



Queen's Road Capital Announces Investment in Challenger Exploration Ltd.

For Immediate Release September 9, 2022

Queen's Road Capital Investment Ltd. (TSX-QRC) (the "Company" or "QRC") is pleased to announce that it has entered into an agreement with Challenger Exploration Ltd. (ASX: CEL) ("Challenger") whereby the Company will purchase US\$15,000,000 of convertible debentures to be issued by Challenger. QRC's investment is being made concurrent with a A\$2.6 million equity private placement by Challenger's largest shareholder at A\$0.19 per share.

The convertible debentures will have a 4-year term, carry a 9% coupon, a 3% establishment fee and will be convertible into Challenger common shares at a price of A\$0.25. The interest is payable quarterly, 7% in cash and 2% in shares at the 20-day volume weighted average price prior to each interest payment date.

Challenger is a gold exploration and development company that owns the Hualilan gold project located in San Juan Province, Argentina. Hualilan is a historic high-grade gold district with a mining history dating back to the colonial era. In June 2022, Challenger released a maiden resource of 2.1 million ounces at Hualilan, half of which is contained in a high-grade skarn component (6.3 million tonnes at 5.6 g/t Au equivalent). Challenger has doubled the meters of drilling since the resource calculation and assays have demonstrated that the mineralization continues both at depth and in both directions along strike. Challenger is aggressively moving Hualilan towards production with further drilling ongoing, an initial preliminary economic assessment due in the first half of 2023 and the beginning of permitting through the Environmental Impact Assessment.

Challenger also owns the El Guayabo gold-copper project in Southern Ecuador. The project borders the 11.5 million ounce Cangrejos gold-copper deposit owned by Lumina Gold Corp. and drilling so far has confirmed the geological extension onto the El Guayabo property. A maiden resource at El Guayabo is scheduled in the first half of 2023.

The proceeds from the convertible debenture investment and the private placement are expected to be used to fund exploration and development activities at the Hualalin and El Guayabo projects.

Warren Gilman, Chairman and CEO of QRC commented: "Challenger's Hualalin project ranks among the most exciting gold 'discoveries' of the last 3 years. Despite the challenges presented by COVID, Kris and his team have drilled over 200,000 meters during that period and released a maiden resource worthy of a major gold deposit. Combined with our recent Contango ORE, Inc. investment, our gold portfolio now totals US\$35 million yielding in excess of 8.4% annually, representing a significant and growing part of our business."

Completion of the investment is subject to receipt of all required regulatory approvals and is expected to occur in the next few days.

About Queen's Road Capital Investment Ltd.

Queen's Road Capital is a dividend paying, leading financier to the global resource sector. The Company is a resource focused investment company, making investments in privately held and publicly traded resource companies. The Company acquires and holds securities for long-term capital appreciation, with a focus on convertible debt securities and resource projects in advanced development or production located in politically safe jurisdictions.

Neither TSX nor its Regulation Services Provider (as that term is defined in the policies of the TSX) accepts responsibility for the adequacy or accuracy of this release.

FOR FURTHER INFORMATION, visit the Company's website at www.queensrdcapital.com or contact by email info@queensrdcapital.com or phone +852 2759 2022

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