

Challenger Exploration Limited

Precious Metals - Developer/Explorer | Flash Update

[Exploration demonstrates Hualilan has much more to offer](#)

CEL-ASX | Price A\$0.29 | Market Cap A\$284.0M

SPECULATIVE BUY

PRICE TARGET A\$0.60

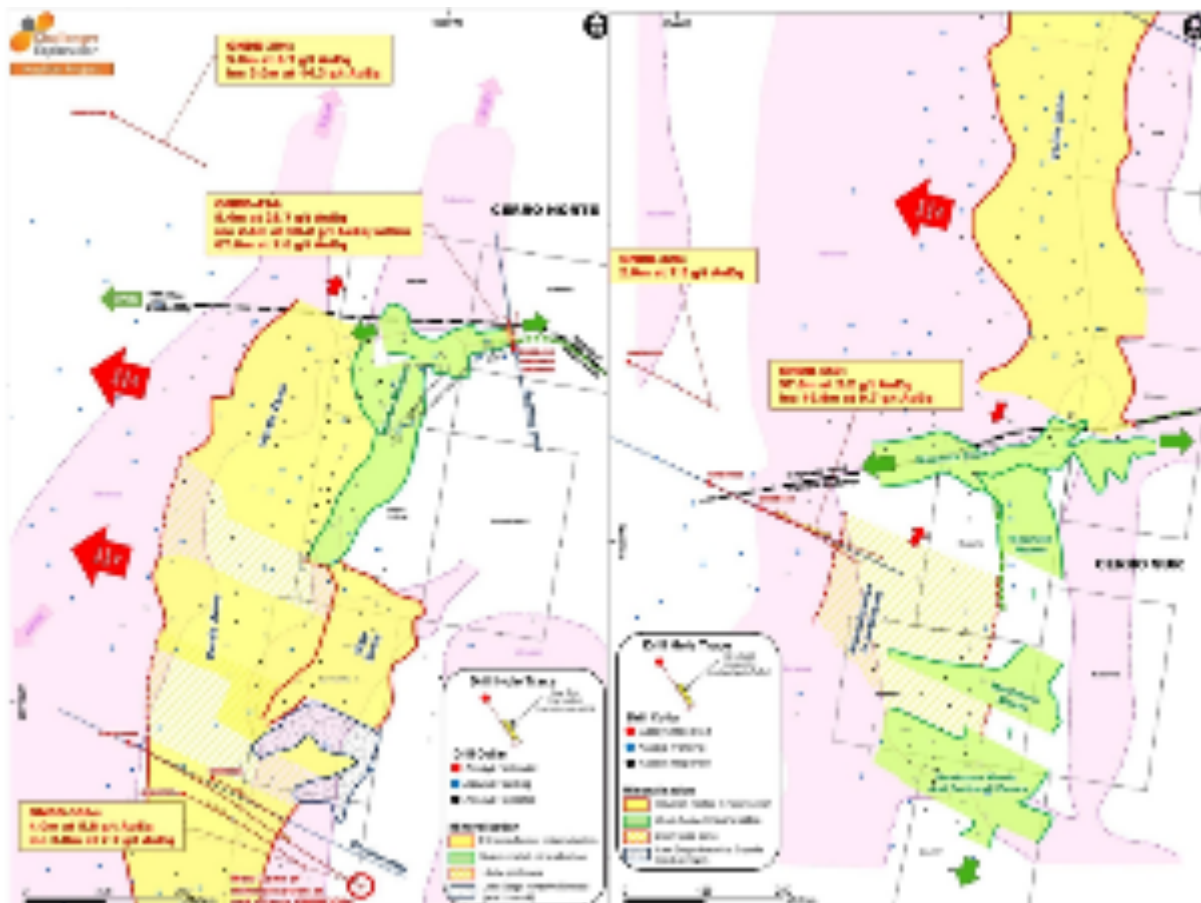
Canaccord Genuity (Australia) Limited has received a fee as Joint Lead Manager to the Challenger Exploration Limited Capital Raising announced 10 May 2021.

Exploration drilling by Challenger Exploration (CEL-ASX) has tested five new targets and geological concepts at Hualilan in Argentina. The drilling has returned some very encouraging results beyond the boundaries of known mineralisation:

1. In the Hualilan Hills area, the portable rig has drilled 100m above the plain, west of the Sanchez Fault: 67.6m @ 2.6g/t AuEq from 24m (incl. **5.4m @ 28.7g/t AuEq**) – LHS of figure below.
2. The deepest hole at Hualilan to date has ended in mineralisation over 1km below surface: **4m @ 5.8g/t AuEq** from 1009m to EOH – LHS of figure.
3. A 400m step out north of the Sanchez Fault has extended the strike of Hualilan to 3.5km: **5m @ 8.7g/t AuEq** from 224m (incl. 3m @ 14.3g/t AuEq) – LHS of figure.
4. 400m south of the known Verde mineralisation, a new hole has picked the same mineralisation back up on the other side of the Magnata fault: **97.8m @ 2.2g/t AuEq** from 314m (incl. 16.8m @ 9.7g/t AuEq) – RHS of figure.
5. A magnetic trend west of Hualilan: **2m @ 7.5g/t AuEq** from 288m – RHS of figure.

Building for maiden JORC resource in MarQ'22: With nine rigs turning, news flow will continue as the company delineates a large inventory across multiple target. These latest results are very encouraging given they are from wholly new areas that will fall into subsequent resource updates. The upcoming maiden should be viewed as interim given CEL is just over halfway through the current 120,000m program. A high-grade skarn resource in and around 1Moz grading +6g/t AuEq, coupled with another 1Moz of lower grade (1g/t AuEq) intrusion material would be an exciting proposition. Our valuation is based on CEL defining an initial smaller scale, 0.8Mtpa but high-grade starter option (1.5Moz @ 6-7g/t AuEq inventory) before expanding into a larger bulk, 6-7Mtpa, lower grade operation (+4Moz @ 1g/t Au inventory) over time.

Drill plans showing new target areas



Source: Company reports

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