# CHALLENGER GOLD SECURES AGREEMENTS TO ISSUE US$24 MILLION CONVERTIBLE DEBENTURES

## HIGHLIGHTS

- **Definitive subscription agreements with eligible investors to issue an aggregate of US$24 million of unsecured convertible debentures**
- **Additional debentures may be issued for additional proceeds of up to US$6.3 million, for total gross proceeds of up to US$30.3 million**
- **Debentures convertible into Challenger ordinary shares at a conversion price of A$2.72 – a 30% premium to the 20-day VWAP (as defined below)[1]**
- **Five-year maturity from the Initial Completion Date (as defined below)**
- **Debentures will carry an 11% annual coupon, comprising 6.5% payable in cash and 4.5% payable in cash or shares at the investor's election, subject to the terms of the Debentures**
- **Proceeds to be applied for general working capital purposes**
- **Initial tranche of Debentures for proceeds of US$15 million expected to complete in early October 2026, with a second tranche for proceeds of US$9 million by Mr. Peter Marrone and Dolphin Real Assets Fund SPC Ltd., an affiliate of Mr. Eduardo Elsztain, subject to shareholder approval as required under the ASX Listing Rules**
- **Shareholder meeting targeted for end of November**

*Unless otherwise stated, all monetary amounts referenced in this press release are expressed in U.S. dollars.*

Challenger Gold Limited (ASX: CEL) ("**Challenger**" or the "**Company**") is pleased to announce that it has entered into definitive subscription agreements in respect of an offering of new unsecured convertible debentures (the "**Debentures**") to eligible investors for aggregate gross proceeds of US$24 million. The Company has discretion to issue additional debentures for additional proceeds of up to US$6.3 million, which, if agreed, would result in total gross proceeds of up to $30.3 million (the "**Offering**"). The Offering is expected to be completed in two tranches, with the first tranche of US$15 million Debentures to be issued in early October 2026 (the "**Initial Completion Date**") and with the second tranche for proceeds of US$9 million to be issued following shareholder approval to be sought at a general meeting targeted for end of November, in accordance with the ASX Listing Rules (the "**Second Completion Date**").

The Debentures will be issued in units of US$100,000 each and will be convertible into fully paid ordinary shares of Challenger, at the option of the holder. The Conversion Price for all Debentures (as defined below) is fixed at a 30% premium to the 20-day volume weighted average price ("**VWAP**") of Challenger shares on the Australian Securities Exchange ("**ASX**") prior to 16 September 2026, resulting in a Conversion Price of A$2.72 per share.

The proceeds of the Offering will be used by the Company for general working capital purposes.

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[1] 20-day VWAP prior to September 16, 2026.

Commenting on the Offering, Yohann Bouchard, Chief Operating Officer and Interim CEO said: *"The strong support received for the Offering demonstrates the compelling opportunity presented by the Hualilán Project and the growing momentum behind Challenger's development strategy. In particular, the participation of Peter Marrone and Eduardo Elsztain is a powerful endorsement of both the quality of the asset and the Company's future prospects. Their commitment reflects strong confidence not only in the development of Hualilán, but also in Challenger's ability to execute its development strategy and secure the balance of the capital required to fully fund the project without interruption. The Company has initiated discussions with third party financial partners for the balance of the required funds and intends to progress these into next year in time for when those funds will be required.*

*The total Offering proceeds, including the agreed US$24 million of Debentures forms part of the initial US$184 million required, excluding contingencies and powerline construction costs, to bring the Phase 1 heap leach operation into production by early 2029. The proceeds from the Offering are expected to be used primarily for consultant services, detailed engineering, downpayments for long-lead-time equipment, principally for the crusher circuits, and general working capital purposes. Importantly, this funding allows the Company to continue advancing key development activities along the critical path, further de-risking the project and strengthening the execution pathway to production. The Company believes the compelling economics of Hualilán, combined with the continued support of high-quality investors, provide a strong foundation for advancing the project towards a fully funded development leading to production in early 2029. As a result, the project is expected to enter production a full twelve months earlier than contemplated in the pre-feasibility study."*

## Terms of Debentures

The Debentures will be issued at 100% of par and will have a maturity of five years from the Initial Completion Date, subject to limited extension rights in certain circumstances.

The Debentures are unsecured and will carry a coupon of 11% per annum, comprising:

- 6.5% payable in cash; and
- 4.5% payable, at the investor's election, in cash or Challenger ordinary shares, subject to the terms of the Debentures.

Interest will be payable quarterly. An establishment fee of 3% of the principal amount will be payable at completion in cash or freely tradable Challenger ordinary shares, at the respective investor's election.

The Debentures will be convertible at the option of the holder at any time from the issue date until the third business day preceding the maturity date. The Conversion Price is subject to customary anti-dilution adjustments and will not be reduced below a specified floor price. The Debentures will be denominated in U.S. dollars, with the Conversion Price determined in Australian dollars and the USD/AUD exchange rate fixed at signing.

Following the third anniversary of the issue date, the Company may redeem the Debentures in certain circumstances at the principal amount together with accrued and unpaid interest, subject to the terms of the Debentures.

The Debentures will not be listed or quoted. The Company will apply for quotation of ordinary shares issued on conversion of the Debentures or in satisfaction of share-settled interest in accordance with applicable ASX requirements.

## Completion and Conditions of the Offering

The Offering is expected to be completed in two tranches. The Initial Completion Date is expected to occur in early October 2026 for investors whose participation does not require shareholder approval. The Second Completion Date will occur following receipt of any required shareholder approval under the ASX Listing Rules for investors whose participation requires such approval, including Mr Peter Marrone and Dolphin Real Assets Fund SPC Ltd., an affiliate of Mr. Eduardo Elsztain.

The Company will convene a general meeting, targeted for end of November 2026, to seek such approval.

**This announcement has been authorised for release by the Board of Challenger Gold Limited.**

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## ADDITIONAL INFORMATION

### FORWARD LOOKING STATEMENTS

The announcement may contain certain forward-looking statements. Words such as ‘anticipate’, ‘believe’, ‘expect’, ‘estimate’, ‘likely’, ‘intend’, ‘should’, ‘could’, ‘may’, ‘target’, ‘plan’, ‘potential’ and other similar expressions are intended to identify forward-looking statements. Forward-looking statements in this announcement include, but are not limited to, statements regarding the Debentures, the completion of the Offering, the timing of the Offering, the receipt of regulatory, stock exchange and shareholder approvals, the intended use of proceeds and other statements that are not historical facts.

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, 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. Neither Challenger nor its directors, officers, employees, servants or agents assume any responsibility to update or revise such information or forward-looking statements. No assurance can be given that the Offering will occur on the terms described in this announcement, or at all.