

2 March 2021

Company Update

As outlined in the previous update to Shareholders on 20 November 2020, the Company has devoted significant time and effort attempting to raise funding in order to pay its outstanding debts and to take its Pacha lithium project to a more advanced stage. The Company also contacted a number of parties to seek support for Centaur to pursue an IPO.

However, despite continuing negotiations and approaching several new groups since November, the Company has been unsuccessful in attracting new, reasonably priced capital.

At the same time, over the past 6 months, the Company has been negotiating terms of an offer received from an American multinational company, Valkor LLC (**Valkor**) to purchase the Pacha project (through its associated company, LITH-ARG Acquisition LLC (**LITH ARG**), a United States Special Purpose Vehicle) by acquiring 100% interest in Centaur's subsidiary company that holds the project, namely Centaur Resources Holding Pty Ltd. (**CRH**).

The Company can now announce that it has finalised the basic terms of the sale (through a binding Heads of Agreement (HoA)) with LITH-ARG. The terms are –

1. A purchase price of A\$25M, less US\$1.35M (following a decision by LITH ARG not to exercise the rights to purchase the land adjoining the Termo Andes power plant in Salta, Argentina);
2. A deposit of US\$3.5M (which will be deducted from the purchase price at completion of the transaction);
3. Subject to the negotiation of a full form Sale and Purchase Agreement; and
4. Subject to Centaur obtaining shareholder approval, and such other approvals (e.g. FIRB) as may be necessary.

Valkor has completed transfer of the US\$3.5M deposit which has been used to pay down the senior secured debt holders as well as key Argentinian and Australian creditors.

In addition, in response to increased costs incurred by Centaur since negotiations commenced, Valkor has paid an additional US\$300K above the purchase price.

Centaur has now commenced drafting a full form Sale and Purchase Agreement and expects to provide a first draft to Valkor/LITH ARG within the next two weeks. Once the parties sign the agreement, Centaur will provide security of the Argentinian property to LITH ARG as security for the deposit paid.

Upon negotiation and signing of the Sale and Purchase Agreement, Centaur will call a meeting of its Shareholders to consider the proposed sale. At this stage it is hoped to have this agenda item considered at Centaur's AGM. Within the notice of meeting, Centaur will provide further details of the sales transaction as well as the estimated return to shareholders at its completion.

Greg Jones
Chairman