid in cash	(1,581,247)	–
Interest paid in shares	(450,646)	–
Amortisation of deferred transactions costs	166,889	–
Foreign exchange loss	218,385	–
Fair value movement	–	(5,817,504)
<b>Total</b>	<b>14,269,314</b>	<b>1,038,143</b>

### ***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

In relation to the conversion feature of the Debenture, Management performed a valuation at fair value at the balance date using a Binomial pricing model with the movement in the fair value being a decrease recognised in the profit or loss.

- **Share Price:** CEL's share price based on the Company's closing share price as at 31 December 2024 and 31 December 2023.
- **Volatility:** Calculated using implied volatility of 70% for the CEL share price at 31 December 2024 (70% at 31 December 2023);
- **Risk free rate:** The Australian 1.25 year bond rate of 3.843% (3.605% at 31 December 2023);
- **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 \$0.632895 was used as the conversion rate from USD to AUD (\$0.6805 at 31 December 2023).

### ***Accounting policy for financial liabilities***

Financial liabilities are measured at fair value on recognition and are subsequently measured at amortised cost using the effective interest rate method, except for financial liabilities designated at fair value through profit or loss, that are carried subsequently at fair value with gains and losses recognised in the profit or loss statement.

The effective interest method is a method of calculating the amortised cost of a financial liability and allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. Where the movement in fair value is due to a change in the entity's credit risk, such gain / loss is recognised in the Statement of Profit or Loss and Other Comprehensive Income.

### ***Interest Bearing Liabilities***

Interest bearing liabilities are initially recognised at fair value, net of any transaction costs incurred. These balances are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the profit or loss over the term of the liability using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the term of the facility to which it relates. Interest bearing liabilities are classified as current liabilities unless the Group has a right to defer settlement of the liability for at least 12 months after the reporting date.

### **Convertible Debentures**

The component of convertible debentures that exhibit characteristics of a liability is recognised as a financial liability in the balance sheet, net of transaction costs being the debt component. On issuance of convertible debentures, the amount initially attributed to the debt component equals the discounted cashflows using a market rate of interest that would be payable on a similar debt instrument that does not include an option to convert. This amount is carried as a short-term liability on an amortised basis until extinguished on conversion or redemption. The increase in liability due to the passage of time is recognised as a finance cost.

On issuance of the convertible debenture, the conversion component is recognised as a derivative financial liability at fair value. This is recognised as a financial liability designated at fair value through profit or loss remeasured at each balance date.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another liability on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

### **14. Issued capital**

	Consolidated			
	2024 Shares	2023 Shares	2024 \$	2023 \$
Ordinary shares - fully paid	1,532,201,046	1,261,168,374	151,328,201	134,013,483

***Movements in ordinary share capital***

Details	Shares	\$
Opening balance as at 1 January 2023	1,045,815,039	123,620,259
Placement	83,333,334	10,000,000
Shares issued in lieu of debenture interest	4,770,833	445,763
Shares issued in lieu of salary	4,553,086	391,252
Shares issued in lieu of supplier payment	196,082	33,334
Shares issued on conversion employee rights	2,500,000	207,500
Shares issued on vesting of performance rights <sup>1</sup>	60,000,000	–
Shares issued on vesting of performance shares <sup>1</sup>	60,000,000	–
<b>Share issue transaction costs, net of tax</b>	<b>–</b>	<b>(684,625)</b>
Opening balance as at 1 January 2024	1,261,168,374	134,013,483
Placement	135,658,328	10,642,069
Share purchase plan	88,888,675	4,000,000
Shares issued for broker services	3,318,664	282,103
Shares issued in lieu of debenture interest	5,250,000	324,375
Shares issued in lieu of salary	2,190,366	204,104
Shares issued in lieu of services provided by a Director <sup>2</sup>	9,205,882	616,794
Shares issued in lieu of supplier payment	10,113,072	539,512
Shares issued on vesting of performance rights	16,000,000	1,120,000
Shares issued on vesting of performance shares	407,685	27,315
<b>Share issue transaction costs, net of tax</b>	<b>–</b>	<b>(441,554)</b>
<b>Balance as at 31 December 2024</b>	<b>1,532,201,046</b>	<b>151,328,201</b>

<sup>1</sup> The issue of performance rights and performance shares have a nil value as these were valued as part of the Prospectus dated 16 May 2019 as part of the reverse acquisition of AEP Corporation Pty Ltd.

<sup>2</sup> The issue of shares to Directors as remuneration for past services was approved at the AGM on 31 May 2024. These shares were valued at the share price at the date of AGM (\$0.067) to determine the value of the share based payment expenses.

### ***Ordinary shares***

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

### ***Capital risk management***

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the Company's share price at the time of investment.

## 15. Reserves

	<b>Consolidated</b>	
	<b>2024</b> \$	<b>2023</b> \$
Share based payment reserve	4,485,539	4,701,518
Foreign currency translation reserve	(127,392,724)	(111,326,470)
	<b>(122,907,185)</b>	<b>(106,624,952)</b>

During the period, the movement in the share-based payment reserve consisted of the following:

	<b>Consolidated</b>	
	<b>31 December</b> <b>2024</b> \$	<b>31 December</b> <b>2023</b> \$
Opening balance	4,701,518	4,082,147
Share based payment expense	931,336	826,871
Transfer to equity on vesting of performance rights	(1,147,315)	(207,500)
Closing balance	<b>4,485,539</b>	<b>4,701,518</b>

During the period, the movement in the foreign currency translation reserve consisted of the following:

	<b>Consolidated</b>	
	<b>31 December 2024</b>	<b>31 December 2023</b>
	<b>\$</b>	<b>\$</b>
Opening balance	(111,326,470)	(24,624,354)
Foreign currency translation	(16,066,254)	(86,702,116)
	<b>(127,392,724)</b>	<b>(111,326,470)</b>

#### ***Foreign currency reserve***

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

#### ***Share-based payments reserve***

The reserve is used to recognise the value of equity benefits provided to employees and Directors as part of their remuneration, and other parties as part of their compensation for services, or for the acquisition of projects.

## 16. Earnings per share

	Consolidated	
	2024 \$	2023 \$
Profit after income tax attributable to the owners of Challenger Gold Limited	74,598,218	53,861,800
<hr/>		
	Cents	Cents
Basic earnings per share	5.39	4.70
Diluted earnings per share	5.35	4.60
<hr/>		
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	1,385,083,141	1,145,228,515
<hr/>		
<b>Adjustments for calculation of diluted earnings per share:</b>		
Performance rights	10,080,693	24,772,427
Weighted average number of ordinary shares used in calculating diluted earnings per share	1,395,163,834	1,170,000,942

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 performance rights.

In considering the diluted earnings per share, the 10,000,000 options that were issued to Riverfort Capital LLC in previous periods, the placement and broker options issued in this period and the potential shares in relation to the convertible debentures have no impact as these instruments are out of the money. These instruments could have a potential dilutive impact in future periods.

## 17. Financial instruments

### Financial risk management and risk policies

The Group's principal financial instruments comprise of cash, short-term deposits, convertible debentures and payables. The main purpose of these financial instruments is to hold funds for the entity's operations. The entity has various other financial assets and liabilities such as receivables and trade payables, which arise directly from its operations. It is, and has been throughout the period under review, the entity's policy that no trading in financial instruments shall be undertaken. The main risks arising from the entity's financial instruments are cash flow interest rate risk, liquidity risk, foreign currency risk and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

### Liquidity risk management

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. All associated financial assets and liabilities are classified as current.

As disclosed in note 13, even though the debenture is not due until 12 September 2026, they 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 following table provides a summary of the Group's contractual cash flows for its financial assets and liabilities.

For personal use only

31 December 2024	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Total
	\$	\$	\$	\$	\$
<b>Consolidated</b>					
<b>Financial Assets</b>					
Non-interest bearing trade receivables	191,034	–	–	–	191,034
<b>Cash and cash equivalents</b>	<b>853,144</b>	–	–	–	<b>853,144</b>
	<b>1,044,178</b>	–	–	–	<b>1,044,178</b>
<b>Financial Liabilities</b>					
Non-interest bearing trade payables	(2,766,791)	–	–	–	(2,766,791)
Fixed rate interest bearing liabilities	–	(423,138)	(1,269,414)	(25,373,503)	(27,066,055)
Motor vehicle loan	–	(8,549)	(25,650)	–	(34,199)
Lease liabilities	–	(27,877)	(83,633)	(111,510)	(223,020)
<b>Net Financial Liabilities</b>	<b>(1,722,613)</b>	<b>(459,564)</b>	<b>(1,378,697)</b>	<b>(25,485,013)</b>	<b>(29,045,887)</b>
31 December 2023	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Total
	\$	\$	\$	\$	\$
<b>Consolidated</b>					
<b>Financial Assets</b>					
Non-interest bearing trade receivables	177,770	–	–	–	177,770
<b>Cash and cash equivalents</b>	<b>4,345,983</b>	–	–	–	<b>4,345,983</b>
	<b>4,523,753</b>	–	–	–	<b>4,523,753</b>
<b>FINANCIAL LIABILITIES</b>					
Non-interest bearing trade payables	(1,257,516)	–	–	–	(1,257,516)
Fixed rate interest bearing liabilities	–	(385,717)	(1,157,152)	(24,672,446)	(26,215,315)
Motor vehicle loan	–	–	(16,203)	(46,065)	(62,268)
<b>Net Financial Assets (Liabilities)</b>	<b>3,266,237</b>	<b>(385,717)</b>	<b>(1,173,355)</b>	<b>(24,718,511)</b>	<b>(23,011,347)</b>

## Interest Rate Sensitivity Analysis

At reporting date, if interest rates had been 50 basis points higher or lower than the prevailing rates realised, with all other variables held constant, there would have been an immaterial change in post-tax loss for the financial year ended 31 December 2024 (immaterial impact for financial year ended 31 December 2023). The impact on equity would have been the same. Interest risk is low due to interest bearing liabilities being on a fixed interest rate.

## Fair value disclosure of financial assets and liabilities

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 other receivables and trade and other payables approximate their carrying values, as a result of their short maturity.

Fair value measurements recognised in the statement of financial position subsequent to initial fair value recognition can be classified into levels 1 to 3 based on the degree to which fair value is observable.

- **Level 1:** Fair value measurements are those derived from quoted prices in active markets for identical assets and liabilities.
- **Level 2:** Fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
- **Level 3:** Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

There were no transfers between any levels of the fair value hierarchy in the current or prior years.

Refer to note 13 for further disclosure considerations for the inputs used to determine fair value for the derivative financial liability at fair value. The valuation techniques used have not changed for each of these financial instruments from the prior period.

The below is a quantitative sensitivity analysis as at 31 December 2024 relating to the derivative financial liability categorised as level 3 of the fair value hierarchy are shown below:

	Significant unobservable input	Sensitivity of the input to fair value
<b>31-Dec-24</b>		
Derivative financial liability	Volatility	5% increase (decrease) would result in an increase of \$54,532 (decrease of \$44,345)
<b>31-Dec-23</b>		
Derivative financial liability	Volatility	5% increase (decrease) would result in an increase of \$192,747 (decrease of \$201,486)

## Credit risk exposures

The Group's maximum exposure to credit risk at each balance date in relation to each class of recognised financial assets is the carrying amount, net of any provision for expected credit loss, of those assets as indicated in the statement of financial position. The maximum credit risk exposure on other receivables of the Group at 31 December 2024 is \$175,590 (31 December 2023: \$145,879). There are no impaired receivables at 31 December 2024.

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved annually. Most of the Group's cash is with reputable banks in Australia with strong credit ratings. The Group measures credit risk on a fair value basis.

## Concentration of Credit Risk

The Group is not exposed to any individual customer.

The Group's VAT receivable is a statutory asset held with the Argentinian authorities and not considered a financial asset as defined under AASB 9.

## Foreign exchange risk management

The Group is exposed to US Dollar (USD), Argentine Peso (ARS) and South African Rand (ZAR) currency fluctuations. At 31 December 2024, there would have been an immaterial change in the post-tax operating loss as a result of a 10% change in the Australian Dollar (AUD) to the USD, ARS and ZAR (excluding hyperinflation). The impact to equity would be the same.

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, 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. See note 5 for further information.

## Capital Risk Management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it may continue to provide returns for shareholders and benefits for other stakeholders.

Due to the nature of the Group's activities, being gold exploration, it does not have ready access to credit facilities, with the primary source of funding being equity raisings. Accordingly, the objective of the Group's capital risk management is to balance the current working capital position against the requirements of the Group to meet exploration programmes and corporate overheads. This is achieved by maintaining appropriate liquidity to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

## 18. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Ernst and Young, the auditor of the Company, and its network firms:

	Consolidated	
	2024 \$	2023 \$
<b>Ernst and Young Australia</b>		
Half year review	32,000	30,000
Year end audit	59,650	52,050
<b>Total fees to Ernst &amp; Young Australia</b>	<b>91,650</b>	<b>82,050</b>
<b>Fees to other overseas member firms of Ernst and Young (Australia)</b>		
Fees for the audit and review of the financial reports of the Group and any controlled entities	165,096	109,163
<b>Total fees to overseas member firms of Ernst &amp; Young (Australia)</b>	<b>165,096</b>	<b>109,163</b>
<b>Total auditor's remuneration</b>	<b>256,746</b>	<b>191,213</b>

## 19. Contingent liabilities

There are no contingent liabilities as at 31 December 2024 (31 December 2023: nil).

## 20. Commitments

There are no commitments for expenditure as at 31 December 2024 (31 December 2023: \$Nil).

## 21. Related party transactions

### *Parent entity*

Challenger Gold Limited is the parent entity.

### *Subsidiaries*

Interests in subsidiaries are set out in note 24.

### *Key management personnel compensation*

The aggregate compensation made to Directors and other members of key management personnel of the Group is set out below:

	Consolidated	
	2024 \$	2023 \$
Short-term benefits	1,156,910	939,938
Share-based payments	1,479,832	454,316
	<b>2,636,742</b>	<b>1,394,254</b>

Detailed remuneration disclosures are provided in the remuneration report in the Directors' report.

A number of entities transacted with the Company during the period, over which key management personnel have control or significant influence.

- In the current year Seco Resources Pty Ltd ("Seco"), a company of which Mr Quinn is a Director, charged the Company Director Fees of \$25,000 (31 December 2023: \$60,000). \$Nil (31 December 2023: \$5,000) was outstanding at period end.
- In the current year Greenfield Securities Pty Ltd ("Greenfield"), a company of which Mr Knauer controls is a Director, charged the Company Director Fees of \$295,000 (31 December 2023: \$295,000), Travel and other expenses of \$186,792 (31 December 2023: \$131,791). \$84,191 (31 December 2023: \$24,583) was outstanding at period end.
- On 2 October 2024, the Company announced that it had entered into an agreement with an entity associated with the Elsztain Group to issue 147,726,678 fully paid ordinary shares and 147,726,678 options to raise \$6.6m. The issue of the securities was subject to various milestones being met. These milestones were met subsequent to the financial year end, with the securities being issued on 10 January 2025. On 4 March 2025, the Company announced the appointment of Mr Eduardo Elsztain as Non-Executive Chairman.

Subsequent to year end, the Company completed the execution of the definitive Binding Toll Processing Agreement with Casposo Argentina Mining Limited, the operator of the Casposo treatment plant located in San Juan Argentina, for toll processing ore from the Hualilan Gold Project. Casposo Argentina Mining Limited is a wholly own subsidiary of Austral Gold Limited. Elsztain Group is a major shareholder of Austral Gold Limited.

## 22. Share-based payment expenses

During the year, share-based payment expenses consisted of the following:

	Consolidated	
	2024	2023
	\$	\$
Share-based payments	931,336	826,871
	<b>931,336</b>	<b>826,871</b>

## Performance Rights:

The Group has established an Employee Incentive Plan ('Plan'). The objective of the Plan is to assist in the recruitment, reward, retention and motivation of employees of Challenger Gold Limited. Under the Plan, the Directors may invite individuals acting in a manner similar to employees to participate in the Plans and receive options and / or performance rights. An individual may receive the options and / or performance rights or nominate a relative or associate to receive the options and / or performance rights. The Plan is open to directors, executive officers, nominated consultants and employees of Challenger Gold Limited.

Set out below are summaries of performance rights granted by the Company as share-based payments. There are vesting conditions associated with each of these securities that must be met within the specified time period prior to exercising. Each performance right entitles the holder, on exercise, to one ordinary fully paid share in the Company:

Grant date	Expiry date	Balance at 31-Dec-23	Granted	Exercised	Lapsed	Balance at 31-Dec-24	Vested
4-Jul-19	4-Jul-26	16,000,000	–	(16,000,000)	–	–	–
16-Mar-20	4-Jul-26	899,027	–	–	–	899,027	899,027
Sep-21	4-Jul-26	7,873,400	–	(340,800)	–	7,532,600	7,532,600
4-May-23	4-Jul-30	16,500,000	–	–	–	16,500,000	–
21-Jun-23	8-Feb-24	1,000,000	–	–	(1,000,000)	–	–
21-Jun-23	8-Feb-25	1,000,000	–	–	–	1,000,000	–
21-Jun-23	8-Feb-26	1,000,000	–	–	–	1,000,000	–
4-Jun-24	4-Jul-26	–	715,951	(66,885)	–	649,066	649,066
4-Jun-24	31-Dec-26	–	22,500,000	–	–	22,500,000	–
4-Jun-24	4-Jun-31	–	999,999	–	–	999,999	–
4-Jun-24	4-Jun-31	–	1,000,000	–	–	1,000,000	1,000,000
		<b>44,272,427</b>	<b>25,215,950</b>	<b>(16,407,685)</b>	<b>(1,000,000)</b>	<b>52,080,692</b>	<b>10,080,693</b>

On 8 February 2024, 1,000,000 performance rights lapsed as the conditions had not been met.

On 4 June 2024, the Company issued 23,4999,999 performance rights to Directors. The performance rights will vest upon satisfaction of the following milestones:

- 7,833,333 Performance Rights will vest upon the successful completion of a preliminary feasibility study (PFS) for the Hualian Gold Project that leads to an announcement the Hualian Gold Project will progress to either a bankable feasibility study (BFS) or a definitive feasibility study (DFS) or a change in control event;
- 7,833,333 Performance Rights will vest upon the successful completion of a BFS or a DFS for the Hualian Gold Project that leads to an announcement the Hualian Gold Project will progress to construction or a change of control event;
- 7,833,333 Performance Rights will vest upon the commissioning of a processing plant for the Hualian Gold Project or a change in control event.

The company considered the likelihood of these Performance Rights vesting is low and no share based payment expenses has been attributed to them.

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:

- 15,000,000 Performance Rights will convert into Shares upon the successful granting of an EIA assessment for the Hualian Project (or a change in control event).
- 7,500,000 Performance Rights will convert into Shares upon the successful granting of an EIA (and all other) approvals for trucking and processing of Hualian ore to the Toll Treatment Plant.

Even though these replacement Performance Rights were approved and issued subsequent to year-end, their terms were mutually agreed between Dr Sonia Delgado and the Company prior to year-end. Dr Sonia Delgado's remuneration for the current year includes the estimated amortisation of these Performance Rights amounting to \$774,664 over the expected vesting period. These Performance Rights were provisionally valued at the share price at 31 December 2024 (\$0.047).

On 4 June 2024, the Company issued 1,715,951 performance rights to employees. The performance rights vested immediately. The fair value of the performance rights at grant date of \$0.067 per performance right was determined using the Company's share price on the grant date.

On 5 June 2024, 407,685 performance rights were exercised and ordinary shares issued.

On 16 July 2024, 10,000,000 performance rights were exercised and ordinary shares issued.

On 7 November 2024, 6,000,000 performance rights were exercised and ordinary shares issued.

### ***Options***

Set out below are summaries of options granted by the Company as share-based payments. Each option entitles the holder, on exercise, to one ordinary fully paid share in the Company:

Grant date	Expiry date	Exercise price	Balance at 31-Dec-23	Granted	Exercised	forfeited/other	Balance at 31-Dec-24
14/4/2021	14/4/2025	\$0.45	10,000,000	–	–	–	10,000,000
28/3/2024	28/3/2025	\$0.14	–	66,377,283	–	–	66,377,283
6/6/2024	28/3/2025	\$0.14	–	50,377,687	–	–	50,377,687
			<b>10,000,000</b>	<b>116,754,970</b>	–	–	<b>126,754,970</b>

The weighted average exercise price of these options at 31 December 2024 was \$0.16 (31 December 2023: \$0.45)

On 28 March 2024, the Company issued 66,377,283 free attaching options (on a 1-for-1 basis) to the participant of the strategic placement. On 6 June 2024, the Company issued 50,377,687 free attaching options (on a 1-for-1 basis) to the participant of the April placement. These options are treated as equity, not share-based payments.

### ***Accounting policy for share-based payments***

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using the Black-Scholes pricing models. These models take into account the exercise price, the term of the option or right, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

For equity-settled share-based payment transactions with parties other than employees, the Group measures the goods or services received directly, at the fair value of the goods or services received, unless that fair value cannot be estimated reliably. Where the fair value cannot be estimated reliably, the Group measures the fair value indirectly, by reference to the fair value of the equity instruments granted.

## 23. Parent entity information

Set out below is the supplementary information about the parent entity.

### ***Statement of profit or loss and other comprehensive income***

	Parent	
	2024 \$	2023 \$
Profit/(loss) after income tax*	3,541,297	(856,304)
Total comprehensive income/(loss)	3,541,297	(856,304)

\* The profit for the period is mainly attributed to the foreign exchange gain on related party loans.

### ***Statement of financial position***

	Parent	
	2024 \$	2023 \$
Total current assets	517,959	3,752,039
Total assets	168,475,228	143,195,737
Total current liabilities	20,425,630	15,786,176
Total liabilities	20,425,630	15,786,176
<b>Equity</b>		
Issued capital	181,373,774	164,059,055
Share based payment reserve	7,028,611	7,244,590
Accumulated losses	(40,352,787)	(43,894,084)
<b>Total equity</b>	<b>148,049,598</b>	<b>127,409,561</b>

### ***Contingent liabilities***

The parent entity had no contingent liabilities as at 31 December 2024 (31 December 2023: nil).

### ***Capital commitments - Property, plant and equipment***

The parent entity had no capital commitments for property, plant and equipment as at 31 December 2024 (31 December 2023: nil).

### ***Material accounting policy information***

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

## **24. Interests in subsidiaries**

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2024 %	2023 %
AEP Corporation Pty Ltd	Australia	100.00%	100.00%
Bundu Oil & Gas Exploration Pty Ltd <sup>1</sup>	South Africa	95.00%	95.00%
Challenger Exploration Argentina Pty Ltd	Australia	100.00%	100.00%
Ecuador Mining Pty Ltd	Australia	100.00%	100.00%
Golden Mining SA <sup>2</sup>	Argentina	100.00%	100.00%
Ecuador Mining SA <sup>2</sup>	Ecuador	100.00%	100.00%
Torata Mining SA <sup>2</sup>	Ecuador	100.00%	100.00%

<sup>1</sup> The assets held by Bundu Oil & Gas Exploration (Bundu) are not material and Bundu does not have a material non-controlling interest in the Group.

<sup>2</sup> These entities hold exploration tenements in Argentina and Ecuador.

## 25. Events after the reporting period

On 10 January 2025, the Company announced that it had completed the \$6.6 million strategic placement to Inversiones Financieras del Sur S.A (an entity controlled by Mr Eduardo Elsztain) through the issue of 147,726,678 fully paid ordinary shares at an issue price of 4.5 cents per share and 147,726,678 unlisted options with an exercise price of \$0.045 plus 10% in the first 12 months and then plus 20% for the second 12 months, with an expiry of two years.

On 3 March 2025, the Company held a general meeting of shareholders where, among other things, it was approved to issue Dr Sonia Delgado 22,500,000 performance rights.

On 4 March 2025, the Company announced the appointment of Mr Eduardo Elsztain as the Non-Executive Chairman with Mr Sergio Rotondo remaining on the Board as Vice Chairman.

On 26 March 2025, the Company announced that it has drawdown the first US\$2 million of a US\$20 million facility. This first tranche, granted in March 2025, is unsecured and repayable after receipt of first cashflow from Toll Milling. Any subsequent drawdown under the facility is subject to satisfactory completion of due diligence by the lender and mutual agreement with the Company, including the facility repayment terms. Interest rate on the facility is 8.5% if repaid before 7 December 2025 and 12.75% if repaid after 7 December 2025. The first tranche proceeds will be used for early works associated with preparation for mining to support Toll Milling and general working capital.

### Other matters

No other matter or circumstance has arisen since 31 December 2024 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.

## Consolidated Entity Disclosure Statement

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest %	Tax residency
Challenger Gold Limited	Body Corporate	Australia	100.00%	Australia
AEP Corporation Pty Ltd	Body Corporate	Australia	100.00%	Australia
Bundu Oil & Gas Exploration Pty Ltd1	Body Corporate	South Africa	95.00%	Australia
Challenger Exploration Argentina Pty Ltd	Body Corporate	Australia	100.00%	Australia
Ecuador Mining Pty Ltd	Body Corporate	Australia	100.00%	Australia
Golden Mining SA2	Body Corporate	Argentina	100.00%	Argentina
Ecuador Mining SA2	Body Corporate	Ecuador	100.00%	Ecuador
Torata Mining SA2 B	Body Corporate	Ecuador	100.00%	Ecuador

# Directors' Declaration

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the financial year ended on that date;
- subject to the achievement of the matters detailed in note 2 Going Concern, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- the consolidated entity disclosure statement required by section 295(3A) of the Corporations Act is true and correct.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors



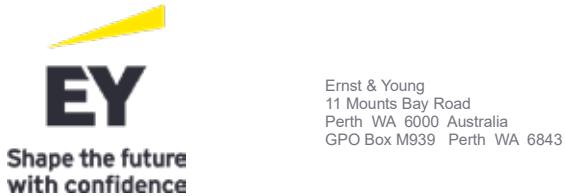
**Kris Knauer**  
Managing Director

31 March 2025

For personal use only



# Independent Auditor's Report



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

### Report on the audit of the financial report

#### Opinion

We have audited the financial report of Challenger Gold Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2024, 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 year then ended, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

- a) Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance for the year ended on that date;
- b) Complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- c) Complying with International Financial Reporting Standards as issued by the International Accounting Standards Board.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Material uncertainty related to going concern

We draw attention to Note 2 Going concern in the consolidated 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 opinion is not modified in respect of this matter.

### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matter described below to be the key audit matter to be communicated in our report. For the matter below our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial report.

#### 1. Carrying value of exploration and evaluation assets

Why significant	How our audit addressed the key audit matter
<p>At 31 December 2024, the Group held exploration and evaluation assets of \$222,000,458, representing 99% of the Group's total assets.</p> <p>The carrying value of exploration and evaluation assets is assessed for impairment by the Group when facts and circumstances indicate that the exploration and evaluation assets may exceed their recoverable amount.</p> <p>The determination as to whether there are any indicators to require an exploration and evaluation asset to be assessed for impairment, involves a number of judgements including whether the Group has tenure, will be able to perform ongoing expenditure and whether there is sufficient information for a decision to be made that the area of interest is not commercially viable. The Group did not identify any impairment indicators as at 31 December 2024.</p> <p>Refer to Notes 3 and 11 in the financial report for exploration and evaluation asset balances and related disclosures.</p> <p>This was considered a key audit matter because of the significant judgment involved in determining whether any impairment indicators were present for the Group's capitalised exploration and evaluation asset balances.</p>	<p>We evaluated the Group's assessment as to whether there were any indicators of impairment to require the carrying value of exploration and evaluation assets to be tested for impairment. In performing our procedures, we:</p> <ul style="list-style-type: none"> <li>Assessed whether the Group's right to explore was current, which included obtaining and assessing supporting documentation such as license agreements;</li> <li>Evaluated the Group's intention to carry out significant ongoing exploration and evaluation activities in the relevant areas of interest which included assessing the Group's approved cash flow forecast and enquiring of senior management and the directors as to their intentions and the strategy of the Group;</li> <li>Assessed whether any data existed to indicate that the carrying value of exploration and evaluation assets is unlikely to be recovered through development or sale; and</li> <li>Assessed the adequacy of the disclosures included in Notes 3 and 11 of the financial report.</li> </ul>



#### **Information other than the financial report and auditor's report thereon**

The directors are responsible for the other information. The other information comprises the information included in the Company's 2024 annual report other than the financial report and our auditor's report thereon. We obtained the directors' report that is to be included in the annual report, prior to the date of this auditor's report, and we expect to obtain the remaining sections of the annual report after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and we do not and will not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of the directors for the financial report**

The directors of the Company are responsible for the preparation of:

- The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001; and
- The consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001; and

for such internal control as the directors determine is necessary to enable the preparation of:

- The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- The consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial report. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.



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We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on the audit of the Remuneration Report

#### Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 31 December 2024.

In our opinion, the Remuneration Report of Challenger Gold Limited for the year ended 31 December 2024, complies with section 300A of the *Corporations Act 2001*.

#### Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

*Ernst & Young*

Ernst & Young

A handwritten signature in black ink, appearing to read 'V L Hoang'.

V L Hoang  
Partner  
Perth  
31 March 2025

# Shareholder Information

The shareholder information set out below was applicable as at 24 March 2025.

## Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Ordinary shares		Options over ordinary shares		Performance shares / rights	
	Number of holders	% of total shares issued	Number of holders	% of total options issued	Number of holders	% of total shares / rights issued
1 to 1,000	136	–	–	–	–	–
1,001 to 5,000	395	0.07	–	–	–	–
5,001 to 10,000	277	0.13	–	–	–	–
10,001 to 100,000	967	2.33	1	3.6	3	0.39
100,001 and over	902	97.47	10	96.4	15	99.61
	<b>2,677</b>	<b>100.00</b>	<b>11</b>	<b>100.00</b>	<b>18</b>	<b>100.00</b>
Holding less than a marketable parcel	675	0.13	–	–	–	–

## Equity security holders

### Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

Ordinary shares		
	Number held	% of total shares issued
1 INVERSIONES FINANCIERAS DEL SUR SA	147,726,678	8.79
2 HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	144,301,795	8.59
3 SERGIO ROTONDO	89,000,000	5.3
4 MONEYBUNG PTY LTD ATF MONEYBUNG FAMILY A/C	69,954,167	4.16
5 TYRUS SA	66,377,283	3.95
6 CITICORP NOMINEES PTY LIMITED	64,358,603	3.83
7 BROOKAVA PTY LTD	45,660,400	2.72
8 PISTON SECURITIES PTY LTD	39,304,167	2.34
9 BNP PARIBAS NOMINEES PTY LTD ATF IB AU NOMS RETAILCLIENT	38,772,227	2.31
10 MR JAMES HENDERSON ALLEN	22,888,888	1.36
11 MR MICHAEL STEWART ZIVCIC ATF CEL A/C	17,247,916	1.03
12 BELAIR AUSTRALIA PTY LTD ATF CAPRI INVESTMENT A/C	14,559,334	0.87
13 MONEYBUNG PTY LTD ATF MONEYBUNG FAMILY A/C	14,226,562	0.85
14 DOMAEVO PTY LTD ATF THE JCS A/C NO2	13,470,407	0.8
15 MR MARTIN JAMES HICKLING & MRS JANE FRANCES HICKLING ATF M & J HICKLING SUPER A/C	13,466,666	0.8
16 LQ SUPER PTY LTD ATF LQ SUPERFUND A/C	13,000,000	0.77
17 MR CHRIS FRENEY ATF TRUSTEE A/C	12,288,889	0.73
18 HYLEC INVESTMENTS PTY LIMITED ATF HYLEC CONTROLS P/L S/F A/C	11,999,999	0.71
19 BOND STREET CUSTODIANS LIMITED ATF WJ8 - D72533 A/C	11,987,832	0.71
20 PASAMA PTY LTD	11,200,000	0.67
	<b>861,791,813</b>	<b>51.29</b>

### ***Unquoted equity securities***

Analysis of number of equitable security holders by size of holding:

	<b>Number on issue</b>	<b>Number of holders</b>
Performance rights	51,080,692	18
Options	277,814,981	11

The following persons hold 20% or more of unquoted equity securities:

<b>Name</b>	<b>Class</b>	<b>Number held</b>
MERRILL LYNCH (AUSTRALIA)	Options over ordinary shares exercisable at \$0.14	47,058,823
TYRUS SA	Options over ordinary shares exercisable at \$0.14	66,377,283
RIVERFORT GLOBAL OPPORTUNITIES	Options over ordinary shares exercisable at \$0.40	10,000,000
INVERSIONES FINANCIERAS DEL	Options over ordinary shares exercisable at \$0.045 plus 10% for first 12 months then plus 20%	147,726,678
SONIA DELGADO	Incentive Performance Rights	22,500,000
MIKE ZIVCIC	Incentive Performance Rights	16,500,000

### **Substantial holders**

Substantial holders in the Company are set out below:

	<b>Ordinary shares</b>	
	<b>Number held</b>	<b>% of total shares issued</b>
Mr Eduardo Elsztain and controlled entities	215,004,384	12.8
Black Rock Group	157,613,544	9.38
Kris Knauer	89,278,666	5.31
Mr Sergio Rotondo	89,000,000	5.3

## **Voting rights**

The voting rights attached to ordinary shares are set out below:

### ***Ordinary shares***

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

### ***Options and performance securities***

No voting rights attached until conversion into ordinary shares.

### ***Other disclosures***

## **Escrowed securities**

There are no escrowed securities.

## **Buy-Back**

There is no buy-back in progress.

## **ASX Waivers**

The ASX granted the Company a waiver from ASX Listing Rule 7.3.2 to permit the notice of meeting (the "Notice") seeking shareholder approval for the issue of up to 245,000,001 fully paid ordinary shares in the Company ("Waiver Securities") upon the Company satisfying the milestones in relation to each of the Projects ("Milestones") not to state that the Waiver Securities will be issued within 3 months of the date of the shareholder meeting.

The Waiver Securities must be issued no later than 60 months after the date of reinstatement of the Company's securities to official quotation. All Waiver Securities agreements were amended, received shareholder approval and have been issued.

## Performance Shares

The Company issued 60,000,000 Class A Performance Shares and 60,000,000 Class B Performance Shares.

**A summary of the terms and conditions of the Performance Shares are as follows:** The Performance Shares shall automatically convert into Shares, provided that if the number of Shares that would be issued upon such conversion is greater than 10% of the Company's Shares on issue as at the date of conversion, then that number of Performance Shares that is equal to 10% of the Company's Shares on issue as at the date of conversion under this paragraph will automatically convert into an equivalent number of Company Shares. The conversion will be completed on a pro rata basis across each class of Performance Shares then on issue as well as on a pro rata basis for each Holder. Performance Shares that are not converted into Shares under this paragraph will continue to be held by the Holders on the same terms and conditions.

**After Conversion:** The Shares issued on conversion of the Performance Shares will, as and from 5.00pm (WST) on the date of issue, rank equally with and confer rights identical with all other Shares then on issue and application will be made by the Company to ASX for official quotation of the Shares issued upon conversion (subject to complying with any restriction periods required by the ASX).

**No Conversion if Milestone not Achieved:** If the relevant Milestone is not achieved by the required date being seven years from the date of the Proposed Acquisition or such other date as required by ASX), then all Performance Shares held by each Holder shall lapse.

**Milestones:** The Performance Shares will, convert upon the satisfaction of the following milestones:

**Class A:** A JORC Compliant Mineral Resource Estimate of at least Inferred category on either Project of the following:

- a minimum 500,000 ounces of gold (AU) or Gold Equivalent (in accordance with clause 50 of the JORC Code) at a minimum grade of 6 grams per tonne Gold Equivalent; or
- a minimum 1,500,000 ounces of gold (AU) or Gold Equivalent (in accordance with clause 50 of the JORC Code) at a minimum grade of 2.0 grams per tonne Gold Equivalent; or
- a minimum 3,000,000 ounces of gold (AU) or Gold Equivalent (in accordance with clause 50 of the JORC Code) at a minimum grade of 1.0 grams per tonne Gold Equivalent.

Class A Performance Shares and Class B Performance Shares have vested, with 60 million ordinary shares issued on 14 April 2023 and 60 million ordinary shares issued on 8 November 2023.

**Class B:** The Class B Performance Shares held by the holder will convert into an equal number of Shares upon the Company:

Completion and announcement by CEL (subject to the provision of information allowable at the time of completion) of a positive Scoping Study (as defined in the JORC Code) on either Project by an independent third-party expert which evidences an internal rate of return of US Ten Year Bond Rate plus 10% (using publicly available industry assumptions, including deliverable spot commodity / mineral prices, which are independently verifiable) provided that the total cumulative EBITDA over the project life is over US\$50m.

## Interests in mining tenements

Project	Property Name	Tenure Title Holder	Interest %	Area (ha)	DNPM No Area	Status of Tenure
El Guayabo	El Guayabo	Torata Mining Resources S.A	100%	281	COD225	Granted
El Guayabo	Colorado V	Goldking Mining Company S.A	earning 50%	2331	COD3363.1	Granted
El Guayabo	El Guaybo 2	Mr. Segundo Ángel Marín Gómez	earning 80%	957	COD300964	Granted
Hualilan	Divisadero	Golden Mining S.R.L.	100%	6	5448-M-1960	Granted
Hualilan	Flor de Hualilan	Golden Mining S.R.L.	100%	6	5448-M-1960	Granted
Hualilan	Pereyra y Aciar	Golden Mining S.R.L.	100%	6	5448-M-1960	Granted
Hualilan	Bicolor	Golden Mining S.R.L.	100%	6	5448-M-1960	Granted
Hualilan	Sentazon	Golden Mining S.R.L.	100%	6	5448-M-1960	Granted
Hualilan	Muchilera	Golden Mining S.R.L.	100%	6	5448-M-1960	Granted
Hualilan	Magnata	Golden Mining S.R.L.	100%	6	5448-M-1960	Granted
Hualilan	Pizarro	Golden Mining S.R.L.	100%	6	5448-M-1960	Granted
Hualilan	La Toro	CIA GPL S.R.L.	100%	6	5448-M-1960	Granted
Hualilan	La Puntilla	CIA GPL S.R.L.	100%	6	5448-M-1960	Granted
Hualilan	Pique de Ortega	CIA GPL S.R.L.	100%	6	5448-M-1960	Granted
Hualilan	Describidora	CIA GPL S.R.L.	100%	6	5448-M-1960	Granted
Hualilan	Pardo	CIA GPL S.R.L.	100%	6	5448-M-1960	Granted
Hualilan	Sanchez	CIA GPL S.R.L.	100%	6	5448-M-1960	Granted
Hualilan	Andacollo	CIA GPL S.R.L.	100%	6	5448-M-1960	Granted
Hualilan	North of "Pizarro" Mine	Golden Mining S.R.L.	100%	1.9	195-152-C-1981	Granted
Hualilan	South of "La Toro" Mine	CIA GPL S.R.L.	100%	1.9	195-152-C-981	Granted
Hualilan	Josefina	Golden Mining S.R.L.	100%	2570	30.591.654	Granted
Hualilan		Armando J. Sanchez	100% Option	721.9	414-998-M-05	Granted
Hualilan	Guillermina	Armando J. Sanchez	100% Option	2,921.05	1124-045-S-19	Granted
Hualilan	Agu 3	Armando J. Sanchez	100% Option	1,500.00	1124-114-S-14	Granted
Hualilan	Agu 5	Armando J. Sanchez	100% Option	1443.5	1124-343-S-14	Granted
Hualilan	Agu 6	Armando J. Sanchez	100% Option	1500	1124-623-S-17	Granted
Hualilan	Agu 7	Armando J. Sanchez	100% Option	1459	1124-622-S-17	Granted
Hualilan	El Petiso	Armando J. Sanchez	100% Option	18	2478-C-71	Granted

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