

20 November 2020

## Company Update

As outlined in the previous update to Shareholders, during 2019 the Company raised capital and completed an initial drilling programme at its Pacha lithium project, which allowed it to:

- Generate a resource estimate totalling 801,000t LCE,
- Complete a preliminary economic study (PEA) for Pacha through Worley Parsons which will be published once outstanding invoices are settled,
- Pay and secure the Marmol tenement package, and
- Sign a 25-year agreement with a local power plant to provide land, power and heat for a possible treatment plant in Salta.

These milestones have substantially de-risked the project and affirmed the quality of the project.

Over the last 9 months the Company has devoted significant time and effort to raise funding in order to:

- Pay out current creditors,
- Take the Company to a debt free state,
- Undertake a pilot study and process program, and
- Commence a mine definitive feasibility study (DFS).

The Company engaged with numerous parties to raise this critical funding, but despite the good progress at Pacha, raising necessary funding has proven particularly challenging. The impacts of COVID 19 on the world economy, the continued reports about the oversupply of lithium into the world market and the draconian capital controls imposed by the Argentinian government late in 2019 have dramatically reduced interest in pre-DFS projects like our own. This has meant that fund raising both domestically and internationally at a reasonable cost to the Company has proven very difficult in the short term and will likely continue to flounder against the backdrop as outlined above.

During 2020 the Board received one equity proposal, but at this point the offer is not what the Board considers to be at satisfactory commercial terms, although negotiations are continuing.

In addition, over the past months, the Company has also been negotiating terms of an offer received from a large American multinational company to purchase the project by acquiring 100% interest in Centaur's subsidiary company that holds the project (Centaur Resources Holding Pty Ltd.). The Company has reached an advanced stage in the sale process and believes resolution of outstanding issues to confirm the proposal may be completed shortly. Should this occur, details of the offer will be provided to Shareholders in follow-up documentation as part of a planned shareholders meeting to consider the proposal.

In the interim, based on a reasonable level of confidence of securing an acceptable funding or sale transaction, the Board approved entering into a Bridge Funding Agreement of up to AU\$1.2 million, allowing the Company to pay out the aged Argentinian creditors and provide stability to allow it to complete its funding activities.

Finally, Brian Clifford resigned in August as Managing Director but remains on the Board of Centaur Resources. Following Mr Clifford's resignation as MD, the Board resolved to offer Paul Anderson the position of interim MD/CEO. Paul accepted the offer and is now guiding the Company through the transition period including finalising a suitable funding transaction.

Greg Jones  
**Chairman**