CENTAUR
RESOURCES

PROSPECTUS

Centaur Resources Limited
ACN: 625 184 947

To raise up to $15,000,000 by an Offer to the public comprising:

Minimum subscription of 62,500,000 Shares at an Offer Price of $0.20 each totalling $12,500,000.

Maximum subscription of a further 12,500,000 Shares over the Minimum Subscription at an Offer Price of $0.20 each totalling $2,500,000.

ASX Code: CR3

sequoia

LEAD MANAGER

Sequoia Corporate Finance Pty Ltd
Corporate Authorised Representative (No. 000469074)
of Sequoia Wealth Management Pty Limited (AFSL No. 472387)

This Offer is not underwritten.

IMPORTANT INFORMATION

AN INVESTMENT IN CENTAUR'S SECURITIES SHOULD BE CONSIDERED SPECULATIVE

This Prospectus is an important document and should be read in its entirety. You should seek professional guidance from your stockbroker, lawyer, accountant, tax adviser or other independent and qualified professional adviser before deciding whether to subscribe for the Shares under this Prospectus.

IMPORTANT INFORMATION

OFFER

The Offer contained in this Prospectus is an invitation by Centaur Resources Limited ACN 625 184 947 ('**Centaur**') to apply for fully paid ordinary shares ('**Shares**') in Centaur. This Prospectus is issued by Centaur.

LODGEMENT AND LISTING

This Prospectus is dated 19 September 2018 and was lodged with ASIC on that date.

Centaur will apply to ASX within seven (7) days of the Prospectus Date for admission to the Official List and quotation of the Shares on ASX ('**Listing**').

Neither ASIC nor ASX take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

EXPIRY DATE

This Prospectus expires thirteen (13) months after the Prospectus Date ('**Expiry Date**'). No Shares will be issued or sold on the basis of this Prospectus after the Expiry Date.

NOT INVESTMENT ADVICE

The Prospectus does not provide investment advice. You should seek your own financial advice. The Offer contained in this Prospectus does not take into account your investment objectives, financial situation and particular needs. It is important that you read this Prospectus carefully and in full before deciding to invest in Centaur. In particular, in considering the prospects of Centaur, you should consider the technical information and the risk factors that could affect the future operations and activities of Centaur in light of your personal circumstances (including financial and taxation issues) and seek professional advice from your accountant, stockbroker, lawyer or other professional adviser before deciding to invest. Applicants should carefully consider the risk factors that affect Centaur and the industry in which it operates. Section 3 of this Prospectus outlines some significant risk factors that may impact on the prospects of Centaur. Further, any number of known and unknown risks, uncertainties and other factors could affect the actual results, performance or achievements of Centaur. Section 7 details the assumptions underlying the Financial Information.

DISCLAIMER, FORWARD LOOKING STATEMENTS AND SPECIFIC BUSINESS RISKS

Except as required by law, and only to the extent so required, neither Centaur nor any other person guarantees the future performance of Centaur, or any return on any investment made pursuant to this Prospectus.

No person is authorised to give any information or make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation not contained in the Prospectus may not be relied on as having been authorised by Centaur or the Directors. Certain statements in this Prospectus constitute statements relating to intentions, future acts and events. Such statements are generally classified as forward looking statements and involve known and unknown risks, uncertainties and other important factors that could cause those future acts, events and circumstances to differ from the way or manner in which they are expressly or implicitly portrayed in this Prospectus.

Some of the key risk factors that should be considered by prospective investors are set out in Section 3. There may be risk factors in addition to these that should be considered in light of your personal circumstances. No person named in this Prospectus, nor any other person, guarantees the performance of Centaur, the repayment of capital by Centaur or the payment of a return on the Shares.

Centaur has no intention to update or revise forward looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, other than to the extent required by law.

Such forward looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of Centaur, the Directors and management of Centaur. Forward looking statements should therefore be read in conjunction with, and are qualified by reference to, Section 3 and other information in this Prospectus. Centaur cannot and does not give any assurance that the results, performance or achievements expressed or implied by any forward looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward looking statements.

Applicants should carefully consider the risk factors that affect Centaur specifically and the mining and exploration industry in which it proposes to operate. Applicants should note that mining projects are high risk in nature. Applicants should understand that mining is both speculative and subject to a wide range of risks and that, even if Centaur successfully demonstrates project feasibility, Applicants may lose the entire value of their investment.

Competent Person's Statement

The information in this Prospectus that relates to the geological description of Centaur's assets and outline of previous mining and/or exploration work is based on information compiled by Mr Cristian Pereira Farias. Mr Cristian Pereira Farias is a member of the Society for Mining, Metallurgy & Exploration.

Mr Cristian Pereira Farias is employed by SRK Consulting (U.S.), Inc. and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaking to qualify as a 'Competent Person' as defined under the JORC Code. Mr Cristian Pereira Farias and SRK Consulting (U.S.), Inc. consent to the inclusion in this Prospectus of the statements based on their information in the form and context in which they appear.

No Overseas Registration

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Shares or the Offer, or to otherwise permit a public offering of Shares, in any jurisdiction outside Australia. The distribution of this Prospectus (including in electronic form) outside Australia may be restricted by law and persons who come into possession of this Prospectus outside Australia should seek advice and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of the applicable securities laws. This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. In particular, the Shares have not been, and will not be, registered under the US Securities Act 1933 ('**US Securities Act**'), and may not be offered or sold in the United States.

Electronic Prospectus

An electronic version of this Prospectus is available on the Offer website at www.centaurresources.com. The Offer constituted by this Prospectus in electronic form is available only to Australian residents accessing the website and receiving this Prospectus in electronic form within Australia. Persons who access the Prospectus in electronic form should ensure that they download and read the entire Prospectus. Persons having received a copy of this Prospectus in its electronic form may, during the Offer Period, obtain a paper copy of this Prospectus (free of charge within Australia) by contacting Computer Share on 1300 850 505 (from within Australia) or it may be downloaded from www.centaurresources.com. Applications for Shares may only be made on the Application Form attached to or accompanying this Prospectus. The *Corporations Act 2001* (Cth) ('**Corporations Act**') prohibits any person from passing on to another person the Application Form unless it is attached to or accompanies a hard copy of the Prospectus or a complete and unaltered electronic copy of this Prospectus.

Exposure Period

The Corporations Act prohibits Centaur from processing Applications in the seven (7) day period after the date of lodgement of this Prospectus with ASIC ('**Exposure Period**'). This Exposure Period may be extended by ASIC by up to a further seven (7) days. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. Applications received during the Exposure Period will not be processed until after the expiry of that period. No preference will be conferred on Applications received during the Exposure Period.

Glossary, Financial Amounts and Time

Certain terms and abbreviations used in this Prospectus have defined meanings which are explained in the Glossary of this Prospectus.

All references to currency are to Australian dollars.

All references to time are to Sydney time, unless otherwise indicated.

Industry and Market Data

Industry and market data used throughout this Prospectus is, in most cases, obtained from surveys and studies conducted by third parties and industry or general publications. Centaur commissioned an independent industry report into the lithium market and has included this report in Section 9 of this Prospectus. Centaur has no reason to believe that this information is unreliable and believes it provides an independent insight into the international lithium markets and uses of the product.

Privacy

By filling out an Application Form to apply for Shares, you are providing personal information to Centaur through Centaur's service provider, the Share Registry. Centaur, and the Share Registry on its behalf, collect, hold and use that personal information in order to process your Application, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration.

If you do not provide the information requested in the Application Form, Centaur and the Share Registry may not be able to process or accept your Application. Your personal information may also be used from time to time to inform you about other products and services offered by Centaur which it considers may be of interest to you.

Your personal information may also be provided to Centaur's agents and service providers on the basis that they deal with such information in accordance with Centaur's privacy policy and as authorised under the Privacy Act 1988 (Cth). Centaur's agents and service providers may be located outside Australia where your personal information may not receive the same level of protection as that afforded under Australian law. The types of agents and service providers that may be provided with your personal information and the circumstances in which your personal information may be shared are:

a. the Share Registry for ongoing administration of the Shareholder register;
b. printers and other companies for the purpose of preparation and distribution of statements and for handling mail;
c. market research companies for the purpose of analysing Centaur's Shareholder base and for product development and planning; and
d. legal and accounting firms, auditors, contractors, consultants and other advisers for the purpose of administering, and advising on, the Shares for associated actions.

You may request access to your personal information held by (or on behalf of) Centaur. You may be required to pay a reasonable charge to the Share Registry in order to access your personal information. You can request access to your personal information by writing to or telephoning the Share Registry as follows:

1300 171 792 (within Australia) or
+61 3 9415 4100 (outside Australia).

If any of your information is not correct or has changed, please contact the Share Registry or Centaur to update your information in accordance with the requirements of the Corporations Act, information on the Share Register will be accessible to members of the public.

Contacts

If you require assistance to complete the Application Form, require additional copies of this Prospectus, have any questions in relation to the Offer or you are uncertain as to whether obtaining Shares in Centaur is a suitable investment for you, you should seek professional advice from your stockbroker, lawyer, accountant or other professional adviser.

THIS PROSPECTUS IS IMPORTANT AND YOU SHOULD READ IT IN FULL.

KEY OFFER INFORMATION

Important Dates

Prospectus Date	Wednesday 19 September 2018
Opening Date	Thursday 4 October 2018
Closing Date	Thursday 25 October 2018
Allotment and issue of Shares	Wednesday 31 October 2018
Expected dispatch of Shareholder statements	Thursday 1 November 2018
Shares expected to begin trading on ASX	Tuesday 6 November 2018

Dates may change

The above dates and times are indicative only and may change. Centaur, in consultation with the Lead Manager, reserves the right to vary the dates and times of the Offer without prior notice including closing the Offer before the scheduled Closing Date. Applicants are encouraged to submit their Application Forms as soon as possible after the Opening Date.

Key Offer Statistics

	Minimum Subscription	Maximum Subscription
Offer Price per Share	$0.20	$0.20
Number of Shares available under the Offer	62,500,000	75,000,000
Shares currently on issue	43,000,000	43,000,000
Number of Broker Pool Shares to be issued on Completion of the Offer	2,500,000	2,500,000
Total number of Shares to be issued pursuant to Convertible Note Agreements	129,500,000	129,500,000
Total number of Shares on issue following the Offer	237,500,000	250,000,000
Gross proceeds under the Offer*	$12,500,000	$15,000,000
Market capitalisation at the Offer Price**	$47,500,000	$50,000,000

* Calculated as the number of Shares issued under the Offer multiplied by the Offer Price.

** Calculated as the total number of Shares on issue on Completion of the Offer multiplied by the Offer Price. Shares may not trade at the Offer Price post-Listing as highlighted in Section 3.

How to invest

Applications to subscribe for Shares can only be made by completing and lodging an Application Form attached to this Prospectus. Instructions on how to apply for Shares are set out in Section 2.12 and on the back of the Application Form.

CORPORATE DIRECTORY

DIRECTORS

Mr. Robert Milbourne
Non-Executive Chairman

Mr. Brian Clifford
Managing Director

Mr. Ivo Polovineo
Non-Executive Director

Mr. Greg Jones
Non-Executive Director

COMPANY SECRETARY

Mr. Brendan Raftery

REGISTERED AND BUSINESS OFFICE

Level 19, 10 Eagle Street
Brisbane, QLD, 4000

WEBSITE

centaurresources.com

ARGENTINA LEGAL ADVISOR

Estudio Beccar Varela

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(C1049AAA) Buenos Aires
Argentina

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W: beccarvarela.com

INDEPENDENT EXPERT GEOLOGIST

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F: +1 303 985 9947
W: srk.com

AUDITOR

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Bundall QLD 4217

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W: crowehorwath.com.au

INVESTIGATING ACCOUNTANT

Crowe Horwath Corporate Finance (Aust) Ltd

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AFSL No 239170

T: +61 2 9262 2155
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LEAD MANAGER

Sequoia Corporate Finance Pty Ltd

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T: +61 2 8114 2222
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AUSTRALIAN LEGAL ADVISER

Ramsden Lawyers

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LETTER FROM THE CHAIRMAN

Dear Investor,

On behalf of the Board of Directors of Centaur Resources Limited ('**Centaur**'), it is my pleasure to invite you to become a Shareholder in Centaur.

Centaur was formed to identify, secure, fund exploration and develop prospective lithium resource tenements in proven regions of South America and in particular Argentina.

Centaur has entered into four (4) separate acquisition agreements to acquire nine (9) tenements encompassing over 11,000 hectares located in the prospective Salar de Pastos Grandes Basin, Province of Salta, Argentina ('**Lobo Blanco Project**'). This provides Centaur with a solid platform from which to establish itself as a lithium pure-play.

Centaur offers the compelling combination of an experienced and dedicated management team as well as an experienced Board of Directors with over 100 years of collective experience in the mining exploration industry.

Whilst the Lobo Blanco Project is at the early greenfield stage of exploration, it is located in an area of lithium brine salar deposits of confirmed economic interest. In addition, potentially economic lithium grades have already been detected in zones of the Salar de Pastos Grandes that are proximal to the Lobo Blanco Project. However, there has been insufficient exploration of the Lobo Blanco Project tenements to estimate a mineral resource and it is uncertain whether exploration will result in the delivery of a JORC Code compliant mineral resource in respect of those tenements.

The Offer will raise a minimum of $12,500,000 (before expenses of the Offer) by offering 62,500,000 Shares at the Offer Price of $0.20 per Share, with the ability to raise up to $2,500,000 of oversubscription (12,500,000 additional Shares). The funds will be used to make the first tranche payment pursuant to the Mármol Property acquisition agreement and settle the balance three (3) acquisition agreements, carry out geophysical surveys, core drilling, brine and core sampling, airlift testing to determine hydraulic properties, field evaporation trials, metallurgical testing as described in this Prospectus, provide working capital for Centaur and pay the expenses of the Offer. Additional funds raised under the oversubscription (if applicable) will be used for further exploration activities, the second tranche payment pursuant to the Mármol Agreement and working capital as noted in Section 4 and 10 of this Prospectus.

This Prospectus contains detailed information about the Offer, the industry in which Centaur operates, Centaur's assets and proposed exploration operations. As with any company, there are a number of risks associated with an investment in Centaur that investors should consider as part of their investment decision. Before deciding to invest in Centaur, I urge you to read this Prospectus in its entirety, and in particular the technical information and risk factors that could affect the future operations and activities of Centaur. You should also seek professional advice before making an investment in Centaur.

On behalf of my fellow Directors, I invite you to subscribe for Shares in Centaur and look forward to welcoming you as a Shareholder.

Yours sincerely,

Robert Milbourne
Chairman and
Non-Executive Director

INVESTMENT OVERVIEW

1.0

Question	Response	Ref.
A: Introduction		
Who is issuing this Prospectus?	Centaur Resources Limited (ACN 625 184 947), referred to as 'Centaur' in this Prospectus.	
What is the Offer?	The Offer is an initial public offering of: a. a Minimum Subscription of 62,500,000 Shares that will be issued by Centaur at an Offer Price of $0.20 per Share to raise $12,500,000 (before expenses of the Offer); and b. a maximum oversubscription of 12,500,000 Shares that will be issued at an Offer Price of $0.20 per Share to raise an additional $2,500,000 (before expenses of the Offer) above the Minimum Subscription.	Offer Details
What is the Offer Price	$0.20 per Share	Section 2
Who is Centaur Resources and what do we do?	Centaur was formed to identify, secure, fund exploration and develop prospective lithium resource tenements in proven regions of South America and in particular Argentina. Centaur has entered into the Mármol Agreement, Espinosa Agreement, Sulca Agreement and Leiseca Agreement ('**Acquisition Agreements**') to collectively acquire nine (9) tenements encompassing 11,360 hectares located in the prospective Salar de Pastos Grandes Basin, Province of Salta, Argentina ('**Lobo Blanco Project**'). For more information about the Acquisition Agreements, please see Sections 4 and 9. Following close of the Offer, Centaur intends to conduct exploration on the Lobo Blanco Project over the next two (2) years in accordance with the work and expenditure program. The work program comprises of a number of phases: a. Phase 1 - Exploration Phase and Evaporation Pond Testing Program: Surface geophysics to target initial drilling (CSAMT and VES), core drilling to identify and test potentially productive brine aquifers, brine and core sampling, airlift testing to determine hydraulic properties, basic process test works (including lab and field evaporation trials), metallurgical testing and environmental permits and evaporation pond testing program. b. Phase 2 - Further Exploration Phase: At the completion of phase one program, if successful Centaur will be in a position to evaluate the Lobo Blanco Project for its potential to host a resource of lithium brines amenable to current extraction and processing methods. Contingent on Centaur confirming the presence of lithium brines similar to those encountered in adjacent and nearby basis, Centaur would continue its exploration program. In addition to the above work program, Centaur has engaged Hatch Ltd to undertake a conceptual study to determine the feasibility of building a lithium carbonate pilot plant. This study will focus on generating capital and operating cost for a single suggested processing route capable of producing 1,200 tonnes per annum of lithium carbonate ('**Pilot Plant**').	Sections 4 and 9

Question	Response	Ref.
What is the purpose of the Offer and how will the Offer Proceeds be used?	The purpose of the Offer and the proposed use of funds raised from the Offer is to: a. fund the settlement of the Espinosa Agreement, Sulca Agreement and Leiseca Agreement; b. fund the first tranche payment pursuant to the Mármol Agreement; c. fund exploration of the Lobo Blanco Project; d. fund the annual tenement maintenance costs associated with the Lobo Blanco Project; e. fund the expenses of the Offer and the associated costs of Listing; f. meet the ongoing administrative costs of Centaur; g. provide a liquid market for Shares and an opportunity for new Shareholders to invest in Centaur; h. provide Centaur with access to the equity capital markets; and i. provide the next two (2) years of working capital for Centaur. In conjunction with the Offer, Centaur is seeking admission to the Official List of ASX and quotation of its Shares.	Section 2.3
What are the benefits of investing in Centaur?	Investing in Centaur offers the following benefits: a. Following close of the Offer, Centaur will be well positioned to generate Shareholder value by carrying out its business plan to fund exploration of the Lobo Blanco Project. b. Lithium is a key component of the accelerating growth in battery technology. This includes cell phones, laptops and tablets, electric and hybrid cars, and grid storage. c. Based on the industry report in Section 9, the demand for lithium across all applications is expected to grow at 14.7% pa over the next ten (10) years from 2017 to 2027 CAGR. Within this, demand for lithium-ion batteries is expected to grow at 21.9% CAGR over the next 10 years to 2027. Batteries currently represent a 45% share of the global lithium market. d. Centaur has a well-defined strategy, with a targeted short and medium term exploration program focused on exploring the Lobo Blanco Project tenements and making acquisitions of, or investments in, assets that will complement the current assets being acquired by Centaur. e. Centaur has an experienced board and management team, with a broad range of exploration, development, management, commercial and technical skills in the resources industry.	Sections 4 and 9
B: Key Risks		
What are the key risks of investing in Centaur's Shares?	You should consider the key risks when deciding whether to invest in Centaur's Shares. You should be aware that an investment in Centaur's Shares should be considered a highly speculative investment. Some of the risks set out in this Prospectus are beyond Centaur's control and those risks may have a material adverse impact on Centaur and its financial performance and position. Per the Independent Expert Report in Section 10, no exploration or drilling has been performed on the Lobo Blanco Project tenements, therefore the Lobo Blanco Project remains highly speculative. While Centaur intends to conduct further exploration of the Lobo Blanco Project as noted in Section 4.10, it is uncertain whether further exploration of the Lobo Blanco Project will result in a reportable mineral resource consistent with the JORC Code.	Section 3

Question	Response	Ref.

Furthermore, while the Independent Expert Report highlights the exploration and drilling activities on nearby lithium project properties owned by third parties, the Independent Expert Geologist has been unable to verify the information contained in those technical reports and thus the reported mineralisation content of the nearby properties may not be representative of the mineralisation content of Lobo Blanco Project tenements. As such, Shareholders should be acutely aware of the highly speculative nature of the Lobo Blanco Project and the risk to Centaur's financial performance, ongoing viability and prevailing Share price should exploration of the Lobo Blanco Project fail to locate commercially viable mineralisation despite nearby properties reporting potentially favourable exploration results (which remain unverified by the Independent Expert Geologist).

Some of the key risks of investing in Centaur include but are not limited to:

Specific risks to Centaur

a. **Exploration and development:** Exploration and development are high risk speculative undertakings involving a high degree of financial and other risks over a significant period of time. Centaur does not give any assurance that continued exploration of the Lobo Blanco Projects (or any future projects) will occur in a timely manner or result in the delineation or discovery of a significant mineral resources. Even if a significant mineral resource is identified, there can be no guarantee that it can be economically exploited. Further, exploration budgets are based on assumptions which are subject to uncertainties and may materially change resulting in actual costs incurred being different from forecasted costs.

b. **Ability to exploit successful discoveries:** It may not always be possible for Centaur to exploit successful discoveries which may be made in areas in which Centaur has an interest. Such exploitation would involve obtaining the necessary licences or clearances from relevant authorities that may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied.

c. **Future capital needs and additional funding:** Centaur's ability to raise further capital (equity or debt) within an acceptable time, of a sufficient amount and on terms acceptable to Centaur, will vary according to a number of factors, including prospectivity of projects (existing and future), the results of exploration, subsequent feasibility studies, development and mining, stock market and industry conditions and the price of relevant commodities and exchange rates.

d. **Mining, development and infrastructure risks:** Profitability depends on successful exploration and/or acquisition of reserves, design and construction of efficient processing facilities, competent operation and management, confirmation of sales and offtake contracts and proficient financial management. Mining and development operations can be hampered by infrastructure requirements, force majeure circumstances, invention of disruptive technologies resulting in substitutes for the mineral resources, environmental considerations and cost overruns for unforeseen events.

Question	Response	Ref.

e. **Environmental risks:** The operations and activities of Centaur are subject to environmental laws and regulations of Argentina, which can be amended by the relevant authorities from time to time. As with most exploration projects and mining operations, Centaur's operations and activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds at the Lobo Blanco Project.

f. **Title risk:** As at the Prospectus Date, Centaur does not have legal title to the Lobo Blanco Project. Centaur has an interest in the Lobo Blanco Project pursuant to various Acquisition Agreements which, if certain obligations are not satisfied or Centaur is unable to secure sufficient additional debt or equity funding (if necessary), could prejudice Centaur's interests in some or all of the Lobo Blanco Project. Further, interests in mining tenements in Argentina are governed by their relevant legislation are evidenced by the granting of licences and leases. Each tenement is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. There is a risk for Centaur's Lobo Blanco Project that they could lose title to one or more of its tenements if tenement conditions or annual expenditure commitments are not met. Any lose by Centaur to its tenements may have a material adverse effect on Centaur's profitability.

g. **Occupational health and safety:** The mining industry has become subject to increasing occupational health and safety responsibility and liability which creates risk, particularly in the context of drilling or extraction activities. Centaur may become liable for past and current conduct which violates such laws and regulations, which may be amended by the relevant authorities. Penalties for breaching health and safety laws can be significant and include criminal penalties. Victims of workplace accidents may also commence civil proceedings against Centaur. These events might not be insured by Centaur or may be uninsurable.

h. **Key personnel:** The Directors' and senior managers' ability to successfully manage Centaur's performance, identify risks, and the opportunities identified in this Prospectus will directly affect the success of Centaur. Centaur may be adversely affected if any of the Directors or senior management leaves Centaur. Although each Director and senior manager of Centaur are retained under agreements (see Section 5), there can be no assurance that their services will continue to be available to Centaur on an indefinite basis.

i. **Limited operating history:** Centaur has only limited historical operating data and financial information available upon which Applicants can base their evaluation of Centaur's business and prospects. In addition, Centaur may not have sufficient experience to address the risks frequently encountered by companies with a limited operating history.

j. **Liquidity and volatility:** Investment in Centaur's Shares will be regarded as speculative and Centaur will have a narrow Shareholder base, particularly in the context of the number of Shares being restricted securities. As a consequence, there is a risk, particularly in times of share market turbulence or negative investor sentiment, that there will not be a highly liquid market for Centaur's Shares or that the price of Centaur's Shares may decrease considerably.

Question	Response	Ref.
	k. **Argentina risks and Argentine Government policy:** Centaur will hold the Lobo Blanco Project through its wholly-owned Argentine subsidiary, Centaur Resources PG S.A.S ('**Centaur PG**'), via a trust structure. Should the trustee breach their obligations, Centaur may need to seek enforcement of the trust in local Argentine courts. Centaur is also subject to risks normally associated with the conduct of business in foreign countries. Risks pertaining to Argentina may include, among other things, economic instability and currency policy changes, earthquakes and severe weather conditions, labour disputes, corruption, insufficient infrastructure, changes in export policy and royalty and tariff regimes uncertain political and economic environments, civil disturbances and crime, arbitrary changes in law or policies, opposition to mining from environmental or other non-governmental organisations or changes in political attitudes towards mining activities, infrastructure and increased financing costs. l. **Insurance:** Insurance against all risks associated with mineral exploration and production is not always available or affordable. Centaur will maintain insurance where it is considered appropriate for its needs. However, insurance coverage against all risks may not be undertaken either because such cover is not available or is unnecessary (for example, given the bilateral investment treaty between Australia and Argentina which mitigates to an extent some investment and regulatory risks), or because the Directors consider that the associated premiums are excessive having regard to the benefits from the cover. **Industry risks** a. **Competition:** Centaur competes in the competitive market of the lithium mining industry. Some competitors may have greater financial and other resources than Centaur and as a result, may be in a better position to secure business opportunities. There can be no assurance that Centaur can compete effectively with these companies, nor that such businesses will comply with the applicable competition/anti-trust laws. b. **Commodity prices:** Should the Lobo Blanco Project yield commercially viable resources of lithium and by-products associated with the production of lithium, the sale of such commodities will likely be Centaur's key revenue stream which may supplement earnings from royalties gained from any joint venture or the sale of mineral projects. As such, the price of the commodities will likely have a material impact on the value of Centaur's assets and potential future earnings. c. **Emerging market risk:** Emerging markets such as Argentina are potentially subject to more volatility and greater risk than more mature markets such as Australia. It should be noted that the emerging markets are frequently subject to change (including political and economic change) and therefore some of the information set out in this Prospectus may change and require Centaur to quickly adapt to the circumstances. There is no guarantee Centaur will have the ability to manage these risks.	

Question	Response	Ref.

General risks

a. **Share market risk:** The price of Shares may rise or fall depending upon a range of factors beyond Centaur's control and which are unrelated to Centaur's operational performance. Investors who decide to sell their Shares after Listing may not receive the entire amount of their original investment. The price of Shares listed on ASX may also be affected by a range of factors including Centaur's financial performance, and by changes in the business environment specifically affecting the Argentine resources sector and exploration companies.

b. **General economic conditions:** Factors affecting the general economic climate may affect the performance of Centaur. These factors include the general level of international and domestic economic activity, inflation and interest rates, commodity pricing and the general level of activity within the energy industry. These factors are beyond the control of Centaur and their impact cannot be predicted.

c. **Changes in laws and government policy:** The availability and rights to explore and mine, as well as industry profitability generally, can be affected by changes in government policy. Changes in government regulations and policies may adversely affect the financial performance of the operations of Centaur, particularly in circumstances where the changes arise without notice. The impact of actions by governments may affect Centaur's activities, including in relation to access to infrastructure, compliance with environmental regulations, taxation and royalties.

d. **Unforeseen expenses:** The proposed expenditure on the Lobo Blanco Project may be adversely affected by any unforeseen expenses which arise in the future and which have not been considered in this Prospectus. While Centaur is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses were incurred, the expenditure proposals of Centaur may be adversely affected.

e. **Sovereign risk:** Centaur has an interest in the Lobo Blanco Project which is located in Argentina. Future government actions in Argentina concerning the economy, ownership of the Lobo Blanco Project, repatriation of profits, corporate policies, taxation policies, environment policies, change in political conditions or the operation and regulation of mining exploration and development may have an impact on Centaur's operations. These risks could have a material adverse effect on the business, financial condition and operations of Centaur.

f. **Currency exchange rate risk**: The expenditure of Centaur is and will be in Australian, United States and Argentine currencies, exposing Centaur to fluctuations and volatility of the rates of exchange between the Australian dollar, the US dollar and the Argentine peso as determined in international markets. Further, the Argentine Government may restrict the conversion of Argentine pesos into foreign currency, increasing the risk to the repatriation of profits or other funds of Centaur. Future exchange rate fluctuations may subject Centaur to unpredictable variations in the cost of capital equipment required for the Lobo Blanco Project.

g. **General risks:** Any combination of the above factors may materially affect any individual mineral project assets, operations or the financial performance of Centaur and the value of its securities. To that extent the Shares offered in this Prospectus are subject to significant risk and uncertainty with respect to return or preservation of capital, the price (if any) at which the Shares may trade and the payment of dividends in any future time.

This list is not exhaustive and the prospective Applicants should refer to additional risk factors in Section 3 of this Prospectus before deciding to apply for Shares under the Prospectus.

Question	Response	Ref.
Is there an Independent Technical Report by a geologist?	Yes. Centaur engaged the Independent Expert Geologist, SRK Consulting (U.S), Inc, to prepare the Independent Expert Report on the Lobo Blanco Project. This report is included in full in Section 10. The Independent Expert Report provides an overview of the regional and local geology of the broader project areas encompassing the Lobo Blanco Project, an opinion on the exploration potential of the Lobo Blanco Project, a summary of the current and previous exploration undertaken on and around the Lobo Blanco Project tenements and outline the exploration strategy and proposed work programs. The Independent Expert Geologist has reviewed the exploration programs and is of the opinion that the programs are appropriate, and the funds allocated will be sufficient to commence the proposed programs and sustain exploration activities over the first two (2) years. The Independent Expert Report is a technical assessment report and not a valuation report.	Section 10
Is there a tenement report for our Projects?	Yes. Centaur engaged Argentine law firm, Estudio Beccar Varela ('**Argentine Counsel**') to prepare the Legal Tenure Report. The report provides an opinion with respect to the following: a. Details of the Lobo Blanco Project tenements and Centaur's interest in the tenements. b. Existence, status, enforceability and liabilities arising from the Acquisition Agreements. c. An overview of the Argentine legal framework applicable to mining property. d. An overview of the Argentine legal framework, tariff and taxes for export of lithium mineral. The Legal Tenure Report is included in full in Section 8.	Section 8
What is Centaur's financial position	Centaur is a mineral exploration company seeking to explore and develop prospective lithium tenements and has yet to commercialise the Lobo Blanco Project. Accordingly, Centaur has not generated any revenue or profits and is not able to provide any meaningful key financial information or ratios such as relating to market performance, profitability or financial stability. Centaur will not, at Completion of the Offer, have any debt financings or borrowings. Centaur's financial information, including a pro forma statement of financial position, is set out in the Investigating Accountant's Report in Section 7. Investors should refer to the pro forma statement of financial position to assess Centaur's financial position. Centaur intends to apply the proceeds of the Offer as outlined in Section 4.	Section 4 and 7

Question	Response	Ref.
C: Key terms of the Offer		
What are the key terms of the Offer?	The key terms of the Offer are set out in table 1 as follows:	Section 2.2

Table 1

	Minimum Subscription	Maximum Subscription
Offer Price per Share	$0.20	$0.20
Number of Shares available under the Offer	62,500,000	75,000,000
Gross proceeds under the Offer	$12,500,000	$15,000,000
Shares on issue as at the Prospectus Date	43,000,000	43,000,000
Broker Pool Shares*	2,500,000	2,500,000
Total number of Shares to be issued pursuant to Convertible Note Agreements	129,500,000	129,500,000
Total number of Shares on issue following the Offer	237,500,000	250,000,000
Indicative market capitalisation of Centaur after Completion of the Offer at the Offer Price per Share**	$47,500,000	$50,000,000

* The Broker Pool Shares to be issued to the Lead Manager amount to $500,000. For more information, refer to Section 7 and Section 11.4.

** The indicative market capitalisation of Centaur is calculated by multiplying the total number of Shares on issue immediately following Completion of the Offer by the Offer Price. As highlighted in Section 3, there is no guarantee the Shares will continue to trade at the Offer Price or increase in value.

Question	Response	Ref.
What will Centaur's capital structure be after the Offer?	Upon the issue of Shares under this Prospectus, the capital structure will be as shown in table 2 below:	Section 2.4

Table 2

Shareholder	Shares held on Completion of the Offer (Minimum Subscription)		Shares held on Completion of the Offer (Maximum Subscription)	
Founders' Shares	25,000,000	10.53%	25,000,000	10.00%
Directors' Shares	7,500,000	3.16%	7,500,000	3.00%
Employees' Shares	10,500,000	4.42%	10,500,000	4.20%
Shares issued pursuant to Convertible Note Agreements*	129,500,000	54.53%	129,500,000	51.80%
Broker Pool Shares**	2,500,000	1.05%	2,500,000	1.00%
New Shareholders under the Offer	62,500,000	26.32%	75,000,000	30.00%
TOTAL	**237,500,000**	**100.00%**	**250,000,000**	**100.00%**

* Refer to Section 11.4 for more information about the Convertible Note Agreements.

** The Broker Pool Shares to be issued to the Lead Manager amount to $500,000. For more information, refer to Section 7 and Section 11.4.

D: Centaur Directors

Who are the Directors and Key Management of Centaur?	**Directors and Key Management** a. Directors i. Mr Robert Milbourne – Non-Executive Chairman ii. Mr Brian Clifford – Managing Director / CEO iii. Mr Greg Jones – Non-Executive Director iv. Mr Ivo Polovineo – Non-Executive Director b. Management i. Mr Brendan Raftery – Chief Financial Officer & Company Secretary ii. Mr Cristian Saavaderia Lopez – Chief Operating Officer iii. Mr Alejandro Rodriguez Bidegain – Senior Vice President: Operations	Section 5

Question	Response	Ref.

E: Significant interests of key people and related party transactions

Significant Interests of Key People

Table 3 below sets out the significant interests held by the Directors and Management prior to and on Listing: Section 5.7

Table 3

Existing Shareholders	Shares held on the Prospectus Date		Shares held on Completion of the Offer (Minimum Subscription)		Shares held on Completion of the Offer (Maximum Subscription)	
Entities associated with Mr Clifford*	7,500,000	17.44%	11,250,000	4.74%	11,250,000	4.50%
Entities associated with Mr Milbourne	5,000,000	11.63%	5,000,000	2.11%	5,000,000	2.00%
Entities associated with Mr Jones	1,250,000	2.91%	1,250,000	0.53%	1,250,000	0.50%
Entities associated with Mr Polovineo	1,250,000	2.91%	1,250,000	0.53%	1,250,000	0.50%
Entities associated with Mr Raftery	2,500,000	5.81%	2,500,000	1.05%	2,500,000	1.00%
Other entities	500,000	1.16%	500,000	0.21%	500,000	0.20%
TOTAL	**18,000,000**	**41.86%**	**21,750,000**	**9.16%**	**21,750,000**	**8.70%**

* See Section 5.8 for more information.

Each Director has entered into an engagement agreement with Centaur, under which they have agreed to provide services to Centaur as a Non-Executive Director. Centaur has agreed to pay each Director the fees as set out in table 4 below:

Table 4 Section 5

Director	Position	Remuneration
Brian Clifford	Managing Director/CEO	A$361,350 including superannuation (salary)
Robert Milbourne	Chairman and Non-Executive Director	$120,000 excluding GST (director fees)
Greg Jones	Non-Executive Director	$60,000 excluding GST (director fees)
Ivo Polovineo	Non-Executive Director	$60,000 excluding GST (director fees)

In addition to the above payments, the Directors are to receive the following benefits:

a. the benefit of an indemnity from Centaur in respect to certain liabilities that the Directors may incur acting in that capacity; and
b. liability insurance premiums which are paid for by Centaur.

Question	Response	Ref.

F: Use of proceeds

Proposed utilisation of funds

Table 5 below sets out in detail the use of funds raised from the Offer: Section 2.3 and 4.12

Table 5

Use of Funds	Minimum Subscription ($12.5M)			Maximum Subscription ($15M)		
			$			$
	Year 1	Year 2	Total	Year 1	Year 2	Total
Funds to settle the Espinosa Agreement, Sulca Agreement and Leiseca Agreement*	2,660,000	0	2,660,000	2,660,000	0	2,660,000
Funds to complete tranche payments for Mármol Agreement*	975,000	0	975,000	975,000	2,702,703	3,677,703
Exploration expenditure**	1,765,270	1,282,090	3,047,360	1,765,270	1,484,792	3,250,062
Expenses of the Offer***	1,480,000	0	1,480,000	1,705,500	0	1,705,500
Working Capital****	1,518,174	2,819,466	4,337,640	1,297,357	2,409,378	3,706,735
TOTAL	**8,398,444**	**4,101,556**	**12,500,000**	**8,403,127**	**6,596,873**	**15,000,000**

* Amounts payable under the Mármol Agreement, Espinosa Agreement, Sulca Agreement and Leiseca Agreement are in US dollars. The amount reported in table 5 is based on a spot conversion rate of $1 Australian dollar equals $0.70 US dollars. Since 14 September 2017, $1 Australian dollar has converted into as high as approximately $0.81 and as low as approximately $0.70 US dollars. The spot rate may change at the time payments are due under the Mármol Agreement, Espinosa Agreement, Sulca Agreement and Leiseca Agreement.

** See Section 4.12 of this Prospectus for a further break down of these expenses. The amount reported in table 5 is based on a spot conversion rate of $1 Australian dollar equals $0.70 US dollars.

*** See Section 4.12 of this Prospectus for a further break down of these expenses.

**** This includes the general costs associated with the management and operation of the business including administration expenses, management salaries, directors' fees, rent and other associated costs. For more information on director and management expenses, refer to Section 5.5 and 5.9.

The Directors are of the opinion Centaur's working capital will be compliant with ASX Listing Rule 1.3.3(b)

G: Material Contracts

What are Centaur's material contracts?

Centaur is party to a number of material contracts. They are: Sections 4, 5 and 11.4

a. the Acquisition Agreements to acquire the Lobo Blanco Project tenements;
b. The Centaur Trust between Mr. Eduardo José Esteban and Centaur's wholly owned subsidiary Centaur Resources Holdings Pty Ltd;
c. Director's and management engagement agreements;
d. Mandate Agreement with the Lead Manager to the Offer; and
e. Convertible Note Agreements with seed fundraisers which will convert into Shares on Listing.

Question	Response	Ref.
H: General		
What is the minimum and maximum subscription?	The Minimum Subscription for the Offer is 62,500,000 Shares at $0.20 per Share to raise $12,500,000 and the Maximum Subscription is for an additional 12,500,000 Shares to raise up to $15,000,000 in total before expenses of the Offer.	Section 2.1
Will the Shares be listed?	Centaur will apply to the ASX for admission to the Official List of the ASX and quotation of its Shares on ASX under the code 'CR3'. Completion of the Offer is conditional on the ASX approving this application. Approval for the admission to the ASX will be conditional upon Centaur satisfying a number of ASX imposed pre-conditions, including ASX shareholder spread requirements. If approval is not received within three (3) months after such application is made (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies received will be refunded without interest as soon as practical in accordance with the Corporations Act.	Section 2.6
What will the market capitalisation of Centaur be upon listing on the ASX?	The market capitalisation of Centaur on Listing is expected to be approximately $50,000,000 if the Maximum Subscription under the Offer is achieved, or $47,500,000 if the Minimum Subscription under the Offer is achieved. The market capitalisation is calculated by multiplying the number of Shares on issue (being 250,000,000 for the Maximum Subscription and 237,500,000 for the Minimum Subscription) by the Offer Price. There is no certainty that Centaur's market capitalisation will remain at this level (or increase), as the value of Shares are subject to change, due to a range of factors disclosed in Section 3.	Section 2.2
Is the Offer Underwritten?	No, the Offer is not underwritten.	Section 2.7
What are the arrangements with Brokers?	The Lead Manager to the Offer is Sequoia Corporate Finance Pty Ltd ACN 602 219 072 (a Corporate Authorised Representative No. 469074 of Sequoia Wealth Management Pty Limited ACN 002 314 310, AFSL No. 472387). Centaur will pay the Lead Manager a brokerage fee of five (5) percent (plus GST) on funds raised under the Offer, plus issue the Lead Manager or its nominees with 2,500,000 Shares in Centaur upon Listing on ASX. Centaur will also pay the Lead Manager an offer management fee equal to two (2) percent (plus GST) of the total proceeds raised under the Offer, $100,000 (plus GST) success fee in cash, $10,000 (plus GST) for establishment and execution of the DVP settlement function, up to $100,000 (plus GST) for services linked to the Offer and a monthly retainer fee of $20,000 (plus GST) per month until completion of the engagement (to be deducted from the offer management fee). The material terms of the Mandate Agreement are summarised in Section 11.	Section 11.4
What is the allocation policy?	The allocation of Shares will be determined by the Lead Manager and Centaur, having regard to the allocation policy outlined in Section 2.6	Section 2.6
Is there any brokerage, commission or stamp duty payable by applicants?	No brokerage, commission or stamp duty is payable by applicants on acquisition of Shares under the Offer.	Section 2.6

Question	Response	Ref.
What are the tax implications of investing in the Shares?	You may be subject to Australian income tax or withholding tax on any future dividends paid. The tax consequences of any investment in the Shares will depend upon your particular circumstances, particularly for non-resident shareholders. Applicants should obtain their own tax advice prior to deciding whether to invest.	Section 11
When will I receive confirmation that my application has been successful?	It is expected that initial holding statements will be dispatched by standard post on or about 1 November 2018.	Section 2.6 and 2.10
How can I apply?	You may apply for Shares by completing a valid Application Form (attached to or accompanying this Prospectus). To the extent permitted by law, an application under the Offer is irrevocable.	Section 2.12
Where can I find more information about this Prospectus or the Offer?	If you require assistance to complete the Application Form, require additional copies of this Prospectus, have any questions in relation to the Offer or you are uncertain as to whether obtaining Shares in Centaur is a suitable investment for you, you should seek professional advice from your stockbroker, lawyer, accountant or other suitably qualified professional adviser.	Section 2.6
Can the Offer be withdrawn?	Centaur reserves the right not to proceed with the Offer at any time before the issue or transfer of Shares to successful applicants. If the Offer does not proceed, Application Monies will be refunded by the Share Registry, your broker or Centaur. No interest will be paid on any Application Monies refunded as a result of the withdrawal of the Offer.	Section 2.8
What are the key dates of the Offer?	**Prospectus Date** — Wednesday 19 September 2018 **Opening Date** — Thursday 4 October 2018 **Closing Date** — Thursday 25 October 2018 **Allotment and issue of Shares** — Wednesday 31 October 2018 **Expected dispatch of Shareholder statements** — Thursday 1 November 2018 **Shares expected to begin trading on ASX** — Tuesday 6 November 2018 These dates are indicative only. Centaur reserves the right to vary any of these dates, withdraw the Offer at any time before allotment of the Shares and to close the Offer early or extend the Closing Date, without notice to you. You are encouraged to apply as soon as possible after the Opening Date as the Offer may close at any time without notice.	Key Offer Information and Section 2.6
Will I receive dividends?	Income on your investment in Centaur's Shares in the form of dividends will only eventuate if Centaur's planned or future exploration and development activities yield commercially viable discoveries that are ultimately economically developed. Centaur has no immediate intention to declare or distribute dividends.	Section 2.6

OFFER DETAILS

2.0

2.1 The Offer

This Prospectus relates to an initial public offering of 62,500,000 Shares by Centaur at an Offer Price of $0.20 per Share to raise a total of $12,500,000 (before expenses of the Offer).

Centaur reserves the right to accept over-subscriptions to raise $2,500,000 above the Minimum Subscription through the issue of 12,500,000 Shares at $0.20 per Share to achieve the Maximum Subscription. The maximum amount which may be raised under this Prospectus is therefore $15,000,000 (before expenses of the Offer).

All Shares issued pursuant to this Prospectus will be fully paid and will rank equally in all respects with the Shares currently on issue. Applications can only be made by completing the Application Form accompanying this Prospectus.

Applications must be for a minimum of 10,000 Shares (i.e. $2,000) and thereafter in multiples of 2,500 Shares (i.e. $500). Applications for less than the minimum accepted application of 10,000 Shares will not be accepted.

The Board of Centaur has the sole right to accept or reject any applications received at its discretion in conjunction with the Lead Manager.

2.2 Key Terms

The key terms of the Offer are set out in table 6 below:

Table 6

	Minimum Subscription	Maximum Subscription
Offer Price per Share	$0.20	$0.20
Number of Shares available under the Offer	62,500,000	75,000,000
Offer proceeds	$12,500,000	$15,000,000
Shares on issue as at the Prospectus Date	43,000,000	43,000,000
Broker Pool Shares*	2,500,000	2,500,000
Total number of Shares to be issued pursuant to Convertible Note Agreements	129,500,000	129,500,000
Total number of Shares on issue following the Offer	237,500,000	250,000,000
Indicative market capitalisation of Centaur after Completion of the Offer at the Offer Price per Share **	$47,500,000	$50,000,000

* The Broker Pool Shares to be issued to the Lead Manager amount to $500,000. For more information, refer to Section 7 and Section 11.4.

** The indicative market capitalisation of Centaur is calculated by multiplying the total number of Shares on issue immediately following Completion of the Offer by the Offer Price. As highlighted in Section 3, there is no guarantee the Shares will continue to trade at the Offer Price or increase in value.

2.3 Purpose of the Offer and Use of Funds

The purpose of the Offer is to:

a. fund the settlement of the Espinosa Agreement, Sulca Agreement and Leiseca Agreement;
b. fund the first tranche payment pursuant to the Mármol Agreement;
c. fund exploration of the Lobo Blanco Project;
d. fund the annual tenement maintenance costs associated with the Lobo Blanco Project;
e. fund the expenses of the Offer and the associated costs of listing Centaur on ASX;
f. meet the ongoing administrative costs of Centaur;
g. provide a liquid market for Shares and an opportunity for new Shareholders to invest in Centaur;
h. provide Centaur with access to the equity capital markets; and
i. provide the next two years of working capital for Centaur.

In conjunction with the Offer, Centaur is seeking admission to the Official List of ASX and quotation of its Shares.

Table 7 below sets out in detail the use of funds raised from the Offer:

Table 7

Use of Funds	Minimum Subscription ($12.5M)			Maximum Subscription ($15M)		
	$			$		
	Year 1	Year 2	Total	Year 1	Year 2	Total
Funds to settle the Espinosa Agreement, Sulca Agreement and Leiseca Agreement*	2,660,000	0	2,660,000	2,660,000	0	2,660,000
Funds to complete tranche payments for Mármol Agreement*	975,000	0	975,000	975,000	2,702,703	3,677,703
Exploration expenditure**	1,765,270	1,282,090	3,047,360	1,765,270	1,484,792	3,250,062
Expenses of the Offer***	1,480,000	0	1,480,000	1,705,500	0	1,705,500
Working Capital****	**1,518,174**	**2,819,466**	**4,337,640**	**1,297,357**	**2,409,378**	**3,706,735**
TOTAL	**8,398,444**	**4,101,556**	**12,500,000**	**8,403,127**	**6,596,873**	**15,000,000**

* Amounts payable under the Mármol Agreement, Espinosa Agreement, Sulca Agreement and Leiseca Agreement are in US dollars. The amount reported in table 7 is based on a spot conversion rate of $1 Australian dollar equals $0.70 US dollars. Since 14 September 2017, $1 Australian dollar has converted into as high as approximately $0.81 and as low as approximately $0.70 US dollars. The spot rate may change at the time payments are due under the Mármol Agreement, Espinosa Agreement, Sulca Agreement and Leiseca Agreement.

** See Section 4.12 of this Prospectus for a further break down of these expenses. The amount reported in table 7 is based on a spot conversion rate of $1 Australian dollar equals $0.70 US dollars.

*** See Section 4.12 of this Prospectus for a further break down of these expenses.

**** This includes the general costs associated with the management and operation of the business including administration expenses, management salaries, directors' fees, rent and other associated costs. For more information on director and management expenses, refer to Section 5.5 and 5.9. The Directors are of the opinion Centaur's working capital will be compliant with ASX Listing Rule 1.3.3(b).

The above table is a statement of current intentions as at the Prospectus Date. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the ultimate way funds will be applied. The Board reserves the right to alter the way funds are applied on this basis.

Exploration expenditures will be reviewed on an on-going basis, depending upon the nature of results forthcoming from the respective work programmes.

It is Centaur's intention to increase and accelerate its exploration and drilling programs. The additional proceeds generated by the Maximum Subscription will allow for the acceleration of the proposed exploration program and payment of the second tranche payment under the Mármol Agreement. As determined by the Board, Centaur may seek to raise additional funds within two (2) years after listing on ASX to the extent required to increase and accelerate the exploration and drilling programs and fund the balance tranche payments under the Mármol Agreement. The results of exploration undertaken on the Mármol Property will determine whether the Board commits to funding the second and final tranche payments.

The Directors are satisfied that upon Completion of the Offer, Centaur will have sufficient working capital to carry out its objectives, and in particular, will have sufficient cash reserves to fund the next two (2) years of its working capital.

2.4 Capital Structure

The pro-forma capital structure of Centaur is summarised in table 8 below.

Table 8

Shareholder	Shares held on Completion of the Offer (Minimum Subscription)		Shares held on Completion of the Offer (Maximum Subscription)	
Founders' Shares	25,000,000	10.53%	25,000,000	10.00%
Directors' Shares	7,500,000	3.16%	7,500,000	3.00%
Employees' Shares	10,500,000	4.42%	10,500,000	4.20%
Shares issued pursuant to Convertible Note Agreements*	129,500,000	54.53%	129,500,000	51.80%
Broker Pool Shares**	2,500,000	1.05%	2,500,000	1.00%
New Shareholders under the Offer	62,500,000	26.32%	75,000,000	30.00%
TOTAL	**237,500,000**	**100.00%**	**250,000,000**	**100.00%**

* Includes the Shares issued under the Convertible Note Agreements. Refer to Section 11.4 for more information.

** Includes the Broker Pool Shares issued to the Lead Manager which amount to $500,000. For more information, refer to Section 7 and Section 11.4.

2.5 Restricted Securities

As a condition of admitting Centaur to the Official List, the ASX may classify certain existing securities in Centaur as restricted securities in accordance with the ASX Listing Rules. Any such classification will restrict the transfer of effective ownership or control of any restricted securities without the written consent of the ASX and for such period as the ASX may determine.

Prior to Official Quotation, the parties holding restricted securities must enter into restriction agreements with Centaur on the terms set out in the ASX Listing Rules. Details of those restriction agreements will be disclosed to the market on the ASX's announcements platform prior to commencement of Official Quotation of the Shares.

Table 9 summarises the estimated number of Shares under restriction following Completion of the Offer.

Table 9

Shareholder	Estimated Shares Held Post-Offer	Estimated Shares Under Restriction	Restriction Period
Founders' Shares	25,000,000	25,000,000	24 months
Directors' Shares	7,500,000	7,500,000	24 months
Employees' Shares	10,500,000	10,500,000	24 months
Shares issued pursuant to Convertible Note Agreements*	129,500,000	104,175,000	12 or 24 months
TOTAL	**172,500,000**	**147,175,000**	

* Refer to Section 11.4 for more information about the Convertible Note Agreements.

The estimated Shares under restriction of 147,175,000 is equal to sixty-two (62) percent of the total 237,500,000 Share on issue at Minimum Subscription and fifty-nine (59) percent of the total 250,000,000 on issue at Maximum Subscription. On that basis, the free-float will be thirty-eight (38) percent at Minimum Subscription and forty-one (41) percent at Maximum Subscription.

2.6 Terms and conditions of the Offer

Topic	Summary
What is the type of security being offered?	Shares, being fully paid ordinary shares in Centaur.
What are the rights and liabilities attached to the Shares?	A description of the Shares, including the rights and liabilities attaching to them, is set out in Section 2.11
What is the Offer Period?	Applications pursuant to the Offer open at 9:00am (Sydney time) on 4 October 2018 and close at 5:00pm (Sydney time) on 25 October 2018.
How much is Centaur seeking to raise under the Offer?	The Minimum Subscription is $12,500,000 representing 62,500,000 Shares at $0.20 per Share and the Maximum Subscription is $15,000,000 representing 75,000,000 Shares at $0.20 per Share.
Can the Offer be withdrawn?	Centaur may withdraw the Offer at any time before the issue of Shares to successful Applicants. If the Offer, or any part of it, does achieve Minimum Subscription or otherwise proceed, all relevant Application Monies will be refunded (without interest). Centaur, in consultation with the Lead Manager, also reserve the right to close the Offer or any part of it early, extend the Offer or any part of it, accept late Applications either generally or in particular cases, reject any Application, or allocate to an Applicant fewer Shares than applied for.
Is the Offer underwritten?	The Offer is not underwritten.
What is the minimum and maximum Application size under the Offer?	The minimum acceptable investment is for 10,000 Shares at $0.20 per Share. There is no maximum number or value of Shares that may be applied for under the Offer.
What is the allocation policy?	The Lead Manager, in consultation with Centaur, have absolute discretion regarding the allocation of Shares to Applicants under the Offer and may reject an Application, or allocate fewer Shares than the amount applied for, in their absolute discretion.

Will the Shares be quoted?	Centaur will apply within seven (7) days of the Prospectus Date for admission to the Official List and quotation of the Shares on the ASX under the code 'ASX:CR3'. Completion of the Offer is conditional on the ASX approving this application. If approval is not given within three (3) months after such application is made (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies received will be refunded without interest, as soon as practicable in accordance with the requirements of the Corporations Act. Centaur will be required to comply with the ASX Listing Rules, subject to any waivers obtained by Centaur from time to time. The ASX takes no liability for this Prospectus or the investment to which it relates. The fact that the ASX may admit Centaur to the Official List is not to be taken as an indication of the merits of the Centaur or the Shares.
When are the Shares expected to commence trading?	It is expected that the dispatch of holding statements will occur on or about 1 November 2018 and that the Shares will commence trading on the ASX on a normal settlement basis on or about 6 November 2018. It is the responsibility of each Applicant to confirm their holding before trading in Shares. Applicants who sell their Shares before they receive an initial holding statement do so at their own risk. Centaur, the Share Registry and the Lead Manager disclaim all liability, whether in negligence or otherwise, if you sell Shares before receiving your holding statement, even if you confirmed your firm allocation through a Broker or otherwise.
Are there any escrow arrangements?	Yes. Details are provided in Section 2.5.
Are there any taxation considerations?	The taxation consequences of an investment in Centaur will depend upon the investor's particular circumstances. Investors should make their own enquiries about the taxation consequences of an investment in Centaur.
Are there any brokerage, commission or stamp duty considerations?	No brokerage, commission or stamp duty is payable by Applicants on the acquisition of Shares under the Offer.
Where can I find out more information about this Prospectus or the Offer?	If you require assistance or have any questions in relation to the Offer, or you are uncertain as to whether obtaining Shares in Centaur is a suitable investment for you, you should seek professional advice from your accountant, stockbroker, lawyer or other professional adviser. For more information, you can visit Centaur's website at www.centaurresources.com
Will I receive any dividends as a Shareholder?	Centaur anticipates that significant expenditure will be incurred in the development of the Lobo Blanco Project. These activities are expected to dominate the two (2) year period following the Prospectus Date. Income on your investment in Centaur's Shares in the form of dividends will only eventuate if Centaur's planned or future exploration and development activities yield commercially viable discoveries that are ultimately economically developed. Centaur has no immediate intention to declare or distribute dividends.

2.7 Underwriting

The Offer is not underwritten.

2.8 Discretion regarding the Offer

Centaur may withdraw the Offer at any time before the issue or transfer of Shares to successful Applicants. If the Offer, or any part of it, does not achieve the Minimum Subscription or otherwise proceed, all relevant Application Monies will be refunded (without interest) in accordance with the requirements of the Corporations Act.

Centaur and the Lead Manager also reserve the right to close the Offer or any part of it early, extend the Offer or any part of it, accept late applications or bids either generally or in particular cases, reject any Application or bid, or allocate to any Applicant fewer Shares than the amount applied or bid for. Applications received under the Offer are irrevocable and may not be varied or withdrawn except as required by law.

2.9 Restrictions on distribution

No action has been taken to register or qualify this Prospectus, the Shares or the Offer or otherwise permit a public offering of the Shares in any jurisdiction outside Australia.

This Prospectus does not constitute an offer or invitation to subscribe for Shares in any jurisdiction where, or to any person to whom, it would not be lawful to make such an offer or invitation under this Prospectus.

This Prospectus may not be released or distributed in the US, and may only be distributed to persons to whom the Offer may lawfully be made in accordance with the laws of any applicable jurisdiction.

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the US. The Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction in the US and may not be offered or sold in the US or to, or for the account or benefit of, US persons, except in accordance with an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act, and any other applicable securities laws.

Each Applicant in the Offer and each person to whom the Offer is made under this Prospectus, will be taken to have represented, warranted and agreed as follows:

a. it understands that the Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state of the US and may not be offered, sold or resold in the US, or to or for the account or benefit of US persons, except in a transaction exempt from, or not subject to, registration under the US Securities Act and any other applicable securities laws;
b. it is not in the US or a US person, and is not acting for the account or benefit of a US person; and
c. it will not offer or sell the Shares in the US or in any other jurisdiction outside Australia except in transactions exempt from, or not subject to, registration under the US Securities Act and in compliance with all applicable laws in the jurisdiction in which Shares are offered and sold.

2.10 ASX listing, registers and holding statements

Application to ASX for listing and quotation of Shares

Centaur will apply for admission to the Official List and quotation of the Shares on the ASX. Centaur's ASX Code is expected to be 'CR3'. The ASX takes no responsibility for this Prospectus or the investment to which it relates. The fact that the ASX may admit Centaur to the Official List is not to be taken as an indication of the merits of Centaur or the Shares offered for subscription.

If permission is not granted for the Official Quotation of the Shares on the ASX within three (3) months after the Prospectus Date (or any later date permitted by law), all Application Monies received by Centaur will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act.

Centaur will be required to comply with the ASX Listing Rules, subject to any waivers obtained by Centaur from time to time.

Clearing House Electronic Subregister System ('CHESS') and issuer sponsored holdings

Centaur will apply to participate in the ASX's CHESS in accordance with the ASX Listing Rules and the ASX Settlement Operating Rules. CHESS is an electronic transfer and settlement system for transactions in securities quoted on the ASX under which transfers are effected in an electronic form.

Following Completion of the Offer, Shareholders will be sent a holding statement that sets out the number of Shares that have been allocated. This statement will also provide details of a Shareholder's Holder Identification Number ('**HIN**') for CHESS holders or, where applicable, the Securityholder Reference Number ('**SRN**') of issuer sponsored holders. Shareholders will subsequently receive statements showing any changes to their shareholding. Certificates will not be issued.

2.11 Summary of rights and liabilities attaching to the Shares

Introduction

The rights and liabilities attaching to ownership of Shares arise from a combination of the Constitution, statute, ASX Listing Rules and general law.

A summary of the significant rights attaching to the Shares and a description of other material provisions of the Constitution are set out below. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of Shareholders. This summary assumes Centaur is admitted to the Official List.

Voting at a general meeting

At a general meeting of Centaur, every Shareholder present in person or by proxy, representative or attorney has one (1) vote on a show of hands and, on a poll, one (1) vote for each Share held but in respect to partly paid shares, shall have a fraction of a vote for each partly paid share equivalent to the proportion which the amount paid is of the total amount paid and payable.

Meeting of members

Each Shareholder is entitled to receive notice of, and to attend and vote (if the relevant class of shares carries the right to vote) at general meetings of Centaur and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, the Corporations Act and ASX Listing Rules.

Dividends

The Board may from time to time resolve to pay dividends to Shareholders in accordance with the Corporations Act and fix the amount of the dividend, the time for determining entitlements to the dividend and the timing and method of payment. For further information in respect of Centaur's dividend policy, see Section 2.6.

Transfer of Shares

Subject to the Constitution, Shares may be transferred by a proper transfer effected in accordance with ASX Settlement Operating Rules, by a written instrument of transfer which complies with the Constitution or by any other method permitted by the Corporations Act, ASX Listing Rules or ASX Settlement Operating Rules.

The Board may refuse to register a transfer of Shares if permitted to do so under the Corporations Act, ASX Listing Rules or ASX Settlement Operating Rules. The Board must refuse to register a transfer of Shares when required by the Corporations Act, ASX Listing Rules or ASX Settlement Operating Rules.

Issue of further Shares

Subject to the Corporations Act, ASX Listing Rules and ASX Settlement Operating Rules and any rights and restrictions attached to a class of shares, Centaur may issue, or grant options in respect of further shares, including preference shares, on such terms and conditions as the Directors resolve.

Winding up

If Centaur is wound up, then subject to any rights or restrictions attached to a class of shares, the liquidator may, with the sanction of a special resolution, divide among the Shareholders in kind the whole or any part of the surplus property of Centaur. For this purpose the liquidator may set such value as the liquidator considers fair on any property to be divided and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

Unmarketable parcels

Subject to the Corporations Act, ASX Listing Rules and ASX Settlement Operating Rules, Centaur may sell the Shares of a Shareholder holding less than a marketable parcel of Shares in accordance with the Constitution.

Share buy-back

Subject to the Corporations Act, ASX Listing Rules and ASX Settlement Operating Rules, Centaur may buy back Shares.

Proportional takeover provisions

The Constitution contains provisions for Shareholder approval to be required in relation to any proportional takeover bid. These provisions will cease to apply unless renewed by resolution of the Shareholders in accordance with the Corporations Act by the third anniversary of the date of the Constitution's adoption.

Variation of class rights

At present, Centaur's only class of shares on issue is ordinary Shares. Subject to the Corporations Act and the terms of issue of a class of shares, the rights attaching to any class of shares may be varied or cancelled:

a. with the consent in writing of the holders of three (3) quarters of the issued shares included in that class; or
b. by a special resolution passed at a separate meeting of the holders of those shares.

In either case, the holders of not less than ten (10) percent of the votes in the class of shares, the rights of which have been varied or cancelled, may apply under the Corporations Act to a court of competent jurisdiction to exercise its discretion to set aside such a variation or cancellation.

Directors – appointment and removal

Under the Constitution, the Board must consist of at least three (3) and no more than ten (10) Directors.

No Director (except for the Managing Director) may hold office past the third annual general meeting following appointment, or for more than three (3) years.

At each annual general meeting of Centaur, one-third of the Directors (except for the Managing Director), or if their number is not a multiple of three (3), the number nearest to but not exceeding one-third, shall retire by rotation. They may put themselves forward for re-election.

The Directors may also appoint a Director to fill a casual vacancy on the Board or in addition to the existing Directors, who will then hold office until the next annual general meeting of the Centaur.

The Shareholder may by resolution in accordance with the Corporations Act remove any Director from office.

Directors – voting

Questions arising at a meeting of the Board, will be decided by a majority of votes of the Directors present at the meeting and entitled to vote on the matter. In the case of an equality of votes on a resolution, the chairperson of the meeting does not have a casting vote.

Indemnities

Except as may be prohibited by the Corporations Act, every officer, auditor or agent of Centaur shall be indemnified out of the property of Centaur, against any liability incurred by them, in their capacity as officer, auditor or agent of Centaur, or any related corporation, in respect of any act or omission, whatsoever and howsoever occurring, or in defending any proceedings, whether civil or criminal.

Amendments

The Constitution can only be amended by special resolution passed by at least three (3) quarters of the votes cast by Shareholders present (in person or by proxy) and entitled to vote on the resolution at a general meeting of Centaur.

Centaur must give Shareholders at least twenty-eight (28) days' written notice of a general meeting, subject to shorter notice in accordance with the Corporations Act.

2.12 How do I apply under the Offer

In order to apply under the Offer, please complete the Application Form that forms part of or is attached to this Prospectus or a printed copy of the Application Form attached to the electronic version of the Prospectus. Application Forms must be completed in accordance with the accompanying instructions.

Cheque or bank draft

If paying by cheque(s) or bank draft(s), please lodge your completed Application Form and cheque or bank draft for the Application Monies with Centaur's Share Registry before 5:00pm (Sydney Time) on the Closing Date at the address set out below:

By mail to:

Centaur Resources Limited
c/- Computershare Investor Services Pty Ltd
GPO Box 52
Melbourne VIC 3001
Australia

Cheque(s) or bank draft(s) must be:

a. in Australian currency;
b. drawn at an Australian branch of a financial institution;
c. crossed "Not Negotiable"; and
d. made payable: to "Centaur Resources Limited".

If paying by cheque(s), Applicants should ensure that sufficient funds are held in the relevant account(s) to cover your cheque(s). If the amount of your cheque(s) for Application Monies (or the amount for which those cheques clear in time for the allocation) is insufficient to pay for the amount you have applied for in your Application Form, you may be taken to have applied for such lower amount as your cleared Application Monies will pay for (and to have specified that amount in your Application Form) or your Application may be rejected.

BPAY®

If paying using BPAY®, Applicants may apply for Shares online and pay the Application Monies by BPAY®. Applicants wishing to pay by BPAY® should complete the online Application Form accompanying the electronic version of this Prospectus, which is available at www.centaurresources.com and follow the instructions on the online Application Form (which includes the Biller Code and your unique Customer Reference Number ('**CRN**')).

Applicants should be aware that you will only be able to make a payment via BPAY® if you are the holder of an account with an Australian financial institution, which supports BPAY® transactions.

When completing your BPAY® payment, please make sure you use the specific Biller Code and your unique CRN provided on the online Application Form. If you do not use the correct CRN your Application will not be recognised as valid. It is your responsibility to ensure that payments are received by 5.00pm (Sydney time) on the Closing Date. Your bank, credit union or building society may impose a limit on the amount which you can transact on BPAY®, and policies with respect to processing BPAY® transactions may vary between banks, credit unions or building societies.

Centaur accepts no responsibility for any failure to receive Application Monies or payments by BPAY® before the Closing Date arising as a result of, among other things, processing of payments by financial institutions.

RISKS

3.0

An investment in Centaur carries risk, including those specific to Centaur's business activities, the industry in which it operates, and those more general risks associated with investing in the share market. Many of these risks are outside the control of Centaur, its Directors and officers. Consequently, the Shares offered under this Prospectus carry no guarantee in respect of profitability, dividends or return of capital. Neither Centaur nor its Directors nor any party associated with the preparation of this Prospectus warrants that any specific objective of Centaur will be achieved.

Any potential investor should be aware that subscribing for Shares involves risks, and an investment in Centaur should be considered highly speculative, particularly given that it is currently unknown whether the Lobo Blanco Project contain JORC Code compliant reserves capable of commercialisation.

Per the Independent Expert Report in Section 10, no exploration or drilling has been performed on the Lobo Blanco Project, therefore the Lobo Blanco Project remains highly speculative. While Centaur intends to conduct further exploration of the Lobo Blanco Project as noted in Section 4.10, it is uncertain whether further exploration of the Lobo Blanco Project will result in a reportable mineral resource consistent with the JORC Code.

Furthermore, while the Independent Expert Report highlights the exploration and drilling activities on nearby lithium project properties owned by third parties, the Independent Expert Geologist has been unable to verify the information contained in those technical reports and thus the reported mineralisation content of the nearby properties may not be representative of the mineralisation content of Centaur's Lobo Blanco Project. As such, Shareholders should be acutely aware of the highly speculative nature of the Lobo Blanco Project and the risk to Centaur's financial performance, ongoing viability and prevailing Share price should exploration of the Lobo Blanco Project fail to locate commercially viable mineralisation despite nearby properties reporting potentially favourable exploration results (which remain unverified by the Independent Expert Geologist).

In addition, to the extent that statements in this Prospectus constitute forward looking statements, these statements involve known and unknown risks, uncertainties and other factors that may cause Centaur's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward looking statements. Although Centaur believes that the expectations reflected in the forward looking statements are reasonable, it cannot guarantee future results, levels of activity, performance or achievements, or that historic results will be repeated.

You should consider whether the Shares offered by this Prospectus are a suitable investment, having regard to your own individual investment objectives, financial circumstances and the risk factors set out below.

The list below highlights the more significant and material risks, however the list may not be exhaustive. Other less significant or less probable factors may also impact the financial performance, the financial position or the cash flow of Centaur. Should any or all of these risk factors materialise, the value of the Shares of Centaur may be adversely affected.

Consequently, investors should read this Prospectus in its entirety and consider the following risk factors and, if necessary, consult their accountant, financial advisor, stockbroker, lawyer or other professional advisor prior to making an investment in Centaur.

3.1 Risks specific to investment in Centaur

a. Exploration and development costs

Exploration and development are high risk speculative undertakings involving a high degree of financial and other risks over a significant period of time. Centaur does not give any assurance that continued exploration of the Lobo Blanco Project (or any future projects) will occur in a timely manner or result in the delineation or discovery of a mineral resources. Although Centaur has engaged the Independent Expert Geologist to provide the Independent Expert Report in Section 10, as at the Prospectus Date there is insufficient information to determine whether further exploration will result in the discovery of a mineral resource. Even if a mineral resource is identified, there can be no guarantee that it can be economically exploited. This may negatively impact on Centaur's financial performance and the value of its Shares.

Section 4.11 sets out the work plan and exploration program of Centaur for the two (2) year period following Listing. The budget represents a preliminary evaluation of the economic and technical milestones required to assess the viability of the Lobo Blanco Project and are based on assumptions with respect to the method and timing for exploration and other market related assumptions. Accordingly, the estimates and assumptions are subject to uncertainties which may materially change resulting in actual costs incurred being different from forecasted costs. Prolonged negative cash flow will have a material impact on Centaur's financial performance and consequentially, the underlying value of its Shares.

Centaur's capital may be expended and therefore exhausted on exploration activities without finding any JORC Code compliant resources. Even if commercial quantities of minerals can be located, the time and cost of commercialisation of such minerals may take many years to be developed to a profitable stage. As noted in Section 2.6, the commercial success of any commercialisation activities will also affect the availability of dividends to Shareholders. As at the Prospectus Date, Centaur has no intention to declare any dividends for the foreseeable future.

b. Ability to exploit successful discoveries

It may not always be possible for Centaur to exploit successful discoveries which may be made in areas in which Centaur has an interest. Such exploitation would involve obtaining the necessary licences or clearances from relevant authorities that may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied.

Further, the decision to proceed to further exploitation may require participation of other companies whose interests and objectives may not be the same as Centaur's. The ability of Centaur to mitigate this risk is limited as it is outside of Centaur's control.

The above risks may negatively impact on Centaur's operational and financial performance.

c. Future capital needs and additional funding

Centaur's ability to raise further capital (equity or debt) within an acceptable time, of a sufficient amount and on terms acceptable to Centaur, will vary according to a number of factors, including prospectivity of projects (existing and future), the results of exploration, subsequent feasibility studies, development and mining, stock market and industry conditions and the price of relevant commodities and exchange rates.

Should Centaur's exploration plans be delayed, this may result in the depletion of Centaur's cash reserves and thus necessitate additional funding on an urgent basis. No assurance can be given that future funding will be available to Centaur on favourable terms (or at all). If adequate funds are not available on acceptable terms, Centaur may not be able to complete the acquisition of the Mármol Acquisition or further develop its Lobo Blanco Project. If this risk occurs it may impact on Centaur's ability to continue as a going concern.

d. Mining, development and infrastructure risks

Profitability depends on successful exploration and/or acquisition of reserves, design and construction of efficient processing facilities, competent operation and management, confirmation of sales and offtake contracts and proficient financial management. Mining and development operations can be hampered by force majeure circumstances, invention of disruptive technologies resulting in substitutes for the mineral resources, environmental considerations and cost overruns for unforeseen events.

Centaur's operations (including during the exploration phase) depend on an uninterrupted flow of materials, supplies, equipment, services and finished projects. Due to the geographic location of Centaur's Lobo Blanco Project, it is dependent on third parties for the provision of road, port, marine, shipping and other transportation services. Should power supply be required to the Lobo Blanco Project, per the Independent Expert Report in Section 10 a transformer station and power line of 60km would need to be installed. The availability of energy infrastructure creates a risk to Centaur's operations.

Further, contractual disputes, demurrage charges, classification of commodity inputs and finished products, road and port capacity issues, availability of rail, trucks and vessels, inclement weather, labour disruptions or other factors may have an adverse impact on Centaur's ability to transport materials according to schedules and contractual commitments. If these circumstances arise, they may adversely affect Centaur's business, results of operations and financial performance.

e. Environmental risks

The operations and activities of Centaur are subject to environmental laws and regulations of Argentina, which can be amended by the relevant authorities from time to time. As with most exploration projects and mining operations, Centaur's operations and activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds at the Lobo Blanco Project.

Per the Independent Expert Report in Section 10, Centaur understands there are few vulnerable, rare or endemic fauna and flora species present on the Lobo Blanco Project, therefore the risk of onerous environmental approvals to protect such species may be reduced. However, should certain vulnerable or protected species be subsequently

located on the Lobo Blanco Project, any environmental approvals may include conditions to protect those life forms which could increase operational costs to the financial detriment of Centaur.

Per the Legal Tenure Report in Section 8, Centaur is reliant on environmental approvals in Argentina to enable it to proceed with the exploration and anticipated development of the Lobo Blanco Project. There is no guarantee that the required approvals will be granted in order to allow Centaur to proceed with the exploration and anticipated development of the Lobo Blanco Project. Failure by Centaur to obtain the relevant approvals, or any delay in the award or transfer of the approvals, may materially and adversely affect the ability of Centaur to proceed with the exploration and anticipated development of the Lobo Blanco Project.

Each environmental approval may be issued for a specified term and may be subject to conditions that must be complied with and which may be periodically reviewed. Consents that expire may not be renewed, or may be renewed on terms that are less favourable to Centaur.

In the event that Centaur obtains the required environmental approvals, any changes to these approvals that arise out of a review process could restrict or stop Centaur from developing and operating the Lobo Blanco Project. There is also a risk that Centaur may breach the conditions of one of its approvals which may result in the approval being revoked or Centaur being prosecuted.

f. Title risk

As at the Prospectus Date, Centaur does not have legal title to the Lobo Blanco Project. To obtain an interest in the Lobo Blanco Project, Centaur has entered into various Acquisition Agreements to acquire the Mármol Property, Espinosa Property, the Sanchez Property and Leiseca Property including a mortgage in favour of the respective Vendor. If Centaur fails to comply with the terms of the Acquisition Agreements (such as a failure to meet payment obligations when they become due and payable) or is unable to secure sufficient additional debt or equity funding (if necessary), this may prejudice Centaur's rights under the Acquisition Agreements and accordingly its interest in the Lobo Blanco Project. Should Centaur lose its interest in the Lobo Blanco Project, this will have a significant and material effect on its balance sheet, prejudice future cash flows, and affect the value of its Shares.

Interests in mining tenements in Argentina are governed by their relevant legislation and evidenced by the granting of licences and leases. Each tenement is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. There is a risk for Centaur's Lobo Blanco Project that they could lose title to one or more of its tenements if tenement conditions or annual expenditure commitments are not met. Any loss by Centaur of its tenements may have a material adverse effect on Centaur's profitability.

g. Occupational health & safety

In the short to medium term, Centaur expects that the value of an investment in the business will be affected by a range of factors, in particular, the success of Centaur's exploration activities. Centaur's risk profile will change in the event that Centaur moves to develop and commercialise the Lobo Blanco Project through extracting any commercially viable minerals identified following the exploration program. In any case, the mining industry has become subject to increasing occupational health and safety, responsibility and liability which creates risk, particularly in the context of drilling or extraction activities.

The potential for liability is a risk. Centaur may become liable for past and current conduct which violates such laws and regulations, which may be amended by the relevant authorities. In particular, per the Independent Expert Report in Section 10 the harsh climate conditions of the Lobo Blanco Project (including the remoteness, high altitude, very severe thermos-hygrometric features, insolation and irradiation of great intensity) may increase the risk of injury or harm to Centaur's personnel working on the Lobo Blanco Project. Penalties for breaching health and safety laws can be significant and include criminal penalties. Victims of workplace accidents may also commence civil proceedings against Centaur. These events might not be insured by Centaur or may be uninsurable. In addition, any changes in health and safety laws and regulations may increase compliance costs for Centaur. Such an event would negatively impact the financial results of Centaur.

h. Key personnel

The Directors' and senior managers' ability to successfully manage Centaur's performance and the opportunities identified in this Prospectus will directly affect the success of Centaur.

Centaur may be adversely affected if any of the Directors or senior management leaves Centaur. Although Mr Clifford, CEO & Managing Director and Mr Raftery, Company Secretary and CFO are each retained under an Executive Services Agreement (see Section 5.9), there can be no assurance that their services will continue to be available to Centaur on an indefinite basis. Centaur may not be able to replace its Directors or key employees with

persons of equivalent expertise and experience within a reasonable period of time or at all and Centaur may incur additional expenses to recruit, train and retain personnel. Loss of such personnel may also have an adverse effect on the performance of Centaur pending replacements being identified and retained by or appointed to the Board of Centaur.

i. Limited Operating History

Centaur has only limited historical operating data and financial information available upon which Applicants can base their evaluation of Centaur's business and prospects. Additionally, Centaur may not have sufficient experience to address the risks frequently encountered by companies with a limited operating history, including Centaur's potential failure to:

i. establish and develop the Lobo Blanco Project;
ii. conduct profitable mining operations, including negotiating sale and offtake agreements;
iii. anticipate and adapt to any changes in relation to government regulation, mergers and acquisitions involving Centaur's competitors and other significant competitive and market dynamics; or
iv. maintain adequate control over Centaur's costs and expenses.

As noted in Section 10, the Lobo Blanco Project is in the early stage of exploration and no assurance can be given that the Lobo Blanco Project will become commercially viable and achieve successful exploration. The prospects of Centaur must be considered in light of the risks, expenses and difficulties frequently encountered by companies in their early stage of feasibility, which have a high level of inherent uncertainty.

j. Liquidity and volatility

On Listing, Centaur will be a small company in terms of its market capitalisation. Investment in its Shares will be regarded as speculative and Centaur will have a narrow Shareholder base. As a consequence, there is a risk, particularly in times of share market turbulence or negative investor sentiment, that there will not be a highly liquid market for Centaur's Shares or that the price of Centaur's Shares may decrease considerably. Further, per Section 2.5, on Listing Centaur anticipates approximately 59% of the Shares on issue at Maximum Subscription will be restricted securities and escrowed for a period of time, further reducing liquidity for Shareholders. There may also be relatively few buyers or sellers of securities on ASX at any given time and the market price may be highly volatile. This may result in Shareholders wishing to sell their Shares in Centaur in circumstances where they may receive considerably less than the price paid under the Offer (where applicable).

k. Argentine Risks and Argentine Government Policy

Centaur will hold the Lobo Blanco Project through its wholly-owned Argentine subsidiary, Centaur PG, and is subject to risks normally associated with the conduct of business in foreign countries. Risks pertaining to Argentina may include, among other things, earthquakes and severe weather conditions, labour disputes, corruption, uncertain political and economic environments, civil disturbances and crime, arbitrary changes in law or policies, opposition to mining from environmental or other non-governmental organisations or changes in political attitudes towards mining activities, infrastructure and increased financing costs. These risks could have a material adverse effect on the business, financial condition and results of the operations of Centaur.

As noted in Sections 4 and 8, the shares in Centaur PG are held on trust for Centaur by Mr. Eduardo José Esteban as trustee ('**Trustee**') pursuant to a trust deed ('**Centaur Trust**'). The Trustee must immediately transfer the shares to Centaur upon registration of Centaur to act as a foreign shareholder in Argentina or otherwise at any time at the request of Centaur.

Until Centaur is registered as a foreign shareholder in Argentina, Centaur has indirect control of the Lobo Blanco Project in its capacity as beneficiary of the Centaur Trust. Although registration to act as a foreign shareholder in Argentina is a standard procedure which must be undertaken by foreign entities, there is a risk that such registration may not be granted. In the event that such registration is not granted, Centaur will retain indirect control of the Lobo Blanco Project in its capacity as sole beneficiary of the Centaur Trust, notwithstanding that it is not a registered shareholder of Centaur PG.

There is also a risk the Trustee may breach the terms of the Centaur Trust and refuse to operate Centaur PG in accordance with Centaur's instructions, requiring Centaur to spend time and expenses in a foreign jurisdiction to seek enforcement of the Centaur Trust terms. There is no guarantee Centaur will be successful in such enforcement action if it is necessary to protect the integrity of the business.

l. Insurance

Insurance against all risks associated with mineral exploration and production is not always available or affordable. Centaur will maintain insurance where it is considered appropriate for its needs. However, insurance coverage against all risks may not be undertaken either because such cover is not available or is unnecessary (for example, given the bilateral investment treaty between Australia and Argentina which mitigates to an extent some investment and regulatory risks) or because the Directors consider that the associated premiums are excessive having regard to the benefits from the cover. The occurrence of an event that is not covered or is only partially covered by insurance could have a material adverse effect on the business, financial condition and results of the operations of Centaur. There is no assurance that Centaur will be able to maintain adequate insurances in the future at rates that the Directors consider reasonable.

3.2 Industry risks

a. Competition

Centaur competes in the competitive market of the lithium mining industry. Some competitors may have greater financial and other resources than Centaur and as a result, may be in a better position to secure business opportunities. There can be no assurance that Centaur can compete effectively with these companies, nor that such businesses will comply with the applicable competition/anti-trust laws.

Further, per the industry report in Section 9, the technologies directly associated with the use of Centaur's mineral resources compete with other technologies which can provide the same utility by using other materials. The marketability of Centaur's mineral resources may be adversely impacted by technological obsolescence, particularly in circumstances where competing materials/minerals provide the same or greater utility at a lower cost.

If Centaur is successful in developing the Lobo Blanco Project, the actions of an existing competitor, or the entry of a new competitor, may make it difficult for Centaur to grow or maintain its revenues, which in turn, may have a material adverse effect on Centaur's profitability. Centaur's ability to manage these risks are limited in the circumstances.

b. Commodity prices

Should the Lobo Blanco Project yield commercially viable resources of lithium and by-products associated with the production of lithium, the sale of such commodities will likely be Centaur's key revenue stream which may supplement earnings from royalties gained from any joint venture or the sale of mineral projects. As such, the price of the commodities will likely have a material impact on the value of Centaur's assets and potential future earnings.

Per the industry report in Section 9, the prices of the commodities fluctuate and are affected by numerous industry factors including their demand, forward selling by producers, production cost levels in major producing regions, freight costs, stockpiling, technological developments, capital availability and economic factors (e.g. economic growth, currency exchange rates and global and regional demand for, and supply of, the commodities).

If the market price of the commodities commercialised by Centaur were to fall below the costs of production and remain at such a level for any sustained period, this would increase pressure on Centaur's cash flow and could cause losses requiring Centaur to limit or suspend some or all of its proposed production activities. In such circumstances, Centaur would also have to assess the economic impact of any sustained lower commodity prices on recoverability. There is no assurance Centaur could recover from any material downturn affecting commodity prices.

c. Emerging Market Risk

Emerging markets such as Argentina are potentially subject to more volatility and greater risk than more mature markets such as Australia. It should be noted that the emerging markets are frequently subject to change (including political and economic change) and therefore some of the information set out in this Prospectus may change and require Centaur to quickly adapt to the circumstances. There is no guarantee Centaur will have the ability to manage these risks.

Notably, the Ministry of Economy in Argentina has recently announced a temporary special export duty on all foreign exports as a means of reducing the Argentine fiscal debt. While the tax burden on Centaur's operations may be offset to an extent by the devaluation of the Argentine Peso, the change in policy on foreign exports has the risk to cause loss to Centaur should the Lobo Blanco Project proceed to commercialisation.

Notwithstanding the above, the political climate in Argentina is generally stable and held to offer a favourable outlook for foreign investments all things considered. There are no guarantees that the political climate will remain so in the future. Changes in government, regulatory and legislative regimes, potentially leading to expropriation of mining

rights cannot be ruled out. The Argentine government may alter its regulatory framework for exploration and mining, environmental management, land title and royalties.

3.3 General Investment risks

The risks outlined below are some of the general risks that may affect an investment in Centaur.

a. Share Market Risk

The price of Shares may rise or fall depending upon a range of factors beyond Centaur's control and which are unrelated to Centaur's operational performance. Investors who decide to sell their Shares after Listing may not receive the entire amount of their original investment. The price of Shares listed on ASX may also be affected by a range of factors including Centaur's financial performance, and by changes in the business environment specifically affecting the South American resources sector and exploration companies. There can be no guarantee that an active and liquid market for Shares in Centaur will develop.

The Shares carry no guarantee in respect of profitability, dividends, return on capital, or the price at which they may trade on the ASX.

There are a number of national and international market factors that may affect the Share price including movements in international stock markets, economic conditions and the general economic outlook, interest rates and exchange rates, inflation rates, commodity supply and demand, government taxation and royalties, legislation, monetary and other policy changes, and general investor perception. Neither Centaur nor its Directors has control over any of these factors nor can they guarantee that the price of Shares will not be affected by one (1) or more of these factors.

b. General Economic Conditions

Factors affecting the general economic climate may affect the performance of Centaur. These factors include the general level of international and domestic economic activity, inflation and interest rates, commodity pricing and the general level of activity within the energy industry. These factors are beyond the control of Centaur and their impact cannot be predicted.

c. Changes in Laws and Government Policy

The availability and rights to explore and mine, as well as industry profitability generally, can be affected by changes in government policy. Changes in government regulations and policies may adversely affect the financial performance of the operations of Centaur, particularly in circumstances where the changes arise without notice. The impact of actions by governments may affect Centaur's activities, including in relation to access to infrastructure, compliance with environmental regulations, taxation and royalties.

In Argentina, where Centaur will hold the rights to the Lobo Blanco Project, the Argentine government authority will conduct reviews from time to time of policies in connection with the granting and administration of mining concessions. At present Centaur is not aware of any proposed changes to policy that would affect the Concessions.

d. Unforeseen Expenses

The proposed expenditure on the Lobo Blanco Project may be adversely affected by any unforeseen expenses which arise in the future and which have not been considered in this Prospectus. While Centaur is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses were incurred, the expenditure proposals of Centaur may be adversely affected.

e. Sovereign Risk

Centaur has an interest in the Lobo Blanco Project which is located in Argentina. Future government actions in Argentina concerning the economy, ownership of the Lobo Blanco Project, repatriation of profits, corporate policies, taxation policies, environment policies, change in political conditions or the operation and regulation of mining exploration and development may have an impact on Centaur's operations. These risks could have a material adverse effect on the business, financial condition and operations of Centaur.

f. Currency Exchange Rate Risk

The expenditure of Centaur is and will be in Australian, United States and Argentine currencies, exposing Centaur to fluctuations and volatility of the rates of exchange between the Australian dollar, the US dollar and the Argentine peso as determined in international markets.

Further, the Argentine Government may restrict the conversion of Argentine pesos into foreign currency, increasing the risk to the repatriation of profits or other funds of Centaur.

Future exchange rate fluctuations may subject Centaur to unpredictable variations in the cost of capital equipment required for the Lobo Blanco Project.

g. General Risks

Any combination of the above factors may materially affect any individual mineral project assets, operations or the financial performance of Centaur and the value of its securities. To that extent the Shares offered in this Prospectus are subject to significant risk and uncertainty with respect to return or preservation of capital, the price (if any) at which the Shares may trade and the payment of dividends in any future time.

OVERVIEW OF CENTAUR RESOURCES

4.0

4.1 Business Description

Centaur was founded as a mineral exploration company to identify, secure, fund exploration and develop prospective lithium projects in proven lithium mining regions.

Centaur has also incorporated an operational company, Centaur Resources Holdings Pty Ltd ('**Centaur Holdings**'), for the purpose of the day-to-day conduct and contracting of the business. Centaur (through Centaur Holdings) incorporated an Argentinian subsidiary, Centaur PG, for the purposes of holding prospective lithium projects in Argentina. For further information regarding the Argentine corporate structure see Section 8.

Centaur PG has secured the Lobo Blanco Project located in Argentina as the foundation of its pure-play lithium business, the details of which are provide in Section 4.2. Centaur's management team is experienced in the resources sector and in particular, development of exploration projects. The management team is seeking to implement a strategy of building Centaur as a disciplined explorer and developer of lithium mineral assets.

In respect to the Lobo Blanco Project, Centaur intends to undertake exploration work to determine the resources of lithium in brine, the effective recovery of brine and the economic viability of the project and subsequent mining and refining operations.

Centaur has developed a phased work program and costs for the exploration and feasibility of building a Pilot Plant, the details of which are provided in Section 4.11.

Centaur intends to focus on the Lobo Blanco Project but will consider other lithium prospecting opportunities both locally and internationally if they are complimentary to its assets and strategy.

4.2 The Lobo Blanco Project

The project which Centaur is currently focused on advancing is the Lobo Blanco Project. The Lobo Blanco Project is comprised of nine (9) tenements encompassing 11,360 hectares located in the Salar de Pastos Grandes Basin, Province of Salta, Argentina.

Further details of the Lobo Blanco Project are set out in the Independent Expert Report in Section 10 of this Prospectus.

The details of the Lobo Blanco Project mining properties are as follows:

Mármol Property

Tenement Type	Name	Tenement Number	Location	Area (hectares)
Mining	Fortuna II	20,120	Salar de Pastos Grandes	321
Mining	Barreal 2	22,879	Salar de Pastos Grandes	413
Mining	La Relojora	22,820	Salar de Pastos Grandes	1,998
Mining	Barreal 1	22,878	Salar de Pastos Grandes	2,684
Mining	Barreal 3	22,880	Salar de Pastos Grandes	1,865
Mining	Roberta	23,089	Salar de Pastos Grandes	2,523

Espinosa Property

Tenement Type	Name	Tenement Number	Location	Area (hectares)
Mining	Almafuerte	18,792	Salar de Pastos Grandes	1,000

Sulca Property

Tenement Type	Name	Tenement Number	Location	Area (hectares)
Mining	Graciela	6,589	Salar de Pastos Grandes	299

Leiseca Property

Tenement Type	Name	Tenement Number	Location	Area (hectares)
Mining	Patovica 1	20,902	Salar de Pastos Grandes	257

Collectively the Mármol Property, Espinosa Property, Sulca Property and Leiseca Property all form the Lobo Blanco Project. Refer to Figure 1 and Figure 2 below for maps showing respectively the land tenure and local geology of these prospects.

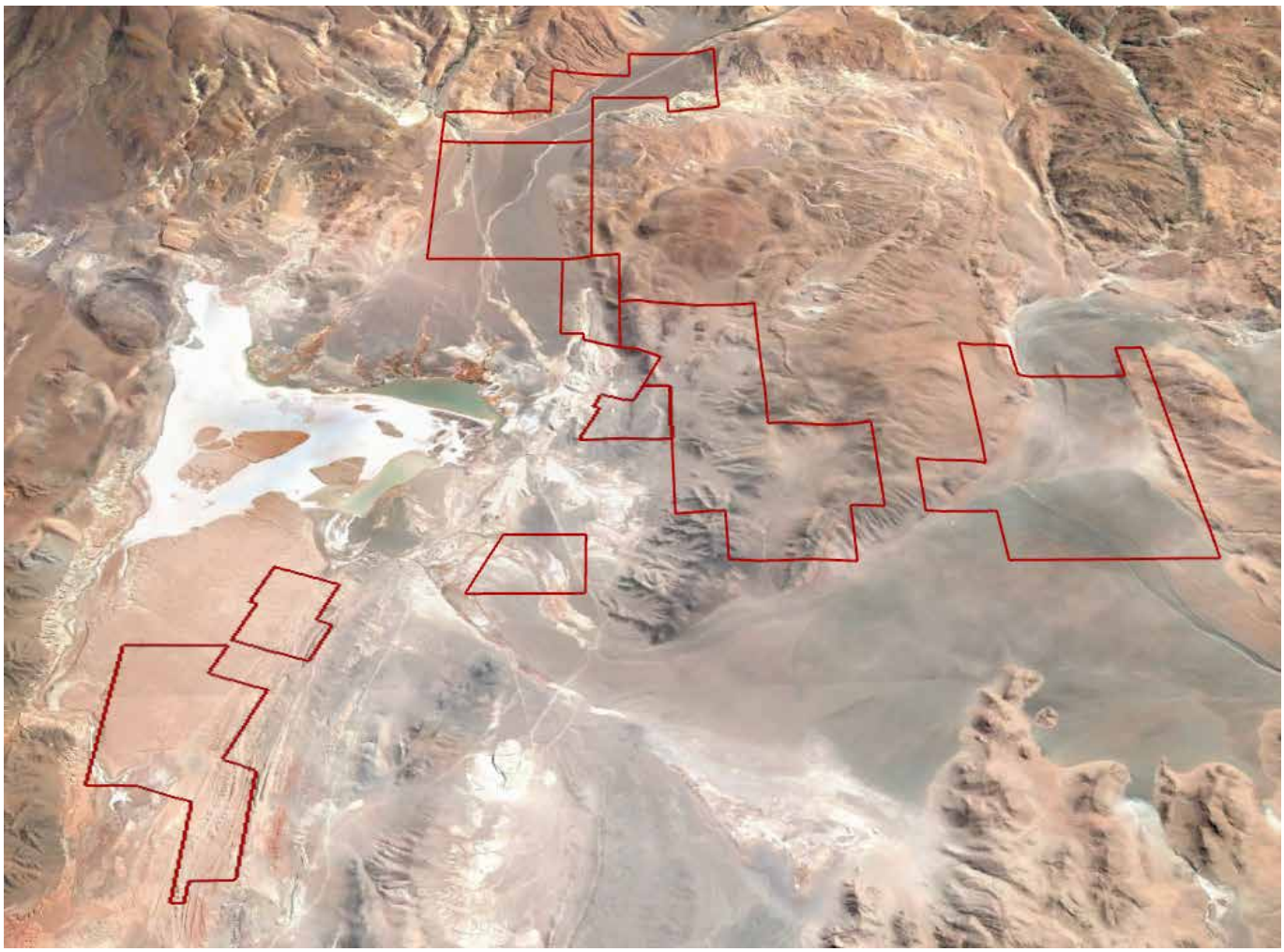


Figure 1: Lobo Blanco Project Tenement Map

4.3 Lobo Blanco Project – acquisition details

Mármol Agreement

On 26 March 2018 Centaur (through a special purpose vehicle Centaur Resources S.A.S ('**Centaur SAS**')) entered into a binding Asset Sale and Purchase Agreement with Argentine individual Victor Fernando Mármol ('**Mármol Vendor**') to acquire 100% of the rights to the Mármol Property ('**Mármol Agreement**'). On 25 July 2018 the Mármol Agreement was assigned from Centaur SAS to Centaur PG.

The key terms of the Mármol Agreement (refer to the Legal Tenure Report in Section 8 for more information):

Key Terms	Summary
Consideration	USD$4,950,000 Paid in tranches as follows: 1. USD$50,000 option fee (confirmed paid); 2. USD$350,000 execution fee (confirmed paid); 3. USD$700,000 first tranche payment due 26 March 2019; 4. USD$2,000,000 second tranche payment due 26 March 2020; and 5. USD$1,850,000 final tranche payment due 26 March 2021. The results of exploration undertaken on the Mármol Property will determine whether the Board commits to funding the second and final tranche payments.
Completion Date	The date the full Consideration is paid to the Mármol Vendor.
Advance payments	The parties agreed Centaur PG may make payments in advance of the respective tranche payment dates.
Access rights	During the term of the Mármol Agreement, the Mármol Vendor grants Centaur full access to the Mármol Property and Centaur may use such access for prospecting, mineral resource exploration and development purposes. The Mármol Vendor is required to provide access to Centaur to extract reasonable quantities of mineral samples for sampling purposes, analysis or any other reason as Centaur may deem fit.
Termination	During the term of the Mármol Agreement, Centaur PG may, at any time, unilaterally decide to terminate the Mármol Agreement. From the date of termination, Centaur PG shall not be required to make any further payment to the Mármol Vendor.

Espinosa Agreement

On 20 July 2018 Centaur PG entered into a binding Asset Sale and Purchase Agreement with Argentine individual Alba Andrea Espinosa ('**Espinosa Vendor**') to acquire 100% of the rights to the Espinosa Property ('**Espinosa Agreement**').

The key terms of the Espinosa Agreement (refer to the Legal Tenure Report in Section 8 for more information):

Key Terms	Summary
Consideration	USD$1,650,000 Paid in tranches as follows: 1. USD$50,000 option fee (confirmed paid); 2. USD$400,000 execution fee (confirmed paid); 3. USD$25,000 first tranche payment paid on 28 June 2018 (confirmed paid); 4. USD$25,000 second tranche payment paid on 27 July 2018 (confirmed paid); and 5. USD$1,150,000 final tranche payment due on the Completion Date.
Completion Date	Original Completion Date was 30 August 2018. The parties agreed to extend the Completion Date to 30 October 2018 subject to certain additional payments ('**Extension Payments**').
Extension Payments	The parties agreed pursuant to a deed of addendum to extend the Completion Date to 30 October 2018 subject to the following payments: 1. USD$35,000 extension fee (confirmed paid); and 2. USD$1,000 per day commencing on 1 October 2018 until the full Consideration has been paid.

Termination	In the event that the full Consideration is not paid on or before the Completion Date, the Espinosa Vendor is entitled to demand payment of the full Consideration within thirty (30) days. Accordingly, should the full Consideration not be paid on or before 29 November 2018, the Espinosa Agreement will terminate and the Espinosa Property will return to the control and ownership of the Espinosa Vendor.

Sulca Transaction

On 10 July 2018 Centaur PG entered into a binding Asset Sale and Purchase Agreement with Argentine individual Javier Francisco Sulca Sanchez ('**Sulca Vendor**') to acquire 100% of the rights to the Sulca Property ('**Sulca Agreement**').

The key terms of the Sulca Agreement (refer to the Legal Tenure Report in Section 8 for more information):

Key Term	Summary
Consideration	USD$430,000 Paid in tranches as follows: 1. USD$20,000 option fee (confirmed paid); 2. USD$80,000 execution fee (confirmed paid); and 3. USD$330,000 final tranche payment due on the Completion Date.
Completion Date	Original Completion Date was 30 August 2018. The parties agreed to extend the Completion Date to 30 October 2018 subject to certain additional payments ('**Extension Payments**').
Extension Payments	The parties agreed pursuant to a deed of addendum to extend the Completion Date to 30 October 2018 subject to the following payments: 1. USD$20,000 extension fee (confirmed paid); and 2. USD$20,000 additional payment to be paid on the Completion Date.
Termination	In the event that the full Consideration is not paid on or before the Completion Date, the Sulca Vendor is entitled to demand payment of the full Consideration within twenty (20) days. Accordingly, should the full Consideration not be paid on or before 19 November 2018, the Sulca Agreement will terminate and the Sulca Property will return to the control and ownership of the Sulca Vendor.

Leiseca Transaction

On 10 July 2018 Centaur PG entered into a binding Asset Sale and Purchase Agreement with Argentine individual Ruben Omar Diego who was representing Sergio Ignacio Aguilar and Ramon Genaro Leiseca ('**Leiseca Vendor**') to acquire 100% of the rights to the Leiseca Property ('**Leiseca Agreement**').

The key terms of the Leiseca Agreement (refer to the Legal Tenure Report in Section 8 for more information):

Key Term	Summary
Consideration	USD$440,000 Paid in tranches as follows: 1. USD$20,000 option fee (confirmed paid); 2. USD$100,000 execution fee (confirmed paid); and 3. USD$320,000 final tranche payment due on the Completion Date.
Completion Date	Original Completion Date was 30 August 2018. The parties agreed to extend the Completion Date to 30 October 2018 subject to certain additional payments ('**Extension Payments**').

Extension Payments	The parties agreed pursuant to a deed of addendum to extend the Completion Date to 30 October 2018 subject to the following payments: 1. USD$20,000 extension fee (confirmed paid); 2. USD$500 per day commencing on 1 October 2018 until the full Consideration has been paid; and 3. USD$5,000 additional payment to be paid on the Completion Date.
Termination	In the event that the full Consideration is not paid on or before the Completion Date, the Leiseca Vendor is entitled to demand payment of the full Consideration within thirty (30) days. Accordingly, should the full Consideration not be paid on or before 29 November 2018, the Leiseca Agreement will terminate and the Leiseca Property will return to the control and ownership of the Leiseca Vendor.

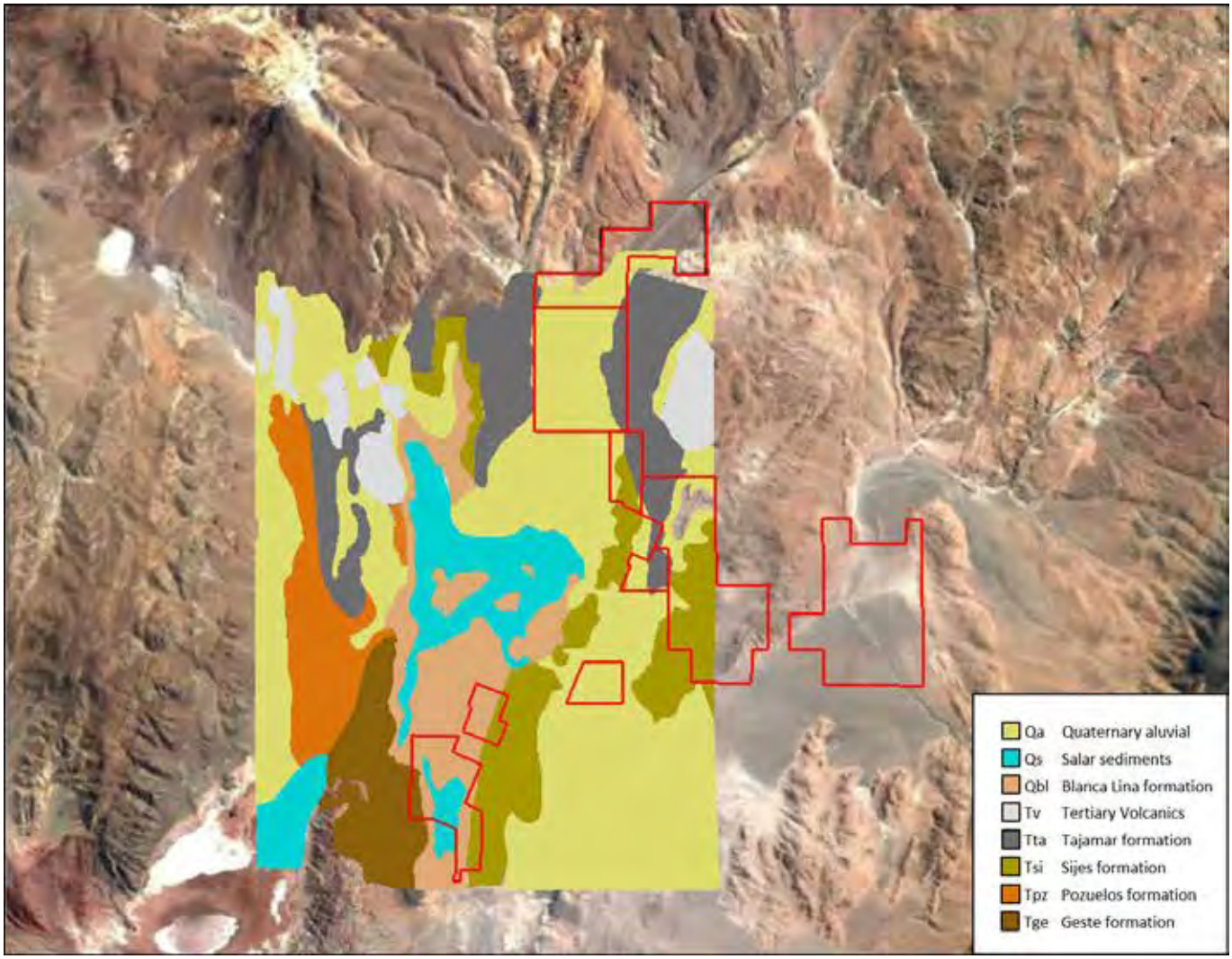


Figure 2: Lobo Blanco Project Geological Map

4.4 Accessibility, transportation and Infrastructure

The Lobo Blanco Project is accessible from the city of Salta through the town of San Antonio de Los Cobres via National Highway 51, and then through a secondary road (all-weather provincial Route 129) via the town of Santa Rosa de los Pastos Grandes. By road the distance from Salta to the Lobo Blanco Project is approximately 250 kilometers, with a driving time of four to five hours.

The Lobo Blanco Project is within reasonable proximity to the following infrastructure:

a. Natural gas line located approximately 35 km to the northwest ('**Gas Line**');
b. 600 megawatt (MW), 375 kilovolt (KV) power line approximately 60 km to the north ('**Power Line**'); and
c. Railway located approximately 38 km north-west connecting the Lobo Blanco Project to the Chilean port of Antofagasta.

In the event that a power supply to the Lobo Blanco Project is required, either:

a. A transformer station and a power line of 60 km would be installed off the Power Line; or
b. A gas distribution pipeline from the Gas Line would be utilised.

4.5 History of the Salar de Pastos Grandes

The Lobo Blanco Project is located in the Pastos Grandes Basin on the Salar de Pastos Grandes which is located in the province of Salta on the Puna Plateau region of the central Andes. The Salar de Pastos Grandes is approximately 165 km west of the city of Salta, the provincial capital, and 180 km east of the Chilean border (refer Figure 3 below).

The Salar de Pastos Grandes is located in the Puna region, the second largest high-altitude plateau in the world and is the location of numerous brine bodies containing elevated concentrations of lithium among several other specific elements of economic interest. The present-day Salar de Pastos Grandes comprises an area of some 21 km^2 of mostly flat sandy-silty salt crust. The surface is disrupted over approximately 15% of its area by elevated outcrops of a coarser sand-silt mix. High-standing, resistant, coarser sediments that dominate the southern portion of the salar and "islands" that stand above the surface of the southern and central-southern present-day salt flat have been interpreted as older lake sediments. However, the lack of structural tilting and the distribution suggests that these outcrops may in fact be younger sediments that were deposited above the flat-lying finer grained sediments and evaporitic salt and may in fact mask the true aerial extent of the salar.

Eramine S.A., a wholly owned subsidiary of Eramet who performed an exploration for lithium on part of the Saslar de Pastos Grandes, carried out geochemical sampling on the superficial and subsuperficial brines. Eramine S.A., targeted only relatively shallow sediments, and drilling did not extend below 160 meters in-depth. The drilling, which included depth-specific sampling and pumping tests, indicated that the portions of the salar sediment section they tested contained high content brine. The drilling was not deep enough to confirm a base to the brine resource and Eramine S.A. later concentrated their efforts on the Centenario-Ratones project.

The Lobo Blanco Project is in the early stages of exploration, but has the potential to host concentrations of lithium in subsurface brine.

Figure 3: Location of Lobo Blanco Project

4.6 Project Pipeline

The Listing of Centaur on the ASX is expected to provide greater access to the equity and debt capital markets. This will allow Centaur to pursue exploration of new prospective tenements, development of the Lobo Blanco Project and strategic tenement acquisition opportunities that exist in the lithium resource sector as well as other complimentary commodities to lithium such as cobalt and graphite.

4.7 Experienced Board and Management

Centaur's Board and management bring a diversified mix of skills to Centaur, with over one-hundred (100) years commercial and business experience in the following areas:

a. Domestic and international experience in a range of business sectors including:
   i. lithium exploration and appraisal;
   ii. mining development and production;
   iii. commodity research;
   iv. strategic transactions;
   v. business development and management;
   vi. professional services; and
   vii. financial markets.

b. Commercial, legal and financial management.
c. Listed company management and compliance.

4.8 Centaur Trust

Under Argentine law, foreign companies are required to register (either by opening a branch or by registering to act as a foreign shareholder of a local company) in order to acquire and own mining rights in Argentina.

Argentine law requires that where a shareholder of a local company is a foreign entity, that foreign entity must be registered to act as a foreign shareholder in Argentina. If the foreign entity is not listed on a stock exchange, the shareholders of the foreign entity must be identified and their personal information (address/registered office; type and number of ID or passport/registration data; number of shares; amount of voting rights and percentage of the capital stock of the company held by each shareholder) ('**Registration Information**') disclosed to the Argentine authorities before registration to act as a foreign shareholder is granted.

Centaur PG is a company duly incorporated on 22 June 2018 and governed by the laws of Argentina. Centaur PG was incorporated to act as Centaur Holdings' local vehicle (and wholly owned subsidiary) in Argentina to acquire the Lobo Blanco Project and carry out local business.

Rather than focus on compiling the Registration Information of Centaur Holdings, Centaur elected to enter into a contract with TMF Argentina S.R.L ('**TMF**') who appointed the Trustee to hold all of the issued share capital of Centaur PG in Centaur Holdings name ('**Centaur PG Share**s') in a bare trust for Centaur Holdings, pending registration of Centaur Holdings to act as a foreign shareholder in Argentina.

The Trustee appointment was recorded in a trust deed dated 25 June 2018 between the Trustee and Centaur Holdings.

The Centaur Trust requires, among other things, that the Trustee must:

a. immediately upon registration of Centaur Holdings to act as a foreign shareholder in Argentina, and otherwise at any time at the request of Centaur Holdings, transfer the Centaur PG Shares to Centaur Holdings; or
b. otherwise deal with the Centaur PG Shares as Centaur Holdings directs.

Refer to Section 11.4 for a summary of the key terms of the Centaur Trust.

The Trustee is an employee of TMF, a trust agent retained by Centaur Holdings to provide corporate trust and director services in Argentina.

4.9 Significant Adjacent Projects

As stated above, the Salar de Pastos Grandes is one of a number of salars in the Puna region, with several others under active production or exploration for lithium brines:

a. Millennial Lithium ('**Millennial**') has been working on its Pastos Grandes Project site since 2016. Millennial recently published a Preliminary Economic Assessment report showing the site exhibits elevated lithium and potassium brines and has been tested by surface geochemical sampling, CSAMT surveying, VES geophysical surveying, diamond coring of boreholes, mud rotary drilling of wells, depth-specific brine and core sampling, and pumping tests at completed wells. Millennial's Pastos Grandes Project recently reported a Lithium resource (Measured + Indicated) of 400,000 tons lithium metal in December 2017.
b. LSC Lithium Corporation ('**LSC**') acquired the Pastos Grandes site in 2016 and in 2017 commenced a 7-hole drill program. A press report in 2018 showed:
    i. drill hole SPG-2017-05B averages 569 mg/L Li over 430 m;
    ii. peak value of 637 mg/L Li intersected;
    iii. grade range of between 543 mg/L Li and 637 mg/L Li;
    iv. mineralization open at depth below 480 m;
    v. mineralized footprint extended on the property and remains open all round; and
    vi. LSC is considering combining the potential production from Pastos Grandes with its Pozuelos project, located only 17 km away.

For more information, refer to the Independent Expert Report in Section 10, noting the Independent Expert Geologist has been unable to verify the information reported by Millennial and LSC.

4.10 Viability of the Lobo Blanco Projects

In summary, per the Independent Expert Report a review of the tenements comprising the Lobo Blanco Project indicates that there is potential for advanced exploration and development of lithium resources given the Lobo Blanco Project:

a. is located in geologically attractive areas for lithium exploration with demonstrated lithium brine mineralisation at nearby locations (see Significant Adjacent Projects in Section 4.9);

b. has similar characteristics to other lithium brine projects currently being developed nearby to advanced stages of mining technical studies; and

c. even though the Lobo Blanco Project is located outside of the main Salar core area, the properties of the Lobo Blanco Project may have underlying brine aquifers, potential for lithium brine resources.

4.11 Work and Expenditure Program

Centaur intends to use a portion of the funds raised from the Offer and its existing cash balance to execute its strategy to systematically explore the Lobo Blanco Project for commercial quantities of lithium.

Centaur has prepared a two (2) year exploration budget assuming both Minimum Subscription and Maximum Subscription scenarios under the Offers. The proposed budget is set out below and is also discussed and considered in the Independent Expert Report in Section 10. Actual expenditure and timing will depend on the progressive results of the exploration program, the analysis of those results and opportunities that may arise from the potential acquisition of interests in complementary lithium projects.

a. Work Program

The work program comprises a number of phases:

i. *Phase 1: Exploration Phase and Evaporation Pond Testing Program*
Surface geophysics to target initial drilling (CSAMT and VES), core drilling to identify and test potentially productive brine aquifers, brine and core sampling, airlift testing to determine hydraulic properties, basic process test works (including lab and field evaporation trials), metallurgical testing and environmental permits and evaporation pond testing program.

ii. *Phase 2: Further Exploration Phase*
At the completion of phase one program, if successful Centaur will be in a position to evaluate the Lobo Blanco Project for its potential to host a resource of lithium brines amenable to current extraction and processing methods. Contingent on Centaur confirming the presence of lithium brines similar to those encountered in adjacent and nearby basins, Centaur would continue its exploration program.

In addition to the above work program, Centaur has engaged Hatch Ltd to undertake a conceptual study to determine the feasibility of building a Pilot Plant. This study will focus on generating capital and operating cost for a single suggested processing route Pilot Plant capable of producing 1,200 tonnes per year of lithium carbonate.

b. Phase 1: Exploration Phase and Evaporation pond testing program

The Exploration Phase and Evaporation pond testing program consists of the activities summarised below:

i. initial Geophysical Surveys (CSAMT and VES);
ii. based on the geophysical survey, drill up to six (6) core holes (at least to depth of 400 m each) exploration core holes for lithium and drainable porosity sampling. Install monitoring wells. (CPW-01 through CPW-06);
iii. collect brine and core samples for chemistry and drainable porosity analyses (twenty (20) samples per core hole);
iv. conduct airlift tests to determine hydraulic parameters; and
v. Evaporation pond testing program.

c. Phase 2: Further Exploration Phase

Subject to Centaur confirming the presence of lithium brines similar to those encountered in adjacent and nearby basins, Centaur intends to carry out the following activities:

i. follow up surface geophysics to target resource drilling (CSAMT/TEM, seismic and VES);
ii. follow-on rotary drilling and well construction;
iii. pumping tests; and
iv. JORC Code resource estimate.

The phase two budget will be estimated after finalising the phase one exploration program.

d. Pilot Plant Feasibility Study

The objectives of the Pilot Plant Feasibility Study programme, are to:

i. define a flowsheet for the process from brine to lithium carbonate;
ii. review alternative separation and purification technologies; and
iii. prepare a feasibility study, including estimation of capital and operating costs ('**Bankable Feasibility Study**').

4.12 Budget allocation

Centaur proposes to apply the funds raised under the Offer and from its existing capital, as set out in table 10 below:

Table 10

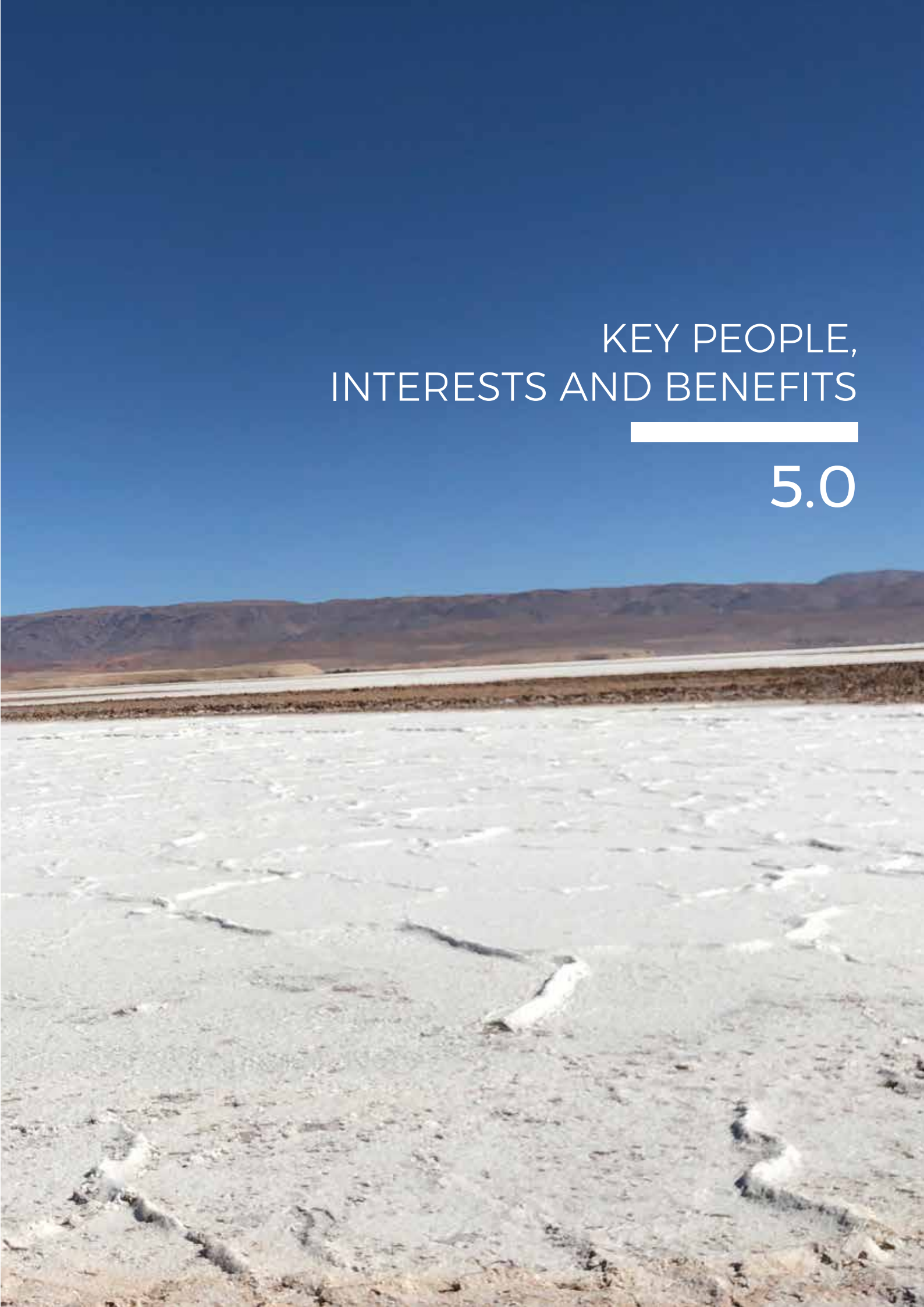
Use of Funds	Minimum Subscription ($12.5M)			Maximum Subscription ($15M)		
	$			$		
	Year 1	Year 2	Total	Year 1	Year 2	Total
Funds to settle the Espinosa Agreement, Sulca Agreement and Leiseca Agreement *	2,660,000	0	2,660,000	2,660,000	0	2,660,000
Funds to complete tranche payments for Mármol Agreement *	975,000	0	975,000	975,000	2,702,703	3,677,703
Exploration expenditure **						
Wages, Salaries and Contractors	85,000	85,000	170,000	85,000	85,000	170,000
Geophysical/TEM Survey	350,000	0	350,000	350,000	0	350,000
Metallurgical Testing	112,500	0	112,500	112,500	0	112,500
Drilling Program	755,370	846,490	1,601,860	755,370	1,024,192	1,779,562
Assays	60,000	0	60,000	60,000	0	60,000
Evaporation Field Test	267,400	114,600	382,000	267,400	114,600	382,000
Field Costs and Consumables	75,000	200,000	275,000	75,000	225,000	300,000
Tenement Administration	60,000	36,000	96,000	60,000	36,000	96,000
TOTAL	**1,765,270**	**1,282,090**	**3,047,360**	**1,765,270**	**1,484,792**	**3,250,062**

Use of Funds	Minimum Subscription ($12.5M)			Maximum Subscription ($15M)		
	$			$		
	Year 1	Year 2	Total	Year 1	Year 2	Total
Expenses of the Offer						
Legal fees	175,000	0	175,000	175,000	0	175,000
Audit fees	30,000	0	30,000	30,000	0	30,000
ASX listing fee	125,000	0	125,000	125,000	0	125,000
Brokerage fee	1,150,000	0	1,150,000	1,375,500	0	1,375,500
TOTAL	**1,480,000**	**0**	**1,480,000**	**1,705,500**	**0**	**1,705,500**
SUB-TOTAL	**6,880,270**	**1,282,090**	**8,162,360**	**7,105,770**	**4,187,495**	**11,293,265**
Working Capital* **	**1,518,174**	**2,819,466**	**4,337,640**	**1,297,357**	**2,409,378**	**3,706,735**
TOTAL	**8,398,444**	**4,101,556**	**12,500,000**	**8,403,127**	**6,596,873**	**15,000,000**

* Amounts payable under the Mármol Agreement, Espinosa Agreement, Sulca Agreement and Leiseca Agreement are in US dollars. The amount reported in table 10 is based on a spot conversion rate of $1 Australian dollar equals $0.70 US dollars. Since 14 September 2017, $1 Australian dollar has converted into as high as approximately $0.81 and as low as approximately $0.70 US dollars. The spot rate may change at the time payments are due under the Mármol Agreement, Espinosa Agreement, Sulca Agreement and Leiseca Agreement.

** The amount reported in table 10 is based on a spot conversion rate of $1 Australian dollar equals $0.70 US dollars.

*** This includes the general costs associated with the management and operation of the business including administration expenses, management salaries, directors' fees, rent and other associated costs.



KEY PEOPLE, INTERESTS AND BENEFITS

5.0

5.1 Board of Directors

The Board comprises four (4) Directors, three (3) of whom are Non-Executive Directors and one (1) who is an executive director. The Directors bring to the Board relevant experience and skills, including resource and mining knowledge, financial management and public company experience.

5.2 Profile of Directors and Executive Management

Walter Robertson Milbourne Jr
J.D (Law) , A.B,
Non-Executive Director and Chairman

Robert Milbourne is the Managing Director of Mining Standards International, a mining advisory firm, and a corporate transactional resources lawyer with experience in all major commodities and most major jurisdictions around the world. Mr Milbourne has advised on mining and infrastructure transactions in Argentina and throughout South America, Africa and Asia.

Prior to founding Mining Standards International, Mr Milbourne was an equity partner of two international law firms (K&L Gates and Norton Rose Fulbright), where his practice focused primarily in mining sector transactions across the resources project life cycle from early stage exploration to project development, procurement, commodity and off-take agreements and operational matters, financings, mergers and acquisitions, corporate governance and corporate and commercial advice.

Mr Milbourne is a Fellow of the Sustainable Minerals Institute and an Adjunct Professor of Law at the University of Queensland. He regularly teaches Mining Law at the university and postgraduate level and lectures nationally and internationally on mining law and transactional matters.

Earlier in his career Mr Milbourne spent seven (7) years with the global mining firm Vale in its South American headquarters as Chief Counsel of International Projects, and then in Australia as Australian General Counsel and Company Secretary where he was responsible for legal function of global mining company Vale SA´s Australian subsidiary, Vale Australia Pty Ltd, including integration of approximately $1 billion USD business into Vale´s global operations, regional exploration through Australia and Asia Pacific.

Brian Clifford
MBA, dip Bus, MAICD
Managing Director & CEO

Prior to joining Centaur, Mr Clifford was the Managing Director of AMCI Investments Pty Ltd which is responsible for AMCI's Australian and South East Asia operations, acquisitions, divestments and joint venture project interest. Mr Clifford also held several separate directorships and a COO role within the AMCI portfolio which include; greenfield projects, operating asset and joint ventures. Mr Clifford was also previously a non-executive of Malabar Coal and the General Manager of the AMCI's coal trading desk, accountable for both physical and financial risk management.

Mr Clifford has eighteen (18) years of resources related experience, including ten (10) years with BHP Billiton across a number geographies, commodities and markets. His experience includes roles as technical marketing manager in BHP's Singapore office and a marketing manager for BHP's Carbon Steel Materials desk in Pittsburgh. Mr Clifford has also held senior site operational positions in both coal and diamonds assets in Australia and Canada.

Greg Jones
BSc (Hons) Geology
Non-Executive Director

Greg Jones is a geologist with thirty-eight (38) years of exploration and operational experience gained in a broad range of metalliferous commodities within Australia and overseas including Fiji, North and South America, China and Europe. Mr Jones has held senior management positions in a number of resource companies including Western Mining Corporation, Sino Gold Limited and CBH Limited. His technical and project management experience spans a wide spectrum of activities from grass-roots exploration through to resource definition and new project generation, project assessment and acquisition, mine feasibility studies and mine operations.

Over the last nine (9) years Mr Jones has served on the boards of a number of ASX resource companies, in executive (including Managing Director) and non-executive positions. He brings to Centaur strong operating and corporate skills, as well as valuable experience in the capital markets.

Mr Jones was awarded the Institute Medal for academic excellence whilst at university and is credited with several economic mineral discoveries including the Orion gold deposit and Blair nickel mine in Western Australia.

Mr Jones is currently an executive director of Variscan Mines Limited and a non-executive director of Silver City Minerals Limited and Thomson Resources Ltd.

Ivo Polovineo (FIPA)
Non-Executive Director

Ivo Polovineo has over forty-five (45) years' experience in corporate accounting, finance and company secretarial work for a diverse range of companies. He spent the past thirty-five (35) years in senior management roles in the resources sector including seven (7) years as Company Secretary (and five (5) years as CFO) of Sino Gold Mining Limited (a former ASX 100 company) until December 2009 and played an instrumental role in the company's dual listing on the Hong Kong Stock Exchange in 2007.

Mr Polovineo was with Sino Gold for twelve (12) years forming part of the executive team that built the company from a market capitalisation of $100m in 2002 to its acquisition by Eldorado Gold Corporation in December 2009 for approximately $2.4 billion.

Mr Polovineo is currently a consultant and company secretary of Lynas Corporation Ltd, Thomson Resources Ltd, and Silver City Minerals Limited and is a former non-executive director of ASX listed Eastern Iron Limited and Galaxy Resources Limited (including Audit Committee Chair).

5.3 Executive Management

Brendan Raftery
MBA, B.A (Accounting)
Chief Financial Officer & Company Secretary

Prior to joining Centaur, Brendan Raftery was the Chief Financial Officer for Coca Cola Amatil Papua New Guinea, where he was responsible for the strategic transformation of the PNG business through the development of the financial and governance controls associated with the Australian business unit.

Prior to joining Coca-Cola Amatil, Mr Raftery was Chief Financial Officer and a board member of Papua New Guinea Power, leading the 200-strong commercial services and customer services teams to support the core business. Mr Raftery was also previously Head of Finance for Westpac Bank PNG, where he was responsible for the management of the Bank's Retail and Corporate banking divisions with responsibility for Shareholder Annual Reports and liaison with external shareholders and regulators in Australia and PNG.

Cristian Saavedra Lopez
Chief Operating Officer

Prior to joining Centaur, Cristian Saavedra Lopez held senior positions in lithium producer Orocobre (ASX:ORE) and SQM (NYSE: SQM). In respect to his role with SQM, Cristian was the production manager of SQM's Plant in North Chile between August 2004 and July 2015.

Whilst at SQM, Mr Lopez was responsible for management of HR, production, maintenance, costs, industrial inputs and equipment for the region's first plants at the Salar de Atacama. Mr Lopez also participated at various community and safety activities.

Following his departure from SQM, Mr Lopez was also the General Manager for Sales de Jujuy, the Argentine operating entity of Orocobre, where he was responsible for the production capacity rise from 10% of name plate capacity until near full design capacity. Mr Lopez made numerous strategical operational changes and adjustments to the original design, solved bottleneck situations, and improved processes, while achieving economical sustainability and production budget compliance.

Alejandro Rodriguez Bidegain
Senior Vice President: Operations

Prior to joining Centaur, Alejandro Rodriguez Bidegain was previously Vice President: Operations & Financial Management for Rincon Lithium Limited, responsible for developing its main project at the Rincon Salar in Argentina. Reporting to the Chairman and CEO, Mr Bidegain was responsible for the commissioning of a lithium pilot plant and demonstration plant in Salar del Rincon, as well as supervising technical and engineering teams through the projects development. Mr Bidegain was instrumental in the completion of the Ni43-101 Feasibility report as well as developing the logistics framework for the export of lithium products testing shipping routes through both the Atlantic and Pacific ports.

Mr Bidegain additionally has held senior roles at Grupo Puente, a mining consultancy business based in Argentina as well as PwC and Citibank. Mr Bidegain is a member of CPA Australia and holds a Masters of Business Administration and Masters of Finance from Bond University in addition to a Bachelor of Business from Universidad Catolica Argentina. Mr Bidegain is a duel Australian and Argentine citizen and resides in Salta, Argentina.

5.4 Interests and benefits

This Section 5.4 sets out the nature and extent of the interests and fees of certain persons involved in the Offer. Other than as set out below or elsewhere in this Prospectus, no:

a. Director or proposed Director of the Centaur;
b. person named in this Prospectus and who has performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
c. promoter of Centaur; or
d. underwriter to the Offer,

holds at the Prospectus Date, or has held in the two (2) years before the Prospectus Date, any interest in:

e. the formation or promotion of Centaur;
f. property acquired or proposed to be acquired by Centaur in connection with its formation or promotion, or in connection with the Offer; or
g. the Offer,

and no amount (whether in cash, Shares or otherwise) has been paid or agreed to be paid, nor has any benefit been given or agreed to be given to:

h. any such persons for services in connection with the formation or promotion of Centaur or the Offer; or
i. any Director or proposed Director to induce them to become, or qualify as, a Director of Centaur.

5.5 Directors' interests and remuneration

The Constitution provides the following in relation to the remuneration of the Directors:

a. The Directors decide the total amount paid to all Directors as remuneration for their services as a Director. However, under the ASX Listing Rules, the total amount paid to all Non-Executive Directors for their services must not exceed in aggregate in any financial year the amount fixed at Centaur's general meeting. This amount has been fixed by Centaur at $300,000 per annum. Annual Non-Executive Directors' fees currently agreed to be paid by Centaur are $240,000 (plus GST) per annum in aggregate.
b. If a Non-Executive Director performs services which, in the opinion of the Directors, are outside the scope of the ordinary duties of a Director, Centaur may remunerate that Director by payment of a fixed sum determined by the Directors in addition to or instead of the remuneration referred to above. Directors are also entitled to their reasonable travel, accommodation and other expenses incurred in attending Company or Board meetings, or meetings of any committee engaged in Centaur's business.
c. Executive Directors are to be paid an amount of remuneration determined by the Directors after recommendations are received from the Remuneration Committee. Mr Clifford will receive a total remuneration package of $361,350, including compulsory superannuation, vehicle fuel expenses and other allowances but excluding bonus payments for meeting performance milestones, pursuant to his executive employment contract. See Section 5.9 for further information, including details of bonuses Mr Clifford may be entitled to receive. Mr Clifford will not be receiving Director's fees while serving as a Board member.

Table 11 below sets out the amount of remuneration each Director is entitled to receive per annum at the Prospectus Date.

Table 11

Director	Board Remuneration per annum	Executive Employment Contract remuneration
Brian Clifford	Nil	$361,350
Robert Milbourne	$120,000 (excluding GST)	Nil
Greg Jones	$60,000 (excluding GST)	Nil
Ivo Polovineo	$60,000 (excluding GST)	Nil

5.6 Deeds of access, indemnity and insurance of Directors

Centaur has entered into deeds of access, indemnity and insurance with each Director which contains rights of access to certain books and records of Centaur for a period of seven (7) years after the Director ceases to hold office. This seven (7) year period can be extended where certain proceedings or investigations commence before the seven (7) year period expires.

Under the deed of access, indemnity and insurance, Centaur:

a. indemnifies the Directors against all liabilities to another person which may arise from their position as an officer of Centaur or its subsidiaries to the extent permitted by law; and
b. must obtain directors' and officers' insurance during each Director's period of office and for a period of seven (7) years (subject to extension in the event of proceedings or investigations commencing) after a Director ceases to hold office.

Pursuant to the Constitution, Centaur:

a. is required to indemnify all Directors and officers, past and present, against all liabilities allowed under law; and
b. may arrange and maintain directors' and officers' insurance for its Directors to the extent permitted by law.

Centaur currently has directors' and officers' insurance in place on standard commercial terms.

5.7 Directors' and officer's shareholdings

Table 12 below sets out the Directors' and officer's Shareholding in Centaur as at the Prospectus Date and following Completion of the Offer.

Table 12

Existing Shareholders	Shares held on the Prospectus Date		Shares held on Completion of the Offer (Minimum Subscription)		Shares held on Completion of the Offer (Maximum Subscription)	
Entities associated with Mr Clifford*	7,500,000	17.44%	11,250,000	4.74%	11,250,000	4.50%
Entities associated with Mr Milbourne	5,000,000	11.63%	5,000,000	2.11%	5,000,000	2.00%
Entities associated with Mr Jones	1,250,000	2.91%	1,250,000	0.53%	1,250,000	0.50%
Entities associated with Mr Polovineo	1,250,000	2.91%	1,250,000	0.53%	1,250,000	0.50%
Entities associated with Mr Raftery	2,500,000	5.81%	2,500,000	1.05%	2,500,000	1.00%
Other entities	500,000	1.16%	500,000	0.21%	500,000	0.20%
TOTAL	**18,000,000**	**41.86%**	**21,750,000**	**9.16%**	**21,750,000**	**8.70%**

* Refer to Section 5.8 for more information.

5.8 Transactions with related parties

Prior to Listing, Clifford Superfund (BLK) Pty Ltd ACN 610 145 545 as trustee for the Clifford Super Fund (BLK), an entity associated with Mr Clifford, agreed to provide Centaur with funding of $250,000 pursuant to a Convertible Note Agreement. The funds were used by Centaur for operational expenses and the costs associated with achieving a Listing event. The Convertible Note Agreement will convert into 3,750,000 Shares on Completion of the Offer. For further information, refer to Section 11.4.

5.9 Executive remuneration

a. Chief Executive Officer/Managing Director

Centaur has entered into an employment contract with Mr Clifford in respect of his employment as Chief Executive Officer and Managing Director. Mr Clifford will be entitled to a total remuneration package of approximately $361,350, including compulsory superannuation, vehicle fuel expenses and other allowances ('**CEO Salary**'). The CEO Salary may increase from time to time subject to the Board's discretion on recommendations made by the Remuneration Committee.

The cash bonuses available to Mr Clifford under the terms of his employment contract are as follows:

i. up to 150% of CEO Salary each year, subject to meeting agreed performance milestones determined by the Board on recommendations made by the Remuneration Committee;
ii. a bonus of $330,000 on Centaur achieving a maiden JORC Code compliant resource report in respect of the Lobo Blanco Project ('**CEO JORC Bonus**');
iii. a bonus of $375,000 on Centaur completing a definitive feasibility report for a commercial scale lithium production operation; and
iv. a bonus of $450,000 on Centaur commencing construction of a Pilot Plant.

As at the Prospectus Date, the Board is of the opinion that during the two (2) year period from Listing, the only bonus potentially payable to Mr Clifford is the CEO JORC Bonus should Centaur's exploration program identify commercially viable resources.

As a member of the Management team, Mr Clifford will be entitled to participate in Centaur's employee incentive plan and receive discretionary bonuses and other discretionary benefits. For further details about Centaur's incentive scheme, refer to Section 5.11.

Either party may terminate Mr Clifford's employment contract by giving the other three (3) months' notice. Centaur may make a payment in lieu of all or part of the notice period and/or place Mr Clifford on gardening leave. Centaur may also terminate Mr Clifford's employment immediately in certain circumstances, including serious misconduct.

Mr Clifford's employment contract also includes a restraint and non-solicitation clause applying for a maximum of up to twelve (12) months after termination. Enforceability of such clauses is subject to the usual legal requirements.

b. Chief Financial Officer & Company Secretary

Centaur has entered into an employment contract with Mr Raftery in respect of his employment as Chief Financial Officer & Company Secretary. Mr Raftery will be entitled to a total remuneration package of approximately $240,900, including compulsory superannuation, vehicle fuel expenses and other allowances ('**CFO Salary**'). The CFO Salary may increase from time to time subject to the Board's discretion on recommendations made by the Remuneration Committee.

The cash bonuses available to Mr Raftery under the terms of his employment contract are as follows:

i. up to 150% of CFO Salary each year, subject to meeting agreed performance milestones determined by the Board on recommendations made by the Remuneration Committee;
ii. a bonus of $200,000 on Centaur achieving a maiden JORC Code compliant resource report in respect of the Lobo Blanco Project ('**CFO JORC Bonus**');
iii. a bonus of $240,000 on Centaur completing a definitive feasibility report for a commercial scale lithium production operation; and
iv. a bonus of $270,000 on Centaur commencing construction of a Pilot Plant.

As at the Prospectus Date, the Board is of the opinion that during the two (2) year period from Listing, the only bonus potentially payable to Mr Raftery is the CFO JORC Bonus should Centaur's exploration program identify commercially viable resources.

As a member of the Management team, Mr Raftery will be entitled to participate in Centaur's employee incentive plan and receive discretionary bonuses and other discretionary benefits. For further details about Centaur's employee incentive plan, refer to Section 5.11.

Either party may terminate Mr Raftery's employment contract by giving the other three (3) months' notice. Centaur may make a payment in lieu of all or part of the notice period and/or place Mr Raftery on gardening leave. Centaur may also terminate Mr Raftery's employment immediately in certain circumstances, including serious misconduct.

Mr Raftery's employment contract also includes a restraint and non-solicitation clause applying for a maximum of up to twelve (12) months after termination. Enforceability of such clauses is subject to the usual legal requirements.

c. Chief Operating Officer

Centaur has entered into an employment contract with Mr Lopez in respect of his employment as Chief Operating Officer. Mr Lopez will be entitled to a total remuneration package of approximately USD$244,000, including compulsory superannuation (if any), travel expenses and other allowances ('**COO Salary**'). The COO Salary may increase from time to time subject to the Board's discretion on recommendations made by the Remuneration Committee.

The cash bonuses available to Mr Lopez under the terms of his employment contract are as follows:

i. up to 150% of COO Salary each year, subject to meeting agreed performance milestones determined by the Board on recommendations made by the Remuneration Committee;
ii. additional bonuses determined by the Board on recommendations made by the Remuneration Committee from time to time in achievement of:
    a. Centaur achieving a maiden JORC Code compliant resource report in respect of the Lobo Blanco Project;
    b. Centaur completing a definitive feasibility report for a commercial scale lithium production operation; and
    c. Centaur commencing construction of a Pilot Plant.

As a member of the Management team, Mr Lopez will be entitled to participate in Centaur's employee incentive plan and receive discretionary bonuses and other discretionary benefits. For further details about Centaur's employee incentive plan, refer to Section 5.11.

Either party may terminate Mr Lopez's employment contract by giving the other three (3) months' notice. Centaur may make a payment in lieu of all or part of the notice period and/or place Mr Lopez on gardening leave. Centaur may also terminate Mr Lopez's employment immediately in certain circumstances, including serious misconduct. A probation period of six (6) months from Mr Lopez's commencement of employment with Centaur also applies, allowing either party to terminate the employment agreement on one (1) week's notice.

Mr Lopez's employment contract also includes a restraint and non-solicitation clause applying for a maximum of up to twelve (12) months' after termination. Enforceability of such clauses is subject to the usual legal requirements.

d. Senior Vice President: Operations

Centaur has entered into an employment contract with Mr Bidegain in respect of his employment as Senior Vice President: Operations. Mr Bidegain will be entitled to a total remuneration package of approximately USD$120,000, including any compulsory superannuation (if any), travel expenses and other allowances ('**VP Salary**'). The VP Salary may increase from time to time subject to the Board's discretion on recommendations made by the Remuneration Committee.

The cash bonuses available to Mr Bidegain under the terms of his employment contract are as follows:

i. up to 150% of VP Salary each year, subject to meeting agreed performance milestones determined by the Board on recommendations made by the Remuneration Committee;
ii. additional bonuses determined by the Board on recommendations made by the Remuneration Committee from time to time in achievement of:
    a. Centaur achieving a maiden JORC Code compliant resource report in respect of the Lobo Blanco Project;
    b. Centaur completing a definitive feasibility report for a commercial scale lithium production operation; and
    c. Centaur commencing construction of a Pilot Plant.

As a member of the Management team, Mr Bidegain will be entitled to participate in Centaur's employee incentive plan and receive discretionary bonuses and other discretionary benefits. For further details about Centaur's employee incentive plan, refer to Section 5.11.

Either party may terminate Mr Bidegain's employment contract by giving the other three (3) months' notice. Centaur may make a payment in lieu of all or part of the notice period and/or place Mr Bidegain on gardening

leave. Centaur may also terminate Mr Bidegain's employment immediately in certain circumstances, including serious misconduct.

Mr Bidegain's employment contract also includes a restraint and non-solicitation clause applying for a maximum of up to twelve (12) months' after termination. Enforceability of such clauses is subject to the usual legal requirements.

5.10 Offers under Long-term Incentive Plan

Subject to Centaur obtaining any necessary Shareholder approvals (including for the purposes of sections 260A and 259B(2) of the Corporations Act) and once Centaur's Shares become 'eligible products' for the purposes of ASIC Class Order 14/1000, the Board has agreed to offer the following Shares to the individuals listed below in table 13 (collectively '**Executives**') in accordance with the terms of Centaur's Long-term Incentive Plan:

Table 13

Executive	Number of Shares
Cristian Saavedra Lopez	2,562,000*
Alejandro Rodriguez Bidegain	1,260,000**

* The number of Shares is an approximation and equals 150% of Mr Lopez's base salary of USD$244,000. As at the 5 September 2018, one USD converts into approximately $1.4 AUD, therefore approximately 2,562,000 Shares (being 244,000 x 1.4 x 150% ÷ the Offer Price) are being offered to Mr Lopez under the Long-term Incentive Plan. Because the offer of Shares has not yet been approved by Shareholders, nor are the Shares an 'eligible product' as at the Prospectus Date, the number of Shares ultimately issued to Mr Lopez under the Long-term Incentive Plan may differ from the number estimated in the table above.

** The number of Shares is an approximation and equals 150% of Mr Bidegain's base salary of USD$120,000. As at the 5 September 2018, one USD converts into approximately $1.4 AUD, therefore approximately 1,260,000 Shares (being 120,000 x 1.4 x 150% ÷ the Offer Price) are being offered to Mr Bidegain under the Long-term Incentive Plan. Because the offer of Shares has not yet been approved by Shareholders, nor are the Shares an 'eligible product' as at the Prospectus Date, the number of Shares ultimately issued to Mr Bidegain under the Long-term Incentive Plan may differ from the number estimated in the table above.

The Shares issued to the above Executives will only vest, and the Executives will only have an entitlement to their respective Shares (subject to repayment of their respective loans and the terms of the Long-term Incentive Plan), to the extent that the performance hurdles described in Section 5.11 are satisfied.

5.11 Long-term Incentive Plan

Centaur has adopted a Long-Term Incentive Plan which allows it to issue Shares to eligible persons (including directors subject to compliance with the ASX Listing Rules) as the Board approves from time to time pursuant to a limited recourse loan facility.

Any Shares issued under the Long-Term Incentive Plan are subject to the vesting conditions (as outlined below), which will be vested based on performance over a period of approximately five (5) years ('**Vesting Period**').

Any loan Shares issued pursuant to the Long-Term Incentive Plan are subject to a performance condition based on the total shareholder return ('**TSR**') of Centaur, relative to the TSR of the companies in the S&P/ASX Emerging Companies Index, for the duration of the Vesting Period.

The percentage of the loan Shares that vest to an eligible person, if any, will be determined upon completion of the Vesting Period, as set out in table 14 below:

Table 14

Centaur's TSR over performance period, relative to companies in the S&P/ASX Emerging Companies Index, for the duration of the performance period.	Percentage of Shares that vest
Less than median of comparator group	Nil
At median of comparator group	50%
Between median and 75th percentile of comparator group	Straight line pro rata vesting between 50% and 100%
Greater than 75th percentile of comparator group	100%

A summary of the Long-Term Incentive Plan is set out in table 15 below:

Table 15

TOPIC	SUMMARY
Eligibility	Eligibility to participate in the loan plan and the number of Shares that can be acquired by each participant will be determined by the Board. Offers may be made to employees of Centaur or any other person that the Board determines to be eligible to receive a grant under the loan plan ('**Participant**').
Advance of loan amount	The loan provided to Participants by Centaur can only be used to acquire Shares under the loan plan ('**Loan'**).
Limitation on size of the Loan	Participation in the Loan will be limited to fie (5) percent of the total number of issued Shares in Centaur.
Offers	The Board has the discretion to set the terms and conditions on which it will offer Shares acquired using the Loan in the individual offer documents ('**Loan Offer**'). Loan Offers will be in writing and state, among other things, the number of Shares under the Loan Offer, the amount of the Loan and applicable vesting conditions.
Acquisition of Shares	When the Participant accepts the Loan Offer and the Loan terms, the amount representing the acquisition price will be applied to fund the acquisition of the Shares. Centaur is then required to arrange for the Shares to be provided to the Participant by way of: a. an allotment and issue; b. by acquiring the Shares on-market; c. by transfer; or d. by other means.
Restrictions on disposal	Shares acquired under the loan plan cannot be disposed of or dealt with (other than under the Loan terms) until the vesting conditions are satisfied.
Change of control events	Where there is, in the Board's opinion, a likely change of control event, the Board may determine that all or a specified number of a Participant's unvested Shares vest and that a pro rata amount of the Loan will become repayable.
Rights attaching to Shares	Subject to the terms of the Loan Offer or the Loan terms, Participants will be entitled to: a. exercise any voting rights attaching to any Shares acquired under the Loan; b. receive any distributions paid on the Shares acquired under the Loan; and c. participate in any rights issues of Shares made by Centaur. The Loan terms will also apply to any bonus Shares that Centaur issues to Participants in relation to Shares acquired under the Loan.

TOPIC	SUMMARY
Powers of the Board	The Board has broad powers to: a. administer the Loan, establish policies and procedures in respect of the Loan and resolve questions of construction of the Loan; b. amend the rules governing the Loan and any Loan Offer made under the Loan in specified circumstances and where the amendment does not materially adversely affect the rights of Participants. While the Shares are listed on the ASX, amendments to the rules governing the loan plan must be made in accordance with the ASX Listing Rules (or any waiver); and c. terminate or suspend the Loan at any time provided that it does not materially affect or materially prejudice the rights of Participants.
Security	Under the Loan terms, the Participant grants a security interest in the Shares to secure payment of the Loan and for performance of the Participant's obligations under the Loan. To the extent that a security interest is created under the PPSA, the Participant consents to Centaur registering the interest with the PPSA.

A summary of the Centaur – Employee Limited Recourse Loan Terms ('**Loan Terms**') are set out in table 16 below:

Table 16

TOPIC	SUMMARY
Purpose of Loan	The Participant can only use the Loan to pay the acquisition price for Shares acquired under the Loan.
Conditions precedent to advance	A Loan advance will not be provided until Centaur has received a properly completed drawdown notice and acceptance form executed by the Participant.
Drawdown notice	When the drawdown notice is completed and lodged by the Participant with Centaur, the Participant requests the Loan to be advanced, agrees to be bound by the Loan facility and the Participant directs the Loan be applied to fund the acquisition of the Shares.
Security	Under the Loan Terms, the Participant grants a security interest in the Shares to secure payment of the Loan and for performance of the Participant's obligations under the Loan. To the extent that a security interest is created under the PPSA, the Participant consents to Centaur registering the interest with the PPSA.
Nature of the Loan	The Loan is interest free (unless otherwise determined by the Board).
Distributions	Any dividends paid on the Shares while any part of the Loan remains outstanding (on a notional after-tax basis) will be applied towards repaying the Loan. The balance of the dividend is paid directly to the participant to fund his or her tax liability on the dividends paid. Capital distributions will also be applied towards repaying the Loan.
Repayment and limited recourse	The Loan is a limited recourse seven (7) year loan. That is, at the relevant repayment time the Participant is required to repay the lesser of the outstanding principal and the market value of the Shares at that time. The timing of repayment can differ depending on whether a Participant ceases employment and whether the applicable Vesting Conditions have been satisfied. Where the market value of the Shares is repayable, the Participant forfeits the Shares. As soon as practicable after the Shares are forfeited, Centaur must either sell those Shares, buy back and cancel those Shares or deal with them in any other manner determined by Centaur. No consideration is payable to a Participant where their Shares are forfeited.
Repayments or prepayments	A Participant can repay the principal outstanding at any time. Where a Participant sells their Shares, they must apply the proceeds of sale in repayment of any principal outstanding under the Loan.

5.12 Interests of Advisors

Centaur has engaged the following professional advisers:

a. Sequoia Corporate Finance Pty Ltd ACN 602 219 072 (a Corporate Authorised Representative No 469074 of Sequoia Wealth Management Pty Limited, ACN 002 314 310, AFSL No. 472387) has acted as Lead Manager to the Offer. Centaur has paid, or agreed to pay, the Lead Manager the fees described in Section 11.4.

b. Ramsden Lawyers has acted as Australian legal adviser to Centaur in relation to the Offer. Centaur has paid, or agreed to pay, approximately $90,000 (excluding disbursements and GST) for these services. Further amounts may be paid to Ramsden Lawyers in accordance with its normal time-based charges.

c. Crowe Horwath Corporate Finance (Aust) Ltd has acted as Investigating Accountant and has prepared the Investigating Accountant's Report. Centaur has paid, or agreed to pay, approximately $20,000 (excluding disbursements and GST) for these services. Further amounts may be paid to Crowe Horwath Corporate Finance (Aust) Ltd in accordance with its normal time-based charges.

d. Crowe Horwath South QLD will act as auditors to audit the consolidated financial reports for the year ending 30 June 2018, review the consolidated financial reports for the year ending 31 December 2018 and audit the consolidated financial report for the year ending 30 June 2019. Centaur has paid, or agreed to pay, approximately $55,000 (excluding disbursements and GST) for these services. Further amounts may be paid to Crowe Horwath South QLD in accordance with its normal time-based charges.

e. Centaur has paid, or agreed to pay approximately $7,500 (exclusive of GST) to Computershare Investor Services Pty Ltd for the provision of services for this Listing and ongoing share registry services.

f. Estudio Beccar Varela has acted as Argentine Counsel to Centaur in providing general advice in relation to the Lobo Blanco Project, Argentine operations and preparation of the Legal Tenure Report. Centaur estimates it will pay the Argentine Counsel approximately USD$10,000 (excluding GST) for these services. Further amounts may be paid to Estudio Beccar Varela in accordance with its normal time-based charges

g. SRK Consulting (US) Inc. has acted as Independent Expert Geologist and prepared the Independent Expert Report which is included in Section 10 of this Prospectus. Centaur estimates it will pay the Independent Expert Geologist USD$72,000 (including fees and disbursements) for these services.

h. Roskill Consulting Group Ltd has acted as an industry advisor to Centaur in relation to the Offer. Centaur has paid, or agreed to pay, approximately $41,900 (excluding disbursements and taxes) for these services.

i. Hatch Ltd has been engaged to provide engineering and consultancy services for a Pilot Plant concept study to be provided to Centaur. The study will focus on generating capital and operating cost for a single suggested processing route Pilot Plant capable of producing 1,200 tonne per annum of lithium carbonate. The study is near completion with Centaur estimating it will pay Hatch Ltd approximately USD$115,500 (excluding GST) for these services.

These amounts, and other expenses of the Offer, will be paid by Centaur out of funds raised under the Offer or available cash. Further information on the use of proceeds and payment of expenses of the Offer is set out in Section 2.3.

CORPORATE GOVERNANCE

6.0

6.1 Overview

Centaur's corporate governance policies and procedures have been designed to be consistent with the ASX Recommendations and are outlined below.

6.2 The Board

The Board is responsible for the overall corporate governance of Centaur, and it recognises the need for the highest standards of ethical behaviour and accountability. The Board is committed to administering its corporate governance structures to promote integrity and responsible decision making.

6.3 Composition of the Board

The Constitution requires Centaur to have a minimum number of three (3) Directors. The maximum number of Directors is fixed by the Board but may not be more than ten (10), unless the members of Centaur in a general meeting resolve otherwise.

The relevant provisions in the Constitution, the Corporations Act and the ASX Listing Rules determine the terms and conditions relating to the appointment and termination of Directors. All Directors, other than the Managing Director, are subject to re-election by rotation every three (3) years.

Identification of potential Board candidates includes consideration of the skills, experience, personal attributes and capability to devote the necessary time and commitment to the role.

6.4 Charters and Policies

Set out in table 17 below is a list of Centaur's corporate governance charters and policies and a brief description of the purpose of each. Copies of the charters and policies are in the Corporate Governance section of Centaur's website at centaurresources.com.

As Centaur's activities develop in size, nature and scope, the implementation of additional corporate governance policies will be given further consideration.

Table 17

Charter/Policy	Purpose
Board Charter	Sets out the various responsibilities of the Board with regard to the overall operation and stewardship of Centaur.
Code of Conduct	The Code of Conduct aims to develop a consistent understanding of, and approach to, the desired standards of conduct and behaviour of the Directors, officers, employees and consultants in carrying out their roles for Centaur.
Continuous Disclosure and Shareholder Communications Policy	The purpose of the Continuous Disclosure and Shareholder Communications Policy is to: a. ensure that Centaur, as a minimum, complies with its continuous disclosure obligations under the Corporations Act and the ASX Listing Rules and, as much as possible, seeks to achieve best practice; b. provide Shareholders and the market with timely, direct and equal access to information issued by Centaur; and c. promote investor confidence in the integrity of Centaur and its Securities.
Securities Trading Policy	The Securities Trading Policy states the requirements for all Directors, senior executives, employees and consultants of Centaur dealing in Centaur's Securities.

Charter/Policy	Purpose
Audit and Risk Management Committee Charter	The purpose of the Audit and Risk Management Committee Charter is to: a. provide a framework for identifying, assessing, monitoring and managing business, financial and regulatory risks; b. communicate the roles and accountabilities of participants in the risk management system; c. highlight the status of risks to which Centaur is exposed, including any material changes to Centaur's risk profile; d. monitor the integrity and quality of interim and annual financial reporting and disclosures; e. monitor compliance with relevant laws, regulations, standards and codes; f. monitor the adequacy of the internal control framework; and g. monitor the integrity of internal and external audit.
Remuneration and Nominations Committee Charter	The Remuneration and Nominations Committee Charter sets out Centaur's policy and procedures for nomination and remuneration of officers and senior management, including in relation to the Chief Executive Officer, to ensure that they are fair and meet market expectations.
Diversity Policy	Centaur has adopted a Diversity Policy to encourage the creation of a workplace where well qualified management are appointed and with a corporate culture of diversity in composition of executives, management and employees.

6.5 Corporate Governance Compliance with ASX Recommendations

Centaur sets out in table 18 below its "if not, why not" report in relation to those matters of corporate governance where Centaur's practice departs from the ASX Recommendations to the extent that they are currently applicable to Centaur.

Table 18

Recommendation 1.1 **Roles and responsibilities of the Board and senior executives**	Complies	The Board has adopted a Board Charter which sets out the roles and responsibilities of the Board and its governance requirements. The Board Charter clearly articulates the division of responsibilities between the Board and senior executives to help manage expectations and avoid misunderstandings about their respective roles and responsibilities. A copy of the Board Charter can be found on Centaur's website.
Recommendation 1.2 **Checks on Board candidates and provision of information to Shareholders**	Complies/ Will comply	Centaur undertakes appropriate checks before appointing a person or putting forward to Shareholders a candidate for election as a Director of Centaur. The Remuneration and Nomination Committee's Charter requires the committee to undertake background checks and provide Shareholders with all relevant information. A copy of Centaur's Remuneration and Nomination Committee's Charter is accessible on Centaur's website. The committee is also to develop and review disclosure about a formal and transparent process for selection, appointment and re-appointment of Directors including criteria of selection. The committee is to make recommendations to the Board regarding re-election of Directors. Centaur intends to provide Shareholders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a Director.

Recommendation 1.3 **Written agreements with Directors and senior executives of Centaur**	Complies	Centaur has entered into written agreements with each of its Directors setting out the terms of his or her appointment. Each member of the senior executive team has signed a formal employment contract covering a range of matters including their duties, rights, responsibilities and any entitlements on termination. The standard contract refers to a specific formal job description. This job description is reviewed by the Board on an annual basis and, where necessary, is revised in consultation with the relevant employee.
Recommendation 1.4 **Company Secretary is accountable to the Board**	Complies	Centaur Secretary plays an important role in supporting the effectiveness of the Board and its committees. Centaur Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board. Any decision to appoint or remove a Company Secretary will be made or approved by the Board. Each Director of Centaur is able to communicate directly with Centaur Secretary and vice versa.
Recommendation 1.5 **Diversity Policy**	Complies/ Will comply	Centaur values diversity and recognises the benefits it can bring to the organisation's ability to achieve its goals. Accordingly, Centaur has developed a Diversity Policy which is available on Centaur's website. This policy outlines Centaur's diversity objectives in relation to gender, age, cultural background and ethnicity. It includes requirements for the Board to establish measurable objectives for achieving diversity, and for the Board to assess annually both the objectives, and Centaur's progress in achieving them. The Board will abide by the following principles: a. the Board is to establish measurable Board gender diversity objectives and assess annually the objectives and progress in achieving them; b. Centaur is to maintain a mix of Directors on the Board from different backgrounds with complementary skills and experience; and c. the Board is required to undertake an annual Board performance review and consider the appropriate mix of skills required by the Board to maximise its effectiveness and its contribution to Centaur. Centaur will disclose at the end of each reporting period the measurable objectives for achieving gender diversity set by the Board or a relevant committee with Centaur's Diversity Policy and its progress towards achieving them. In line with the ASX Corporate Governance Principles and Recommendations, the Board expects to set the measurable objectives in the ensuing year.
Recommendation 1.6 **Process for the periodic evaluation of the Board**	Complies/ Will comply	Centaur's Board Charter states that the Board will review and evaluate its own performance, and the performances of its committees and its individual Directors, in conjunction with the Remuneration and Nomination Committee. Centaur intends to disclose on an annual basis, whether performance evaluation of the Board members has taken place.
Recommendation 1.7 **Process for the periodic evaluation of senior executives**	Complies/ Will comply	Centaur's Remuneration and Nomination Committee Charter states that the committee will determine criteria for assessing performance, including that of senior executives, and implement regular performance reviews. Centaur intends to disclose on an annual basis, whether performance evaluation of the senior executives has taken place.

Recommendation 2.1 **Appointment of Nomination Committee**	Complies/ Will comply	Currently the size of the Board is not sufficient to warrant two separate committees for remuneration and nomination. As a result, Centaur has established a combined Remuneration and Nomination Committee. The Remuneration and Nomination Committee's Members are: a. Robert Milbourne (Independent Chairman); b. Greg Jones (Non-executive Director); and c. Ivo Polovineo (Non-executive Director). The Remuneration and Nomination Committee Charter is available on Centaur's website. In accordance with the Remuneration and Nomination Committee Charter, the committee is responsible for ensuring that Centaur's executive remuneration policies, practices and procedures are: a. aligned with Centaur's overall business objectives and market practice; b. motivate executives to pursue Centaur's long term growth; c. demonstrate a clear relationship between Centaur's performance and performance of executives; and d. align the interests of executives with the creation of value for Shareholders. The Remuneration and Nomination Committee will ensure that the number of times the committee meets throughout the relevant reporting period and the individual attendances of the members at those meetings are disclosed.
Recommendation 2.2 **Board skills matrix**	No	Centaur does not currently have a skills or diversity matrix in relation to the Board members. The Board considers that such a matrix is not necessary given the current size and scope of Centaur's operations. The Board may adopt such a matrix at a later stage as Centaur's operations grow and evolve.
Recommendation 2.3 **Directors' independence**	Complies	The Board has adopted specific principles in relation to Directors' independence which are set out in the Board Charter. These state that to be independent, a Director must be a non-executive Director and: a. has no substantial holding (being more than five percent (5%) ownership) in Centaur, and not an officer of, or otherwise associated directly with, a person or entity that has a substantial holding; b. within the last three (3) years, has not been employed in an executive capacity by Centaur; c. within the last three (3) years, has not been a principal of a material professional adviser or a material consultant to Centaur, or an employee materially associated with the service provided; d. within the last three (3) years, has not been a material supplier or customer of a Centaur, or an officer of, or otherwise associated directly with, a material supplier or customer; e. has no material contractual relationship with Centaur other than as a Director; and f. has no close family ties with any person who falls within any of the categories described above. The Board is comprised of four members. The majority of the Board consists of independent Directors.

		Having regard to the factors listed above, the following Directors are considered by the Board to be independent Directors: a. Robert Milbourne; b. Ivo Polovineo; and c. Greg Jones. Mr Clifford is also appointed to the Board. The Board does not consider Mr Clifford to be an independent Director as he has been employed by Centaur in an executive capacity (CEO).
Recommendation 2.4 **Majority of the Board are independent Directors**	Complies/ Will comply	Centaur's Board Charter states that the Board will aim to have a majority of independent Directors. Currently, a majority of the Board is independent.
Recommendation 2.5 **Independence of Chair**	Complies	Centaur's Board Charter states the chair must be an independent non-executive Director. The Board will ensure that the chair of the Board will not be the same person as the CEO. Currently, the Chairman of the Board, Robert Milbourne, is independent.
Recommendation 2.6 **Induction program for new Directors**	Complies/ Will comply	The Remuneration and Nomination Committee Charter provides that the Committee will establish and facilitate an induction programme and provide to Directors continuing education.
Recommendation 3.1 **Code of Conduct**	Complies	Centaur has developed a Code of Conduct ('**Code**') which has been fully endorsed by the Board and applies to all Directors and employees. The Code is regularly reviewed and updated as necessary to ensure it reflects the highest standards of behaviour and professionalism and practices necessary to maintain confidence in Centaur's integrity. In summary, the Code requires that at all times all Centaur personnel act with the utmost integrity, objectivity and in compliance with the letter and the spirit of the law and Centaur policies. A copy of Centaur's Code of Conduct can be found on Centaur's website.
Recommendation 4.1 **Appointment of Audit Committee**	Complies/ Will Comply	Centaur has combined their audit and risk committees. Centaur's Audit and Risk Committee Charter states that the committee must have a minimum of three (3) members with a majority being independent non-executive Directors. The Committee's Members are: a. Brian Clifford (Managing Director and CEO); b. Robert Milbourne (Independent Chairman); and c. Ivo Polovineo (Non-executive Director). The Audit and Risk Committee Charter will be posted on Centaur's website. Centaur intends to disclose on an annual basis, the number of meetings of that Committee and attendance by individual members.
Recommendation 4.2 **CEO and CFO declaration**	Complies	Centaur's Audit and Risk Committee Charter provides that the committee are to ensure that the CEO and CFO are reasonably able to state that their declarations required under s295A of the Corporations Act relating to financial statements and reports are founded on sound system of risk management.

Recommendation 4.3 **External auditor attends Annual General Meeting**	Complies/ Will comply	The external auditor attends Centaur's annual general meeting to be available to answer Shareholders questions about the conduct of the audit and the preparation and content of the audit report.
Recommendation 5.1 **Written policy for complying with its continuous disclosure obligations**	Complies/ Will comply	Centaur has a Continuous Disclosure and Shareholders Communication Policy setting out the requirements aimed to ensure full and timely disclosure to the market of all material issues relating to Centaur to ensure that all stakeholders have an equal opportunity to access information. Centaur's Continuous Disclosure and Shareholders Communication Policy reflects the continuous disclosure requirements of the ASX Listing Rules and Corporations Act. A copy of Centaur's Continuous Disclosure and Shareholders Communication Policy can be found on Centaur's website.
Recommendation 6.1 **Provision of information via Centaur's website**	Complies/ Will comply	Centaur provides information about itself and its governance to investors via its website: centaurresources.com. Centaur's corporate governance information can be accessed from the "Corporate Governance" section of Centaur's website.
Recommendation 6.2 **Investor relations program to facilitate effective two way communication**	Complies/ Will comply	The Continuous Disclosure and Shareholders Communication Policy recognises that stakeholders are entitled to have access and participate in a two-way discussion with Centaur on relevant issues. Centaur has a Continuous Disclosure and Shareholders Communication Policy that outlines the processes followed by Centaur to ensure communications with Shareholders and the community is effective, consistent and adheres to the principles of continuous disclosure. A copy of the Continuous Disclosure and Shareholders Communication Policy is available on Centaur's website. Centaur communicates with Shareholders: a. following admission to ASX, though releases to the market via the ASX; b. through Centaur's website; c. through information provided directly to Shareholders; and d. at general meetings.
Recommendation 6.3 **Disclosure of the policies and processes it has in place to facilitate and encourage participation at meetings of Shareholders**	Complies	Centaur permits Shareholders to cast their proxies prior to a General Meeting if they are unable to attend. In addition, Centaur affords Shareholders who are not able to attend an Annual General Meeting and exercise their right to ask questions about, or make comments on, the management of Centaur, the opportunity to provide questions or comments ahead of the meeting. Where appropriate, Centaur will answer these questions at the meeting, either by being read out and then responded to at the meeting or by providing a written answer at the meeting.
Recommendation 6.4 –Shareholders have the option to receive communications from and send communications to Centaur and its share registry electronically	Complies	Shareholders are encouraged to communicate with Centaur electronically, including via the "contact us" facility on Centaur website and receiving forms and documents electronically or accessing material directly from Centaur's website.

Recommendation 7.1 **Appointment of a risk management committee**	Complies	Centaur has combined their audit and risk committees. Centaur's Audit and Risk Committee Charter states that the committee must have a minimum of three (3) members with a majority being independent non-executive Directors. The Committee's Members are: a. Brian Clifford (Managing Director and CEO); b. Robert Milbourne (Independent Chairman); and c. Ivo Polovineo (Non-executive Director). Centaur intends to disclose on an annual basis, the number of meetings of that Committee and attendance by individual members.
Recommendation 7.2 **Review of Centaur's risk management framework annually**	Complies/ Will comply	The Audit and Risk Management Committee Charter requires the Committee to at least annually undertake a structured review of the risk management framework of Centaur to satisfy itself it continues to be sound and that Centaur is operating within the risk appetite set by the Board. The Audit and Risk Management Committee will ensure the disclosure of whether such a review has taken place during each reporting period. In accordance with the Audit and Risk Management Committee Charter the Committee intends to undertake a structured review in the ensuing year.
Recommendation 7.3 **Internal audit function**	Complies	Centaur does not currently have an internal audit function. The Managing Director/CEO is charged with evaluating and considering improvements to Centaur's risk management and internal control processes on an ongoing basis. The Board considers that an internal audit function is not currently necessary given the current size and scope of Centaur's operations. Centaur is committed to understanding and managing risk and to establishing an organisational culture that ensures risk management is included in all activities, decision making and business processes. The Board is responsible for satisfying itself annually, or more frequently as required, that management has developed and implemented a sound system of risk management and internal control. Detailed work on this task is delegated to the Audit and Risk Management Committee and reviewed by the full Board. The Audit and Risk Management Committee's Charter can be accessed on Centaur's website. The Audit and Risk Management Committee recommends any action it deems appropriate to the Board for its consideration. The Board's collective experience will enable accurate identification of the principal risks that may affect Centaur's business. Key operational risks and their management will be recurring items for deliberation at Board meetings. Centaur will develop a strategic risk register identifying and ranking the main strategic risks facing Centaur and provides an explanation as to how those risks are managed. The Board reviews this register on a regular basis.
Recommendation 7.4 **Material exposure to economic, environmental and social sustainability risks**	Complies/ Will comply	The material risks that Centaur is exposed to are disclosed in this Prospectus and these include disclosure of any economic, environmental and social sustainability risks it faces. Risk oversight and review is part of the responsibility of the Audit and Risk Management Committee under the Audit and Risk Management Committee Charter.

Recommendation 8.1 **Appointment of a Remuneration Committee**	Complies	Centaur has combined the remuneration and nomination committee. Centaur's Remuneration and Nomination Committee Charter states that the committee must have at least three (3) members and will comprise a majority of independent Directors. The Committee's Members are: a. Robert Milbourne (Independent Chairman); b. Greg Jones (Non-executive Director); and c. Ivo Polovineo (Non-executive Director). The Remuneration and Nomination Committee Charter will be posted on Centaur's website. Centaur intends to disclose on an annual basis, the number of meetings of that committee and attendance by individual members.
Recommendation 8.2 **Disclosure of policies and practices regarding remuneration of non-executive Directors and remuneration of executive Directors and other senior executives**	Complies	Centaur's policies and practices regarding the remuneration of non-executive Directors and the remuneration of executive Directors and other senior executives is set out in the Remuneration and Nomination Committee Charter. The Remuneration and Nomination Committee Charter is accessible on Centaur's website.
Recommendation 8.3 **Transactions which limit the economic risk of participating in Centaur's equity based remuneration scheme**	Complies	Centaur has an Employee Incentive Plan ('**Plan**') which is governed by the Employee Incentive Plan Rules. These rules set out that a participant in the must not enter any arrangement that would affect their economic exposure to any securities issued under the Plan. A summary of the Plan is contained in this Prospectus. Centaur's Securities Trading Policy also provides that participants in the Plan must not enter into any transaction which would have the effect of hedging or otherwise transferring to any other person the risk of any fluctuation in the value of any unvested equity interest. A copy of Centaur's Securities Trading Policy is accessible on Centaur's website.

FINANCIAL INFORMATION

7.0

Crowe Horwath
Corporate Finance (Aust) Ltd
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Member Crowe Horwath International

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Australia

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19 September 2018

The Directors
Centaur Resources Limited
Level 19, 10 Eagle Street
Brisbane
QLD 4000
Australia

Dear Directors

Independent Limited Assurance Report on Centaur Resources Limited's Historical and Pro Forma Historical Financial Information

We have been engaged by Centaur Resources Limited ("**CRL"** or "**the Company**") to prepare an Independent Limited Assurance Report (the **"Investigating Accountant's Report**" or **"Report"**) on the historical and pro forma historical financial information ("**Financial Information**") of the Company for the period from 21 June 2017 to 30 June 2018 for inclusion in a prospectus ("**Prospectus**") of CRL dated on or about 19 September 2018. The Prospectus is in connection with CRL's initial public offering and listing on the Australian Securities Exchange ("**ASX**"), pursuant to which the Company is offering a minimum of 62,500,000 shares at an issue price of $0.20 per share to raise up to $12.5 million, with the ability to offer up to a further 12,500,000 shares to raise a further $2.5 million, for a maximum raising of up to $15.0 million ("**Offer**").

The applicable criteria on which the Directors of CRL ("**the Directors**") have compiled the Financial Information is described in Note 1 of the Annexure to this Report and is in accordance with the recognition and measurement requirements of Australian Accounting Standards and Interpretations (issued by the Australian Accounting Standards Board) and the Corporations Act, as appropriate for for-profit orientated entities, and as modified for inclusion in the Prospectus, including the abbreviation of disclosures.

The future prospects of the Company, other than the preparation of the pro forma historical financial information assuming completion of the transactions summarised in Note 1 of the Annexure to this Report are not addressed in this Report.

Expressions and terms defined in the Prospectus have the same meaning in this Report, unless otherwise stated.

The nature of this Report is such that it can only be issued by an entity which holds an Australian Financial Services Licence ("**AFSL**") under the Corporations Act 2001. Crowe Horwath Corporate Finance (Aust) Ltd ("**Crowe Horwath**") holds the appropriate AFSL. We have attached at Appendix 1 a Financial Services Guide.

Scope

The Company has requested Crowe Horwath to prepare this Report covering the following information included in the Prospectus:

- The statement of comprehensive income and statement of cash flows of the Company for the period from 21 June 2017 to 30 June 2018;
- The statement of financial position of the Company as at 30 June 2018; and
- The pro forma historical statement of financial position as at 30 June 2018.

(together the "**Financial Information**").

Directors' Responsibility

The Directors of the Company are responsible for the preparation and presentation of the Financial Information. The Directors are also responsible for the determination of the Pro Forma Transactions set out in Note 1 of the Annexure to this Report and the basis of preparation of the Financial Information.

This responsibility also includes compliance with applicable laws and regulations and for such internal controls as the Directors determine necessary to enable the preparation of the Financial Information that are free from material misstatement.

Our Responsibility

Our responsibility is to express a conclusion on whether anything has come to our attention that the Financial Information has not been properly compiled, in all material respects, by the Directors on the basis of the applicable criteria, as described in Note 1 of the Annexure to this Report.

We have conducted our engagement in accordance with ASAE 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Historical Financial Information included in a Prospectus or other Document* and ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

Our procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures applied to the accounting records in support of the Financial Information.

These procedures are substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently do not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the Financial Information.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the Financial Information.

Conclusions

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention which causes us to believe that the Financial Information of the Company is not compiled, in all material respects, in accordance with the stated basis of preparation, as described in Note 1 of the Annexure to this Report.

Restriction on Use

Without modifying our conclusions, we draw attention to the purpose of the Financial Information, being for inclusion in the Prospectus. As a result, the Financial Information may not be suitable for use for another purpose.

Consent

Crowe Horwath has consented to the inclusion of the Independent Limited Assurance Report in the Prospectus in the form and context in which it is included.

Liability

The liability of Crowe Horwath is limited to the inclusion of this Report in the Prospectus. Crowe Horwath makes no representation regarding, and has no liability, for any other statements or other material in, or omissions from the Prospectus.

Independence or Disclosure of Interest

Crowe Horwath does not have any pecuniary interests that could reasonably be regarded as being capable of affecting its ability to give an unbiased conclusion in this matter. Crowe Horwath will receive a professional fee for the preparation of this Independent Limited Assurance Report.

Yours faithfully
CROWE HORWATH CORPORATE FINANCE (AUST) LTD

Appendix 1 – Financial services guide

Date of issue: 10 August 2016

General advice – Investigating Accountant's Report

This Financial Services Guide is designed to help retail clients make a decision as to their use of the relevant general financial product advice; to ensure that we comply with our obligations as a financial services licensee; and to provide you with information on:

- how we and our associates are paid;
- any potential conflict of interest we may have; and
- our internal and external dispute resolution procedures and how you can access them.

Introduction

Crowe Horwath Corporate Finance (Aust) Ltd, ABN 95 001 508 363 has been engaged to issue general financial product advice in the form of an Investigating Accountant's Report for inclusion in a disclosure or other document in relation to the issuing of a financial product.

Who is responsible for the financial services provided to me?

Crowe Horwath Corporate Finance (Aust) Ltd holds an Australian Financial Services Licence No. 239170 and is responsible for the financial services provided by it and its Authorised Representatives, including authorising the distribution of this Financial Services Guide.

Crowe Horwath Corporate Finance (Aust) Ltd is wholly owned by Crowe Horwath Australasia Ltd and operates as part of the business advisory and professional accounting practice of Crowe Horwath. Crowe Horwath Australasia Ltd is owned by Findex Australia Pty Ltd.

General Financial Product Advice

In the Investigating Accountant's Report we provide general financial product advice, not personal financial product advice, because the advice has been prepared without taking into account your personal objectives, financial situation or needs.

You should, before acting on the advice, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs.

What kinds of financial services are you authorised to provide to me?

We are authorised to provide advice on, and deal in, the following classes of financial products to wholesale and retail clients:

1. Provide financial product advice for the following classes of financial products:
    a. derivatives; and
    b. securities.

2. Deal in a financial product by:
    a. issuing, applying for, acquiring, varying or disposing of a financial product in respect of the following classes of financial products:
        i. derivatives; and
        ii. securities.

Crowe Horwath

Investigating Accountant's Reports

We provide financial product advice by issuing an Investigating Accountant's Report in connection with a financial product of another person or entity. Our Report includes a description of the circumstances of our engagement and identifies the person or entity who has engaged us. You have not engaged us directly but you will be provided with a copy of the Report due to your connection to the matters in respect of which we have been engaged to report.

Any report we provide is provided on our own behalf as an Australian Financial Services Licensee authorised to provide the financial product advice contained in the Report.

Do you have any relationships or associations with financial product issuers?

Crowe Horwath Corporate Finance (Aust) Ltd and any of its associated entities may at any time provide professional or financial services to financial product issuers in the ordinary course of our business.

How is Crowe Horwath Corporate Finance (Aust) Ltd paid to produce an Investigating Accountant's Report?

We will charge a fee for providing this Investigating Accountant's Report. This fee will be paid by the person or entity which engages us to provide the Report. The fee has not affected the opinion we have expressed in the Report.

Except for this fee, neither Crowe Horwath Corporate Finance (Aust) Ltd, nor any of its principals, employees or related entities, receives any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the Report.

Does Crowe Horwath Corporate Finance (Aust) Ltd get paid for referring clients to invest in the products associated with your Investigating Accountant's Reports?

We do not pay commissions or provide any other benefits to any person for referring clients to us in connection with the Investigating Accountant's Report that we are engaged to provide.

We do not receive commissions or any other benefits for referring clients in connection with the underlying financial product and/or financial service that is the subject of the reports we are engaged to provide.

Do I pay for the financial services provided?

You do not pay us a fee for the production of the Investigating Accountant's Report. It is the responsibility of the person or entity which engaged our services to produce the Report to meet this cost.

Who can I complain to if I have a complaint about the financial services provided?

If you have any complaint about the service provided to you, you should take the following steps:

Contact us and tell us about your complaint.

If your complaint is not satisfactorily resolved within three business days, please contact the Complaints Officer on (02) 9262 2155, or put your complaint in writing and send it to us at:

The Complaints Officer
Crowe Horwath Corporate Finance (Aust) Ltd
Level 15, 1 O'Connell St
SYDNEY NSW 2000

If you still do not get a satisfactory outcome you can contact the Financial Ombudsman Service (FOS) of which Crowe Horwath is a member. FOS can be contacted on 1800 367 287 or you can write to them at GPO Box 3, Melbourne, Victoria 3001.

ASIC has a freecall Infoline on 1300 300 630 which you may also use to make a complaint or obtain information about your rights.

If you have any further questions about the financial services Crowe Horwath Corporate Finance (Aust) Ltd provides, please contact our office on (02) 9262 2155.

ANNEXURE TO THE INVESTIGATING ACCOUNTANT'S REPORT

CENTAUR RESOURCES LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD FROM 21 JUNE 2017 TO 30 JUNE 2018

	Period from 21 June 2017 to 30 June 2018 Audited $
Expenses	
Advertising and marketing	(24,150)
Corporate, consulting and legal expenses	(2,600,655)
Net change in fair value of financial liabilities at fair value through profit or loss	(336,933)
Employee benefits expense	(16,425)
Exploration and evaluation expenditure	(4,071)
Depreciation expense	(3,500)
Travel	(91,344)
Other expenses	(44,815)
Loss before income tax expense	**(3,121,893)**
Income tax expense	-
Loss after income tax expense for the period attributable to the owners of Centaur Resources Limited	**(3,121,893)**
Other comprehensive income for the period, net of tax	-
Total comprehensive loss for the period attributable to the owners of Centaur Resources Limited	**(3,121,893)**

CENTAUR RESOURCES LIMITED
PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

				Minimum		Maximum	
		Audited 30 June 2018	Subsequent events Unaudited 30 June 2018	Pro forma adj. Unaudited 30 June 2018	Pro forma Unaudited 30 June 2018	Pro forma adj. Unaudited 30 June 2018	Pro forma Unaudited 30 June 2018
Assets							
Current assets							
Cash and cash equivalents	3	300,472	162,572	11,020,000	11,483,044	13,294,500	13,757,544
Trade and other receivables		402,401	(402,401)	-	-	-	-
Total current assets		**702,873**	**(239,829)**	**11,020,000**	**11,483,044**	**13,294,500**	**13,757,544**
Non-current assets							
Property, plant and equipment		66,500	(7,000)	-	59,500	-	59,500
Exploration and evaluation	4	1,874,598	137,651	-	2,012,249	-	2,012,249
Total non-current assets		**1,941,098**	**130,651**	**-**	**2,071,749**	**-**	**2,071,749**
Total assets		**2,643,971**	**(109,178)**	**11,020,000**	**13,554,793**	**13,294,500**	**15,829,293**
Liabilities							
Current liabilities							
Trade and other payables		245,271	-	-	245,271	-	245,271
Borrowings	5	5,520,593	350,000	(5,870,593)	-	(5,870,593)	-
Total current liabilities		**5,765,864**	**350,000**	**(5,870,593)**	**245,271**	**(5,870,593)**	**245,271**
Total liabilities		**5,765,864**	**350,000**	**(5,870,593)**	**245,271**	**(5,870,593)**	**245,271**
Net assets/(liabilities)		**(3,121,893)**	**(459,178)**	**16,890,593**	**13,309,522**	**19,165,093**	**15,584,022**
Equity							
Issued capital	6	100	72	37,250,000	37,250,172	39,524,500	39,524,672
Accumulated losses	7	(3,121,993)	(459,250)	(20,359,407)	(23,940,650)	(20,359,407)	(23,940,650)
Total equity		**(3,121,893)**	**(459,178)**	**16,890,593**	**13,309,522**	**19,165,093**	**15,584,022**

The unaudited pro forma statement of financial position represents the audited statement of financial position of the Company as at 30 June 2018 adjusted for the subsequent events and pro forma transactions outlined in note 1 of this Report. It should be read in conjunction with the notes to the historical and pro forma financial information.

CENTAUR RESOURCES LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM 21 JUNE 2017 TO 30 JUNE 2018

	Consolidated Period from 21 June 2017 to 30 June 2018 Audited
Cash flows from operating activities	
Payments to suppliers and employees (inclusive of GST)	(2,349,938)
Net cash used in operating activities	(2,349,938)
Cash flows from investing activities	
Payments for property, plant and equipment	(70,000)
Payments for intangibles	(1,874,598)
Net cash used in investing activities	(1,944,598)
Cash flows from financing activities	
Proceeds from issue of shares	100
Proceeds from issue of convertible notes	4,594,908
Net cash from financing activities	4,595,008
Net increase in cash and cash equivalents	300,472
Cash and cash equivalents at the beginning of the financial period	-
Cash and cash equivalents at the end of the financial period	**300,472**

Note 1. Introduction

The financial information set out in this Report consists of the Historical Financial Information and the Pro Forma Historical Financial Information (collectively referred in this Report as 'Financial Information').

The Pro Forma Historical Financial Information has been compiled by adjusting the audited statement of financial position of the Company as at 30 June 2018 and reflecting the Directors' pro forma adjustments, for the impact of the following transactions.

Adjustments adopted in compiling the Pro Forma Historical Financial Information

The following subsequent event transactions have occurred since 30 June 2018:

- Conversion of the existing share capital comprising of 100 fully paid ordinary shares into a larger number by splitting each share into 250,000 shares, making a total of 25,000,000 shares on issue effective 20 August 2018;
- On 10 September 2018, the Company issued 18,000,000 Shares to Directors and Management and received a total cash consideration of $500 (representing a cash consideration surplus of $428);
- Payment of cash considerations of $137,651 pursuant to the various tenement agreements;
    - Espinosa Property (USD 60,000) = $82,287
    - Leiseca Property (USD 20,000) = $27,682
    - Sulca Property (USD 20,000) = $27,682
- Issue of convertible notes for a total of $300,000 to AMCI Australia Pty Ltd;
- Issue of convertible notes for a total of $100,000 to an individual party;
- Repayment of convertible notes to Deep Impact Pty Ltd for a total of $50,000;
- Receipt of cash from trade and other receivables of $402,401;
- Operating expenses of $459,678 incurred as follows:
    - Consulting payments totaling: $225,111
    - Directors payments totaling: $60,000
    - Direct Wages expenses: $45,625
    - Recruitment expenses: $40,591
    - Depreciation: $7,000
    - Other Expenses: $81,351

and the following pro forma transactions which are yet to occur, but are proposed to occur immediately before or following completion of the Offer:

- The issue of a minimum of 62,500,000 Shares at an Offer Price of $0.20 and a maximum of 75,000,000 Shares at $0.20 each to raise a minimum of $12,500,000 up to a maximum of $15,000,000 before costs pursuant to the Offer;
- The payment of cash costs related to the Offer estimated to be a minimum of $1,480,000 (Minimum Subscription) and a maximum of $1,705,500 (Maximum Subscription);
- Issue of 2,500,000 Shares at $0.20 per share to Sequoia Corporate Finance (amounting to $500,000 which will be offset against contributed equity);
- Conversion of all outstanding convertible notes into 129,500,000 Shares at $0.20 per share for a total of $25,900,000 (the impact of the conversion is further discussed in note 6);

The Pro Forma Historical Financial Information has been presented in abbreviated form and does not contain all the disclosures usually provided in an Annual Report prepared in accordance with the *Corporations Act 2001.*

Note 2. Significant accounting policies

Basis of preparation
The Historical Financial Information has been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards ("AAS"), adopted by the Australian Accounting Standards Board ("AASB") and the *Corporation Act 2001*.

The Pro Forma Historical Financial Information presented in the Prospectus has been compiled by adjusting the audited statement of financial position of the Company at 30 June 2018 and reflecting the Directors' pro forma adjustments.

The significant accounting policies that have been adopted in the preparation and presentation of the Historical Financial Information and the Pro Forma Historical Financial Information are set out below.

New or amended Accounting Standards and Interpretations adopted
The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Historical cost convention
The Financial Information has been prepared under the historical cost convention except for convertible notes which have been measured at fair value.

Critical accounting estimates
The preparation of the Financial Information requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Information, are disclosed further.

Principles of consolidation
The Financial Information incorporate the assets and liabilities of all subsidiaries of Centaur Resources Limited ('company' or 'parent entity') as at 30 June 2018 and the results of all subsidiaries for the period then ended. Centaur Resources Limited and its subsidiaries together are referred to in this Report as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Current and non-current classification
Assets and liabilities are presented in the pro forma statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Non-derivative financial assets
Non-derivative financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired. Loans and receivables comprise cash and cash equivalents and, trade and other receivables.

Impairment of financial assets
The consolidated entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows.

The amount of the impairment allowance for loans and receivables carried at amortised cost is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. If there is a reversal of impairment, the reversal cannot exceed the amortised cost that would have been recognised had the impairment not been made and is reversed to profit or loss.

Going concern

For the period ended 30 June 2018 the consolidated entity incurred a loss after income tax of $3,121,893 and net cash outflows from operating activities of $2,349,938. At 30 June 2018 the consolidated entity had net liabilities of $3,121,893. These conditions give rise to a material uncertainty that may cast significant doubt about the ability of the consolidated entity to continue as a going concern.

Included in current liabilities are convertibles notes of $5.5m which are interest free and will convert into equity at IPO date. The Pro Forma Historical Financial Information presents the Company's financial position after conversion of these convertible notes.

The Directors are of the opinion that at the date of preparation of this Report there are reasonable and supportable grounds to believe that the consolidated entity will list on the ASX and will be able to meet its liabilities from its assets in the ordinary course of business, for a period of not less than 12 months from the date of signature of the audited financial statement. The Financial Information has accordingly been prepared on a going concern basis.

Should the consolidated entity be unable to continue as a going concern it may be required to realise its assets and discharge its liabilities other than in the normal course of business at amounts different to those stated in this Report. This Report does not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount of liabilities that might result should the consolidated entity be unable to continue as a going concern and meet its debts as and when they fall due.

Non-derivative financial liabilities
The consolidated entity initially recognises debt securities issued on the date that they are originated. All other financial liabilities are recognised initially on the trade date at which the consolidated entity becomes a party to the contractual provisions of the instrument.

The consolidated entity derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. Financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the consolidated entity has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Non-derivative financial liabilities comprise loans and borrowings, debt securities issued and trade and other payables.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the pro forma statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Exploration and evaluation expenditures
Exploration and evaluation costs have been capitalised on the basis that the consolidated entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Foreign currency transactions
Transactions and balances
Transactions in foreign currencies are translated to the functional currency of the consolidated entity at an exchange rate at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Foreign currency differences arising on retranslation are recognised in profit or loss, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the investment in a foreign operation.

Foreign operations
The assets and liabilities of foreign operations are translated to the functional currency at the foreign exchange rate ruling at the reporting date. The income and expenses of foreign operations are translated to Australian dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the foreign currency translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the consolidated entity disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such items are considered to form part of the net investment in the foreign operation and are recognised in other comprehensive income, and are presented in the foreign currency translation reserve in equity

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the preparation of the Financial Information disclosed in this Report. Based on the Company's current activities, the new standards and interpretations will not have a material impact on the Financial Information in the period of application.

Critical accounting judgements, estimates and assumptions
The preparation of the Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts in the Financial Information. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

In particular, information about areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in this Report are described in the following notes:

- Note 2 - Going concern
- Note 4 - Exploration and evaluation expenditure
- Note 5 - Loans and borrowings

Note 3. Cash and cash equivalents

	Consolidated Audited 30 June 2018 $	Pro forma Min Unaudited 30 June 2018 $	Pro forma Max Unaudited 30 June 2018 $
Cash and cash equivalents	300,472	300,472	300,472
Subsequent events are summarised as follows:			
Cash consideration as part of the Argentinian tenements agreements		(137,651)	(137,651)
Receipt of trade and other receivables		402,401	402,401
Net cash receipt from issue of convertible notes		350,000	350,000
Cash consideration for the issue of Management and Directors' shares		500	500
Cash payments in relation to normal trading operations		(452,678)	(452,678)
		162,572	162,572
Pro forma transactions are summarised as follows:			
Proceeds from the Offer pursuant to the Prospectus		12,500,000	15,000,000
Capital raising costs		(1,480,000)	(1,705,500)
		11,020,000	13,294,500
Pro forma cash and cash equivalents		**11,483,044**	**13,757,544**

Note 4. Exploration and evaluation

	Consolidated Audited 30 June 2018 $	Pro forma Min Unaudited 30 June 2018 $	Pro forma Max Unaudited 30 June 2018 $
Exploration and evaluation expenditure	1,874,598	1,874,598	1,874,598
Subsequent events are summarised as follows:			
Cash consideration as part of the Argentinian tenements agreements		137,651	137,651
		137,651	137,651
Pro forma transactions are summarised as follows:			
		-	-
		-	-
Pro forma exploration and evaluation expenditure		**2,012,249**	**2,012,249**

Note 5. Borrowings

	Consolidated Audited 30 June 2018 $	Pro forma Min Unaudited 30 June 2018 $	Pro forma Max Unaudited 30 June 2018 $
Borrowings	5,520,593	5,520,593	5,520,593
Subsequent events are summarised as follows:			
Issue of convertible notes to AMCI Australia Pty Ltd		300,000	300,000
Issue of convertible notes to an individual party		100,000	100,000
Repayment of convertible notes to Deep Impact Pty Ltd		(50,000)	(50,000)
		350,000	350,000
Pro forma transactions are summarised as follows:			
Conversion of convertible notes into shares		(5,870,593)	(5,870,593)
		(5,870,593)	(5,870,593)
Pro forma Borrowings		-	-

Note 6. Issued capital

	Number of shares Min	$	Number of shares Max	$
Centaur's issued capital as at 30 June 2018	100	100	100	100
Subsequent events are summarised as follows:				
Impact of Founders' shares split	24,999,900	-	24,999,900	-
Shares issued to Directors and Management	18,000,000	72	18,000,000	72
	42,999,900	72	42,999,900	72
Pro forma transactions are summarised as follows:				
Fully paid ordinary shares issued at $0.20 pursuant to the Offer	62,500,000	12,500,000	75,000,000	15,000,000
Cash costs associated with the share issue pursuant to the Offer[1]	-	(1,650,000)	-	(1,875,500)
Shares issued to Sequoia Corporate Finance	2,500,000	500,000	2,500,000	500,000
Conversion of convertible notes	129,500,000	25,900,000	129,500,000	25,900,000
	194,500,000	37,250,000	207,000,000	39,524,500
Pro forma issued capital	**237,500,000**	**37,250,172**	**250,000,000**	**39,524,672**

At the listing date, all outstanding convertible notes will convert into 129,500,000 Shares in the Company at $0.20 per Share for a total issued capital of $25,900,000. In the Pro Forma Historical Financial Information disclosed, the consideration for these additional shares have been added to issued capital. The fair value movement recognised upon conversion (being $25,900,000 less $5,870,593 = $20,029,407) has been expensed and is showed under accumulated losses in note 7 below.

[1] Includes the costs of 2,500,000 shares issued to Sequoia Corporate Finance for a total of $500,000.

Note 7. Accumulated losses

	Consolidated Audited 30 June 2018 $	Pro forma Min Unaudited 30 June 2018 $	Pro forma Max Unaudited 30 June 2018 $
Accumulated losses	(3,121,993)	(3,121,993)	(3,121,993)
Subsequent events are summarised as follows:			
Losses incurred since 30 June 2018		(459,678)	(459,678)
Cash consideration surplus in relation to shares issued to Directors and Management[2]		428	428
		(459,250)	(459,250)
Pro forma transactions are summarised as follows:			
Listing costs expensed		(330,000)	(330,000)
Convertible notes conversion premium		(20,029,407)	(20,029,407)
		(20,359,407)	(20,359,407)
Pro forma accumulated losses		**(23,940,650)**	**(23,940,650)**

Note 8. Commitments and contingent liabilities

At the time of this report, the Company has the following commitments and contingent liabilities:

- Payments still outstanding to settle the Espinosa, Sulca and Leiseca agreements amounting to $2,660,000; and
- Tranche payments still outstanding in relation to the Marmol agreement amounting to $975,000.

Note 9. Related party disclosure

Transactions with Related Parties and Directors (Directors' holding of Shares) are disclosed in the Prospectus.

[2] On 10 September 2018, the Company received a $500 cash consideration from Management and Directors of the Company for the issue of 18,000,000 shares. A net cash surplus of $428 was recognised as income by the Company at the time of issue of these shares.

SOLICITOR'S REPORT ON TENURE

8.0

BECCAR VARELA

Solicitor's Report on Title – Argentina

Beccar Varela
Buenos Aires, Argentina

August 27, 2018

BECCAR
VARELA

City of Buenos Aires, August 27, 2018

To: **Centaur Resources Limited**

Att.: **Mr. Aaron Thomas**

Re.: **Legal Opinion on Mining Rights**

Dear Sirs:

We have acted as Argentinean legal counsel of Centaur Resources PG S.A.S. (hereinafter the "Company"), to perform this legal opinion on the items described below, (hereinafter the "Legal Opinion"):

(i) Corporate structure of the Company and its relationship with Centaur Resources Holdings Pty Ltd, including their incorporation, liabilities, ownership and good standing,

(ii) Existence, status, enforceability and liabilities arising from purchase agreements, and term sheet for acquisition of mining properties, and

(iii) Review and analysis of judicial records of proceedings pending before the Mining Court of the Province of Salta (hereinafter the "Mining Court"), regarding the ownership, good standing and current status of the mining properties listed in Section 4 hereto (hereinafter the "Mining Properties").

This Legal Opinion was made as per your requirement and is given for purposes of the forthcoming initial public offering of shares that Centaur Resources Limited intends to conduct in the Australian Securities Exchange (hereinafter the "ASX"), and with the main purpose of being included in the prospectus that Centaur Resources Limited shall present before the ASX in this regard.

Furthermore, we have included Annex I, through which the basic Argentinean legal framework applicable to mining property is explained, and Annex II, through which the applicable legal framework, tariff and taxes for export of lithium mineral is also explained.

1. Qualifications

1.1. We are attorneys admitted and licensed to practice law in the City of Buenos Aires, Argentina. This Legal Opinion is restricted to matters related to the laws of Argentina, and we are expressing no opinion as to the effect of the laws of any other jurisdiction. For any and all purposes, this Legal Opinion shall be governed by and construed in accordance with the law of Argentina exclusively.

1.2. For the preparation of this Legal Opinion, we have assumed without any investigation on our part:

(i) The authenticity, genuineness, completeness and accuracy of all documents submitted to us as originals and the conformity to the originals of all documents submitted to us as copies;

(ii) The truthfulness in the representations and warranties made and the affidavits filed by the titleholders;

(iii) That the making and performance of each of the documents is within the power and authority of, and each of the documents has been duly authorized, executed and delivered by each party thereto, as the case may be (as to whom we make no such assumption);

(iv) That the signatures on all documents examined by us are genuine; and

(v) That verbally provided information and explanations were true, correct, complete and not misleading;

2. Corporate Matters

(i) Incorporation: Centaur Resources PG S.A.S. (*Sociedad por Acciones Simplificada*), is a company duly incorporated and governed by the laws of Argentina, pursuant to its Private Instrument of incorporation, dated June 22th, 2018.

(ii) Registration: Centaur Resources PG S.A.S. is registered in Argentina, before the Public Registry of Commerce of the city of Buenos Aires, under number RL-2018-31922940-APN-DA#IGJ, on July 6th, 2018.

(iii) Corporate purpose: the purpose of the Company is to dedicate, for its own account or for third parties or associated with third parties, either inside or outside the country, to the creation, production, exchange, manufacture, transformation, industrialization, commercialization, intermediation, representation, import and export of all kinds of material goods, including natural and intangible resources and the provision of all kinds of services, directly or indirectly related to the following activities: (a) agricultural, poultry, livestock, fishing, dairy and wine; (b) communications, shows, editorials and graphics in any medium; (c) manufacturing industries of all kinds; (d) cultural and educational; (e) technology development, research and innovation and software; (f) gastronomic, hotel and tourist; (g) real estate and construction; (h) investment, financial and trust funds; (i) oil, gas, forestry, mining and energy in all its shapes; (j) health; and (k) transportation. The Company has full legal capacity to carry out any legal act in the country of its constitution or abroad, perform all legal activities, acquire rights and incur obligations. For the execution of the activities listed in its corporate purpose, the Company can make investments and capital contributions to human and / or legal persons, act as fiduciary and enter into collaboration agreements; buy, sell and / or exchange all kinds of securities; take and grant credits and perform all kinds of financial operations, excluding those regulated by the Argentine Law of Financial Institutions and others that require public tender and / or savings.

(iv) Shareholders: Mr. Eduardo José Esteban is the solely shareholder of the Company, representing the 100% of the capital stock, with 19,000 ordinary book-entry shares (not represented in separate physical certificates) of one Argentine Pesos and one vote each.

(v) Governance: the following are the current members of the Board of Directors and their respective position:

- Director: Mr. Eduardo José Esteban (Argentine, ID No. 18,349,902).

- Alternate Director: Mrs. Maria Lucia Quinteiro, (Argentine, ID No.35,957,811).

(vi) Relationship between the Company and Centaur Resources Holdings Pty Ltd: Centaur Resources Holdings Pty Ltd is an Australian company incorporated on 21st June, 2016 under the corporation Act 2001 (hereinafter "Centaur Holdings"). Its capital structure consists in 100 fully paid ordinary shares with a nominal value of one Dollar each, of which all belong to Centaur Resources Limited.

The Company is a subsidiary of Centaur Holdings.

According to Argentine Law No. 19,550, and in order to be able to operate in such country and develop any activity related to its corporate purpose, Centaur Holdings shall be registered as a foreign company before the Public Registry of Commerce (relevant authority for the registration of companies), under Section 123 of Law No.19,550. Due to these regulations, Centaur Holdings is not currently able of acquire other companies or interests in Argentina.

Therefore, the Company -as a subsidiary of Centaur Holdings - has been duly registered under Argentinean law by the sole ownership of Mr. Eduardo José Esteban, who is the solely shareholder of the Company, representing the 100% of its capital stock.

In this regard, on June 25th, 2018 Mr. Eduardo José Esteban -as Trustee- and Centaur Holdings -as Beneficiary- has entered into a Trust Agreement, pursuant to which the Trustee shall: (i) proceed to incorporate a simplified corporation (SAS or *Sociedad Anónima Simplificada*), (ii) upon incorporation of the SAS company, act as its solely shareholder and proceed according to the instructions given by the Beneficiary time to time, and (iii) once Centaur Holdings has been registered in Argentina according to the provisions of Section 123 of Law No. 19,550, he must transfer all the founders shares to the Beneficiary.

3. Material Agreements

(i) Mining Properties Sale and Purchase Agreement

On March 26th, 2018, Centaur Resources SAS, and Mr. Victor Fernando Mármol (the "Seller"), entered into a Mining Properties Sale and Purchase Agreement pursuant to which the Seller agreed

to sell and transfer to Centaur Resources SAS the following Mining Properties of first category, with their accessory rights:

Mine Name	Registration Number
Barreal 2	22,879
Barreal 3	22,880
Barreal 1	22,878
Roberta	23,089
La Relojera	22,820
Fortuna II	20,120

On July 25th, 2018 Centaur Resources SAS assigned to the Company its rights and obligations in regards of the agreement entered into with Mr. Victor Fernando Mármol, and the Company accepted such assignment. By this, the Company is the current holder of the agreement.

The total price payable by the Company to Seller for the purchase of such Mining Properties is USD $ 4,950,000.

The parties agreed that the price will be paid in different stages: (i) USD 350,000 at the moment of the signing date -March 26, 2018-; (ii) USD 700,000 within 12 months from the signing date; (iii) USD 2,000,000 within 24 months from the signing date; and (iv) 1,850,000 within 36 months from the signing date. The total price includes USD 50,000 already paid by the Company. The parties also agreed that the Company may advance the payments committed at any time during the term of the agreement. In the event that the payment is completed in advance by the Company, then the obligation to transfer the Mining Properties and execute the public deed for such purpose will also have to be made at that time.

The payment of the total price by the Company it is the necessary condition for the transfer of the Mining Properties through public deed in favor of the Company. Nevertheless, we were informed by the Company that they are in negotiation with the Seller in order to acquire the Mining Properties before the total payment, by giving other guarantees in this regard.

(ii) Mining Properties Sale and Purchase Public Deed

On July 20th, 2018, the Company (the "Buyer"), and Mrs. Alba Andrea Espinosa (the "Seller"), executed a Public Deed pursuant to which the Seller sell and transfer in favor of the Company the following Mining Property of first category, with their accessory rights:

Mine Name	Registration Number
Almafuerte	18,792

The total price payable by the Company to Seller for the purchase of such Mining Property is USD $ 1,650,000.

The parties agreed that the price will be paid in different stages: (i) USD 50,000 already paid by Centaur Holdings; (ii) USD 400,000 already paid by Centaur Holdings; and (iii) 1,200,000 to pay on or before August 30th, 2018.

Two additional payments of USD 25,000 have been made on the 28th of June and 27th of July.

In regards of the pending payment for the total of USD $1,150,000, the parties agreed that such pending payment will be guaranteed by mortgage. The parties also agreed that the Company may advance the payments committed at any time during the term of the agreement, and in such case, the Seller must cancel the mortgage.

Furthermore, the parties agreed that the Property Transfer Tax (*Impuesto a la Transferencia de Inmuebles*) will be assumed by the Company and will be discounted from the total purchase price of the Mining Property.

On August 22, 2018, the Parties agreed to extend the term of their agreement for sixty (60) days. As a result, final payment has been extended to October 30, 2018. As compensation (i) Seller has been paid USD 35,000 on August 22, 2018, and (ii) Seller will be paid USD 1,000 per day, commencing on October 1, 2018, and until final payment has occurred. Since section 2.3 of the deed of transfer provides for a 30 days cure notice prior termination, then the latest date for payment is November 29, 2018

Should the Company not make the payments on or before the 29th of November 2018, the agreement will terminate, and the mining properties will return to the control of the vendor.

(iii) Mining Properties Sale and Purchase Public Deed

On July 10th, 2018, the Company (the "Buyer"), and Mr. Javier Francisco Sulca Sanchez (the "Seller"), executed a Public Deed pursuant to which the Seller sell and transfer in favor of Company the following Mining Property of first category, with their accessory rights:

Mine Name	Registration Number
Graciela	6189

The total price payable by the Company to Seller for the purchase of such Mining Property is USD $ 430,000.

The parties agreed that the price will be paid in different stages: (i) USD 20,000 already paid by Centaur Holdings; (ii) USD 80,000 already paid by Centaur Holdings; and (iii) USD 330,000 to pay on or before August 30th, 2018.

In regards of the pending payments for the total of USD $330,000, the parties agreed that such pending payments will be guaranteed by mortgage. The parties also agreed that the Company may advance the payments committed at any time during the term of the agreement, and in such case, the Seller must cancel the mortgage.

On August 22, 2018, the Parties agreed to extend the term of their agreement for sixty (60) days. As a result, final payment has been extended to October 30, 2018. As compensation (i) Seller has been paid USD 20,000 on August 22, 2018, and (ii) Seller will be paid USD 20,000 on final payment.

Since section 2.3 of the deed of transfer provides for a 20 days cure notice prior termination, then the latest date for payment is November 19, 2018.

Should the Company not make the payments on or before the 19th of November 2018, the agreement will terminate, and the mining properties will return to the control of the vendor.

(iv) Mining Properties Sale and Purchase Public Deed

On July 10th, 2018, the Company, executed with Mr. Rubén Omar Diego on behalf of Mr. Sergio Ignacio Aguilar and Mr. Ramon Genero Leiseca (jointly the "Sellers"), a public deed pursuant to which the Sellers sell and transfer in favor of the Company the following Mining Property of first category, with their accessory rights:

Mine Name	Registration Number
Patovica I	20,902

The total price payable by the Company to the Sellers for the purchase of such Mining Property is USD $440,000.

The parties agreed that the price will be paid in different stages: (i) USD 20,000 already paid by Centaur Holdings; (ii) USD 100,000 already paid by Centaur Holdings; and (iii) USD 320,000 to pay on or before August 30th, 2018.

In regards of the pending payments for the total of USD $320,000, the parties agreed that such pending payments will be guaranteed by mortgage. The parties also agreed that the Company may advance the payments committed at any time during the term of the agreement, and in such case, the Seller must cancel the mortgage.

On August 22, 2018, the Parties agreed to extend the term of their agreement for sixty (60) days. As a result, final payment has been extended to October 30, 2018. As compensation (i) Seller has been paid USD 20,000 on August 22, 2018, (ii) Seller will be paid USD 500 per day, commencing on October 1, 2018, and until final payment has occurred, and (iii) Seller will be paid an additional USD 5,000 on the final payment. Since section 2.3 of the deed of transfer provides for a 30 days cure notice prior termination, then the latest date for payment is November 29, 2018.

Should the Company not make the payments on or before the 29th of November 2018, the agreement will terminate, and the mining properties will return to the control of the vendor.

4. Mining Rights

This section of the Legal Opinion was based in the judicial records before the Mining Court, and we have made the following assumption:

- That all the public records analyzed by the attorney in the Province of Salta, Mr. José Blas Posadas Saravia, are complete, true and accurate, and

- The analysis of the Mining Properties is limited to the laws of Argentina. We express no opinion with respect to the laws of any other jurisdiction

Below there is a chart of the mining files in regards with the Mining Properties that were analyzed:

Nº	Mine Name	Registration Number
(i)	Barreal 2	22,879
(ii)	Barreal 3	22,880
(iii)	Barreal 1	22,878
(iv)	Roberta	23,089
(v)	La Relojera	22,820
(vi)	Almafuerte	18,792
(vii)	Fortuna II	20,120
(viii)	Graciela	6189
(ix)	Patovica I	20902

(i) Judicial File No. 22.879/16. Statement of Discovery of Barreal 02 - Lithium and Potassium Mine (*manifestación de descubrimiento Mina Barreal 02 de litio y potasio*).

1. Applicant: Víctor Fernando Mármol.

2. Description: Mine of 457.7 hectares located in Los Andes District - Cerro Colorado, Province of Salta. Mines Registry Book No. 9.

3. The procedure started on December 28th, 2016.

4. On April 6th, 2017, the Ministry of Environment of the Salta Province, issued Resolution No. 125 approving the Environmental Impact Report for the records No. 22,878, 22,879 and 22,880.

5. On October 24th, 2017, the Mining Court orders the registration of the Statement of Discovery document and publication of mining edicts.

6. On October 31st, 2017, the Mining Court informs the applicant that in 100 days as from the day notice is given, the applicant must file the description of the legal work in the terms of the 3rd paragraph of Section 76 of the Mining Code ("MC"), and 30 days later file a request for a survey under the penalty described in Section 60 of the MC and / or the last part of Section 71 of the MC (vacancy).
   The applicant was given notice of this resolution on November 16th, 2017.

7. On December 16th, 2017, the edicts were filed for publication.

8. As of today, no legal work or request for a survey has been filed as ordered on October 31st, 2017.

9. Current status: On February 9th, 2018, Mr. Mármol filed the publication of edicts regarding registration of the Statement of Discovery. The term for declare opposition to this situation expired on March 14th, 2018.

10. To our knowledge, based on the information arising from the file, there are no (a) opposition filed by third parties; (b) registration of encumbrances and mortgages against the Mining Property, and (c) royalty agreements registered against the Mining Property.

11. As of the date of this Legal Opinion from the record analyzed, the Mining Property is in good standing, and does not register any limitation.

(ii) Judicial File No. 22.880/16. Statement of Discovery of Barreal 03 - Lithium and Potassium Mine (*manifestación de descubrimiento de Mina Barreal 03 de litio y potasio*).

1. Applicant: Víctor Fernando Mármol.

2. Description: Mine of 1850.7 hectares located in Los Andes District - Serrano de Barreal, Province of Salta. Book of Registration of Mines Nro. 9, Folio 183.

3. The procedure started on December 28th, 2016.

4. On page 18 of the record of proceedings, the Ministry of Environment of the Salta Province issued Resolution No. 125 approving the Environmental Impact Report for the records No. 22878, 22879 and 22880.

5. On August 14th, 2017, the Mining Court orders the registration of the Statement of Discovery document and the publication of mining edicts.

6. On December 21st, 2017, the applicant filed the report of legal work and petition of survey.

7. The next filing of the Environmental Impact Report shall to be filed on May 9th, 2019.

8. Current status: currently the record of proceedings is in the Land Registry of the Mining Court (*área de catastro minero*), as a result of the survey requested on December 21st, 2017.

9. To our knowledge, based on the information arising from the file, there are no (a) opposition filed by third parties; (b) registration of encumbrances and mortgages against the Mining Property, and (c) royalty agreements registered against the Mining Property.

10. As of the date of this Legal Opinion from the record analyzed, the Mining Property is in good standing, and does not register any limitation.

(iii) Judicial File No. 22.878/16. Statement of Discovery of Barreal 01 - Lithium and Potassium Mine (*manifestación de descubrimiento Mina Barreal 01 de litio y potasio*).

1. Applicant: Víctor Fernando Mármol.

2. Description: Mine of 2916.27 hectares located in Los Andes District - Cerro Colorado, Province of Salta.

3. The procedure started on December 28th, 2016.

4. On January 18th, 2017, the Ministry of Environment of the Salta Province, takes provisional notice of the mining concessions.

5. The most recent procedure movement in the record is the order to pass to the Land Registry of the Mining Court, for its registration in the terms of Section 55 of the Mining Procedural Code.
6. Current status: currently the file is awaiting to be delivered to the Land Registry of the Mining Court.

7. To our knowledge, based on the information arising from the file, there are no (a) opposition filed by third parties; (b) registration of encumbrances and mortgages against the Mining Property, and (c) royalty agreements registered against the Mining Property.

8. As of the date of this Legal Opinion from the record analyzed, the Mining Property is in good standing, and does not register any limitation.

(iv) Judicial File No. 23.089/16. Statement of Discovery of Roberta - Mine of Borate Disseminated (*manifestación de descubrimiento Mina Roberta de Borato diseminado*).

1. Applicant: Víctor Fernando Mármol.

2. Description: 2526.8 hectares mine located in Los Andes District - Pastos Grandes, Province of Salta.

3. The procedure started on June 2nd, 2017.

4. On June 8th, 2017, the Ministry of Environment of the Salta Province takes provisional notice of the mining concessions.

5. On page 20, the Ministry of Environment of the Salta Province issued Resolution No. 360 dated October 10th, 2017, approving the Environmental Impact Report for record No. 23.098.

6. The most recent procedure in the record shows the order to pass to the Land Registry of the Mining Court for its registration in the terms of Section 55 of the Mining Procedural Code.

7. Current status: currently the file is in the area of Land Registry.

8. To our knowledge, based on the information arising from the file, there are no (a) opposition filed by third parties; (b) registration of encumbrances and mortgages against the Mining Property, and (c) royalty agreements registered against the Mining Property.

9. As of the date of this Legal Opinion from the record analyzed, the Mining Property is in good standing, and does not register any limitation.

(v) Judicial File No. 22.820 /16. Statement of Discovery of La Relojera - Mine of Borate Disseminated (*manifestación de descubrimiento Mina La Relojera de borato diseminado*).

1. Applicant: Víctor Fernando Mármol.

2. Description: 1998.3 hectares mine located in Los Andes District - Pastos Grandes, Province of Salta. Book of Registration of Mines No. 9, Folio 181vta.

3. The procedure started on November 7th, 2016.

4. On November 10th, 2016, the Ministry of the Environment of the Salta Province takes provisional notice of the mining concessions.

5. On May 5th, 2017, Resolution No. 146 of the Ministry of Environment of the Salta Province approved the Environmental Impact Report for record No. 22,820.

6. On June 22nd, 2017, the Mining Court orders the registration of the Statement of Discovery document and the publication of mining edicts.

7. On October 26th, 2017, the applicant filed the edicts, evidence of legal work and request of survey.

8. Current status: currently the record is in the Land Registry of the Mining Court, as a result of the request of survey filed on October 26th, 2017.

9. To our knowledge, based on the information arising from the file, there are no (a) opposition filed by third parties; (b) registration of encumbrances and mortgages against the Mining Property, and (c) royalty agreements registered against the Mining Property.

10. As of the date of this Legal Opinion from the record analyzed, the Mining Property is in good standing, and does not register any limitation.

(vi) Judicial File No. 18.792/07. Statement of Discovery of Almafuerte - Borate Mine (*manifestación de descubrimiento de Mina Almafuerte de borato*).

1. Applicant: Mario Ángel Blas Moncholi with concession in favor of Alba Andrea Espinosa (according page 155 of the record of proceeding).

2. Description: the mine is located in Los Andes District - Sijes, Province of Salta.

3. The procedure started on May 18th, 2007.

4. On May 20th, 2011, the Mining Court approved mine survey operations.

5. Due to several breaches, on March 5th, 2014, the Mining Court declare expired the rights of the concession holder.

6. On May 13th, 2014, the rights of the concession holder were declared vacant.

7. On September 22nd, 2014, Mrs. Espinosa requests the vacancy of the mine.

8. On April 5th, 2016, the Ministry of Environment of the Salta Province issued Resolution No. 113 which approves the Environmental Impact Report. The biannual renewal of the Environmental Impact Report expires on June 7th, 2018.

9. On September 5th, 2016, the Mining Court grants the mine to Mrs. Espinosa.

10. On November 2nd, 2017, the investment plan and the payment of mining canon are filed.

11. On July 16th, 2018, the Secretariat of Mining certified that the Mining Property does not owe any sum in relation to the mining canon.

12. Current status: The most recent procedure is the payment of the mining canon for the first semester of 2018. There is no evidence of withdrawal filed by Mr. Espinosa.

13. To our knowledge, based on the information arising from the file, there are no (a) opposition filed by third parties; (b) registration of encumbrances and mortgages against the Mining Property, and (c) royalty agreements registered against the Mining Property.

14. As of the date of this Legal Opinion from the record analyzed, the Mining Property is in good standing, and does not register any limitation.

(vii) Judicial File No. 20.120. Mina Fortuna II.

1. Applicant: ULEX S.A. – Direct discovery.

2. Description: 321 hectares mine. 3321 m2 located in Los Andes District – paraje Sol de Mañana, Province of Salta. Book of Registration of Mines, No. or order 5999.

3. The procedure started on February 10th, 2010.

4. Adjacent mines: (Fortuna I – File No. 19308), and (Doña Pancha – File No. 5879) under ULEX S.A.'s ownership; (Ignacio – File No. 17606), under Pablo Cristian Sánchez's ownership; and (Centenario I – File No. 19475), under Lacus Minerals S.A. 's ownership.

5. On page 17 of the record, Resolution No. 256 dated May 10th, 2010 issued by the Secretariat of Mining approves the Environmental Impact Report, corresponding to the stage of advanced exploration.

6. On pages 51/61 of the record, there are survey works proof.

7. On page 68, there is the Approval of the Biannual Renewal of the Environmental Impact Report, issued through Resolution No. 437, dated October 11th, 2012.

8. On page 76, through judicial resolution dated October 2nd, 2013, the expiration and vacancy of the right of the concession holder is declared.

9. On page 77, ULEX S.A. files a motion for the Mining Court to reconsider the expiration and vacancy declaration of the rights, with an appeal to a higher court in the alternative.

10. On pages 84 and 85, a judicial resolution rejects the motion filed by ULEX S.A. (page 77).

11. On page 90, the Secretariat of Mining informs that the payment of the mining canon corresponding to the second semester of 2013 is pending, for an amount of ARS 1,600.

12. On page 92, by Remsa S.A. filed a document declaring that they shall not submit the area to investigation under the terms set forth in Title XXI of MC as regards geological and mining investigation of which the Provincial State is in charge.

13. On page 98, Mr. Victor Fernando Mármol filed on June 13th, 2017 a request of vacant mine.

14. On page 106, the Environmental Impact Report is filed for the prospecting stage, on July 31st, 2017.

15. On page 111, the Secretariat of Mining issued Resolution No. 355, dated October 10th, 2017, approving the Environmental Impact Report corresponding to surface exploration.

16. On page 114, judicial resolution dated November 8th, 2017, grants Mr. Mármol Fortuna II's right mine.
    Also, a term of 1 year is granted to comply with Section 271 of MC, under penalty of declaring expiration and vacancy of rights. Moreover, it is set forth that the concession holder shall pay the mining canon as of the second semester of 2017.

17. On page 115, Mr. Mármol filed a document requesting that notices be given to the owners of adjacent mines, thereby informing them that the surveys began on August 21st, 2012.

18. On page 117, the State Prosecution (*Fiscalía de Estado*) filed a document expressing that there exists a difference between the data indicated in the background of the resolution (third paragraph) and the operative part, and consequently requests clarification.

19. There is no evidence of compliance with the payment of the mining canon of the second semester of 2017.

20. Current status: on page 118, the Mining Court sustains the clarification requested by the State Prosecution on page 117 and corrects the resolution regarding the concession of vacant mine, clarifying that the concession of the mine is divided in 4. There appears an unfiled

document dated March 2nd, 2018, informing as to the payment of the canon for the second semester of 2017.

21. To our knowledge, based on the information arising from the file, there are no (a) opposition filed by third parties; (b) registration of encumbrances and mortgages against the Mining Property, and (c) royalty agreements registered against the Mining Property.

22. As of the date of this Legal Opinion from the record analyzed, the Mining Property is in good standing, and does not register any limitation.

(viii) Judicial File No. 6189. Graciela mine.

1. Original Applicant: FERRO ENAMEL ARGENTINA S.A.

2. Date of application: 1970.

3. On page 135, surveying operations were approved on May 11th, 1998. Place: Sijes, Province of Salta. Belonging Graciela Mine to Ferro Enamel Argentina S.A.

4. From the record, several incidents of breach by the owner arise with respect to the mining canon. For this reason, the Mining Court extended a legal notice of expiration in case of no compliance with this matter. Finally, the owner paid the canon and the Mining Court ordered the rescue of the mine in favor of the owner. There is no vacancy of the mine, due to the owner fulfilled the legal notice extended by the Mining Court in this regard.

5. On page 330, the change of the corporate name of the owner is reported -FERRO ENAMEL ARGENTINA S.A. to FERRO ARGENTINA S.A.-.

6. On page 334, the Mining Court certifies an assignment of rights and shares dated December 30th, 2015 between FERRO ARGENTINA S.A. and Mr. Daniel Antonio Rizzotti, as assignee (domiciled in Tacuil Street 20, Neighborhood El Tipal).

   FERRO ARGENTINA S.A. assigns and transfers all its rights and shares of Mina Graciela to Mr. Daniel Antonio Rizzotti.

7. On page 337, the Mining Court certifies a swap (*permuta*) between Mr. Rizzoti and Mr. Javier Sulca. Consequently, Graciela mine is acquired by Mr. Sulca, while Mr. Rizzotti becomes the owner of Felicitas mine (Judicial File. No. 19428).

8. To the date of this Due Diligence, the current owner of Graciela mine is Mr. Javier Sulca.

9. On page 349, Mr. Sulca pays the mining canon for the year 2016, and for the first semester of the year 2017.

10. On page 351, the Mining Court rescue the mine due to the payment of canon.

11. On May 22nd, 2018, the Secretariat of Mining certified that the Mining Property does not owe any sum in relation to the mining canon.

12. To our knowledge, based on the information arising from the file, there are no (a) opposition filed by third parties; (b) registration of encumbrances and mortgages against the Mining Property, and (c) royalty agreements registered against the Mining Property.

13. As of the date of this Legal Opinion from the record analyzed, the Mining Property is in good standing, and does not register any limitation.

(ix) Judicial File No. 20902. Statement of Discovery Patovica I – Borate, Lithium and Salt mine.

1. Applicant: Mr. Sergio Ignacio Aguilar, and Mr. Ramón Leyseca.

2. Description: Patovica I mine is located in Salar de Pastos Grandes, Province of Salta.

3. Date of application: April 29th, 2011.

4. On page 12, there appears Resolution No. 400 of the Secretariat of Mining approving the Environmental Impact Report.

5. On page 21, a Judicial Resolution dated October 19th, 2012, orders the registration of the Statement of discovery.

6. On page 28, legal work is filed.

7. On page 112, the Mining Court approves, with date February 23rd, 2015, survey operations of the mine with a surface area of 256 hectares, 9336 m^2.

8. On page 113, Resolution No. 46 issued by the Secretariat of Mining, approves the biannual renewal of the Environmental Impact Report.

9. On page 131, date August 31st, 2016, payment of the mining canon for the second semester of 2015 is evidenced.

10. On page 140, date March 2nd, 2017, payment of the mining canon for the first semester of 2016 is evidenced.

11. On page 149, date July 27th, 2016, payment of the mining canon for the second semester of 2016 is evidenced.

12. On page 161, date October 3rd, 2017, an investment plan for the third period is filed.

13. On page 164, Resolution No. 350 issued by the Secretariat of Mining, approves the biannual renewal of the Environmental Impact Report.

14. On page 171, date July 27th, 2016, payment of the mining canon for the first semester of 2017 is evidenced.

15. On page 173, payment of the mining canon for the second semester of 2017 is evidenced.

16. Only Mr. Sergio Ignacio Aguilar is presented in the record of proceeding.

17. On May 22nd, 2018, the Secretariat of Mining certified that the Mining Property does not owe any sum in relation to the mining canon.

18. To our knowledge, based on the information arising from the file, there are no (a) opposition filed by third parties; (b) registration of encumbrances and mortgages against the Mining Property, and (c) royalty agreements registered against the Mining Property.

19. As of the date of this Legal Opinion from the record analyzed, the Mining Property is in good standing, and does not register any limitation.

To conclude, in general: (i) the records of proceedings analyzed are taken in due time and manner, (ii) no record showed the existence of precautionary measures against of any of the Mining Properties granted, and (iii) as per the date of this Legal Opinion, from the record analyzed, the Mining Properties are in good standing, free of encumbrances, and do not register any limitation.

Sincerely,

Marcos Moreno Hueyo

Noelia Fernández Brochero

BECCAR VARELA

ANNEX I
ARGENTINE LEGAL FRAMEWORK APPLICABLE TO MINING PROPERTY

In this Annex there are included some basic constitutional concepts as well as a general comprehensive overview of the Argentine mining regime, relevant to construe the findings depicted in this Legal Opinion.

1. Governmental System in the Republic of Argentina

Argentina is a federal and democratic republic consisting of twenty-three autonomous provinces and the Autonomous City of Buenos Aires, organized under a National Constitution.

Argentina has three levels of government. The Executive branch headed by a democratically elected President. The President and Vice-president are elected on the same ticket by popular vote for four-year terms. The Legislative brunch, headed by the National Congress, which is divided into two chambers: the Senate and the Chamber of Deputies. Both, Deputies and Senators are also democratically elected. Finally, the Judicial branch is led by the National Supreme Court of Justice.

Each of the provinces has its own government and courts, the organization of which mirrors the federal system. The National Constitution establishes that each of the provinces determines their own local institutions by which they will be governed. The national government may not intervene in the election of their governors, legislators and other provincial officers. Each province also enacts its own provincial constitution.

The National Constitution divides the jurisdictions of the national and provincial governments by empowering the provinces to delegate to the national legislature the authority to enact laws of national scope concerning civil, commercial, and other matters, such as mining. Nevertheless, it is important to remark that: (i) the national government is not empowered to exercise any of the powers reserved by the provinces, which have not been delegated to the federal authorities; and (ii) the provinces are not empowered to exercise the powers delegated by them to the federal government. In this regard, provinces cannot enact laws for example related to civil, commercial, criminal or mining codes, or any other power expressly or implicitly delegated to the national government. As a result, the provinces may enact their own specific provisions, but only with respect to issues concerning their reserved or concurrent powers.

Also, Argentina adopts a Continental System, meaning that its courts rely on laws, mostly compiled in codes, rather than on precedent established in prior judicial decisions.

2. Introduction to the Argentinean Mining Regime

Mining regulations in Argentina are mainly established under the National Mining Code (hereinafter "NMC"), although provinces have the power of legislate the procedural codes in this regard.

The NMC governs the rights, obligations and procedures referring to the exploration, exploitation and use of mineral substances. These regulations create the legal framework that governs the relationship between the State and miner (through an exploration permit or a mining concession); and between the miner and third parties.

In general terms, mining properties are governed by the same principles of common ownership. However, and although they have the nature of a real estate property, mining properties form a different property from the land in which they are located.

Any individual or legal entity with capacity to legally purchase and own a real estate property may purchase and own a mine. The ownership of a mine is acquired through a legal concession granted for unlimited time and subject to the compliance of certain maintenance conditions (mainly related to the payment of mining fees and the implementation of an investment plan).

The provinces are -according to Section 124 of the National Constitution- the original owners of the natural resources existing within their territories, but they are not allowed to exploit such resources directly. Therefore, the provinces have to grant to those individuals / legal entities interested in mining exploration and exploitation, the so called right of "mining property" by means of a legal concession.

Taking into account the rights acknowledged by the AMC, mines are divided into three (3) different categories:

- Mines which surface land is an accessory and belong exclusively to the State and which may only be tapped or exploited under a legal concession granted by the relevant provincial authority. Mines of the first category include: (i) The following metal substances: gold, silver, platinum, mercury, copper, iron, lead, tin, zinc, nickel, cobalt, manganese, aluminium, lithium and potassium, among others; (ii) Fuels such as: coal, brown coal and solid hydrocarbons; (iii) Arsenic, quartz, feldspar, mica, pear spar, limestone, bearing phosphates, sulphur and borates; (iv) Precious stones; and (v) Endogenous steam.
- Mines which, based on their importance are preferentially licensed to the surface landowner; and mines which, as a result of the conditions of deposits, are used on a shared basis. Mines of the second category include: (i) Metallic sand and precious stones which are found in the river beds, flowing waters and diggings; (ii) Burrows and tailing of former mining works, provided such borrows and tailings remain unprotected, as well as burrows and tailings of abandoned or open-pit mining facilities, provided they are not recovered by their owner; (iii) saltpetre, salt and peat; (iv) Any such metal which is not included in the first category; and (v) Different types of mineral earths.
- Mines which belong solely to the surface landowner and which cannot be exploited by anybody without the owner's consent. Except in case of public benefit or good. Mines of the third category comprise deposits of mineral stone and materials, which are used for construction and ornamentation.

3. Mining Rights. Granting Process

3.1. Exploration Permits

The exploration permit is granted on an exclusive basis and is opposable to any individual or legal entity. During the life term of an exploration permit, its holder has the exclusive right to apply for and obtain the granting of one or more mining exploitation concessions within the areas covered by such.

Any discovery by a third party without the explorer's prior consent within the area of the permit, shall belong to the explorer from the date of submission of the permit's application. Such provision reinforces the priority rights that an exploration permit grants.

3.2 Exploitation Concession ("*Mina*")

Mines are granted by the relevant Mining Authority as legal concessions, under the provisions of the NMC. Mining exploitation concessions are granted on: (i) mine discoveries; and (ii) vacant mines on account of expired licenses.

(a) Statement of Discovery "*Manifestación de Descubrimiento*"

To obtain a mining concession, the discoverer must submit a written application to the mining authority (a Statement of Discovery), enclosing a sample of the mineral and stating, among other things: (i) the name, status and address of the discoverer (and associated discoverers, if any); (ii) the name to be given to the mine; (iii) the site of the discovery; (iv) the name and type of mineral of adjacent mines; and (v) who is the owner of the surface land.

(b) Survey and demarcation

Any area of land within which boundaries the holder of a mining concession is allowed to perform exploration works is called a claim ("Claim").

The interest party shall submit a writing petition, and Claims shall be duly surveyed and demarcated. Both, the request of survey filed in writing by the applicant, and the Mining Authority resolution in such regard, must be published in the Official Gazette and notified to the owners of adjacent mines, if known. If no opposition is filed, or finally settled those which have been filed, the Mining Authority shall order the survey.

Once the survey and demarcation has been performed, the Mining Authority shall order the registration of the Claims before the relevant registry, and a copy evidencing such registration shall be provided to the applicant as a definitive title of ownership.

(c) Concession Conditions

The ownership of a mine is subject to the compliance of certain maintenance conditions or obligations required by the NMC, consisting in:

- Mining fee: the NMC establishes the obligation of the titleholder to pay an annual fee per claim -*canon minero*-, payable every 6 months, which is to be periodically fixed as required by National law; and foresees that the concession shall terminate ipso facto, due to lack of payment of the annual fee, following two (2) months of expiration date.
- Fulfillment of a Investment Plan: within one (1) year from the date of request of survey, the applicant must submit to the Mining Authority an estimate of the plan and amount of capital investment that it intends to perform in connection with: (i) the execution of mining works; (ii) the construction of camps, buildings, roads and other related works;

and (iii) the acquisition of machinery, stations, parts and equipment, indicating its production or treatment capacity.

The investment for a particular mining property cannot be less than three hundred (300) times the annual fee. Such investment shall be fully completed within five (5) years from its filing. An amount not lower than twenty percent (20%) should be invested in each of the first two (2) years. Annually, a sworn statement on the status of the investments must be submitted to the Mining Authority.

(d) Termination of the Concession

The NMC establishes certain causes that through its occurrence the mining concession may be terminated by the Mining Authority, these events are the following: (i) Failure to pay the mining fee; (ii) Failure to comply with the investments plan; and (iii) Inactivity of the mine.

Regarding (i), Section 216 of the NMC sets forth that the concession terminates if failure to comply with the annual payment of the mining fee is not cured within two (2) months of the due date. The Mining Authority shall notify the concessionaire of such situation.

In connection with (ii), Sections 217 and 218 of the AMC refer to this matter. The concessionaire is requested to file with the Mining Authority an investment plan for the mine. Purpose of such is to evidence the investment intentions on the mine, and such investment plan shall have to be approved by the Mining Authority and monitored for its compliance. The concession can therefore, be in general terms cancelled or become void (declared "caduca") if no plan is filed or if such is not complied with. The NMC provides the concessionaire with the right to cure the referred non-compliances.

With regards to (iii), according to Section 225 of the NMC when a mining property has been inactive for more than four (4) years, the Mining Authority may require the submission of a Plan for Activation or Reactivation within six (6) months, under penalty of declaring the concession expired. Once the reactivation plan has been filed, the concessionaire must comply with each of its stages within the period specified therein. The whole plan shall be completed in five (5) years, under penalty of revocation of the mining right.

Compliance with these obligations is essential for the maintenance of the mining concession right; however, in general mining authorities have not had a restrictive criterion in the application and enforcement of this provision. Nevertheless, there are some provinces that are more restrictive than others.

(e) Vacant Mine

According to Section 219 of the NMC, when a mining concession is cancelled, the mining rights return to the State and the mine is declared and registered as vacant, and therefore any third party may apply for its concession. If the former concession has been cancelled for failure in paying the mining fee, the applicant shall pay any amounts due, when submitting the application form. If such payment is not evidenced, the application will be rejected. The new concessionaire will step in the position of the former concessionaire, and will continue the procedure of the mining file according

to its status. The new concessionaire will have a one-year-term to comply or complete, as applicable, the obligations referred to the committed investment plan.

4. Granting Authority

Depending on the regulation of each Province, the relevant mining authority of each jurisdiction may either be a Mining Direction ("Dirección de Minería") or a Mining Court ("Juzgado de Minas"). The Mining Direction is a body of the provincial executive branch, and its main authority is generally vested on the Mining Director. The Mining Court belongs to the provincial judiciary organization, and its authority is vested on the Judge of Mines. In the Province of Salta, the granting authority and mining authority is of judicial nature and vested in the Mining Court depending on the provincial judiciary power.

5. Mining Investments Law Regime

In 1992 the Argentinean Government decided to promote investments in the mining sector. Law 24,196 the "Mining Investments Law" provides for important tax benefits and has proven to be very relevant and useful for developing mining projects, specially large scale ones.

5.1 Tax Stability

Companies covered by this regulations may not have their overall tax obligations, affected by reason of tax modifications, regardless of their denomination and whether they have been made at a national, provincial or municipal level (provided Provinces and Municipalities have adhered to this law).

Exchange and customs duties regulations are likewise included in the law (except for exchange rate, reimbursements and refunding of taxes as a result of exports, which are governed by different specific laws).

The value added tax (IVA) has been excluded from tax stability.

Stability shall be in force over a thirty (30) year period, as from the date of filing of the feasibility report.

5.2 Royalties

Provinces who adhere to Law 24.196 may not charge royalties over 3% on the pithead value (*valor "boca mina"*) of the mineral obtained. Most of provinces adhered to this law. Provinces have their particular royalties regulation and can set specific rules within the referred to percentage.

6. Mining Environmental Regime

Protection of the environment and preservation of natural and cultural heritage within the scope of mining activity are subject: (i) to the specific regulations of the NMC –as amended by National Law 24,585 of Environmental Protection for Mining Activity–; (ii) to those federal laws and regulations enacted with general character by the National Government; and also (iii) to all relevant provincial law and/or regulation in force in the jurisdictions where the mining properties are located.

In general, the NMC establishes that prior to the development of a mining activity:

(i) an Environmental Impact Report ("EIR") shall be submitted to the Regulatory Authority of the jurisdiction in which the Project is located. Such Regulatory Authority evaluates the EIR from a technical, scientific, and legal standpoint; and

(ii) obtain an Environmental Impact Declaration ("EID"): if the Regulatory Authority considers that the mining Project´s EIR is environmental suitable, then shall issue a EID, which is the final document which contains the terms under which the Project shall be performed in connection with the environment and the community.

The EID shall be updated every two years through the filing of a new EIR.

Also, the NMC and federal environmental laws establishes that all persons that perform mining activities are jointly liable in case of an environmental damage caused due to the noncompliance with its regulations, whether the damage is caused directly or by his/her employees, or by contractors or subcontractors. Mitigation, rehabilitation, or recomposition of the environmental damage may correspond.

BECCAR VARELA

ANNEX II
ARGENTINE LEGAL FRAMEWORK, TARIFF AND TAXES FOR EXPORT OF LITHIUM MINERAL

1. Argentine General Legal Requirements for Export of Lithium Mineral

To proceed with the exportation of lithium mineral and its derivatives, first the Company's local subsidiary must be registered before Customs as a foreign exchange operator in the Importers/Exporters Registry.

The documentation and requirements necessary for this registration are:

(i) Registration of the local subsidiary in the "VAT" and "Income" taxes.

(ii) Subscription by the legal representatives of the local subsidiary of their biometric data (fingerprints) before tax authorities "*Administración Federal de Ingresos Públicos*" ("AFIP").

(iii) Generation of Tax Code and CUIT / CUIL of the legal representative authorized before AFIP, to register the local subsidiary before the systems SITA (System of Customs Procedures) and SICNEA (System of Communication and Electronic Customs Notification), for which an email address must be linked to receive all notifications regarding customs issues via email.

(iv) Prove economic solvency. Importers/exporters must prove solvency through their gross sales for an amount not less than AR$300.000 in the immediately preceding calendar year. Being a new company and not being able to credit sales for this amount, the constitution of a customs guarantee is required for the sum of ARS$30.000.

(v) Certificate of criminal background of the local subsidiary company's managers as they are registered in AFIP (this certificate has five days of validity and, if there is more than one manager, they all must submit together the corresponding certificate within the period of validity).

Finally, once the criminal record certificate is submitted before Customs Office, the registration may take between 24 hours and 10 business days.

Once the goods are ready to be exported, it is required to hire a customs broker to document the operation.

Take into consideration that lithium mineral and its derivatives are classified under numerous tariff codes, and each one of them may have different requirements, authorizations and/or certifications that must be granted prior to proceeding with documentation of the export operation.

2. Applicable Tariff for Export of Lithium Mineral

Currently in Argentina, since National Decree No. 1126/2017 was enacted, there are no export duties or tariffs applicable to lithium mineral.

However, due to the legal nature of the reimbursements for export operations, those are still applicable to certain tariff codes concerning lithium-based products (i.e. lithium batteries 8%).

3. Applicable Taxes for Export of Lithium Mineral

The applicable taxes for the local subsidiary regarding the export of Lithium Mineral would be the following:

Income Tax

Corporate income (including income coming from export transactions) is levied at a 30% income tax rate (at a 25% income tax rate as from 2020).

Value Added Tax (VAT)

Exports of goods are included in the scope of VAT, but they are taxed at a zero rate (0%). This means that VAT is not levied on the output, but the VAT paid on inputs may be recovered through tax refunds, which should be requested by the taxpayer.

Tax on Debits and Credits

The accreditation of amounts in the local subsidiary's bank accounts will be subject to 0.6% tax, being 33% of this tax paid computable by the local subsidiary against income tax and/or minimum presumed income tax, as of today. The Federal Executive Branch has been allowed by Law N° 27,432 to increase this percentage of computation once a year.

However, pursuant Section No. 10(l) of Decree No. 380/2001, accreditation of amounts in a current account (*cuenta corriente*) that pay off export transactions are tax exempted.

Turnover tax

Local governments impose tax on the turnover (revenues) of businesses. Tax rates vary depending on the type of activity and jurisdiction (there are 24 jurisdictions).

Exports of goods are turnover tax exempt or not levied by turnover tax, depending on the tax treatment provided by the correspondent jurisdiction.

On 16 November 2017, the Federal Executive Branch and representatives from the provinces (except the Province of San Luis) and the City of Buenos Aires concluded a *"Fiscal Consensus"* agreement ("Fiscal Pact") on different tax concerns, including turnover tax.

This Fiscal Pact was passed by the Federal Congress on 21 December 2017, becoming Federal Law N° 27,429, which was ratified by all local legislatures, except the Province of La Pampa.

In the Fiscal Pact, local jurisdictions committed not to levy the export of goods with turnover tax, with exception of those exports related to mining or hydrocarbon activities and its complementary services.

On this regard, the Province of Misiones recently amended its Tax Code and established in its Section No. 146(f) that revenues coming from export of goods are not levied by turnover tax, clarifying that this exclusion does not include sales related to mining activities (*i.e.*, revenues coming from exports related to mining activities are levied by turnover tax in such jurisdiction).

Finally, it is important to highlight that through the Fiscal Pact, local jurisdictions also committed to subject the mining exploitation to the following turnover tax treatment: 2018: levied at a 1.50% rate; 2019: levied at a 0.75% rate; from 2020 to 2022: exempted.

INDEPENDENT CONSULTANT'S INDUSTRY REPORT

9.0

Roskill Consulting Group Ltd

Centaur Resources Limited

Lithium Market Study for IPO

21st June 2018

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1. Disclaimer

Roskill Consulting Group Limited understands this report will form part of an initial public offering and prospectus to be lodged with the Australian Securities and Investments Commission for a proposed listing of Centaur Resources Limited on the Australian Stock Exchange. Roskill Consulting Group Limited consents to the inclusion of this report in Centaur Resources Limited's prospectus.

2. Executive summary

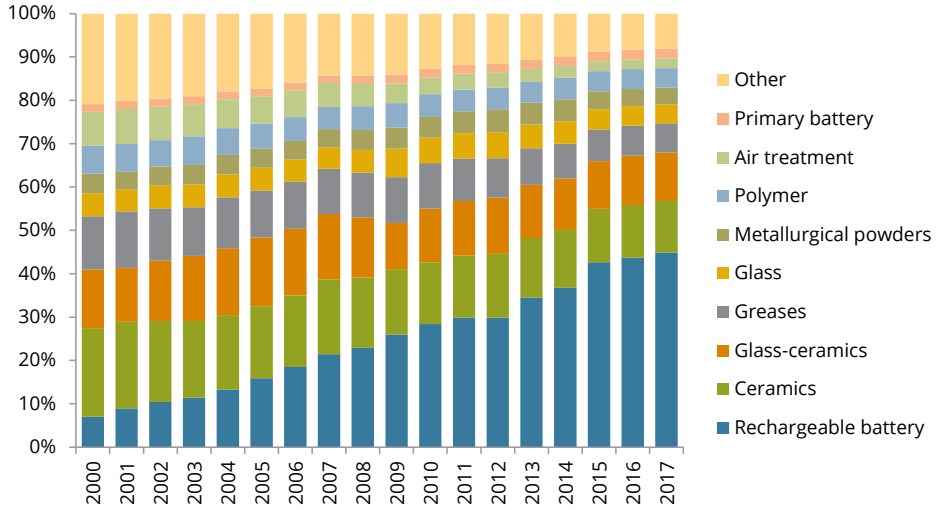
2.1 Consumption and uses

Consumption of lithium has shown strong growth since 2000, increasing from just under 65,000t LCE to 210,900t LCE in 2017, a cumulative annual growth rate (CAGR) of 7.1%. In the mid-2000s, consumption grew even more strongly, by more than 10%py between 2004 and 2007. After an 8% fall in 2009, consumption recovered strongly in 2010 and the market has since grown by around 9,000tpy LCE, although 2015 witnessed an 18,900t LCE rise causing the market to become undersupplied and prices rose accordingly. Growth in 2016 was tempered by a stall in the portable consumer electronics market and the impact of availability and high prices on technical applications, despite the automotive industry absorbing yet more lithium in lithium-ion (Li-ion) batteries.

Growth in consumption since 2000 has been led by the **rechargeable battery** market, which accounted for 94,700t LCE or 45% of total lithium consumption in 2017, a more than six-fold increase from a decade earlier and a growth rate of 19.3%py since 2000. Demand for Li-ion batteries has increased significantly because of rapid expansion in the portable consumer electronics sector through to 2014 and a growing market for batteries for automotive electrification since. Li-ion batteries have also been gaining market share in other markets, including for use in power tools and electric bicycles, as performance increases and costs fall. Further technological advancement has seen the use of Li-ion batteries extended to use grid / off-grid energy storage systems (ESS). In 2017, the portables market accounted for 52% of lithium consumption in rechargeable batteries, automotive 36% and other applications 12%.

The majority of lithium is still, however, consumed in the manufacture of products such as glass, ceramics, glass-ceramics, greases, metallurgical powders, polymers and aluminium. When combined**, glass, ceramics and glass-ceramics** are the second largest market for lithium, accounting for 27% of total consumption in 2017, down from 30% in 2015 and 35% in 2012 when it was the largest consuming sector ahead of rechargeable batteries. These end-uses consume both lithium compounds and technical-grade lithium minerals, with the latter gaining market share due to more economical pricing and higher availability since 2016. Growth in consumption of lithium in ceramics and glass-ceramics has averaged 3.7 and 5.9%py since 2000, to reach 25,100t LCE and 23,600t LCE respectively, driven by a boom in construction in emerging and developed economies, especially in the mid-2000s and early 2010s. The glass market for lithium grew by 5.8%py between 2000 and 2017, to 9,100t LCE. The historical high growth rates mask more moderate growth since 2012, as construction activity has dwindled in the developed world and slowed in China.

Figure 1: The rise of rechargeable batteries in lithium consumption, 2000-2017



Source: Roskill

Rapid growth in construction and manufacturing output in emerging economies, particularly China, has also led to increased lithium consumption in **metallurgical powders**, used in the continuous casting of steel, and in the production of lithium-based **greases**. Lithium consumption in greases increased from 8,100t LCE in 2000 to 13,900t LCE in 2011, but has since plateaued. The metallurgical powders market peaked in 2014 at 8,800t LCE, but has since fallen slightly as the steel industry adjusts to a slowing China and more recently from higher lithium prices. These two markets use lithium hydroxide, and lithium carbonate and lithium minerals, respectively. The use of organolithium products for catalysing synthetic rubbers and thermoplastics has also provided strong growth, of around 5.0%py, in consumption of lithium in **polymers** since 2000 as demand for tyres, tubes and rubber-based consumer goods increased in emerging economies.

The **air treatment** market for lithium includes absorption chillers, where lithium bromide is used as the absorption medium to produce chilled air from waste heat in large commercial and industrial complexes, desiccant dehumidifiers and air purification systems. Consumption of lithium bromide in absorption chillers, and also chloride and hydroxide used in desiccant dehumidifiers and carbon dioxide removal apparatus, has fallen 1%py since 2000 to around 4,600tpy LCE. While the market expanded rapidly in the mid-2000s as China's economy industrialised, the use of direct-fired chillers has waned in recent years and indirect-fired chiller sales have failed to replace the lost sales.

The **primary battery** industry has witnessed growth, albeit on a much smaller scale than for rechargeable batteries (8.6%py compared to 19.3%py) since 2000 to total 4,600t LCE in 2017. Primary batteries are used for memory back-up in portable electronics, in monitoring systems and in industrial equipment. Lithium metal is the main form used in these batteries. **Other** uses for lithium account for the remainder of consumption, at 17,000t LCE in 2017 and has grown by 1.2%py since 2000.

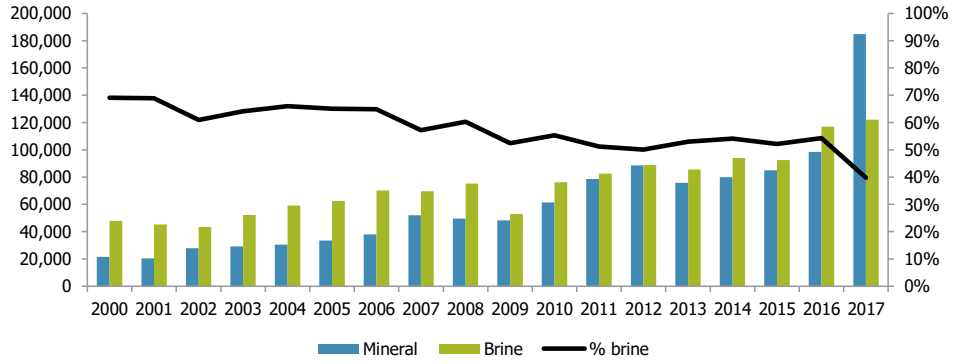
On a **regional basis**, China is the world's largest consumer of lithium, accounting for 40% of consumption in 2017, with domestic demand having grown over five-fold since 2002, to 84,000t LCE. South Korea and China are the dominant Li-ion battery and battery material producers, and consumption has increased rapidly since 2000 on increased rechargeable battery cathode material output. Japan is also a major battery and battery material producer, especially for the automotive market, but has faced growing competition from its Asian neighbours in the portables market, partly due to lower manufacturing costs. Consumption in Japan has accelerated since 2012 with a shift to greater focus on the high value automotive sector for batteries, and it was the second largest consumer in 2017 at 40,000t LCE, compared to Korea at 30,000t LCE; 19 and 14% of the market respectively. Europe and North America consume lithium mainly in the manufacture of industrial and construction -related products, such as ceramics, glass-ceramics, greases, polymers and aluminium, as there is not a large Li-ion battery industry outside Asia as of 2017. Europe represented 12% of lithium consumption followed by North America at 7%. India, Russia/CIS and other countries account for the remaining 10%.

Lithium carbonate is the most widely consumed **product**, finding application in rechargeable batteries, ceramics, glass-ceramics, glass, metallurgical powders and other uses. Demand for battery- and technical- grades exceeded 105,100t LCE in 2017, with battery-grade carbonate now accounting for 37% of total lithium product consumption and technical-grade 14%. Battery-grade carbonate consumption has doubled since 2012 and grown by 20.3%py since 2000. Technical-grade mineral concentrates (mainly spodumene, petalite and lepidolite) accounted for a further 19% of consumption and are used in similar ceramic, glass-ceramic, glass and metallurgical applications to lithium carbonate. Technical- and battery- grade lithium hydroxide together represented 14% of consumption, with battery-grade hydroxide showing the highest growth rate of all lithium products at 19.7%py since 2000 and 17.8%py since 2012. The growth in high-nickel battery cathode materials, in particular nickel-cobalt-aluminium (NCA), and alkali method lithium-iron-phosphate (LFP) production, for automotive and ESS markets has boosted battery-grade hydroxide consumption over recent years.

2.2 Production and producers

Global **lithium mine production** has increased by 10%py since 2000, from 69,400t LCE to almost 307,000t LCE in 2017 (360,250t LCE if including the contribution of direct shipped ore [DSO] from Australia. Lithium is extracted from two different sources: lithium brines and hard rock lithium mineral deposits. Lithium mineral production is dominated by output from Australia, accounting for over 50% of global lithium output in 2017, with lesser amounts of minerals produced in Zimbabwe (2%) and Portugal (<1%). Spain and Brazil are more minor producers. Brine output is dominated by Chile (25%) and Argentina (10%), with the USA a smaller contributor (2%). China is the only country where both minerals and brine are produced and together these accounted for 10% of the global total.

Figure 2: Mine production of lithium by source type, 2000-2017 (t LCE)



Source: Roskill estimates

Lithium mine production fell in 2013 owing to the completion of restocking programs, which had driven a sharp increase in "demand" between 2010 and 2012 following the 2009 downturn, but also because of the cessation of output by Galaxy Resources in Australia and Canada Lithium (now North American Lithium) in Quebec only shortly after both companies commissioned integrated lithium mine and refining operations.

Refined lithium production in 2017 totalled just over 238,050t LCE, increasing 13% year-on-year after a 22% increase in 2016. Brine-based output is predominately processed into lithium compounds (carbonate and chloride) at operations at or near to the brine source, and accounted for 51% of refined product output in 2017. The balance of refined output comes either as technical-grade mineral concentrates (38,500t LCE) or as lithium compounds converted from chemical-grade lithium minerals (77,500t LCE). Recycling of end-of-life products contributed another 3,000t LCE. There are a large number of mineral conversion plants in China processing mineral concentrate into refined lithium products, but some also reprocess low-grade lithium carbonate into marketable, higher-value, products, meaning their total output may appear higher than the actual refined output based on processing raw materials alone.

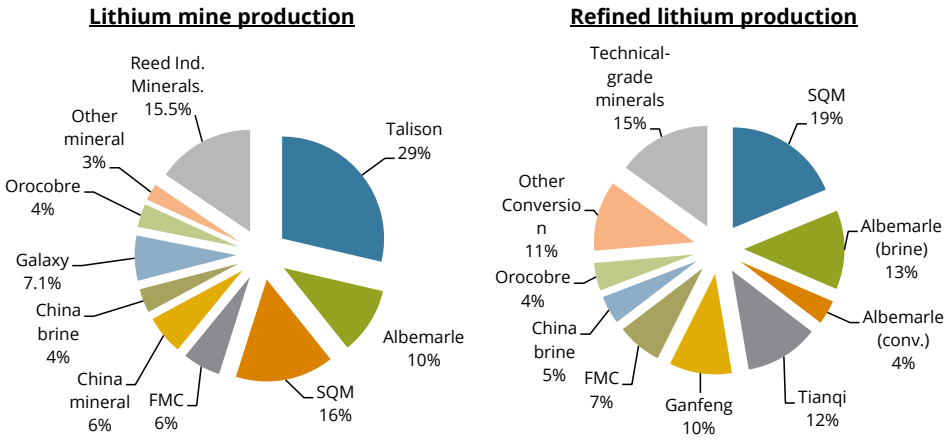
Lithium production has long been dominated by a small number of producers. Until the mid-2000s the "big-3": SQM and FMC, which operate lithium brine operations in Chile and Argentina respectively, and Albemarle, which operates lithium brine operations in Chile and the USA, and more recently mineral conversion assets in China, accounted for the vast majority of mined and refined lithium output, in volume and value terms. Talison Lithium, a joint venture between Tianqi Lithium (51%) and Albemarle (49%), operates a hard rock lithium mine in Western Australia and has long been the largest supplier of both technical-grade and chemical-grade mineral concentrate to the market. In 2017, lithium mine production was dominated by Talison Lithium, SQM and Reed Industrial Minerals (a joint venture between Mineral Resources, Ganfeng Lithium and Neometals). If dividing Talison between its owners, the control of mine production was dominated by Albemarle, SQM and Tianqi Lithium, with Ganfeng, Mineral Resources, Galaxy Resources and FMC producing around half the volume of these three (Figure 19).

With Tianqi's acquisition of a share in Talison and Ganfeng with its share of Reed Industrial Minerals, and domestic expansion of downstream conversion facilities, they have displaced FMC into fifth place in terms of refined output by volume. When also dividing the output of technical-

grade minerals produced by Talison at Greenbushes between Tianqi and Albemarle, five producers accounted for 75% of refined product output.

The production of downstream lithium chemicals and lithium metal is undertaken by a number of companies. Outside of China, Albemarle and FMC Lithium are the largest producers of lithium chemicals and metal, at facilities in Germany, USA, Taiwan, India, France, the UK and Japan. Within China, a number of processors produce downstream added value lithium compounds, with Ganfeng Lithium the largest. By value, Albemarle has the largest lithium business, exceeding US$1Bn in revenue for the first time in 2017, followed by SQM (US$645M), Tianqi (US$360M), FMC (US$347M) and Ganfeng (US$292M),

Figure 3: Mined and refined lithium output by producer, 2017 (%)



Source: Roskill

2.3 Market balance

The lithium market has historically run a small surplus when comparing refined output to consumption, to counter losses in the value chain. The options for third-party stockpiling or speculative activity are limited, and producers' output is matched to consumer's requirements. In 2009, the global economic downturn saw producers and consumers run-down stocks and output fell below consumption. In 2010-2012 the market rebounded, as producers and consumers re-stocked, and with the expectation that demand would increase at similar rates to the mid-2000s.

Overproduction between 2010 and 2012 was corrected in 2013 as producers cut-back output and the market further corrected itself through 2014 and on entering 2015 appeared to be heading back in approximate balance. However, limited output growth in 2015, perhaps on the expectation of existing producers that new producers would produce more lithium, together with a surge in demand caused by e-bus and xEV output in China, meant the market swung into a large deficit, impacting spot (non-contracted) prices towards the end of 2015 and contract pricing in 2016. An increase in mine and refined output in 2016 helped restore the balance, at least numerically, but given the delay in final product reaching consumers and most producers

remaining sold-out, the squeeze on the market continued into 2017 with contract prices rising further. Whilst refined output exceeded consumption in 2017, prices continued rising as strong demand for product to be consumed in 2018 met varying levels of output on a product basis: hydroxide supply improved, but battery-grade and technical-grade carbonate remained tight, partly as more was used for hydroxide conversion.

2.4 Prices

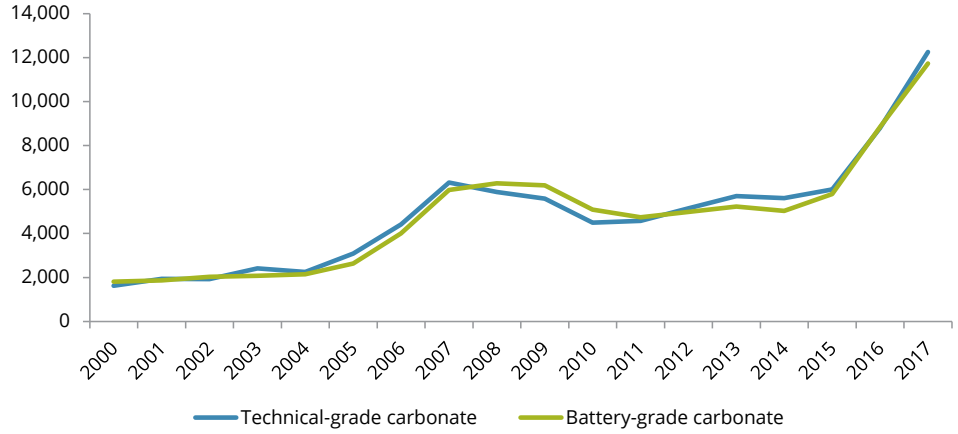
Lithium pricing has generally followed changes in the underlying cost position of producers, with market balance having a shorter-term impact. Pricing can generally be considered to be elastic to demand. Technical- and battery- grade lithium carbonate prices reached US$6,500/t CIF and US$6,250/t CIF in 2007 and 2008 respectively, after a period of strong consumption growth and increasing reliance on mineral conversion plants in China, which have higher costs. Prices then fell back to bottom at US$4,600/t CIF in 2010 for technical-grade and US$4,850/t CIF in 2011 for battery-grade, as a result of the global economic crisis and associated decrease in demand for lithium compounds. SQM, the leading carbonate producer, cut prices to stimulate demand. Lithium carbonate prices increased slightly in 2011 and the decrease in lithium production in 2013 meant further recovery, but dipped again in 2014. Prices for both grades were back to around US$5,600/t CIF in 2015.

Spot prices in China for both technical- and battery- grade hydroxide and carbonate increased rapidly from mid-2015, and continued increasing to mid-2016 to US$22,000/t ex. VAT for battery-grade carbonate and over US$18,000/t ex. VAT for technical-grade carbonate in Q2 2016. Lithium hydroxide spot prices witnessed even higher levels. The reasons are as follows:

a. strong demand from the battery sector following a surge in xEV and e-bus output;
b. reduced availability of spodumene concentrate from Talison Lithium as more material was kept for conversion by Tianqi (or tolled by Albemarle), and higher prices; and,
c. possible speculative activity with an expectation that market tightness would continue and prices would continue rising.

Contract pricing also rose in 2016, with technical- and battery- grade carbonate prices averaging 29% and 36% higher than 2015 and hydroxide grades 81% and 8% respectively. Spot prices in China started to fall from H2, but staged a small recovery in H2 2017 while contract prices continue to climb.

Figure 4: Average yearly contract prices for lithium compounds, 2000-2017 (US$/t CIF)



Source: Roskill, based on trade data

The theory that battery-grade lithium carbonate typically carries a premium to technical-grade of around US$500-1,000t, due to increased processing (micronisation) and, depending on the exact product, the purification steps, is not borne out by average prices derived from the trade data. The trend is likely explained by the structure of contracts between producer and consumer benefitting battery-grade consumers, who have increasingly become the larger buyers, especially in the early 2010s when technical-grade appears to have had a premium instead. Any premium may also be carried by the subsidiary, agent or distributor supplying the product domestically, which is not shown when viewing prices on a CIF basis.

2.5 Outlook

The outlook for lithium **consumption** has improved significantly since mid-2016, following much stronger forecasts for xEV requirements led by government targets/mandates and manufacturers' plans. Roskill now expects the total lithium market to slightly exceed 1Mt LCE in 2030, an 18.6%py increase from 2017, in the base-case scenario; this represents a five-fold increase in consumption. Growth will, however, be more moderate in the short-term, with 9.5%py growth to 2022 when the market could reach 321,200t LCE, before accelerating in the mid-2020s. Consumption of lithium in volume terms will continue to be driven by the Li-ion battery sector, increasingly for automotive use, with rechargeable batteries forecast to register 22.7%py growth through to 2027, reaching 683,000t LCE.

Other markets for lithium are also forecast to provide areas of growth for lithium consumption, but only at around 3.0%py in the base-case scenario. The volume of lithium consumption in rechargeable batteries, representing 43% of total consumption in 2017, will have much more impact on overall lithium consumption and this sector's influence will continue to increase with rechargeable batteries accounting for 50% of the total market from 2019/20 and reaching 80% in 2027.

There are, however, both upside and downside risks to the outlook for growth in consumption of lithium to 2027. The low-case (pessimistic) scenario foresees slower global economic growth affecting demand for basic products like ceramics, glass, aluminium, steel and rubber, as well as lower demand for portable consumer electronics, but most critically delays in the introduction of Li-ion battery powered xEVs. The low-case scenario still foresees lower growth levels, at 12.1%py to reach around 159,000t LCE by 2022 and 275,000t LCE by 2027.

Meanwhile, in the high-case (optimistic) scenario, growth in consumption of lithium is forecast to increase by 27.3%py to reach just over 305,000t LCE in 2022 and almost 1Mt LCE in 2027. The optimistic scenario is based on even higher penetration rates for xEVs as well as stronger demand for batteries in grid/off-grid ESSs, portables and power & motive applications.

Given the uncertainty surrounding the acceleration of xEV and ESS battery demand, it is not unrealistic to foresee greater downside risks to consumption than upside. This has been the trend since EVs began to be talked-up in the mid-2000s. Nevertheless, if emissions (CO_2 and PM) emissions goals are to be met, unless new battery storage or alternative fuel technology appears, it is a case of when, not if, for high levels of lithium demand in the future.

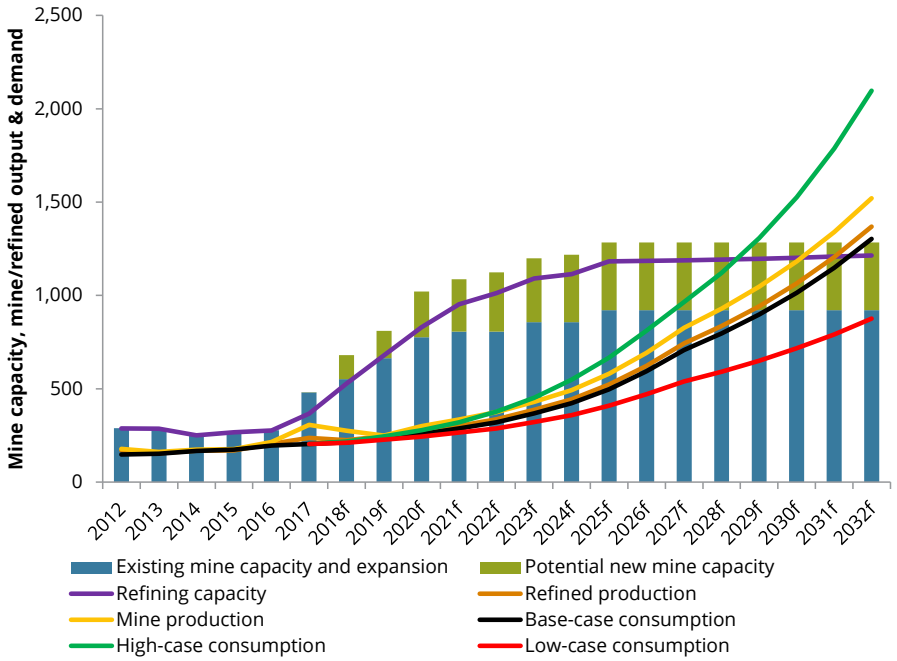
With lithium consumption forecast to increase strongly in the years to 2027, the outlook for lithium **production** and producers is positive from a volume perspective. Mine production capacity in 2017 totalled 375,000tpy LCE and refined capacity just over 322,750tpy LCE, meaning producers are capable of meeting the base-case demand forecast only until 2020, based on an average industry utilisation rate of 80%. Additional capacity will therefore be required, and is expected to come from both expansion of existing operations and start-up at new lithium projects.

Existing brine-based capacity is anticipated to rise to 378,500tpy LCE by 2022, from 159,250tpy LCE in 2017. Existing mineral–based mine capacity is projected to increase to 578,940t LCE by 2022. New capacity from advanced projects might add an additional 167,300tpy LCE by 2022, Total mine capacity in 2022 would then be 746,240tpy LCE. Beyond 2022, further expansion or other new operations might contribute additional capacity, but few producers have announced expansions beyond 1-3 years and the project pipeline remains uncertain. The current committed level of capacity is sufficient to meet base-case demand, assuming an average 80% utilisation rate, until 2024 and potentially into 2025 with an increasing utilisation rate.

Refined capacity is expected to increase to 2022, but not quite as quickly as mine capacity, reaching around 710,400tpy LCE. Additional brine-based mine capacity will be matched by brine processing capability, but mineral conversion capacity currently lags mineral-based mine capacity.

The lithium industry is currently adding capacity ahead of short-term, but behind long-term, requirements, although the latter is less critical given additional capacity should be added as required. More worrying for the industry is that the experiences of 2010-2014 when new projects and expansions were announced and built, but subsequently failed or stumbled, compounded by a lower-price environment than envisioned, could repeat in 2018-2022.

Figure 5: Outlook for lithium market balance, 2012-2027 (000t LCE)



Source: Roskill estimates

A significant amount of new mineral mining capacity is being added into the market, and new producers will be ramping-up output in H2 2018. Mineral-based mine production increased sharply in 2017 and could grow by an additional 90,000t LCE in 2018. The impact of 45,000t LCE of direct shipped ore (DSO) from Mineral Resources' Wodgina Mine could be more pronounced in 2018 as processors in China beginning to utilise it. Nevertheless, even without DSO, between the three existing producers (Talison, Galaxy and Reed Industrial Minerals) and four/five new producers (Tawana/AMA, Altura, AMG and Pilbara, and potentially North American Lithium), mine supply could increase by 50-100,000t LCE in 2018, compared to an estimated 22,000t LCE increase in demand. Roskill expects a rationalisation in capacity and/or mineral supply from 2019 as stocks build and output becomes unsustainable without a market to sell to.

There will not be such a significant increase in refined output in 2018, as predicted in 2017, as refined producers remain more disciplined to market requirements, and there will be a lag in the processing of the additional mineral feedstock because of stocking and qualification time. A large proportion of mineral based capacity is also held by conversion facility owners; therefore they will only produce to captive requirements. Roskill expects refined output will increase slightly ahead of demand to restore balance to the market and return confidence after recent shortages. The only downside risk is if Chinese converters aggressively process and supply product to the market; this has been a common theme in other mineral/metal products in China, but not yet seen in lithium. There is the potential for a small oversupply of refined product in 2019-21 as new and expanded mineral conversion and brine operations commission, but given previous delays in project delivery there can be no certainty to this. Any significant over or under supply

of refined product will be quickly corrected, although less is certain about the mid-2020s based on rapidly increasing annual demand growth and a deficit in long-term capacity levels.

There is insufficient low-cost capacity (i.e. brine production using high grade, low impurity feedstock as occurs in the Atacama) entering the market to displace all of the high-cost mineral conversion capacity in China using mainly Australian mineral concentrate. The lithium market will therefore continue to be reliant on supplies of lithium compounds from higher-cost mineral conversion plants in China long-term, and this effectively puts a floor under **pricing** preventing a collapse as seen in the late-1990s when SQM aggressively marketed low-cost brine-based production from its new operation in Chile to take market share. The lithium market also needs incentive to keep adding capacity, as while capacity is projected to increase significantly by 2022 some is not yet committed or financed; a sharp reduction in prices would make it harder for additional capacity to enter the market which will create problems long-term based on demand projections, potentially of greater significance to what has been witnessed since 2015.

Roskill forecasts average annual prices for lithium carbonate are forecast to remain above US$10,000/t long-term on both a nominal and real (inflation adjusted) basis, and rise to US$17,000/t CIF in 2027 (around US$13,800/t adjusting for inflation) for battery-grade and technical-grade respectively. This price level reflects the requirement for producers to invest in new capacity to satisfy future demand and to incentivise the financing of new projects. Roskill does not anticipate a premium re/emerging for battery-grade in the outlook period, in fact as producers concentrate more on supplying the battery industry technical-grade may carry a premium. Prices are expected to peak in 2017/18, fall slightly to 2020 and then rise again in nominal terms.

Conditions that may cause the price to rise above the base-case trend include accelerating demand, tightness in market balance or undersupply, and the need to incentivise further, higher-cost, new supply sources. Prices could increase above the base-case especially towards the mid-2020s when significant new capacity will be required. Less predictable conditions include force majeure at producing assets, a scenario potentially causing prices to go significantly higher over a short period.

There are also down-side scenarios to price, such as slower demand growth, over-production (through new supply and/or aggressive marketing by new entrants), which could see the price move closer to the low-case forecast or below. Given prices are at, or approaching, historical highs, and balance is being restored to the market, prices are more likely to decrease below the base-case in 2018 and 2019, but with a return to the base-case in 2020.

Note: The prices quoted herein are Roskill's assessment of where average annual contract prices will settle on a CIF basis. Delivered duty paid (DDP) prices may be higher depending on import duty, agent/distributor/trader premiums and delivery costs. Spot prices could diverge significantly from the average annual CIF price dependent upon market conditions, as evidenced by the trend in Asian Metal lithium carbonate/hydroxide prices since Q4 2015, but as the volume of spot-based sales is small, these quotations have minimal impact on the industry overall.

Table 1: Forecast price trend for lithium carbonate and hydroxide, 2015-2027 (US$/t CIF)

	Nominal		Real/inflation adjusted	
	Li_2CO_3 TG	Li_2CO_3 BG	Li_2CO_3 TG	Li_2CO_3 BG
2015	*5,999*	5,796	*6,212*	*6,002*
2016	*8,797*	8,833	*8,991*	*9,028*
2017	*12,254*	*11,729*	*12,254*	*11,729*
2018	12,500	12,500	12,226	12,226
2019	11,000	12,000	10,528	11,485
2020	11,000	11,000	10,320	10,320
2021	11,500	11,500	10,575	10,575
2022	12,000	12,000	10,810	10,810
2023	12,500	12,500	11,031	11,031
2024	14,000	14,000	12,103	12,103
2025	15,000	15,000	12,703	12,703
2026	16,000	16,000	13,274	13,274
2027	17,000	17,000	13,816	13,816

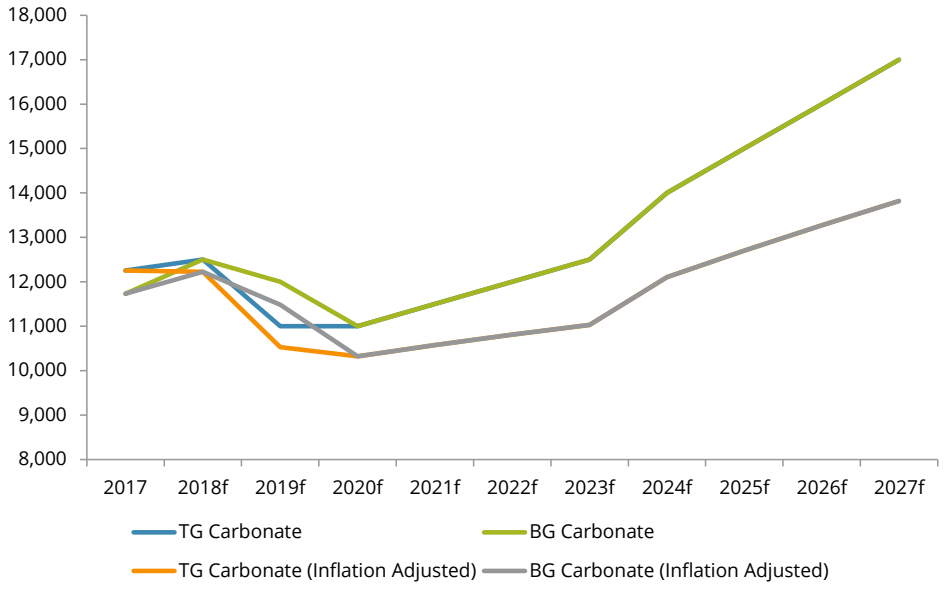
Source: *Roskill*

Note: *BG = Battery-grade; TG = Technical-grade*

1 – Related party price (purchases where the consumer has equity interest in the producer and prices are on a formula basis)

Real prices adjusted to constant US dollars using World GDP deflator data from the International Monetary Fund's World Economic Outlook Database

Figure 6: Forecast average yearly contract price trend for lithium carbonate, 2017-2027 (US$/t CIF)



Source: *Roskill*

3. Industry structure and supply chain

3.1 Properties and products

Lithium is the lightest and least dense solid element in the periodic table with a standard atomic weight of 6.94. In its metallic form, lithium is a soft silvery-grey metal, with good heat and electric conductivity. Although being the least reactive of the alkali metals, lithium reacts readily with air, burning with a white flame at temperatures above 200ºC and at room temperature forming a red-purple coating of lithium nitride. In water, metallic lithium reacts to form lithium hydroxide and hydrogen. As a result of its reactive properties, lithium does not occur naturally in its pure elemental metallic form, instead occurring within minerals and salts.

There are five naturally occurring sources of lithium, but the only two commercial sources are currently lithium pegmatites and continental lithium brines. Other sources of lithium include oilfield brines, geothermal brines and clays, each of which have been subject to evaluation for, but have not yet reached, commercial production.

Techniques used in the commercial mining and processing of lithium can be subdivided into three broadly different categories, dependent upon the nature of the lithium occurrence:

- Pegmatite "hard rock" occurrences produce lithium mineral concentrates including spodumene, petalite, lepidolite and amblygonite. Hard rock lithium ores are subject to beneficiation and typically some form of physical (normally dense or heavy media) concentration to produce a saleable or onward processable mineral concentrate containing 4.0% Li_2O or above. Mineral concentrates may be consumed directly by industry, or used for the production of downstream lithium compounds through mineral conversion.

- Lithium-bearing brines occurring in salars (dried salt lakes) are pumped to the surface and typically undergo solar evaporation, ion-exchange or other upgrading technique to produce a concentrated lithium brine concentrate of 3.0-6.0% Li content, which can be processed further into lithium compounds.

There are two main forms of lithium used commercially, accounting for at least two-thirds of consumption in 2017:

- **Lithium carbonate** (Li_2CO_3) is a fine white powder which is less soluble in hot than cold water. Lithium carbonate can be produced directly from brines, minerals and clays, or from other lithium compounds like lithium chloride and lithium hydroxide. Lithium carbonate is not hygroscopic and is generally stable when exposed to the atmosphere, although the compound reacts readily with strong acids and is frequently used for the manufacture of other lithium salts.

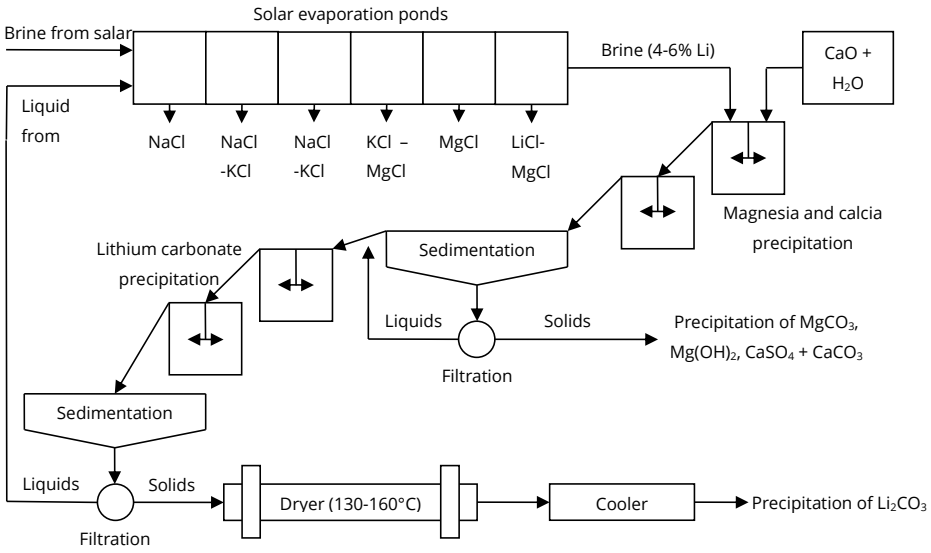
- **Lithium hydroxide** (LiOH) may be directly recovered from spodumene or other ores by a high-temperature process employing lime, though it is most commonly produced through conversion of lithium carbonate. It is a white, fine powder with relatively low solubility in water. The main application of lithium hydroxide is in lithium grease,

although an increasing number of producers are planning or have introduced production of battery-grade lithium hydroxide, used in the production of Li-ion battery cathodes.

3.2 Processing

Lithium is extracted from **brine** deposits in Argentina, Chile, China and the USA. At most operations, brines are first pumped to the surface to be concentrated by solar evaporation in a series of evaporation ponds. Concentrated brines are transferred to processing facilities where reagents are added to remove impurities and produce lithium compounds via precipitation. In Argentina, at FMC Lithium's Salar del Hombre Muerto operation, however, lithium brines are first concentrated by ion-absorption onto polycrystalline alumina, before solar evaporation and extraction to carbonate or chloride. In China, companies such as Qinghai Salt Lake at Qarhan, use ion-absorption, membrane separation or pyro/electro-dialysis to concentrate magnesium-rich lithium brine into processible concentrated brine. At the Zabuye salt lake in Tibet, China, Tibet Lithium are believed to undertake a process utilising the freezing temperatures experienced at the property when the evaporation rate is very slow, along with conventional solar evaporation when evaporation rates are higher. A number of lithium brine projects under development, espaiclaly in Argentina, are investigating the direct extraction of lithium from brines, with the aim of reducing or removing the residence time for evaporation, improving lithium recovery, reducing the physical footprint of evaporation ponds and potentially reducing capital costs.

Figure 7: Extraction and processing of brines using the "Silver Peak" method

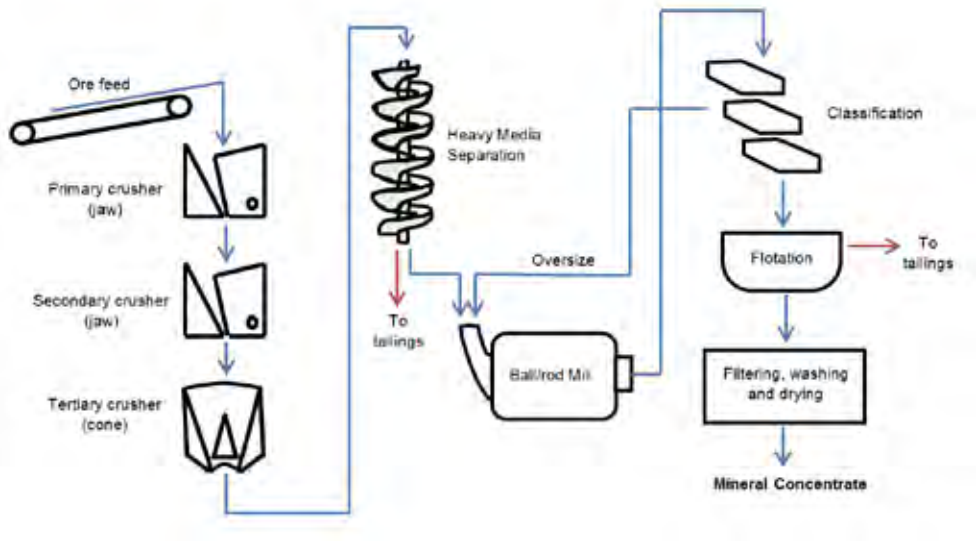


Source: Adapted from the Handbook of Lithium and Natural Calcium Chloride, Garrett, 2004.

The majority of lithium-bearing **hard-rock** pegmatites mined commercially are near surface. Lithium mines in Australia, Zimbabwe, Brazil, China and Spain all use open pit drill and blast methods, whilst a small number of mines in China and the Bernic Lake mine in Canada (where

spodumene extraction has ceased), use/used underground room and pillar methods to extract lithium ores. In a typical process to produce lithium mineral concentrate, mined ore initially undergoes size reduction by a combination of primary and secondary jaw crushers and tertiary cone crushers. Crushed ore is concentrated by heavy or dense media separation, milling and classification, floatation and/or magnetic separation, and final filtering, washing and drying. The exact process varies between operations dependant on the ore composition, for example heavy media separation is not undertaken at Talison Lithium's Greenbushes mine and only a simplified heavy media separation stage is undertaken by Bikita Minerals in Zimbabwe.

Figure 8: Simplified mineral concentrate production flow sheet for a typical hard rock lithium operation



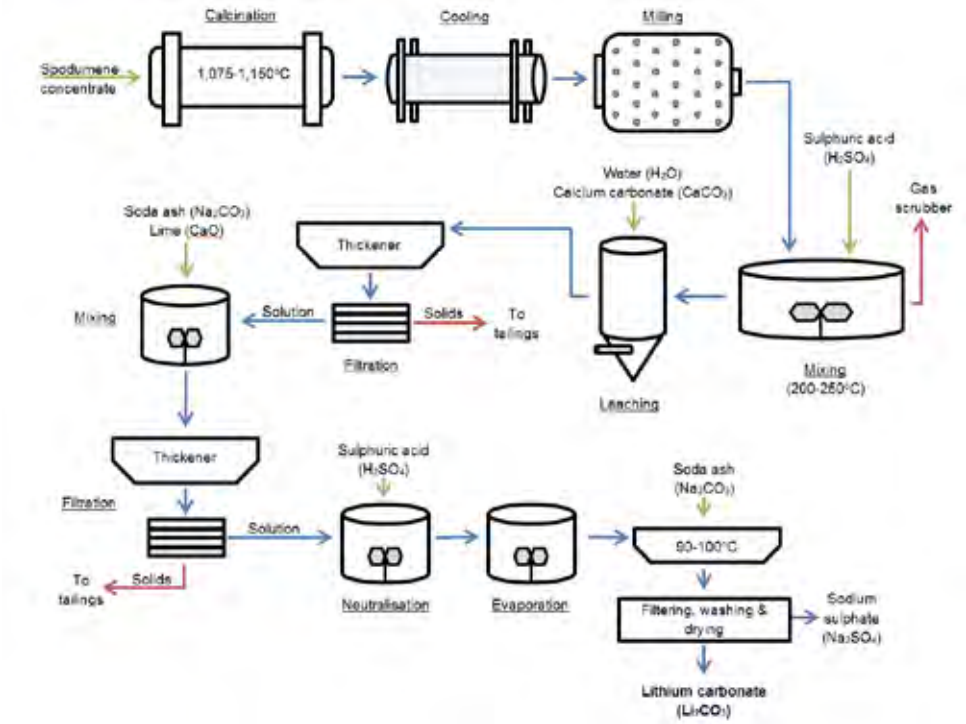
Source: Roskill

The main method used to **convert** lithium mineral concentrates to lithium compounds is the acid- roast method, based around the acid digestion of spodumene. Sodumene concentrates are initially heated to between 1,050-1,150^{o}C for 10-20 minutes, causing the restructuring of α-spodumene to its β-spodumene form. The conversion at temperature is essential to the process as unlike α-spodumene, β-spodumene is readily dissolved in acid. The concentrate is cooled and ground before being transferred to a mixer where it is reacted with sulphuric acid at between 200-250^{o}C to form a lithium sulphate slurry. The slurry is mixed with water in which lithium sulphate readily dissolves, before calcium carbonate is added to remove impurities such as iron and aluminium and neutralize the solution prior to filtration.

After an initial stage of filtration, the lithium sulphate solution can be converted into either lithium carbonate or lithium hydroxide. To produce lithium carbonate, soda ash and lime are added to create an alkaline solution containing calcium and manganese carbonate before being re-filtered. After neutralisation with sulphuric acid the solution is treated to remove any remaining impurities and concentrated in an evaporator to 200-250g/l Li_2SO_4. The solution is mixed with soda ash to precipitate lithium carbonate upon heating to 90-100°C and the

remaining sodium sulphate is washed, evaporated and sold as a by-product. To produce lithium hydroxide, caustic soda is used in place of soda ash.

Figure 9: Simplified flow sheet for lithium carbonate production from spodumene mineral concentrate using the acid-roast method



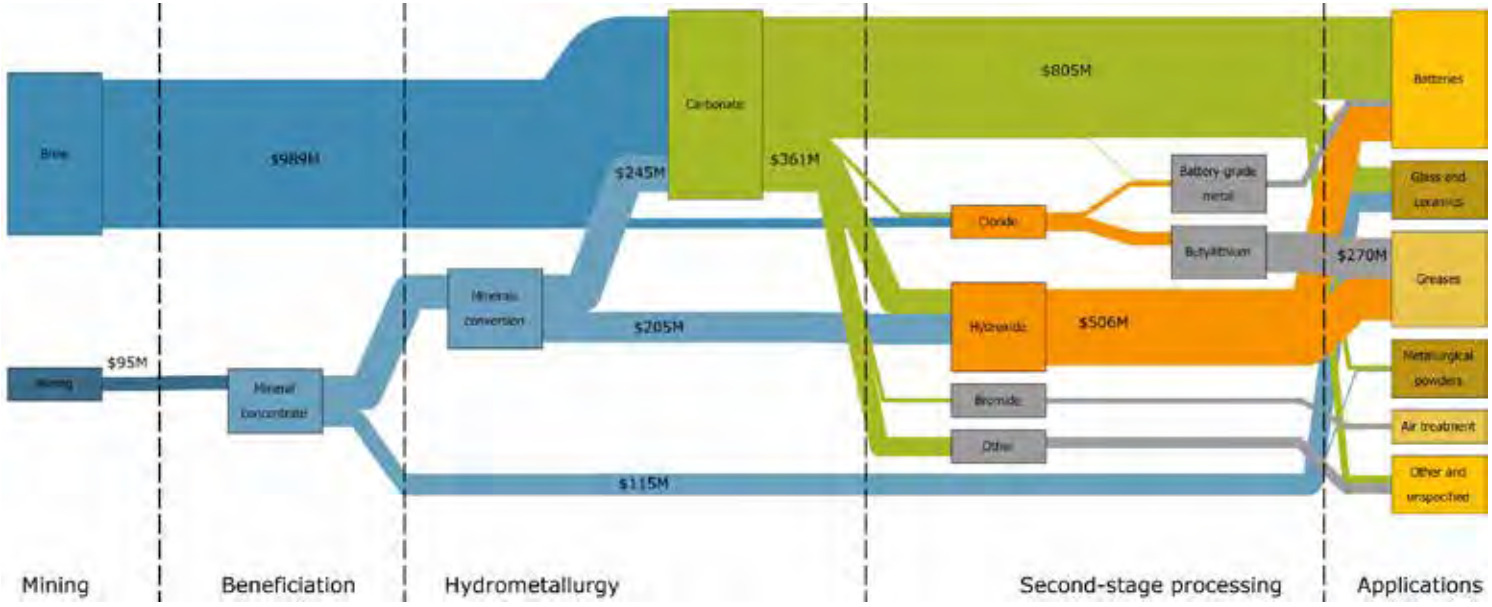
Source: Roskill

Since around 2015, commercial production of lithium carbonate from lepidolite has been undertaken in China. After crushing, grinding and sorting of lepidolite mineral ore into a 3-4% Li_2O concentrate, the product is leached with steam/hot water, cooled, soaked in a sulfuric acid solution under a pressurizing state and filtered to obtain a first filter liquor and a first filter residue. The first filter residue is subjected to heating in a rotary furnace, further ground and leached with sulfuric acid solution and the second stage liquor added to the first stage liquor. The filter liquor is dissolved in water, followed by stirring, filtering, freezing, separating, and concentrating to obtain lithium carbonate.

3.3 Route to market

Once processed to a refined product (technical-grade mineral concentrate or refined lithium chemicals), lithium can be consumed directly in end-products such as ceramics and glass, metallurgical powders, air treatment and others. In the grease industry, lithium is converted to a lithium stearate before use.

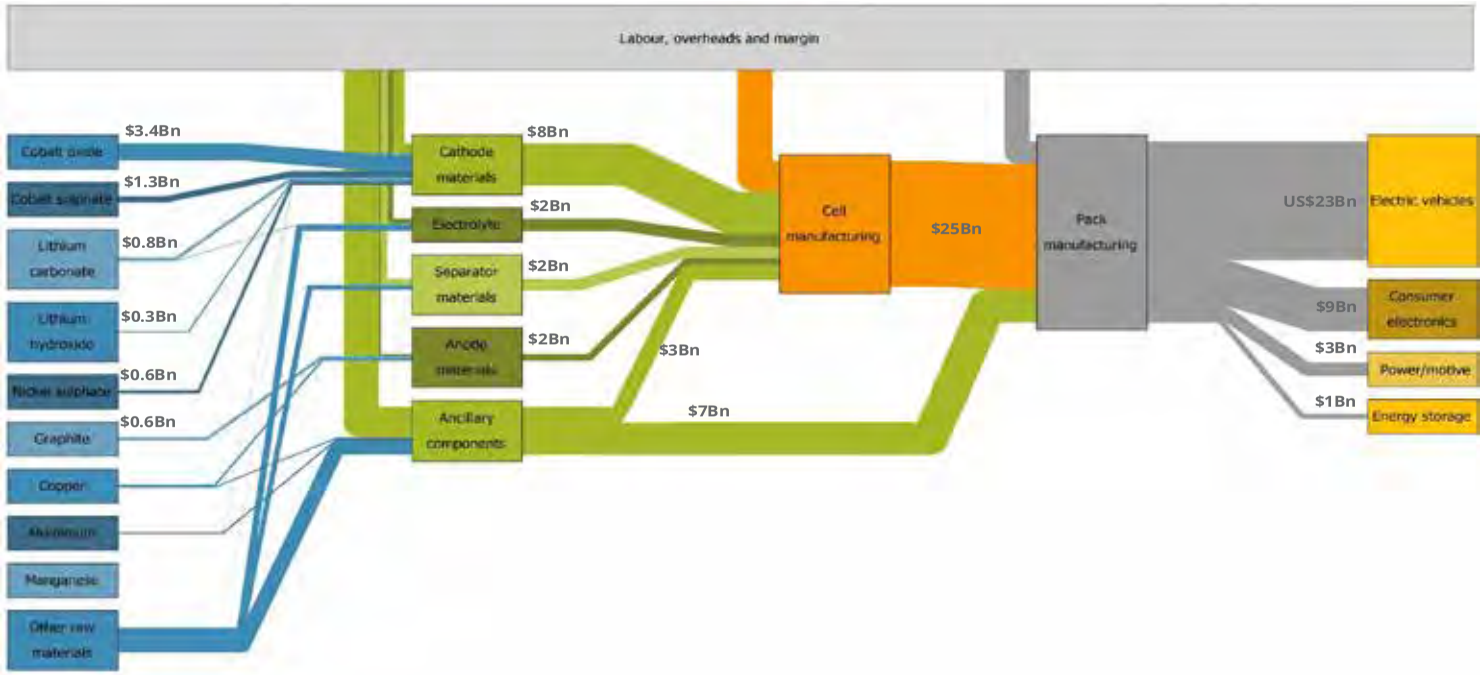
Figure 10: Lithium market flow chart by value, 2017



Source: *Roskill estimates*

For the lithium-ion battery industry, however, lithium enters battery value chain largely by lithiation of cathode materials, but also for electrolyte and less frequently anode materials.

Figure 11: Overview of the lithium-ion battery value chain in 2017



4. Lithium resources

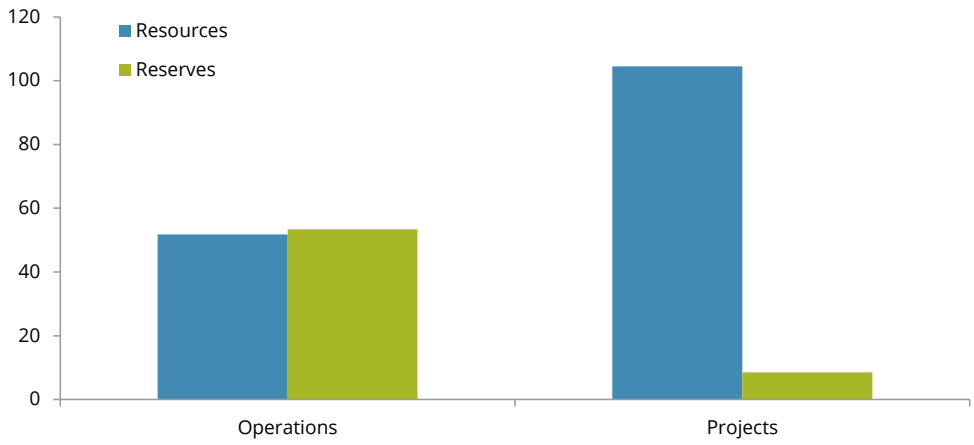
The crustal abundance of lithium is calculated to be 0.002% (20ppm) Li, making it the 32nd most abundant crustal element. Commercial production in 2017, however, was from deposits with greater than 0.017% (200ppm) Li.

4.1 Lithium reserves and resources

In 2018, the USGS reported global lithium reserves, assembled from country geological survey and industry data, to be 16Mt Li (85Mt LCE). The majority of mineral reserves occur within Chile (47%), China (20%), Australia (17%) and Argentina (13%). Other major reserve bases include the USA, Brazil, Portugal and Zimbabwe. The USGS also reported lithium resources at 53Mt Li (282Mt LCE), identified in Argentina (18%), Bolivia (17%), Chile (16%), the USA (13%), China (13%), Australia (9%), Canada (4%), DRC, Russia, Serbia and the Czech Republic (each around 2%), and Zimbabwe, Spain, Mali, Brazil, Mexico, Portugal and Austria (each <1%). Increased exploration activity is adding to previously identified resources and reserves and they will continue to increase in future.

Roskill has catalogued mineral resources reported by lithium project developers and operators, and together these are estimated to contain 156.3Mt LCE, while reserves stand at 61.9Mt LCE. These totals are almost three times larger than the USGS report for resources but slightly lower for reserves.

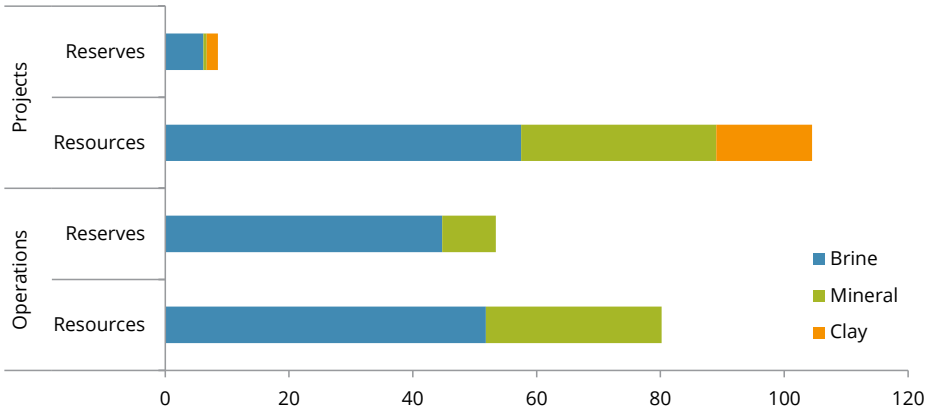
Figure 12: Global lithium resources and reserves by status, 2018 (Mt LCE)



Source: Roskill based on company data

Brine is the largest contributor to both operation and project resources, accounting for 70% of the global total, mineral 38% and clay 2%. Brine is also the largest contributor to reserves, accouting for 82%, mineral 15% and clay 3%. The limited reserves identified at lithium projects attests to the early stage in the evaluation process, with reserves not typically defined until definitive feasibility stage, and in the case of some projects moving to construction/operation in, or listed in, jurisdictions that do not require a reserve estimate not having one at all.

Figure 13: Global lithium resources and reserves by type, 2018 (Mt LCE)

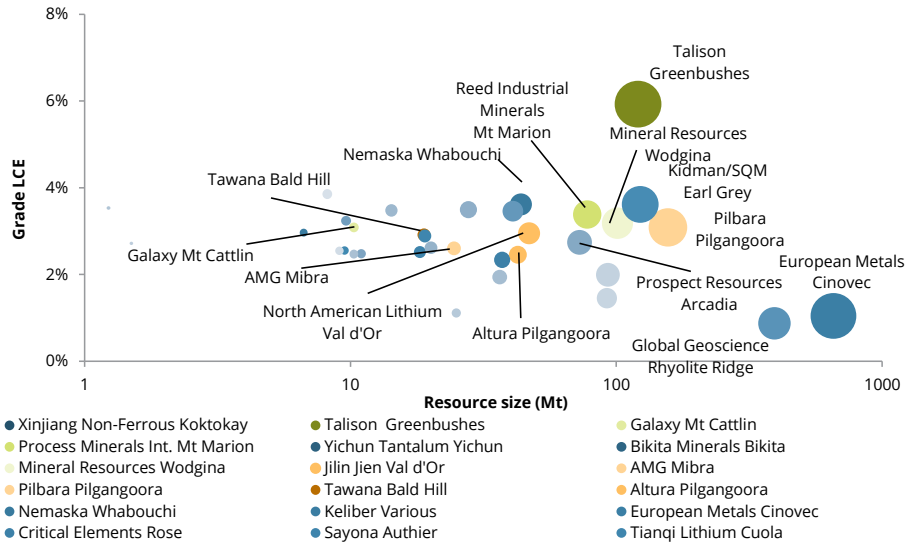


Source: *Roskill based on company data*

4.1.1 Mineral resources

The high grade of Talison Lithium's ore at Greenbushes makes it the largest mineral deposit with 7.15Mt LCE contained. Euoprean Minerals' Cinovec deposit, by comparison, is very large, but has a much lower lithium grade than Greenbushes (1.04% LCE vs. 5.93% LCE). The majority of mineral deposits have grades between 2 and 4% LCE, with advanced projects differentiated more by their scale.

Figure 14: Mineral resource estimates for lithium mineral deposits, 2018

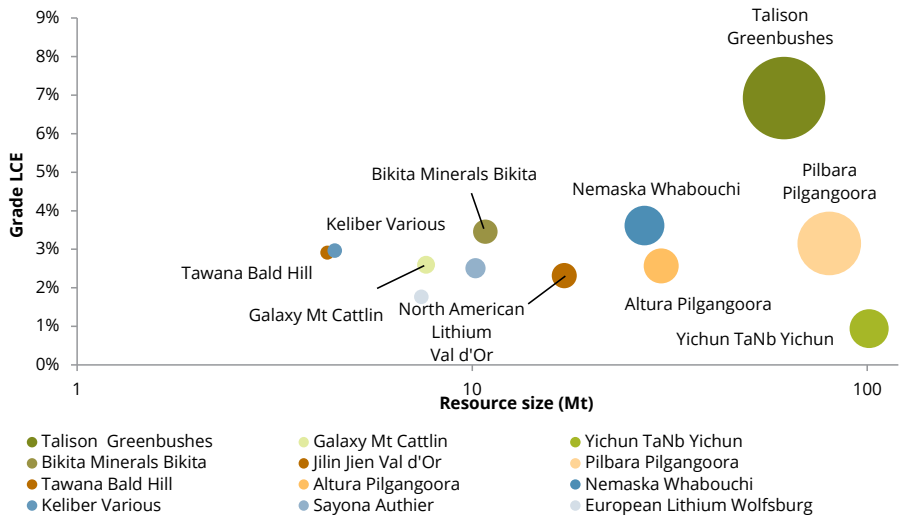


Source: *Company data*

Notes: *Green - In operation Orange - Project reached construction/financing Blue - Project at feasibility stage*
Bubble size = contained LCE

Most operational mineral mines, and some near-term producers and advanced projects, report reserves, but not all. Talison Lithium's Greenbishes operation has the highest grade and largest contained reserve of lithium (4.27Mt LCE), with Pilbara's Pilgangoora operation larger in resource size but less than half the grade of Greenbushes (3.15% LCE vs. 6.93% LCE). The majority of operations, near-term prodcuers, and projects, have a reserve grade of 2.0-3.5% LCE and resources of 5-50Mt (0.13-1Mt contained LCE) with the exception of Pilbara's Pilgangoora project at 2.53Mt LCE.

Figure 15: Mineral reserve estimates for lithium mineral deposits, 2018



Source: *Company data*

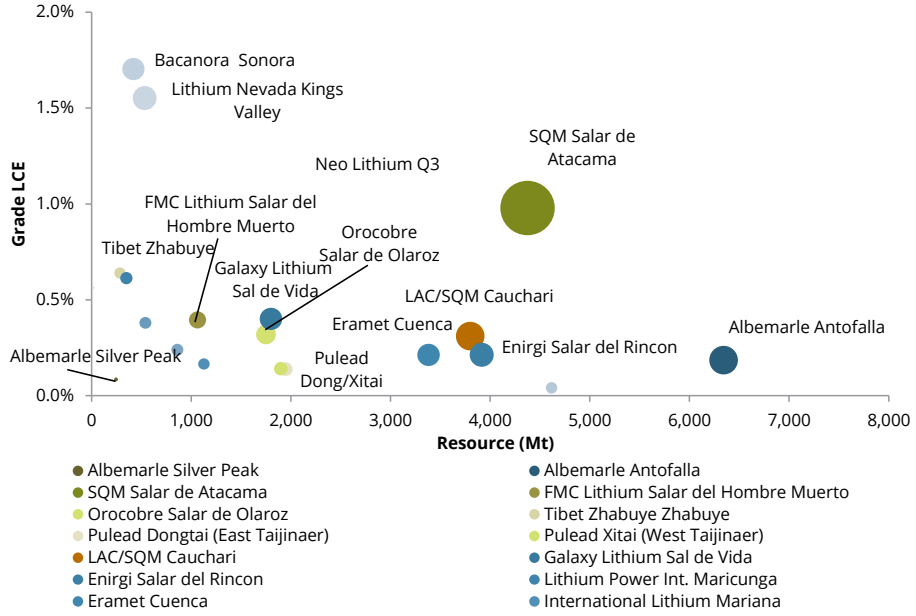
Notes: *Green - In operation Orange - Project reached construction/financing Blue - Project at feasibility stage*
Bubble size = contained LCE

4.1.2 Brine and clay

Lithium brine and clay resources are generally larger than lithium mineral deposits, with SQM's Salar de Atacama leases containing 42.85Mt LCE (reserve basis), six-times larger than Greenbushes. Other brine operations, near-term producers and advanced projects are much smaller than Atacama, however, typically at 1-12Mt LCE. The grade of brine deposits is almost an order of magnitude lower than mineral deposits, typically 0.1-1% LCE. Clay deposits have higher grade than brine, resting between brine and conventional mineral types at around 1.6% LCE, but are of much larger size than most mineral deposits, closer to the average brine deposit and the large Greenbushes and Pilgangoora mineral deposits at around 8Mt LCE.

Few brine and clay deposits report, or have calculated, reserves, with brine reserves outside Atacama at only a few million tonnes LCE. Only Bacanora's Sonora clay deposit in Mexico has a reported reserve, standing at 2.06Mt LCE.

Figure 16: Mineral resource estimates for lithium brine and clay deposits, 2018



Source: *Company data*

Notes: *Green - In operation Orange - Project reached construction/financing Blue - Project at feasibility stage*

Bubble size = contained LCE

Total reserves at lithium deposits in operation in 2018 were 53.4Mt LCE and total resources 51.0Mt LCE. Not every operator reports reserves or resources, for example out of the three largest brine operators, SQM does not report resource estimates, and Albemarle, FMC and Orocobre do not report reserve estimates. A lot of smaller mineral producers in Europe and China report neither. If SQM's reserves are considered equivalent to its resources, then lithium resources at lithium operations are closer to 100Mt LCE.

The Greenbushes mine operated by Talison Lithium in Western Australia is the largest mineral-based lithium resource and reserve, while SQM's Atacama operation is the largest brine-based lithium reserve. These operations also have the highest lithium grades at 6.93% and 0.98% LCE respectively. While some new mineral producers have resources and reserves that are approaching a similar scale, their grades are lower, typically around the average of 3.10% LCE for all resources reported.

Reserves and resources at advanced exploration projects were 104.6Mt LCE and 8.5Mt LCE respectively. Argentina hosts 47% of resources, with several large brine deposits lifting the total. Clay deposits in Mexico and the USA mean these two countries have a pipeline of over 7.0Mt LCE of resources each, while the Cinovec deposit in the Czech Republic is almost 7.0Mt LCE. There are significantly lower reserves of lithium delineated at advanced projects, with Enirgi's Rincon brine project accounting for almost 50% of the 8.5Mt LCE identified. There are very few advanced projects reporting resources in Australia, either because projects have advanced quickly or most are still at the exploration stage.

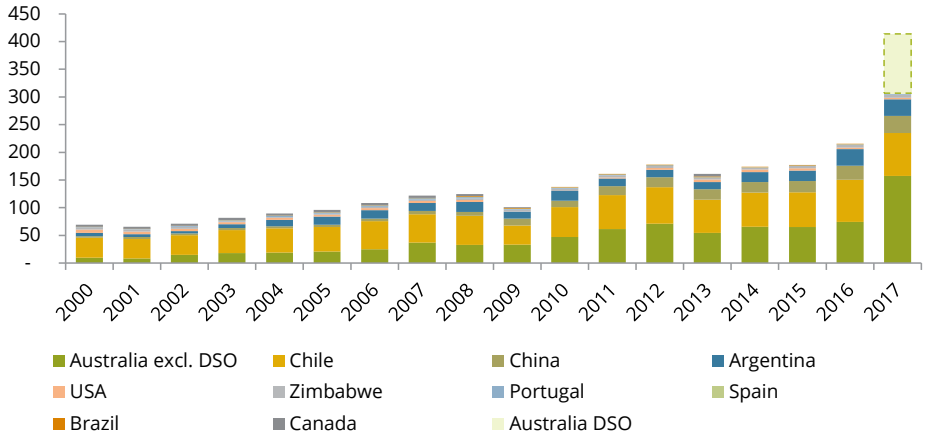
5. Lithium production

5.1 Mine production

Since 2000, growth in "mine" (mineral mining and brine extraction) output has averaged 10%py, driven largely by increasing production at operations in Australia, Chile, China and Argentina. The overall increasing trend masks a sharp drop in production during 2009, however, linked to the global economic downturn, when production fell by around 20% as producers curtailed output and the industry ran down stocks. Production of lithium increased rapidly between 2010 and 2012 with producers and consumers restocking inventories after the 2009 downturn. This period also coincided with Galaxy Resources commissioing a new mine in Australia and ramping up output, albeit temporarily, and because Talison expanded capacity and increased supply at Greenbushes.

A second fall in global production occurred during 2013, as adverse weather and debottlenecking work at major brine producers in South America coincided with a dip in mineral production at Australian operations. Producers and consumers had also finished their restocking program after the 2009 drawdown. Production was ramped up at Albemarle's Silver Peak operation in the USA after being on care and maintenance, but its limited output was unable to counter the fall in production at other operations. Output recovered in 2014 and rose again in 2015 before climbing 21% in 2016 to over 215,000t LCE (Figure 17). Rising lithium prices and strong demand growth incentivised increased output from lithium operations in 2016 and supported the re-/commissioning of two operations in Australia: Mt. Catlin and Mt. Marion. Output from Argentina also increased by 61% in 2016, as Orcobre ramped-up output at Olaroz.

Figure 17: World: Mine production of lithium by country, 2000-2017 (t LCE)



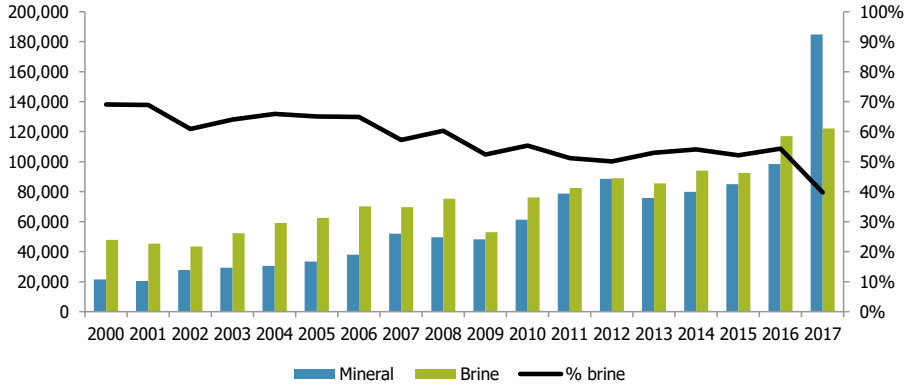
Source: Roskill estimates

Production increased sharply again in 2017, largely as the above two new Australian producers ramped-up in H1 together with an additional Australian supply from Mineral Resources' Wodgina mine, coming on stream mid-2017 producing DSO for sale to, and processing in, China. DSO output by Mineral Resources in H2 2017 was around 53,500t LCE, after applying a 50% discount

to reflect later processing recovery rates, and would have pushed global mine supply of lithium over 360,000t, more than double the 2015 total. However, as very little DSO was processed into usable product in China in 2017, it is more practical to exclude DSO from the total, although mine production was still over 300,000t LCE and up 42% on 2016. Output in other countries was relatively stable with China showing the only other significant upward move as lepidolite mineral output in Jiangxi and brine output in Qinghai rose to meet domestic demand.

Since 2000, the dominance of lithium production from brine operations has been gradually falling, although between 2013 and 2016 it was more stable and still accounted for >50% of output. As Australian mineral production increased significantly in 2017, the share of mine production held by brine producers dropped to 40%. If DSO is included in the mineral total, brine would have only contributed 33%.

Figure 18: World: Mine production of lithium by type, 2000-2017 (t LCE and % brine)



Source: *Roskill estimates*

Note: *Mineral excludes DSO*

Lithium mine production is dominated by four lithium producing companies: Talison Lithium (a Tianqi Lithium and Albemarle joint venture) in Australia; SQM in Chile; Reed Industrial Minerals (a Mineral Resources, Ganfeng and Neometals joint venture) also in Australia; Albemarle in Chile and the USA; Galaxy Resources in Australia; and, FMC Lithium in Argentina. Together these six companies produced 256,415t LCE (84% of global mine output) in 2017. Orocobre is a slightly smaller producer, but the only other company to produce >10,000t LCE in 2017. If Mineral Resources' DSO is included the mine output total, it would have been the second largest producer even with losses of 50%.

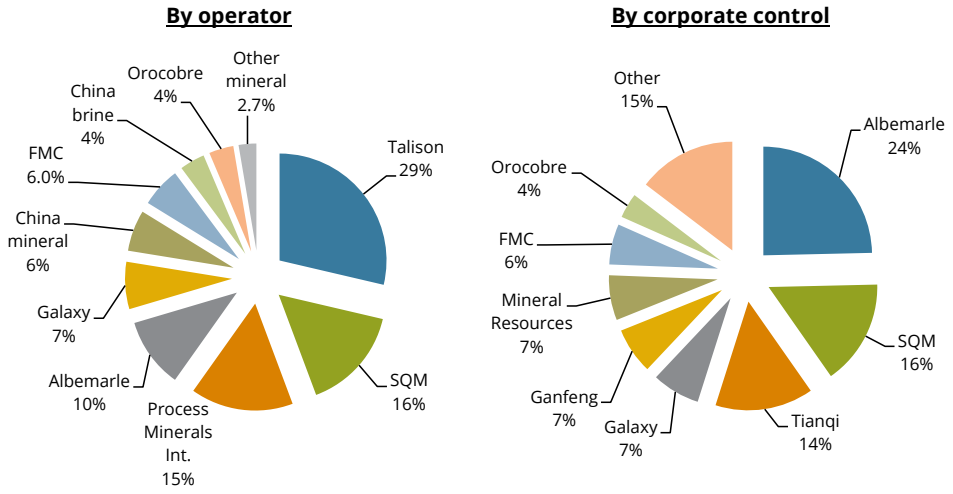
On a corporate level, Albemarle's share of Talison Lithium combined with its Chilean and US assets gave it almost 25% of mine supply in 2017 with SQM at 16% and Tianqi at 14%, more than double the next largest producers: Galaxy, Ganfeng, Mineral Resources, FMC and Orocobre. Smaller Chinese mineral and brine producers and some rest-of-world mineral producers accounted for 15% of production.

The restart of production at the Mt. Cattlin mine and the start-up of production at the Mt. Marion mine in 2017 had a significant impact on mine production, and together with an increase from

Greenbushes, Australia was responsible for 90% of the annual jump in mine output in 2017. If including Wodgina DSO and the increased total, it was well over 90%.

The remainder of lithium mine output is from a larger number of smaller Chinese mineral and brine, and other rest-of-world mineral, operations. Historically, the majority of Chinese lithium production has originated from lithium mineral operations in Sichuan and Jiangxi, although production from brine operations, having only started up in 2004, has exceeded lithium mineral production since 2014. Qinghai Saltlake Fozhao Lake was the largest producer of lithium from brines in China, producing 7,759t LCE in 2017. The largest lithium mineral producer in China is Yichun TaNb, producing 8,000t LCE of lepidolite mineral concentrates in Jiangxi province.

Figure 19: Mined lithium output market share, 2017 (%)



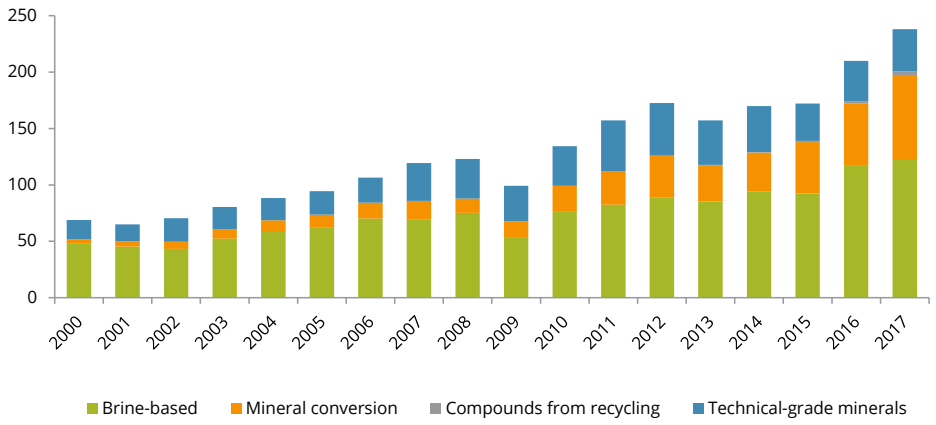
Source: *Roskill*

Note: *Excludes DSO produced by Mineral Resources in Australia*

5.2 Refined production

The supply of refined lithium compounds is formed of output from brine-based production, mineral conversion and a small amount of recycling, with the remainder of mine output sold as technical-grade minerals. Total output of refined products is estimated at just over 238,000t LCE in 2017. Brine-based refined production was estimated at 122,050t LCE, accounting for 51% of total supply (Figure 20), followed by mineral conversion at 32% (75,500t LCE) and technical-grade minerals 16% (37,500t LCE). The contribution of recycled material was only slightly over 1% (around 3,000t LCE).

Figure 20: World: Refined production of lithium by type, 2000-2017 (000t LCE)



Source: Roskill estimates

The majority of large-scale refined lithium producers are intergrated, either through partial or full ownership of operations from the extraction of raw materials through to production of lithium compounds. There are however a number of lithium companies, predominately in China, which have no or limited internal lithium mine production, instead being heavily reliant on or supplementing feedstock with material purchased from third party producers (largely in Australia).

All lithium brine operations are intergrated with local downstream processing facilities, however between 2007 and mid-2017, SQM and Albemarle exported concentrated lithium brine to Ganfeng Lithium in China. Refined products are also upgraded or converted to other products to meet customer specifications, such as industrial-grade carbonate sold or shipped by brine/conversion plants to battey-grade carbonate and hydroxide processing facilities in China, Japan and Korea.

SQM was the largest producer of refined lithium chemical products in 2017, with production totalling 44,500t LCE from the Salar de Carmen processing facility in Chile. Albemarle was the second largest producer of refined lithium chemical products in 2017, after capacity expansions at its facilities in Chile, ramp-up of production at the Greenbushes mine in Australia and the purchase of mineral conversion facilities in China boosted output. Integrated Chinese mineral converters Ganfeng Lithium and Tianqi Lithium also increased output, and were the third and fourth largest refined lithium producers in 2017 with output of 30,500t and 25,300t LCE respectively, and moving further ahead of FMC and Orocobre. FMC's and Orocobre's output was relatively stable in 2017 at 18,500t and 11,400t LCE respectively. The remainder of integrated producers also saw stable output, with only Qinghai Salt Lake Fozhao lifting refined production by almost 100%.

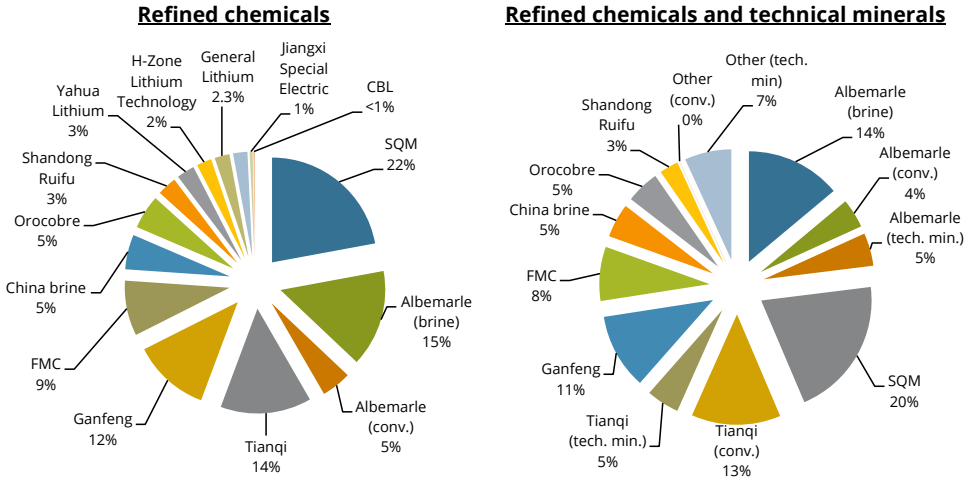
Lithium production from non-integrated producers totalled 19,500t LCE in 2017, increasing by only 1,000t on 2016. Yahua Lithium and Zhonghe are both integrated producers of lithium, though internal production of lithium mineral concentrates in heavily supplemented by imported mineral concentrates. Jiangxi Special Electric process lepidolite concentrates from their mines in

Jiangxi province, though the company is assessing purchasing third party raw materials to support production expansions.

A number of plants in China reprocess material and updgrade lithium compounds, meaning there is some double counting; this has been adjusted in the table below. Reprocessing activity decreased in 2017 as the availability of mineral concentrates from Australia improved, and was largely product upgrading or conversion from carbonate to hydroxide in China.

When including technical-grade mineral output as a refined product, Albemarle and Tianqi's share of Greenbushes output boost their market share to 23 and 18% respectively, making Albemarle the largest producer. As well as knocking SQM from the No.1 position, the addition of technical-grade mineral market share also reduces Ganfeng, FMC, Orocobre and other Chinese converters' market share. The "big-5" producers accounted for 80% of refined product output when including technical-grade minerals, compared to 76% without them.

Figure 21: Refined lithium output market share, 2017



Source: Roskill

5.3 Future capacity

In 2017, global mine production capacity for lithium totalled almost 375,000tpy LCE (excluding an additional 90,000tpy of DSO). Based on announced capacity expansions and new project schedules, lithium mine production capacity is forecast to increase to 950,000tpy LCE by 2022 and 1.15Mtpy LCE by 2027. The largest additions to mine capacity are in Australia for mineral-based production and Chile for brine-based production. Additional mine capacity will be required from the late-2020s if consumption increases in the base or high case demand scenarios.

The majority of mined lithium output, with the exception of technical-grade mineral concentrates, will need to be converted to refined product either through brine processing (typically captive) or mineral conversion.

SQM settled its Arbitration case with CORFO in early 2018 and renegotiated its lease in the Atacama to 2030 with a maximum 215,000tpy LCE of production allowed. SQM has announced an immediate expansion to 70,000tpy LCE in 2018 and 100,000tpy LCE in 2019, and is projected to further lift capacity towards the maximum permitted in the mid-2020s, although no fixed expansion plan has been announced. The joint venture between SQM and **Lithium Americas** at the Salar de Cauchari project in Argentina has progressed to the construction stage and the operation is expected to be commissioned in 2020, adding an additional 25,000tpy LCE production capacity of which SQM is entitled to 50% of output and Lithium Americas the remainder. This asset could be expanded to 50,000tpy. On top of SQM's total brine capacity it has acquired 50% of the Mt. Holland mineral project in Western Australia, and may look to develop a mineral conversion plant alongside a mineral mine together with joint venture partner **Kidman Resources**.

Talison Lithium is currently the largest producer of lithium mineral concentrates, supplying significant volumes of chemical grade mineral concentrates to mineral conversion facilities in China and technical grade mineral concentrates to ceramics and glass producers globally. Production capacity at the Greenbushes mine fell to 75,000tpy LCE in 2016, as low grade material was targeted for processing, though capacity returned to 95,000tpy LCE as higher grade ores were processed in 2017. In 2016, Talison announced plans to double production capacity at the Greenbushes mine in Western Australia, to 180,000tpy LCE in mineral concentrate by 2020. Talison plan to further expand the mine if demand requires it.

Albemarle's capacity at the Salar de Atacama increased during 2017 to 44,000tpy. Albemarle announced further plans in 2017 to increase capacity to 80,000tpy LCE by 2020, and has also applied to lift capacity to 125,000tpy LCE through the introduction of new processing technology improving recovery rates at the salar. Albemarle is also exploring the Antofalla salar in Argentina as a potential new brine source of lithium, but this project remains at the evaluation stage. In addition to expanding its integrated operations in Chile, Albemarle is in the process of raising processing capacity at subsidiary Jiangxi Jiangli New Material in China (acquired in 2017) to 35,000tpy LCE, and which will process spodumene concentrate sourced from Talison in Australia. The increase in processing capacity at both the La Negra and Chinese plants is expected to increase Albemarle's refined lithium production capacity from 65,000tpy LCE in 2017 to 166,000tpy LCE in 2022. Albemarle is also evaluating the potential for a 40,000tpy LCE conversion plant in Australia, which would also likely be fed by Talison concentrate, but this project is still at the feasibility stage.

Mineral Resources are in the process of constructing a three-phase concentration plant at Wodgina to upgrade current DSO to a saleable chemical-grade concentrate, with the first line of 37,050tpy LCE due in Q3 2018 and the second and third lines added thereafter, subject to market demand. Mineral Resources will likely continue shipping DSO to Shandong Ruifu who have their own 37,000tpy LCE concentrator in Shandong.

Reed Industrial Minerals is raising Mt. Marion capacity to 60,000tpy LCE by upgrading circuits currently producing 4.0% Li_2O concentrate to 6.0% Li_2O concentrate. **Galaxy Lithium** are expected to maintain current capacity at the Mt. Cattlin mine, with a current focus on increasing reserves and ensuring consistent product output with improved grade. There is the potential both producers could increase capacity further at some stage, but no firm plans have been announced.

Other hard rock lithium projects in Western Australia are entering the commissioning phase, with **Alliance Mineral Assets / Tawana**, **Altura** and **Pilbara Minerals** all scheduled to enter production in 2018, further increasing mineral concentrate supply availability. Mineral Resources is in the process of adding concentration circuits to its Wodgina operation, with the aim to expand production to around 110,000tpy LCE of spodumene concentrate or DSO, while continuing to ship DSO to Chinese processors in the meantime. **AMG** in Brazil is also expected to begin commissioning its spodumene concentrate plant at Mibra from mid-2018, producing up to 13,300tpy LCE with Phase 2 expected to double this in 2019.

Chinese brine producers **QSLI-Fozhao, Tibet Mineral and Pulead Technology** are increasing capacity to 10,000tpy LCE each, with the former planning a subsequent lift to 20,000tpy LCE. They could be joined by **QSLI-BYD** planning 30,000tpy after an initial entry with 10,000tpy LCE in 2019, and **China Minmetals** with 10,000tpy LCE starting in 2018.

FMC Lithium has 20,000tpy LCE production capacity at the Salar del Hombre Muerto operation, and has announced plans to add further production capacity, doubling production capacity to over 40,000tpy LCE. The company has yet to commit funds to the project while it completes a spin-off IPO from parent company FMC Corp. in mid-2018, but has reached agreement with the Cauchari provincial government on the plan.

Orocobre signed an agreement with joint venture partner Toyota Tsusho to double the capacity of the Sales de Jujuy Olaroz operation to 42,500tpy LCE by 2020. The project will begin construction during 2018.

The re-start of **North American Lithium's** La Corne mine and processing facility is expected in 2018, with new majority owner CATL injecting capital to overcome technical hurdles and ship concentrate for toll conversion in China while the conversion plant is upgraded.

There are plans to expand production capacity at existing Chinese brine operations, with **QSLI-Fozhao** and **QSLI-BYD** planning 30,000tpy LCE each, although this seems unlikely based on past processing issues and resource constraints. **Pulead Technology** and **Tibet Mineral Development**, also plan to lift capacity. **China Minmetals** started potash production at Yiliping in 2017 with lithium recovery circuits due to be commissioned during 2018 with a capacity of 10,000tpy LCE. Roskill has conservatively pegged maximum total capacity at Chinese brine operations at 40,000tpy LCE, although this could be revised upwards if QSLI achieve greater success with BYD. China-based hard-rock operations are expected to minimally increase capacity, to around 50,000tpy LCE.

Major Chinese mineral conversion companies **Tianqi Lithium** and **Ganfeng Lithium** are planning large capacity expansions domestically and overseas, with Ganfeng commissioning two new plants – one carbonate and one hydroxide - in Jiangxi in 2018 with Tianqi adding 42,400tpy LCE in Australia at Kwinana, with stage 1 due online later in 2018 and stage 2 in 2019. Smaller lithium converters, with limited integrated mineral supply, in China are also expanding or adding new capacity in the short-term, with **Yahua Lithium** and **Jiangxi Special Electric** increasing capacity in Sichuan and Jiangxi respectively. **Zhonghe** and **Youngy** have yet to announce expansion plans, perhaps held back by raw material availability as neither company has reported securing near-term supply beyond their limited domestic output.

Non-integrated mineral converters are also adding additional capacity, utilising feedstock sourced largely from Australia. **Shandong Ruifu** is adding 8,000tpy LCE after only recently expanding by 20,000tpy LCE, and **H-Zone Lithium** adding 20,000tpy LCE of lepidolite processing capability in Jiangxi. Jiangxi Yun and Tianjin Haihui are also adding to their existing lepidolite refining capability. **General Lithium** is adding 20,000tpy LCE with a new plant under construction in Jiangxi.

Recycling could add significantly to lithium refining capacity in the mid-term, with a higher price environment for various lithium-ion battery raw materials improving the economics before compliance-driven recycling of used xEV packs starts to have an impact.

Overall, existing producers could raise capacity to 710,400tpy LCE by 2022 and 870,400tpy LCE by 2027, but thereafter there has yet to be any significant developments announced meaning little additional expansion thereafter. Significant volumes of additional refining capacity will be required in the mid-2020s to match demand growth later in the decade and into the 2030s. It is likely that capacity expansions at existing producers or projects approaching commissioning will account for a portion of additional supply, though a significant number of new projects will also be required longer-term to meet demand growth.

5.3.1 New projects

Roskill forecasts that significant volumes of additional capacity will be required by the mid-2020s to match demand growth later in the decade and into the 2030s. It is likely that capacity expansions at existing producers or projects approaching commissioning will account for a portion of additional supply, though a significant number of new projects will also be required longer-term to meet demand growth. A long list of lithium mine projects are under evaluation that could satisfy that requirement.

Nemaska Lithium began small-scale mining operations at the Whabouchi mine in early 2017 supplying the company's Phase 1 (550tpy LiOH) plant (the P1P). Nemaska has raised around half of the CAPEX required to build the full-scale mine and refining facility, with financing expected to close in mid-2018 and construction activities to ramp-up thereafter. First concentrate production could be 2019 and refined output in 2020.

An improved fiscal and economic environment in Argentina has seen many new lithium projects emerge since 2016, increasing Argentina's potential as a major lithium producing nation if funding of projects is achieved. Advanced projects in the Puña include **Enirgi** and **Eramet** who have switched to direct extraction methods and reported successful test work, though these technologies carry a large degree of risk as are unproven at commercial scale. Eramet are due to make an investment decision later in 2018, while Enirgi have been struggling to attract finance with the project on-hold. **Galaxy's** Sal de Vida project has not progressed in recent years beyond a revised feasibility study, as the company has concentrated on restructuring and its Mt. Cattlin asset, but could find additional momentum with interest from downstream companies in joint venturing or under a new owner. Several other brine projects are also under evaluation in South America, but the majority are still progressing through feasibility.

On the other side of the Andes, **Lithium Power International** has secured development licenses to the Maricunga project in Chile, although these are being contested by Codelco. Codelco is also seeking partners for other lithium projects in Chile, although these are at a much

earlier stage of evaluation. Little development has been reported at **Energy Source**'s Salton Sea geothermal brine project in California since its acquisition from Simbol Materials.

Feasibility-stage mineral projects are mainly located in Europe, Canada, Africa and Australia. **Keliber** are undertaking a revised DFS on the Keliber project in Finland, due for release in Q2 2018, while **European Metals** at Cinovec and **European Lithium** at Wolfsburg are expected to release DFS reports in 2018 and 2019 respectively, although the Wolfsburg project might be closer to starting given past development work. **Rio Tinto** is aiming to complete a revised feasibility study on the Jadar deposit during 2018, which given the indicated scale of resources could be a significant new lithium supplier for the 2020s, with Rio forecasting 2023 as a potential start-up date.

In Canada, **Critical Elements** released the DFS on the Rose project in 2017, but the main project backer – Helm of Germany – have withdrawn from the project and the company is now searching for a new partner. **Galaxy** is expected to release a DFS on the James Bay project in mid-2018, with **Sayona** at Authier and **Avalon** at Separation Rapids expected to further the feasibility of their projects during 2018.

Of the clay projects, **Bacanora** is operating a pilot facility and currently raising finance for construction of the Phase 1 operation. **Lithium Nevada** (a Lithium Americas subsidiary) is conducting a revised feasibility study on Kings Valley having also been piloting extraction methods. Also in Nevada, **Pure Energy Minerals** completed a PFS on the Clayton Valley project in late 2017 and have secured Tenova, SUEZ Water Technologies & Solutions, a business unit of SUEZ Group, NORAM Engineering and Constructors Ltd., and Solvay S.A to lead a pilot plant.

Projects at the DFS and financing stage, not included in the capacity table above, could add 233,500tpy of capacity by the early-2020s. Not all projects at PFS stage have a defined capacity, but could add similar capacity. These projects could close the forecast long-term supply gap to base-case and high-case demand, if existing and 2018 new producers are unable to expand. Significant advances in processing technology and new sources of lithium raw materials would be required to approach high-case demand growth for the very long-term.

The major bottleneck facing mine suppliers is the availability of conversion capacity to turn mineral concentrate into refined lithium products. This is also bottnecked by consumption/demand for refined lithium products, as that will ultimately drive what the conversion plants can consume. Conversion capacity at end-2017 was 164,500tpy LCE and is set to grow by 100,000tpy LCE in 2018 largely through new plants built by existing producers (Tianqi Lithium, Ganfeng, H-Zone and Jiangxi Yun) with new plants adding around another 100,000tpy LCE in 2019, assuming they are completed as scheduled. This compares to mineral capacity of 231,590tpy LCE at end-2017, increasing to 377,600tpy LCE in 2018 and 643,950tpy LCE in 2020, although around 37,500tpy LCE of this was required for technical mineral production in 2017 and may absorb 43,950tpy LCE in 2020.

The mineral-conversion ratio was tight in 2015 and 2016 as Talison reduced effective Greenbushes capacity by low-grading ore and Canada Lithium shuttered the Val d'Or mine. The entry of new capacity from Reed at Mt. Marion and Galaxy at Mt. Cattlin improved mineral capacity but conversion only increased moderately. Conversion capacity will continue to lag mineral capacity before stabilising from the early-2000s (although capacity on both sides could be increased thereafter).

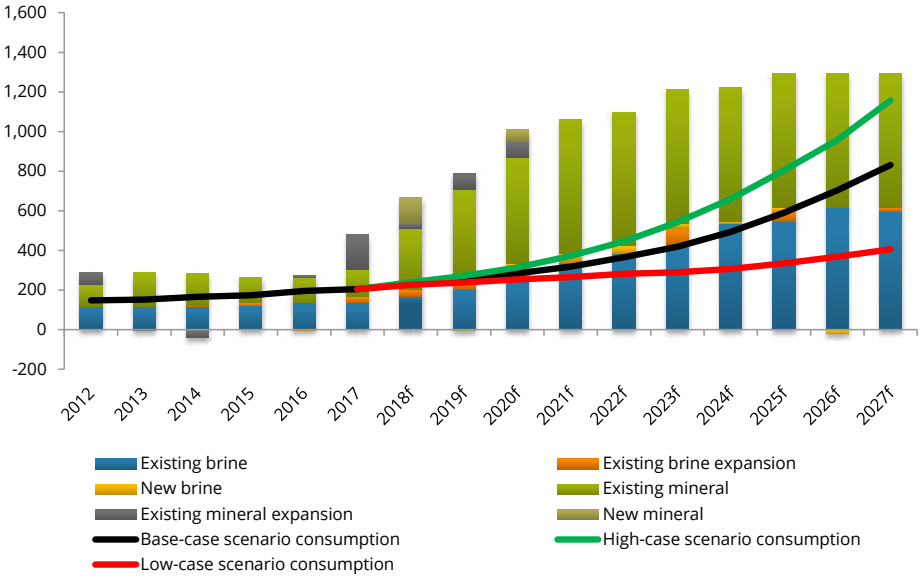
Table 2: Potential new lithium mine capacity by project

Company	Project	Phase	Start-up date	Capacity (tpy LCE)
Financed:				
Mineral Resources	Wodgina	DSO	2018	110,000
Alliance Mineral Assets	Bald Hill	Pre	2018	30,000
Altura	Pilgangoora (Stage 1)	Pre	2018	32,500
AMG	Mibra		2018	13,300
Pilbara	Pilgangoora (Stage 1)	DSO	2018	46,500
North American Lithium	La Corne		2018	23,000
China Minmetals	Yiliping		2018	10,000
Lithium Americas/SQM	Cauchari-Olaroz (Stage 1)		2020	25,000
Sub-total				*290,300*
Requiring finance:				
Nemaska Lithium	Whabouchi	P1P	2019	37,500
Pilbara Minerals	Pilgangoora (Stage 2)	Stage 1 only	2020	62,300
Enirgi Group	Rincon		2020	50,000
Bacanora	Sonora		2020+	17,500
Sub-total				*167,300*
Feasibility:				
Eramet	Ratones & Centenario		2020	20,000
Keliber	Keliber		2020+	9,000
Galaxy Resources	Sal de Vida		2020+	25,000
Critical Elements	Rose		2020+	35,000
European Lithium	Wolfsburg		2019+	8,900
Prospect Resources	Arcadia		2019+	26,000
Lithium Nevada	Kings Valley		2020+	26,000
NextView New Energy	Sal de Los Angeles		2020+	15,000
Energy Source	Salton Sea		2020+	16,000
Lithium Power	Maricunga		2020+	20,000
Galaxy Resources	James Bay		2020+	74,000
Tianqi	Cuola		2020+	...
Pure Energy Minerals	Clayton Valley		2020+	10,000
Sayona	Authier		2020+	14,700
European Metals	Cinovec		2020+	26,600
Millennial Lithium	Pastos Grandes		2020+	25,000
Neolithium	Q3		2020+	35,000
Kidman/SQM	Mt. Holland		2020+	42,700
Avalon	Separation Rapids		2020+	16,600
Rio Tinto	Jadar		2023+	...
Sub-total				*435,500*

Source: *Company data; Roskill estimates*

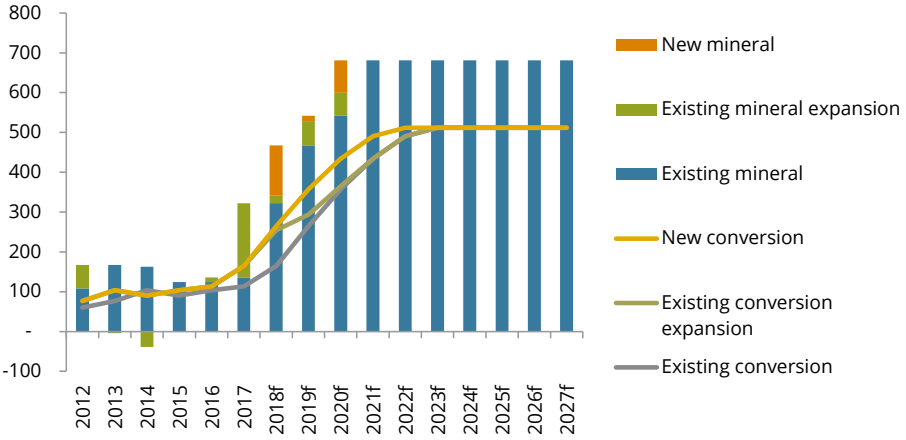
Note: *Only those projects with PFS completed shown*

Figure 22: World: Forecast mine capacity for lithium, 2012-2027 (000tpy LCE)



Source: *Roskill forecasts*

Figure 23: Mineral vs. conversion capacity, 2012-2027 (000t LCE)



A long list of lithium refining projects is under evaluation (Table 3) that could satisfy the longer-term requirement for refined lithium supply.

In addition to the conversion companies highlighted above undergoing expansion or adding new capacity, six new Chinese producers are constructing conversion facilities due on-line in 2018 and 2019. **Sichuan Zhiyuan** is building 14,440tpy LCE of capacity at Hanwang, with the plant 50% complete as of Q1 2018; Zhiyuan will initially source feedstock from Pilbara in DSO form.

Hebei Tianyuan, a subsidiary of Optimum Nano, is also building a 15,520tpy LCE plant, that will be fed by mineral concentrate from Altura in Australia under a 5-year supply agreement. **Jiangxi Special Electric and Burwill Holdings** are constructing a plant in Jiangxi that will process feedstock from AMA / Tawana's Bald Hill mine in Australia. **Greatpower** in a joint venture with nickel-producer **Jinchuan**, **Fancy Resources** and existing lithium chemical producer **Jiangxi Dongpeng** are also building conversion capacity in Zhenjiang, Guangdong and Jiangxi respectively.

Projects at the DFS and financing stage are mainly integrated mining-refining brine or clay/mineral –based, and could add 69,500tpy LCE, while nine projects at the feasibility stage have the potential to supply over 216,600tpy LCE. These projects could close the forecast long-term supply gap to base-case and high-case refined demand if existing and emerging new producers are unable to expand.

Table 3: Potential new lithium conversion capacity by project

Company	Project	Phase	Start-up date	Capacity (tpy LCE)
		PFS/PEA · BFS/DFS · Pilot · Financing · Construction · Production		
Construction:				
Ganfeng Lithium	Xinyu		2018	17,600
Ganfeng Lithium	Ningdu		2018	17,500
General Lithium	Jiujiang		2018	20,000
Sichuan Zhiyuan	Hanwang		2018	14,440
Hebei Tianyuan	Tianyuan		2019	15,520
Jiangxi-Burwill JV	Jiangxi		2019	24,440
Greatpower-Jinchuan JV	Zhenjiang		2019	10,000
Fancy Resources	Guangdong		2019	10,000
Jiangxi Dongpeng	Xinyu		2019	6,000
Tianqi Lithium	Kwinana		2019	42,400
Sub-total				*177,900*
Requiring finance:				
Nemaska Lithium	Whabouchi		2020	33,000
North American Lithium	La Corne		2019	19,000
Bacanora	Sonora		2020+	17,500
Sub-total				*69,500*
Feasibility:				
Lithium Korea	Saemangeum		2021	30,000
Albemarle	Kwinana		2020+	40,000
Keliber	Keliber		2020+	9,000
Lithium Nevada	Kings Valley		2020+	26,000
Mineral Resources	Wodgina		2020+	50,000
Galaxy Resources	James Bay		2020+	...
European Metals	Cinovec		2020+	26,600
Neolithium	Q3		2020+	35,000
Rio Tinto	Jadar		2023+	...
Sub-total				*>216,600*

Source: *Company data; Roskill estimates*

Note: *Only those projects with PFS completed shown*

5.4 Forecast mine and refined production

Roskill's base-case forecast projects lithium consumption increasing by 14.7%py through 2027 to reach just over 830,000t LCE, a four-fold increase on 2017. However, the growth rate will increase in the mid-2020s, with consumption in 2022 at 365,600t LCE a 11.6%py increase from 2017, but consumption in 2027 at 832,600t LCE a 17.9%py increase from 2022. This outlook sets the requirement for lithium mine supply. Up-side potential and down-side risks occur in this forecast, and could be significant in their impact on lithium consumption and supply.

Roskill expects **SQM** to try and retain its current refined market share of 22.5%, meaning output of 65,000t LCE at Atacama and 5,000t LCE at Cauchari in 2022, and 150,000t LCE and 10,000t LCE respectively in 2027 (although if Cauchari is expanded to 50,000tpy this may increase the Cauchari share vs. Atacama output). Although SQM has

Albemarle has expressed its desire to capture 50% of lithium demand growth, but more realistically Roskill expects Albemarle to follow SQM and maintain its current refined market share of 25% long-term. Access to expanded **Talison** output may give Albemarle the potential to increase market share to 30% in 2022, assuming conversion capacity is built in Australia or added/aquired in China, before falling back to around 25% by 2027. Output from Atacama has been limited to 100,000tpy LCE from the mid-2020s.

Expansion potential at Atacama now that SQM and Albemarle have secured increased extraction licenses from CORFO has been cited as potentially creating an oversupply situation; however, this is unlikely to happen for a number of reasons:

1. Both companies have only announced, and are installing, staged increases to capacity, in particular SQM has only announced an expansion to 100,000tpy LCE in 2019. As SQM's permit expires in 2030, the company is unlikely to commit to further capacity unless this timeframe is extended as the project payback may not be sufficient over less than 10 years.
2. Both companies are expected to show discipline in supply to prevent an oversupply position that significantly reduces prices and reduces profitability
3. Brine operations are challenging to operate, and it is unclear at the scale potentially possible if they could be sustained.
4. Both companies have commited to difersification of supply, with investments in Argentina (Cauchari and Antofalla) and Australia (Mt. Holland and Talison), and these are seen as reducing supply risk but also have longer development paths

Tianqi Lithium had a refined market share of 15% in 2017 and its position is expected to remain at this level long-term. Tianqi's share of 120,000t LCE output at **Talison** in 2022 would achieve a 15% share once converted to refined chemicals, but at 150,000t LCE in 2027 this would reduce to 10% meaning Tianqi, like Albemarle, would need to increase Talison capacity/output or secure feedstock from elsewhere.

Ganfeng Lithium had a market share of 12.5% in 2017, and through its share of **Reed Industrial Minerals**' Mt Marion operation can retain this with 100% of off-take at 50,000t LCE in

2022. Ganfeng's 100% off-take reverts to 50% in 2021, but it has a fall-back in 23,700tpy LCE of off-take from Pilbara Minerals.

To retain a market share of around 5% and 10% respectively, **Orocobre** and **FMC Lithium** would need to increase output to around 35,000t LCE and 64,000t LCE respectively. Orocobre's expansion plans at Olaroz would achieve this objective, but FMC would need to add more capacity at Hombre Muerto or aquire other assets, with their market share falling to 5% by 2027 in the current scenario.

The market share scenario can be summarised as follows:

- SQM – market share of 22.5% = output of 70,000t LCE in 2022 and 160,000t LCE in 2027
- Albemarle – market share of 25% increasing to 30% in 2022 but falling to 20% in 2027 = output of 96,000t LCE in 2022 and 151,000t LCE in 2027
- Tianqi – market share of 15% = output of 50,000t LCE in 2022 and 100,000t LCE in 2027
- Ganfeng – market share of 12.5% = output of 38,500t LCE in 2022 and 85,000t LCE in 2027
- FMC – market share of 10% falling to 5% in 2027 = output of 28,000t LCE in 2022 and 35,000t LCE in 2027
- Orocobre – market share of 5% = output of 22,000t LCE in 2022 and 35,000t LCE in 2027

In total, the major producers above would account for 80-85% of mined output through integrated supply, or captive or off-take agreements with mine operators, in 2022, similar to their 80% share in 2017 but falling to 75% in 2027 with FMC and Albemarle losing some market share in the long-term unless they boost capacity further. Chinese brine and mineral producers currently enjoy around a 15% market share of mined output, but will likely loose market share, falling to 12.5% by 2022 and 5% by 2027. This means other suppliers currently accounting for 5-10% of mine supply increasing to 20% market share by 2027, supplying around 140,000t LCE.

The future of **Galaxy Resources** is unclear. The company has five-year off-take agreements with Shandong Ruifu and Yahua Lithium, but Ruifu also buy DSO from Mineral Resources and have been seeking supply from other sources as well. Yahua Lithium has also been seeking alternative sources of feedstock, but could replace any lost business from Ruifu and secure Galaxy's output long-term. Roskill currently has Galaxy's output flat at 20,000tpy long-term.

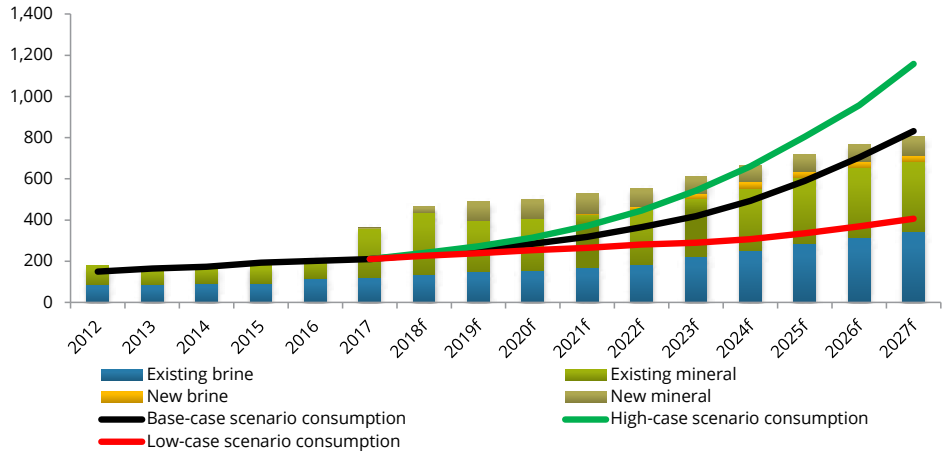
The greatest uncertainty, however, is the contribution to supply by other companies entering the market in 2018-2022. In the long-term, their contribution is necessary unless further expansion occurs at existing producers above, but in the short-term, at the base-case demand growth, they will contribute to a growing oversupply of spodumene concentrate since 2017. With the exception of Mineral Resources, Australian, Brazilian and Canadian mineral projects have off-take contracts with companies operating or building conversion plants in China, or downstream consumers. Their fortunes therefore largely rest on the ability of these off-takers to sell refined product, which may be dependent on higher than forecast demand growth, or an ability to compete for business against incumbent suppliers. This is discussed further in Section 4.

Roskill expects refined output will increase ahead of consumption as in a rapidly growing market, customer requirement (demand) often outpaces consumption, especially in the automotive market where there is a long lead time to the final product. Neverthless, the market is at risk of

oversupply in the late-2010s and earl-2020s given the size of expansions and the number of new producers entering the market.

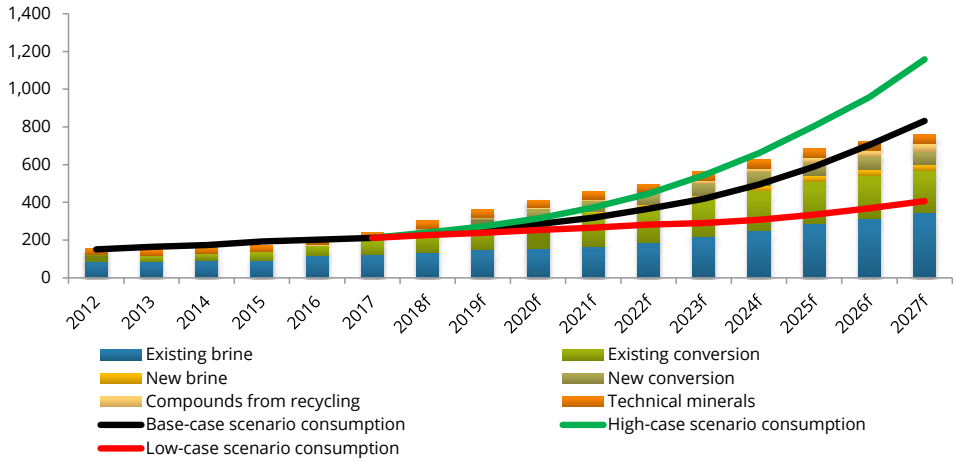
Chinese companies aggressively processing and supplying product to the market has been a common theme in other mineral/metal products, but not yet seen in lithium. Any significant oversupply of refined product will be quickly corrected, and this could be expected to happen in the early-2020s. Neverthless, a significant volume of refined lithium supply will be required in addition to announced production expansions at existing producers by the mid-2020s. The issue is not therefore one of requirement, simply timing. Given a history of underperformance on delivering supply to market, lithium's past problems may well cancel out the predicted oversupply.

Figure 24: World: Forecast mine production and consumption, 2012-2027 (000t LCE)



Source: Roskill estimates

Figure 25: Forecast refined chemical production and consumption, 2012-2027 (000t LCE)

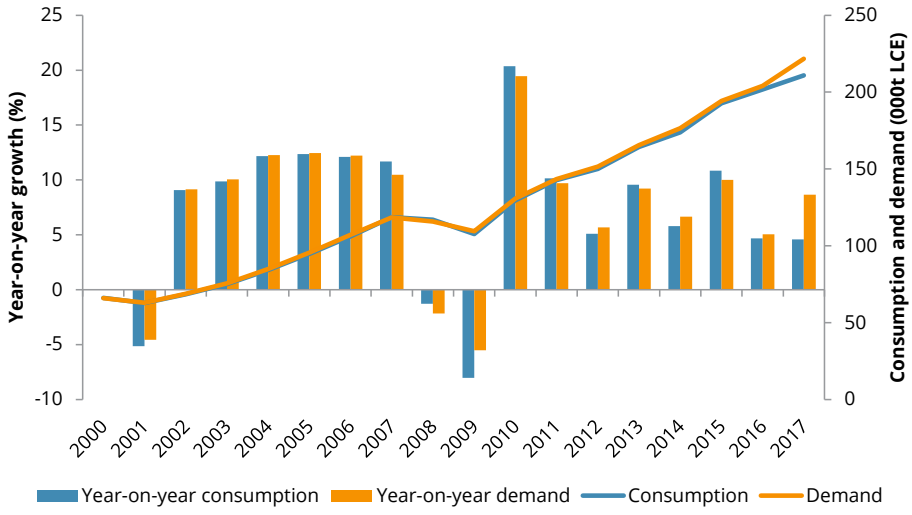


Source: Roskill

6. Lithium consumption

Consumption of lithium is estimated to have increased by 7.0%py since 2000, reaching just under 210,000t LCE in 2017 (Figure 26). A small downturn in consumption at the beginning of the 2000s was caused by recession in the USA, then a major consuming country. Prior to the global economic downturn in 2008/09, growth in consumption averaged over 10%py from 2002 to 2007. Consumption peaked in 2007, plateaued in 2008 and then fell by 8.3% in 2009. Consumption rebounded by 22.2% in 2010 and then increased by 9.0%py to 2014. In 2015, consumption growth accelerated to 11.3% as output of electric buses in China surged. Consumption growth slowed in 2016 and 2017 at around 4.7%py, as the battery market paused for breath and other uses pared back lithium use on lower availability and higher prices. It should be noted that procurement activities by consumers in 2016 and 2017, especially those in the battery supply chain, likely increased by closer to 7%py, ahead of future use as the battery market surges forward. Therefore, demand in 2017 was over 10,000t LCE higher than consumption at almost 222,000t LCE, ahead of an expected 10% rise in consumption in 2018 to 232,500t LCE.

Figure 26: World: Consumption of lithium, 2000-2017 (000t LCE & %)



Source: Roskill estimates

6.1 Consumption by first use

Growth in consumption of lithium since 2000 has been led by increased use by the rechargeable battery industry, growing at 19.3%py between 2000 and 2017, and which has accounted for 62% of the total rise in consumption since 2000 (Table 4 and Figure 27). With the exception of air treatment, where lithium use has fallen since 2000, the majority of end-uses for lithium have also experienced growth since 2000, albeit at lower rates than the rechargeable battery sector. Between 2011 and 2017, growth in demand from ceramics, glass-ceramics and polymers also

increased strongly, at or above rises in global GDP, but part of this was a rebound in demand following the 2008/09 economic downturn.

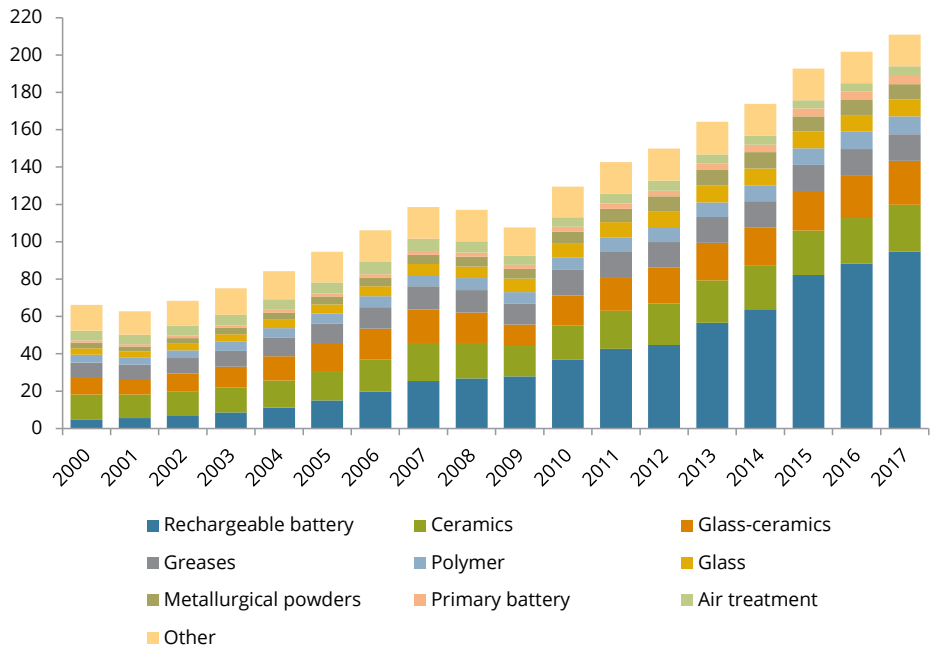
Table 4: World: Consumption of lithium by first use, 2000-2017 (t LCE)

	2000	2012	2013	2014	2015	2016	2017	CAGR '12-'17
Rechargeable battery	4,700	44,800	56,700	63,900	82,200	88,200	94,700	16.1%
Ceramics	13,500	22,100	22,600	23,200	23,800	24,500	25,100	2.6%
Glass-ceramics	8,900	19,500	20,100	20,700	21,200	23,000	23,600	3.9%
Greases	8,100	13,500	13,800	13,900	14,000	14,000	14,200	1.0%
Polymer	4,200	7,500	7,800	8,600	8,900	9,200	9,500	4.8%
Glass	3,500	9,000	9,000	9,000	9,000	9,000	9,100	0.2%
Met. powders	3,000	8,000	8,400	8,800	8,000	8,000	8,200	0.5%
Primary battery	1,200	3,000	3,400	3,900	4,300	4,600	4,900	10.3%
Air treatment	5,200	5,300	4,900	4,800	4,400	4,400	4,600	-2.8%
Other	13,800	17,300	17,600	17,100	16,900	16,800	17,000	-0.3%
Total	**66,100**	**150,000**	**164,300**	**173,800**	**192,700**	**201,700**	**210,900**	**7.1%**

Source: *Roskill*

Note: *Rounded to nearest 100t LCE*

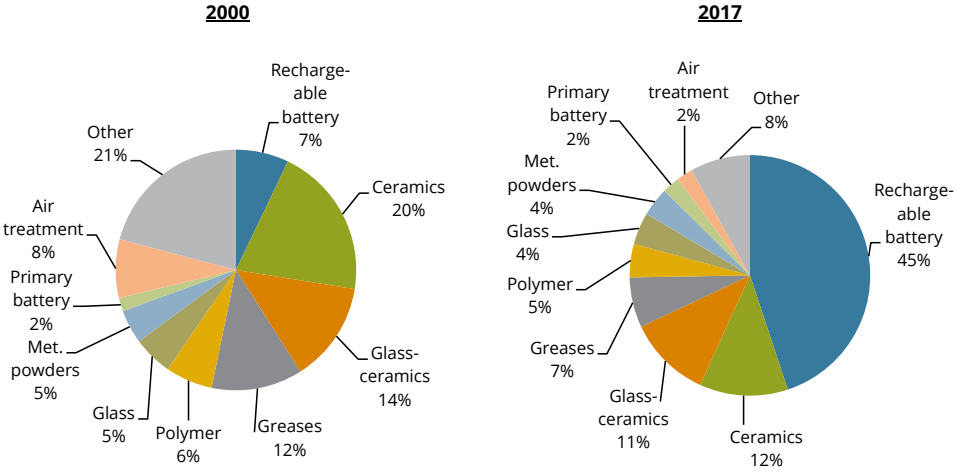
Figure 27: World: Consumption of lithium by first use, 2000-2017 (000t LCE)



Source: Roskill estimates

The rechargeable battery sector accounted for 45% of lithium consumption in 2017, greater than the ceramics and glass industry which consumed 27% (Figure 28). The rechargeable battery sector became the largest lithium consumer in 2008, and in 2015 accounted for over three times the volume consumed by the next largest sector, ceramics.

Figure 28: World: Consumption of lithium by first use, 2000 and 2017 (t LCE)



Source: Roskill Estimates

6.1.1 Outlook

The short, medium and long -term outlook for lithium consumption appears strong, with overall growth forecast at 14.7%py to 2027 in the base-case scenario (Table 5 and Figure 29). Growth will be slightly lower in the shorter-term, at 11.6%py to 2022, when the market will reach 365,600t LCE, and then accelerate to 17.9%py from 2022 to 2027.

There are, however, considerable upside and downside risks to the outlook for growth in consumption of lithium to 2027. The low-case (pessimistic) scenario foresees slower global economic growth affecting demand for basic products containing lithium like ceramics, glass, steel and rubber, as well as lower demand growth for portable consumer electronics and delays in the introduction and consumer take-up of Li-ion battery powered xEVs. In this scenario, growth in consumption of lithium is forecast at 11.5%py to just over 625,000t LCE by 2027. Meanwhile, in the high-case (optimistic) scenario, growth in consumption of lithium is forecast to increase by 18.6%py to reach over 1.15Mt LCE. The optimistic scenario is based on stronger global economic growth, and surging demand for Li-ion batteries in xEVs and ESS.

Consumption of lithium will continue to be driven by the **rechargeable battery sector**, which is forecast to register 21.9%py growth through to 2027, reaching around 683,000t LCE in the base-case scenario. Demand growth for portable consumer electronics is forecast to slow, as smartphones and tablets sales reach maturity. The penetration of Li-ion batteries in some applications, such as power tools, household/garden goods, and electric bicycles, is still low, but

is expected to grow and continue to displace NiCd, NiMH and lead-acid batteries, as well as many cabled household and garden equipment devices.

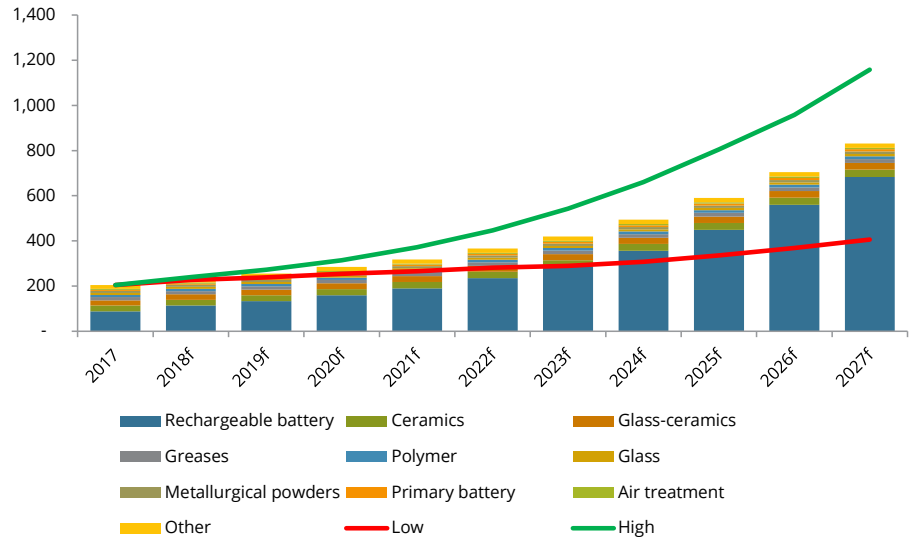
Table 5: World: Forecast consumption of lithium by first use, 2017-2027 (t LCE)

	2017	2022	2027	CAGR '17-"27
Rechargeable battery	94,700	234,600	683,300	21.9%
Ceramics	25,100	28,400	32,200	2.5%
Glass-ceramics	23,600	26,700	30,200	2.5%
Greases	14,200	15,300	16,500	1.5%
Polymer	9,500	11,000	12,800	3.0%
Glass	9,100	9,500	10,000	0.9%
Metallurgical powders	8,200	9,600	11,100	3.1%
Primary battery	4,900	6,900	9,700	7.1%
Air treatment	4,600	5,300	6,100	2.9%
Other	17,000	18,300	19,700	1.5%
Total	**210,900**	**365,600**	**831,600**	**14.7%**
High	**-**	**446,300**	**1,158,000**	**18.6%**
Low	**-**	**320,300**	**627,364**	**11.5%**

Source: *Roskill forecast*

Note: *Rounded to nearest 100t LCE*

Figure 29: World: Forecast consumption of lithium by first use, 2017-2027 (000t LCE)



Source: *Roskill forecast*

ESS use of Li-ion batteries is expected to witness significant growth in installed capacity, but from a low base. In this application, Li-ion faces competition from other battery and storage types as space constraints are typically lower than for portable consumer goods, power & motive, and transport battery applications. Significant potential exists from the xEV market for increased consumption of lithium in Li-ion batteries to 2027. Only from 2015 have PHEV and BEV sales started to have a dramatic impact on the rechargeable battery industry, driven largely by Chinese legislation, e-bus demand, and Tesla's success with the Model S and X. This is because until recently, cost and range were prohibitive and hence the appeal of these vehicles to the mass market versus ICE-powered models was limited.

In 2017 a number of manufacturers, including Tesla, GM and Nissan, launched lower priced BEVs on a US$/kWh basis, with 200-250 mile range. The appeal of these vehicles is proving significantly greater than market offerings to date, and is boosting demand. In addition, the Chinese market continues to expand rapidly driven by incentives. Premium car manufacturers, such as BMW, Daimler, Jaguar and Porsche, are rapidly electrifying or hybridizing (using plug-in and full hybrid platforms) their line-up to meet emissions targets and compete against Tesla and other xEV start-ups. Mid-market manufacturers such as Volkswagen, Hyundai, Toyota, PSA and Renault-Nissan-Mitsubishi are planning increased xEV model roll-out to meet Chinese, European and other mandates for sales/emissions targets.

If production of xEVs is higher than forecast, demand for Li-ion batteries from portable products increases or Li-ion increases market share in power & motive and ESS uses, then consumption of lithium in this application could increase by 27.3%py to reach almost 1Mt LCE. However, concerns over the success of xEVs in the market, and the suitability of Li-ion batteries to meet long-term vehicle electrification goals warrants a conservative alternative to the baseline forecast, with a pessimistic scenario forecasting growth of 12.1%py, to around 275,000t LCE by 2027.

Table 6: World: Forecast scenarios for lithium consumption by first use, 2017-2027 (t LCE)

	2017	2027			CAGR (%)		
		Low	Base	High	Low	Base	High
Rechargeable battery	94,700	275,300	683,300	985,800	12.1	22.7	27.3
Ceramics	25,100	27,800	32,200	37,200	1.0	2.5	4.0
Glass-ceramics	23,600	26,000	30,900	36,300	1.0	2.5	4.0
Greases	14,200	15,000	16,500	18,200	0.5	1.5	2.5
Polymer	9,500	11,600	12,800	15,500	2.0	3.0	5.0
Glass	9,100	9,500	10,000	11,100	0.5	1.0	2.0
Metallurgical powders	8,200	9,100	11,100	13,400	1.0	3.0	5.0
Primary battery	5,000	8,100	9,700	11,700	5.0	7.0	9.0
Air treatment	4,600	5,000	6,100	7,400	1.0	3.0	5.0
Other	17,000	18,800	19,700	22,800	1.0	1.5	3.0
Total	**210,900**				**7.1**	**15.1**	**18.9**

Source: Roskill forecasts

The volume of lithium consumption in rechargeable batteries, representing 42% of total consumption in 2016, is now starting to have much more impact on overall lithium consumption

and this sector's influence on supply will continue to increase to 2031 when rechargeable batteries could account for 95% of the total market. In particular the automotive industry will become much more important to lithium demand growth going forward, and will dictate annual changes as the portable battery market did between 2007 and 2014.

Other markets for lithium are also forecast to provide areas of growth for lithium consumption, but only at around 2.2%py overall in the base-case scenario – lower than overall levels of forecast global economic growth.

Consumption of lithium in **ceramics** and **glass-ceramics** is forecast to increase by 2.5%py to reach around 32,200t LCE and 30,200t LCE respectively by 2027. Urbanisation in developing economies such as India and Nigeria will continue to provide rising demand for products using lithium but growth will be constrained by lower, or even negative, rates of construction output in developed economies, especially Europe, and a slowing construction market within China. A rise in US, European and Chinese housing starts could create additional upside resulting in 4.0%py growth. However, the outlook for these regions appears uncertain and further recessionary and debt pressures could weigh on demand and further constrain growth, in which case demand might only grow by 1.0%py. Continued high prices for lithium carbonate, or a rise in technical-grade mineral concentrate prices could negatively impact this market as consumers look to substitutes to replace lithium's fluxing and stabilising properties, albeit with some loss of performance potentially.

Growth in consumption of lithium in **greases** is forecast to increase by 1.5%py to reach 16,500t LCE in 2027. Despite higher demand in industrialising countries, increased car ownership in China, and increased production of complex lithium greases which contain 10-15% more lithium hydroxide than simple lithium greases, high prices for lithium could turn manufacturers to other soaps such as calcium and urea. If manufacturing output returns to the high levels seen in the mid-2000s, demand for lithium from the grease industry could show potential upside at 2.5%py, but if economic growth continues to remain subdued, or producers start using alternative soaps (e.g. urea), consumption might rise by as little as 0.5%py.

Growth in consumption of lithium in **polymers** will be dependent upon demand for synthetic rubber and thermoplastic products such as tyres, tubes, footwear and household goods. A growing, but weak recovery in automotive sales in developed markets since the global economic downturn of 2008/09 has impacted previously strong demand growth for tyres and rubber tubes, and this has been compounded by a switch to neodymium catalysts for lower rolling resistance tyres by some manufacturers. Nevertheless, in developing countries, particularly China and India, there remains considerable potential and this is forecast to spur greater synthetic rubber production through 2027 and hence lithium consumption, albeit at lower rates than seen previously. Lithium consumption is forecast to increase by 3.0%py to reach 12,800t LCE. This market could provide upside potential at 5.0%py, reaching 15,500t LCE but might also slow to 2.0%py if the global economy falters or greater use of substitutes occurs, reaching 11,600t LCE.

The use of lithium in **glass** manufacturing is not widespread and is restricted mainly to specialist uses. Lithium can provide environmental benefits by substituting for heavy metals, such as lead; performance benefits by improving output; and, save energy and therefore reduce costs and CO_2 emissions. The glass industry is expected to grow at lower levels to ceramics and glass-ceramics at 1.0%py, to reach 10,000t LCE by 2027. More widespread use of lithium in glass

manufacturing, for example to lower batch temperatures (and thus CO_2 emissions) could boost growth to 2.0%py, but equally lower global economic growth might restrict growth in current uses to 0.5%py. The glass market faces some of the same pressures on raw materials costs as glass-ceramics and ceramics.

Steel and foundry production, the major markets for **metallurgical powders**, displayed strong growth in the mid-2000s, and a sharp recovery in 2011/12, but are forecast to slow through the late-2010s and into the 2020s on much slower steel output growth (crude steel output fell in 2015 and only recovered slightly in 2016 and 2017). Nevertheless, consumption of lithium carbonate and lithium minerals in metallurgical powders provides benefits which improve yield and reduce costs, therefore their use will likely continue to grow faster than steel and foundry output, at 3.0%py, with the market reaching around 11,100t LCE by 2027. A more optimistic outlook for the steel and casting industry, and higher intensity of use may see consumption increase by closer to 5.0%py to reach 13,400t LCE, but conversely might grow by only 1.0%py if raw material prices stay high.

The use of absorption chillers and heaters for the **air treatment** of large commercial and industrial buildings grew in popularity from the mid-2000s, particularly in China for industrial and commercial buildings where waste heat is available as steam or hot water, as this often makes them more efficient that electric chillers. On the other hand, the use of lithium chloride as a desiccant in dehumidifiers has declined in favour of other materials, although increased requirements for dry-room conditions for high-tech manufacturing (including lithium-ion batteries) culd reverse this. Growth in demand for lithium in air treatment applications is forecast to increase by 3.0%py to reach 6,100t LCE in 2027.

Consumption of lithium in the **primary battery** industry is forecast to grow at 7.0%py to reach over 9,700t LCE by 2027. The industry is benefiting from increased output of portable electronic devices which require primary battery back-up, remote utility monitoring systems, and replacement of alkaline batteries for longevity improvements in non-rechargeable devices.

The outlook for **other end-uses** for lithium is mixed, but this sector overall is expected to witness growth of 1.5%py. The use of aluminium-lithium alloy in aerospace applications is increasing as new aircraft reach the production line and will provide considerable potential in the long-term. The use of lithium for construction and organic synthesis is also expected to rise, but other end-uses, such as sanitization and alkyd resins, where there is greater competition, could limit growth. The use of lithium in aluminium smelting may reverse recent declines as some Söderberg smelters in the US are restarted following import duties on imported aluminium from overseas, and may provide some upside.

6.2 Consumption by product type

Lithium carbonate is the most widely consumed product, finding application in rechargeable batteries, ceramics, glass-ceramics, glass, metallurgical powders, aluminium and other uses. Demand for battery-grade (BG) and technical-grade (TG) was 99,200t LCE in 2016, with battery-grade now accounting for 39% of total product demand and technical-grade 14% (Table 7 and Figure 30). Battery-grade carbonate demand has increased by 22.0% since 2011. Technical-grade mineral concentrates accounted for a further 19% of consumption and are used in similar ceramic, glass-ceramic, glass and metallurgical applications to lithium carbonate. Consumption

increased in 2016 as some consumers switched from carbonate due to high prices for the latter. TG and BG lithium hydroxide together represented 13% of total consumption, with BG showing the highest growth rate of all lithium products since 2011 at 25.7%py.

Table 7: World: Consumption of lithium by product, 2000-2017 (t LCE)

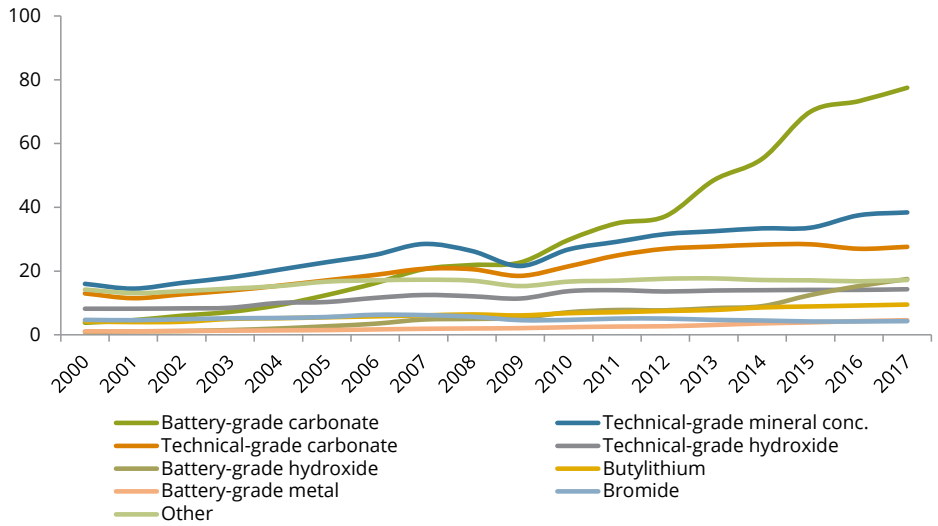
	2000	2012	2013	2014	2015	2016	2017	CAGR '12-'17
BG carbonate	3,000	37,200	48,500	55,200	70,000	73,300	77,500	15.8%
TG mineral conc.	16,000	31,600	32,500	33,400	33,600	37,500	38,400	4.0%
TG carbonate	13,000	27,000	27,700	28,300	28,400	27,000	27,600	0.4%
BG hydroxide	8,200	7,700	8,400	9,000	12,500	15,300	17,500	17.8%
TG hydroxide	300	13,600	13,900	14,000	14,100	14,100	14,300	1.0%
Butylithium	4,200	7,500	7,800	8,600	8,900	9,200	9,500	4.8%
BG metal	1,100	2,700	3,100	3,600	3,900	4,300	4,600	11.2%
Bromide	4,700	5,100	4,700	4,500	4,200	4,200	4,300	-3.4%
Other[1]	14,300	17,600	17,700	17,200	17,100	16,800	17,200	-0.5%
Total	**64,800**	**150,000**	**164,300**	**173,800**	**192,700**	**201,700**	**210,900**	**7.1%**

Source: *Roskill estimates*

Note: *1 - Includes some of the products above that have not been differentiated from the total; Rounded to the nearest 100t LCE*

Battery-grade carbonate and hydroxide together represented 44% of total consumption by product in 2017 (Figure 31), reflecting the share of the rechargeable battery market in the overall lithium market. A small amount of battery-grade metal is used in rechargeable batteries, but its main use is in primary batteries, with all battery uses for lithium still below 50% of total product consumption. Technical-grade hydroxide is mainly used in greases, buytlithium in polymers and bromide in air treatment.

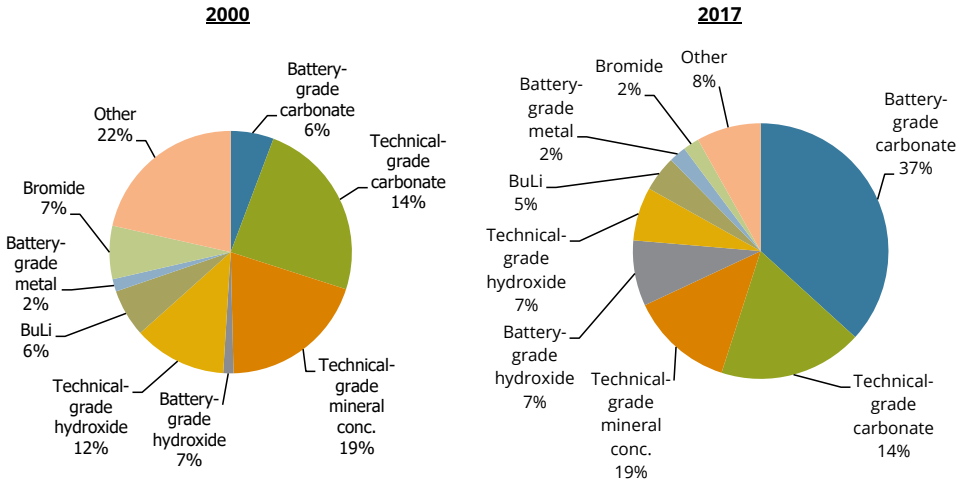
Figure 30: World: Consumption of lithium by product, 2000-2017 (000t LCE)



Source: *Roskill Estimates*

Note: *Other includes some of the products separately shown that have not been differentiated from the total*

Figure 31: World: Consumption of lithium by product, 2000 and 2017 (t LCE)



Source: *Roskill Estimates*

6.2.1 Outlook

Corresponding with the growth in rechargeable battery lithium consumption, battery-grade lithium carbonate and hydroxide demand could increase by 14.6%py and 28.9%py respectively through 2027 (Table 8 and Figure 32) to reach 332,000t LCE and 350,800t LCE respectively. Battery-grade metal will also grow above the industry average, as more is used in advanced lithium rechargeable batteries and primary batteries. Other products will grow at around 2.5%py.

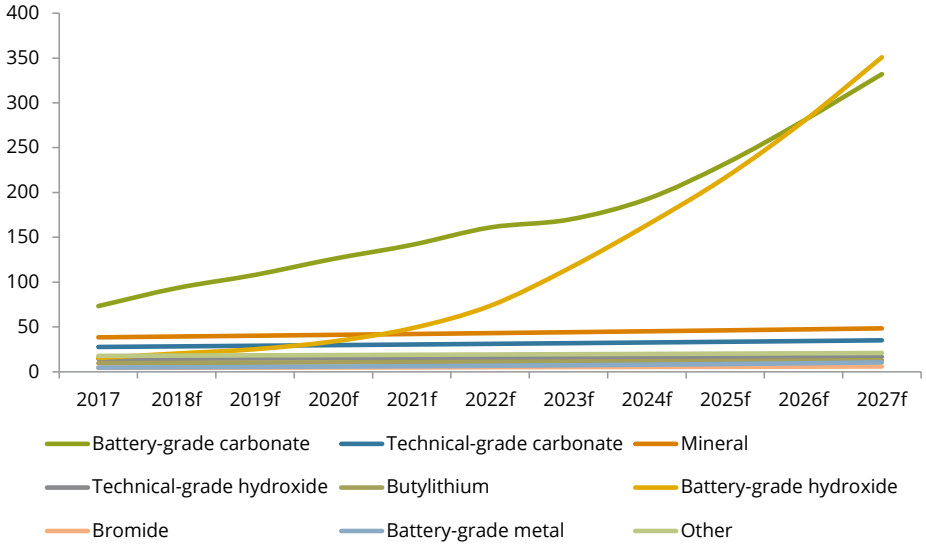
Table 8: World: Forecast consumption of lithium by product, 2017-2027 (t LCE)

	2017	2022	2027	CAGR '17-'27
Battery-grade carbonate	77,500	161,000	332,000	14.6%
Technical-grade mineral conc.	38,400	43,100	48,400	2.3%
Technical-grade carbonate	27,600	31,100	35,000	2.4%
Battery-grade hydroxide	17,500	73,500	350,800	28.9%
Technical-grade hydroxide	14,300	15,400	16,700	1.5%
Butylithium	9,500	11,000	12,800	3.0%
Battery-grade metal	4,600	6,700	10,400	10.1%
Bromide	4,300	5,000	5,800	3.1%
Other[1]	17,200	18,800	19,700	1.3%
Total	**210,900**	**365,600**	**831,600**	**14.7%**
High	**-**	**446,300**	**1,158,000**	**18.6%**
Low	**-**	**320,300**	**627,364**	**11.5%**

Source: *Roskill estimates*

Note: *1 - Includes some of the products above that have not been differentiated from the total*

Figure 32: World: Forecast consumption of lithium by product, 2017-2027 (000t LCE)



Source: Roskill estimates

The division of consumption between battery-grade lithium carbonate and hydroxide going forward depends on a number of factors, including:

- Cathode material type produced/consumed
- Cathode manufacturer/process
- Cost and availability

The first two are dependent on the performance of certain technologies, applications and companies. Very high nickel content cathode materials (containing above 80% Ni, e.g. NCA and NMC811) use lithium hydroxide, as the reaction between nickel and carbonate is detrimental to cathode quality resulting in a loss of performance. More moderate nickel content cathode materials (e.g. NMC532 or NMC622) can use lithium carbonate but there is a performance improvement by using hydroxide. In addition, some lithium-iron-phosphate (LFP) is produced by an alkali process which requires lithium hydroxide compared to lithium carbonate used in the acid method.

The proportion of lithium hydroxide used in NMC is expected to grow over time, as higher nickel and higher performance variants are used, and together with a greater volume of NCA (largely for xEV batteries) and LFP (for Chinese EVs, e-buses and ESS) means hydroxide demand growth will outpace carbonate to 2027, and hydroxide will become the main product consumed in the market from 2027.

Given the scenarios for lithium consumption by first use, product consumption could also be affected by changes in sector growth trends. Battery-grade carbonate and hydroxide have the greatest variance in future consumption due to the low degree of confidence on battery market growth long-term, with consumption in 2027 having a spread of almost 200,000t LCE for

carbonate and almost 300,000t LCE for hydroxide (Table 9). For other lithium products, the spread is much smaller.

Table 9: World: Forecast scenarios for lithium consumption by product, 2017-2027 (t LCE)

	2017	2027 (t LCE)			CAGR		
		Low	Base	High	Low	Base	High
Battery-grade carbonate	77,500	255,000	332,000	452,800	13.3	16.3	20.0
Technical-grade mineral conc.	38,400	41,700	47,300	53,800	1.0	2.5	4.0
Technical-grade carbonate	27,600	30,300	35,000	40,700	1.0	2.5	4.0
Battery-grade hydroxide	17,500	241,300	350,800	532,100	31.8	36.8	42.6
Technical-grade hydroxide	14,300	15,100	16,700	18,400	0.5	1.5	2.5
Butylithium	9,500	11,600	12,800	15,500	2.0	3.0	5.0
Battery-grade metal	4,600	8,400	10,400	12,900	6.3	8.6	10.9
Bromide	4,300	4,800	5,800	7,100	1.0	3.0	5.0
Other[1]	17,200	19,800	20,900	24,300	1.1	1.7	3.2
Total	**210,900**	**627,400**	**831,600**	**1,158,000**	**11.5**	**14.7**	**18.6**

Source: Roskill forecast

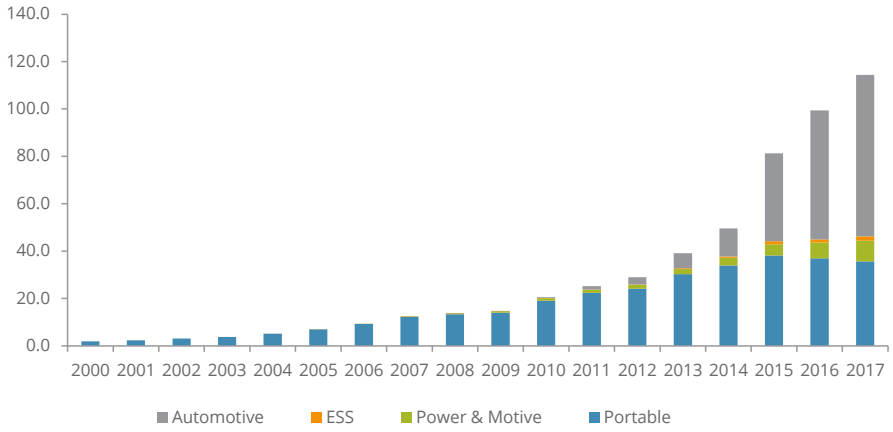
6.3 Lithium-ion battery market

Lithium-ion applications into four well-defined end-use groups:

- Portables (computing, communication and consumer devices)
- Power devices and motive power (non-automotive)
- Energy storage systems (ESS)
- Automotive

As observed in Figure 33, the consumption of Li-ion batteries is estimated at 114GWh in 2017, a 15% increase when compared to 2016. The two largest Li-ion battery markets today are automotive and portable electronics, followed by power and motive and ESS.

Figure 33: World: Li-ion battery use by market, 2000-2017 (GWh)



Source: Roskill

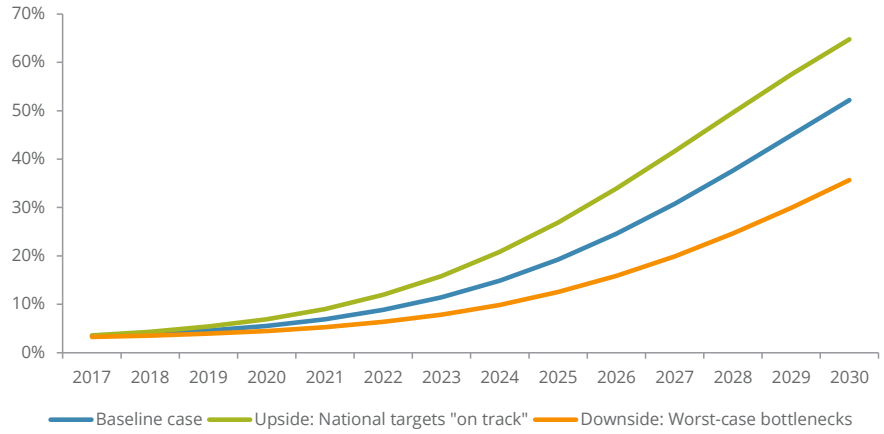
6.3.1 Outlook for automotive applications

Although motorisation rates (defined as the number of vehicles per thousand people) are expected to slow down at the end of the 2020s, and in some cases stagnate in favour of shared-transportation, the penetration rates of EVs will undoubtedly increase. This is expected to be caused, firstly, by regulatory forces, and secondly, by a continuous fall in battery cost thanks to economies of scale.

If the decision to manufacture EVs depended on automakers, EV penetration would likely not be as high as forecast despite the continuous fall in battery costs. The transition towards electric powertrains is causing significant disruptions in the traditional automotive supply chains, where margins are well defined (3-12% margins, with higher margins in luxury segments) and competitiveness mostly depends on safety, design and of course, motor engineering. With EVs, motor engineering has been displaced by battery technology and battery costs, forcing automakers to secure supplies of unfamiliar raw materials, and to depend on Asian companies for most of the battery manufacturing processes.

The key reason behind the transition towards battery-powered cars has been a stringent regulation on transport emissions, which is expected to further constrain current transport air pollution limits. Additionally, to encourage automakers to manufacture electric vehicles, California came up with the idea of mandatory EV quotas for automakers, an idea that has been thoroughly implemented in China where these quotas are planned to rise every year. Subsidies, which help consumers afford EVs while costs decrease, are expected to remain in Europe and China until the end of this decade.

Figure 34: Upside and downside scenarios for deep electrification of passenger vehicles, 2017-2030 (% of total sales, including PHEVs, BEVs, FCEVs, LSEVs)



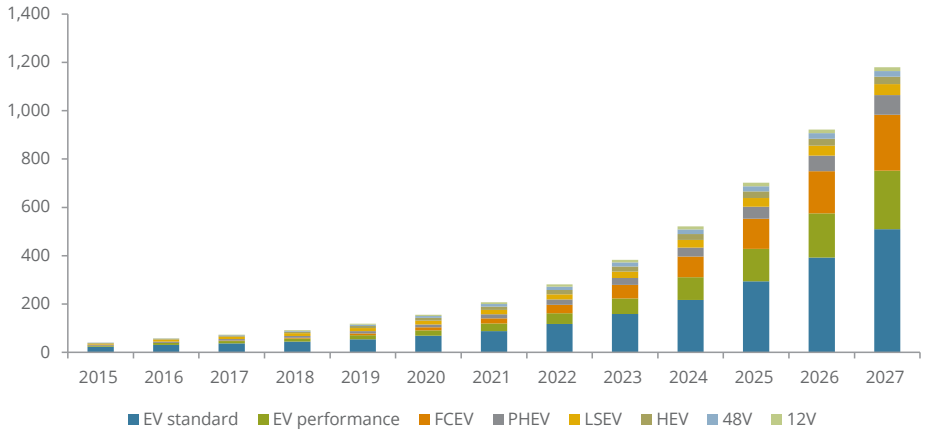
Source: Roskill

As of early 2018, Chinese subsidies are prioritised for long-range EVs, in other words, fully electric vehicles with large battery capacities. Energy capacity (GWh) is expected to grow as fully electric vehicles become the norm in some Asian countries, although hybrid powertrains – often seen as a temporary solution to comply with emissions targets – will be widespread in most cars and continents.

In Roskill's baseline scenario, the range of typical EVs is expected to continue to increase, particularly for PHEVs and fully-electric BEVs, with commercial vehicles featuring a considerably higher capacity than passenger models.

By 2027, the energy capacity delivered by the automotive industry is expected to reach 1,180GWh, of which passenger vehicles will account for 75%. Roskill forecasts 32%py growth in energy capacity between 2017 and 2027 from automotive Li-ion batteries. Given the larger capacity of BEVs over PHEVs – and particularly over HEVs and mild hybrids – standard and premium fully-electric vehicles are expected to account for as much as 66% of total energy capacity, despite accounting for only 35% of EV sales by 2030.

Figure 35: Forecast sales of electric vehicles (GWh)

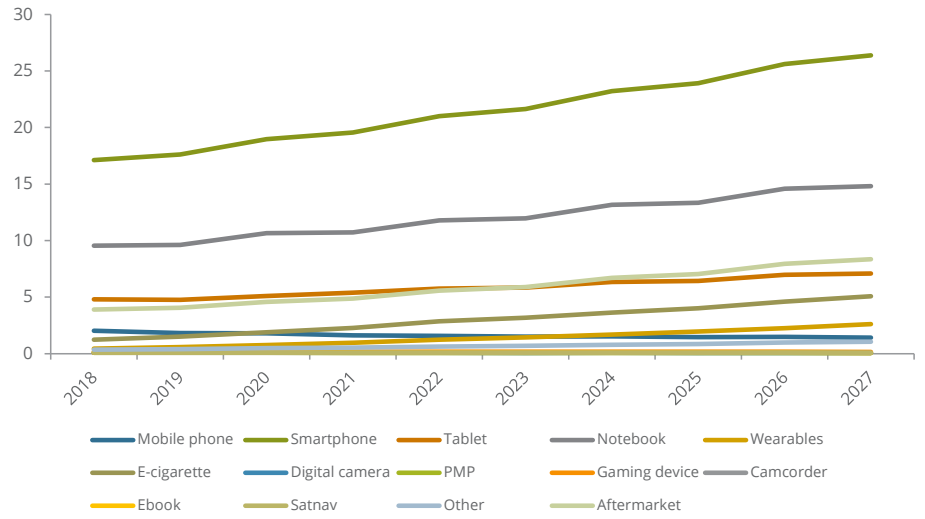


Source: Roskill

6.3.2 Outlook for portable electronics applications

Globally, the market for Li-ion batteries in portable electronics is forecast to reach 67GWh by 2027, up from 35GWh in 2017, representing a 6.5%py increase over this period. The biggest markets by energy capacity will be the mobile and smartphone category (27.7GWh), notebooks (14.8GWh), aftermarket (14.1GWh), tablets (7GWh), e-cigarettes (5GWh) and wearables (2.6GWh). The rest of products under the umbrella of portable electronics, as such as gaming devices and satnavs, are likely to become obsolete and their growth is expected to further decrease.

Figure 36: World: Portable Li-ion battery use by sub-category, 2018-2027 (GWh)



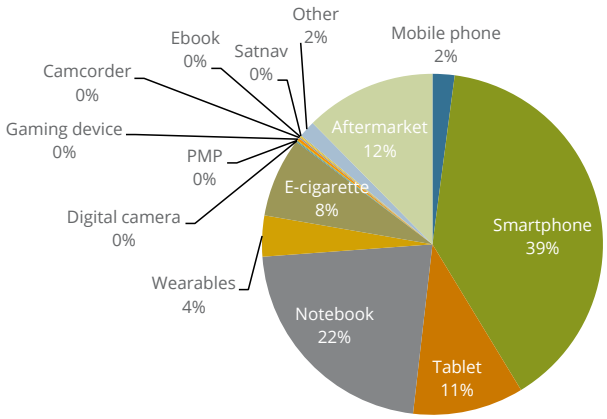
Source: Roskill

By 2027, the smartphone market is forecast to account for 45% of the portable energy (GWh) delivered, around 2 percentage points (pp) less than its share in 2017. The future of this sub-category will largely depend on improvements in battery life and capacity, the rate at which consumers change their smartphone ('upgrade cycles'), and the demand from maturing markets where the smartphone has already reached a point of saturation. China will remain the largest market while emerging countries such as India, and those in South East Asia, Middle East and Africa will also be large markets for first-time smartphone buyers.

Notebooks and tables are forecast to remain the second largest portables category in energy delivered with 22% and 11% respectively. The market for these devices for personal use may be cannibalised by consistent growth in the smartphone market although they are expected to remain an important tool in the workplace. Satnavs, digital cameras and gaming devices are all likely to further decline because of the multi-functional smartphone. However, in Roskill's forecasts, the decline of these devices will be offset by the wearables and e-cigarette markets.

Overall, Li-ion technology is likely to take over every single application in the portables spectrum with some exceptions in the aftermarket batteries for obsolete devices.

Figure 37: World: Forecast portable Li-ion battery use by sub-category, 2027 (GWh)

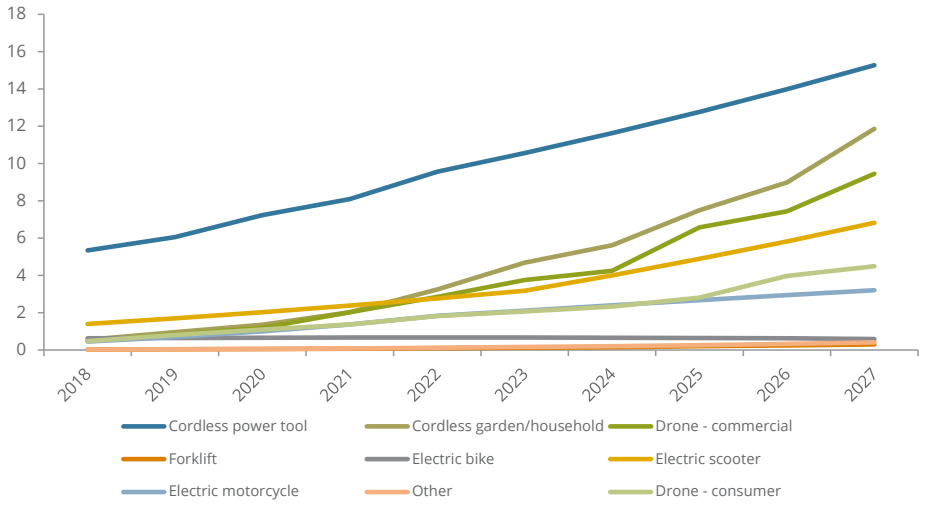


Source: Roskill

6.3.3 Outlook for power & motive applications

In the power and motive market Roskill expects an improvement in both the market size for rechargeable batteries (including non-Li-ion batteries) and the share of Li-ion batteries. The greatest improvement is likely to come from the latter. Li-ion battery sales in this category are forecast to increase by 21%py to 2027, reaching 51GWh. The overall market size for rechargeable batteries in this category is forecast to rise by only 12%py across all battery types.

Figure 38: World: Forecast power & motive Li-ion battery use by sub-category, 2018-2027 (Gwh)

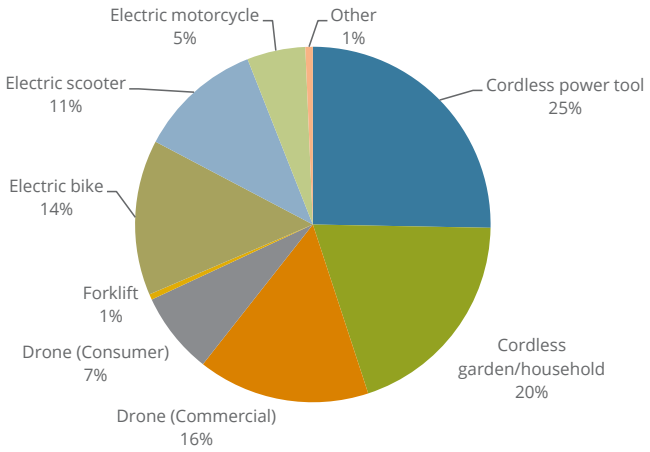


Source: Roskill

Cordless power tools are expected to be the largest market in the power & motive category. The 'cordless' trend in power tools started at the beginning of 2000s as a niche market using battery chemistries such as NiCd and NiMH. Initially, Li-ion chemistries were not suitable because of poor power outputs; however, Roskill expects Li-ion to become the dominant technology in power and garden tools.

The greatest growth potential beyond 2027 is likely to be in the large market for **motive power.** This includes electric two-wheelers as e-bikes and e-scooters, consumer and commercial drones, forklifts and other materials handling equipment, golf buggies and other leisure equipment. Each of these units have larger battery capacities than their power counterparts (e.g. power tools), and while currently they mostly use lead-acid batteries, high penetration of Li-ion batteries is expected across all sub-categories. However, Li-ion battery penetration rates in electric scooters in Asia, its largest market, will mostly depend on consumer preferences as the short-distance nature of the journeys using this vehicle may not require the specific density offered by the more expensive Li-ion battery. Within the motive category, but dependant on heterogeneous national aviation regulations, recreational and commercial drones may become a driving force for the growth of Li-ion total energy demand.

Figure 39: World: Forecast power & motive Li-ion battery use by sub-category, 2027 (GWh)

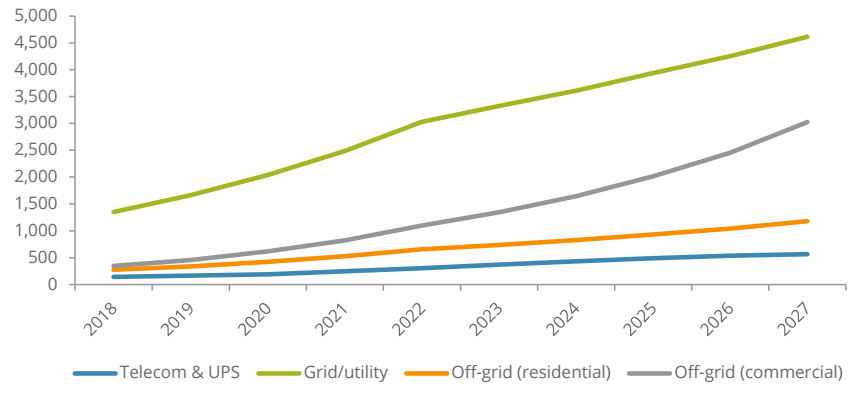


Source: Roskill

6.3.4 Outlook for ESS applications

The ESS battery market is expected to achieve a size of 16.5GWh by 2027, of which 9.4GWh will correspond to Li-ion technology. Overall, the growth of the battery ESS market is projected to grow at 13.2%py between 2017 and 2027, however use of Li-ion batteries in this sector is forecast to grow at a faster rate of 17.6%py. The forecast large share of Li-ion technology in the battery ESS, from 38% in 2017 to 57% in 2027, can be attributed to further decreases in cost per kWh and the practical need of ESS given the rise in renewable energy assets. The International Energy Agency reports that renewables accounted for almost two-thirds of net new power capacity around the world in 2016, with almost 165GW coming online, whereas 26GW of coal and 12GW of gas power generation were withdrawn from the energy market permanently.

Figure 40: World: Forecast ESS Li-ion battery use by sub-category, 2018-2027 (MWh)



Source: Roskill

In the period between 2017 and 2027, the fastest growing ESS battery category is expected to be off-grid commercial growing at 27%py, followed by grid/utility and off-grid residential with similar growth rates of 17%py, and finally telecom/UPS growing at 5.5%py. Off-grid systems, also called behind-the-meter applications, are projected to grow in the commercial and residential space, in particular to provide electricity in rural and isolated areas with the potential to substitute diesel generators in many emerging countries.

The use of Li-ion technology in the grid/utility spectrum will be pivotal as the energy deployed by individual ESS utility-scale projects will be on the order of several hundred MWh. The role of these systems is expected to be dominant in power quality and bridging power applications such as for instance, grid management to stabilise renewables' output or frequency shifting.

6.4 Current and forecast lithium chemical requirements

Most lithium consumed in Li-ion batteries is in the form of battery-grade lithium carbonate, although other lithium compounds are becoming increasingly common. Battery-grade lithium materials are not necessarily required because of their higher lithium content, although this is desired, but because of their lower impurities content. Elements including sodium, iron and potassium can have a negative impact on the performance, cell life and safety of lithium-ion batteries, which as a result makes having consistent low-impurities a priority for battery component manufacturers.

Consumption of lithium in rechargeable batteries in 2017 was almost 90,000t LCE, largely from its use in active cathode materials with lesser volumes consumed in the production of electrolyte salts and solutions, and anode materials. The production of electrolyte salts and solutions also consumes minor volumes of lithium chloride. Lithium hydroxide has become more widely used in the production of lithium-ion battery active cathode materials, particularly for cathode chemistries with greater than 50% nickel contents. Cathode chemistries with high enough nickel contents to require the use of lithium hydroxide include NMC 6:2:2, NMC 8:1:1 and NCA.

Table 10: Lithium used in battery technologies, 2010-2027 (t LCE)

	2010	2017	2027
Lithium in Li-ion batteries by type			
Battery-grade Lithium Carbonate [1]	29,800	73,300	332,000
Battery-grade Lithium Hydroxide	7,650	14,500	349,400
Battery-grade Lithium Metal	32	100	1,600
Sub-total	*37,482*	*87,900*	*683,000*
Lithium in other rechargeable battery technologies			
Lithium hydroxide	200	270	360
Total	**37,717**	**88,170**	**683,360**

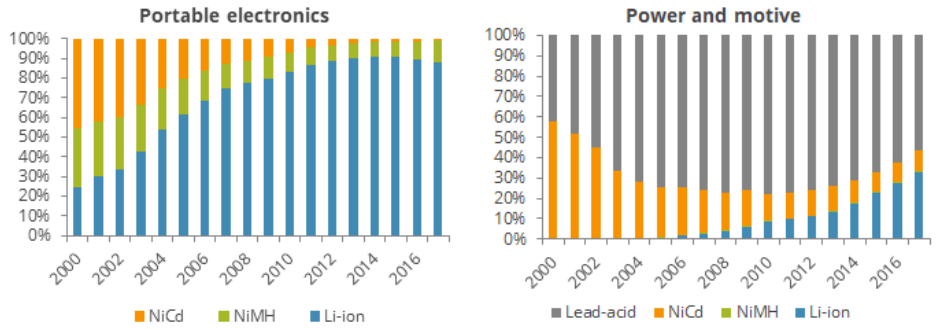
Source: Roskill
Note: 1 – includes use of lithium chloride where preferred as a feedstock for electrolyte salt manufacture

6.5 Competing technologies and substitution risk

Li-ion technology competes with a range of other battery technologies, though the level of competition depends on the end-use application. Overall, the market for Li-ion batteries (114GWh) dwarfs that of other battery technologies, such as NiMH and NiCd batteries, with NiMH estimated to account for around 9GWh, while NiCd batteries account for an estimated 4.4GWh in 2017. The use of NiMH batteries has grown primarily owing to the use of these batteries in hybrid vehicles, such as the Toyota Prius, while the use of NiCd batteries has been in decline as the environmental impact of cadmium has led to sales restrictions and added fees in the EU and USA.

Portable electronics have the highest market penetration for Li-ion battery technologies, accounting for 90% of the market, though some low-cost applications continue to use NiMH and NiCd technologies. In the **power & motive** market a different trend is observed with Li-ion battery technologies having around 36% market share, while lead-acid has a 54% market share. The higher lead-acid market share is the result of lead-acid batteries in many electric scooters in Asia. NiMH and NiCd battery technologies are largely used in power tools.

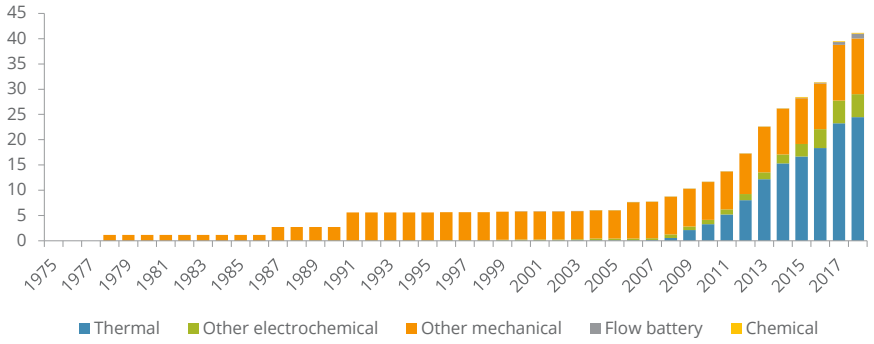
Figure 41: Competing battery technologies in the portable electronics and power & motive space



Source: Roskill

The case of the **ESS** is more complex as there are many different substitutive technologies (pumped hydro, thermal, mechanical, etc.) that compete for the share of electrochemical batteries in energy storage (Li-ion, flow-batteries, etc.). As a result electrochemicals form only a minor share in terms of total GWh in ESS applications, though this is growing rapidly.

Figure 42: Installed grid energy storage, excluding pumped hydro (GWh)



Source: Adapted from Energy Storage Exchange

The share of Li-ion batteries in ESS applications greatly depends on the type of battery ESS system required. As such, there are many types and applications for battery ESS systems in which the suitability of Li-ion depends on the cost, power rating, the discharge time, life cycle and some other key technical parameters.

Table 11: World: Li-ion consumption in the energy storage market, 2017

Device	(% share of Li-ion)
Telecom & UPS	11%
Grid (various)	73%
Off-grid (commercial)	90%
Off-grid (residential)	90%
Total	**41%**

Source: Roskill

The **automotive** market is relatively simple, as the battery technology used depends on the xEV category (electrification level – plug-in/non-plug). In the passenger segment, we could argue that Li-ion in plug-in electric passenger cars (BEV & PHEV) has 100% market share. However, LSEV (Low Speed Electric Vehicles) in China affect this figure, lowering it down to 73%. LSEVs are generally low-cost two-seater cars which predominantly use a lead-acid battery. These LSEV are a phenomena exclusive to China, with some use in Southern Asia because of its lower cost. In the rest of the passenger segment, NiMH is used widely in non-plug hybrids (HEV) although this trend is rapidly changing as automakers switch to Li-ion technologies in new models. In the commercial segment, Li-ion is the most widely used technology with hydrogen fuel cell powered buses taking a marginal share (2%).

The aftermarket of batteries, or the market for replacement batteries, may be considered a fifth segment, albeit overlapping with the aforementioned markets. Typically, the existence of this segment depends on users substituting the batteries of older products; therefore obsolete battery technologies such as NiMH, NiCd and lead-acid are used to some extent.

7. Market balance and prices

7.1 Market balance

There is insufficient sales and stocks data transparency to produce a traditional supply-demand balance for the lithium market as might be possible for base metals or other commodities; however, supply/production and demand/consumption can be used as a guide to explain historical, and predict future, trends in pricing.

From 2000 to 2008, refined production and consumption moved in tandem, and while production exceeded consumption (Figure 43) this likely reflects losses in downstream processing, plus stock movement. In 2009, production fell by 19% while consumption fell by 8%, and producers and consumers both ran down stocks, thus marking the start of a period of stronger disconnect between production and consumption that has lasted through to 2017.

Production growth significantly exceeded consumption growth between 2010 and 2012 as producers and consumers replenished stocks (production therefore being equal to demand, but not actual consumption) following drawdowns in 2009 and the anticipation that consumption would grow at high levels – a prediction which failed to materialise. Over-production in 2010-2012 was compounded by the start-up of Galaxy Resources' Mt. Cattlin mine in 2010 which produced almost 10,000tpy LCE in 2011 and 2012; material that was only converted in 2012 and 2013 as Galaxy's Jiangsu conversion plant in China ramped-up. Excluding Galaxy's mineral output, the lithium market was in over-production by approximately 5,000-15,000tpy LCE from 2010-2012, versus a small deficit in 2009.

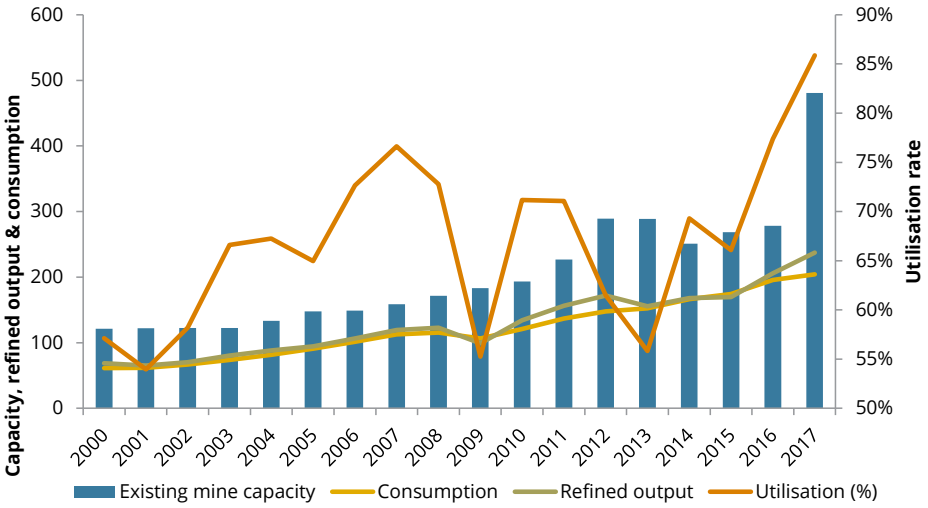
In 2013, another small deficit emerged as SQM's output fell by almost 11,000t LCE, Talison reduced output by almost 7,500t LCE and Galaxy stopped production in Australia; meanwhile, consumption increased by 10%. In 2014, another small deficit was recorded despite production increasing by 8.5%, suggesting the market was still relying on stocks built up in 2010-12. Production growth then stalled in 2015, despite increased capacity as Orocobre's Olaroz operation in Argentina started-up, and with consumption rising by 11% a deficit of almost 21,000t LCE emerged. As prices reacted to the undersupply situation, producers began increasing output, but due to a lag in material supply this was not seen by the market until later in 2016 and the supply chain was still rebalancing into 2017.

Capacity utilisation has fluctuated between 55 and 75% since 2000, but on an individual producer level this has varied widely. The rapid expansion of Chinese mineral and brine capacity, but limited production from it due to technical hurdles and less competitive products to those imported, is one contributing element, as is several expansions by large producers, such as FMC, SQM, Talison and Albemarle, where output has taken a few years to ramp-up beyond previous levels, and often restricted supply in the interim.

It is arguable that the market expected the three new producers – Galaxy, RB Energy (now North American Lithium) and Orocobre – plus expansions by FMC and Albemarle to have been more successful in supplying additional material to the market. However, as demand growth was not as high and prices fell in the early/mid-2010s, these projects ultimately proved to be mistimed. Additional mineral feedstock from Talison to Chinese converters could have potentially filled some of the 2015 supply gap more quickly, as it did in the mid-2000s, but tighter control of sales

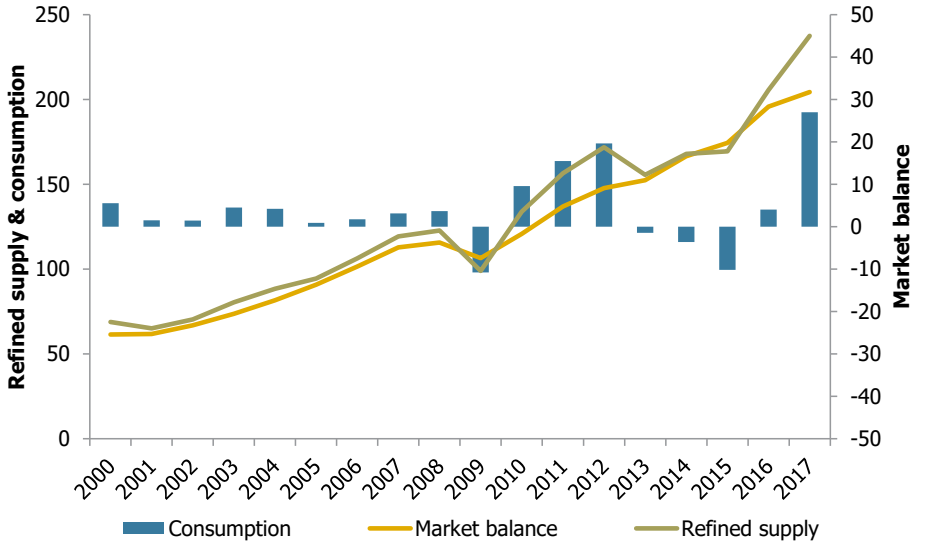
to third-party converters by the new owners Tianqi and Albemarle (the latter faced with delays to expansion in Chile) limited availability of feedstock in China for processing.

Figure 43: Lithium mine capacity, refined production, consumption (000t LCE) and mine utilisation rate (%), 2000-2017



Source: *Roskill estimates*

Figure 44: Lithium market balance, 2000-2017 (000t LCE)



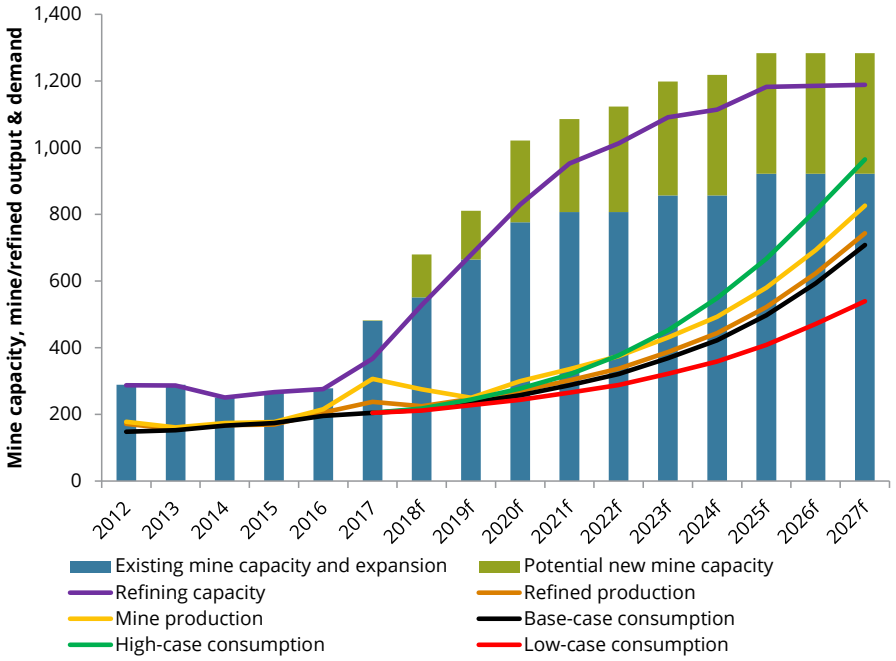
Source: *Roskill estimates*

7.1.1 Outlook

Roskill's base-case forecast projects lithium consumption increasing by 13.1%py through 2027 to reach just over 1.3Mt LCE, a six-fold increase on 2017. However, the growth rate will change over time, with consumption in 2022 expected to be a more modest 50% higher at 321,150t LCE but the accelerating such that 2027 is 100% higher than 2022. Up-side potential and down-side risks occur in this forecast, and could be significant in their impact on lithium consumption. This is because growth in rechargeable battery use in transportation and energy storage markets still remains unpredictable. The optimistic scenario sees consumption rising to 377,450t LCE in 2022 and 965,000t LCE in 2027, for example, while pessimistically it might only hit 288,100t LCE and 540,000t LCE respectively.

The ramp-up and start-up of production at multiple mineral operations in Australia during 2017 and into 2018 is forecast to make mineral operations the dominant source of **lithium mine supply** in the short-term. In 2017, mine production from Australia, largely from the Greenbushes, Mt. Marion and Mt. Cattlin mines, without considering DSO output from Wodgina, climbed by around 82,000t LCE, sending mine production considerably ahead of refined output. Mineral concentrate production is expected to exceed refined lithium demand and the needs of converters in the short-term, which after a period of stockpiling will mean some rationalisation of mineral capacity and/or supply in 2019/20. The contribution from expanded and new lithium brine operations in South America will be more gradual as these operations typically have a steadier ramp-up profile, and is largely integrated into refined production by the major producer-suppliers.

Figure 45: World: Forecast production and consumption of lithium, 2012-2027 (000t LCE)



Source: Roskill forecasts

Beyond 2021, strong demand growth is expected to support additional requirements for mine supply at mineral operations, either processing mineral concentrates internally or supplying materials to mineral conversion plants in China; further supply from brine operations will also be necessary to satisfy demand. Scheduled capacity expansions at existing producers will be insufficient to meet demand well into the mid-2020s. Unless emerging or potential new producers can lock-in supply agreements and financing, they will only account for a small portion of additional mine supply.

Refined lithium supply totalled around 238,000t LCE in 2017 increasing by 14% from the previous year, largely through increased mineral conversion in China. Roskill expects refined output will increase ahead of demand in 2018 and 2019 to restore balance to the market and return confidence after recent shortages. Output is also likely to lead consumption factoring in the supply chain lag to final products; this is particularly relevant given the automotive sector is growing its share of lithium demand

The only downside risk to a controlled market is if Chinese converters aggressively process and supply product to the market; this has been a common theme in other mineral/metal products in China, but not yet seen in lithium. But, given previous delays in project delivery there can be no certainty to this. Any significant over or under supply of refined product will be quickly corrected, although less is certain about the mid-2020s based on rapidly increasing annual demand growth and a current deficit in long-term capacity levels.

Below are outlooks for market balance for lithium under high/low demand scenarios.

Scenario 1: Weaker demand growth leads to oversupply, greater competition, closures or expansion/project delays and lower prices - If demand growth is slower than expected, i.e. follows the low-case, the requirement for additional capacity and supply will be lessened and greater competition may ensue. This would weigh on prices more quickly than expected in the base-case. This scenario is similar to that seen in the early 2010s when demand growth did not increase as expected and projects reached commissioning only to close.

Scenario 2: Stronger demand growth leads to a tight market and higher prices – If demand growth is faster than expected, i.e. follows the high-case, it would incentivise a further increase of mine and refined capacity, firstly by greater mineral production and exports of concentrate to China to allow greater refined output, and then integrated mineral and conversion, and later brine-based operations. Prices would continue to show strong gains in the short-term and remain high to incentivise expedited capacity build out. This scenario is similar to that seen during the mid-2000s and a continuation of the trend witnessed since 2015 when demand accelerated and prices increased.

Lithium carbonate and lithium hydroxide supply are expected to keep pace with demand. An increase in directly produced (from mineral concentrate) hydroxide should appear in the market around 2019, potentially resulting in some temporary oversupply as new plants ramp-up. However, much like refined supply overall, producers are expected to keep supply balanced to demand, and any oversupply will be temporary and balance be quickly restored. Oversupply of lithium carbonate is not expected as the number of new projects directly targeting carbonate production is reducing either as they get delayed or switch to hydroxide. Brine-based carbonate production might increase in the early 2020s, but the ramp-up of brine assets has proven slow and a sudden surge in output is not expected.

7.2 Prices

Lithium product prices respond to variations in supply, demand, and the perceived supply/demand balance, costs and economic factors in a similar way to most other raw materials. The most commonly referenced currency for lithium transactions is the US dollar, although most domestic transactions between Chinese producers and consumers are conducted in the Chinese currency - Renminbi (RMB). The units of measure used in transactions vary from region to region and between product types.

The three most commonly sold finished products are lithium carbonate, lithium hydroxide, and mineral concentrate; each is available in a range of grades designed to meet lithium's diverse range of end-uses. Transactions are negotiated between the producer (or agent / trader) and the consumer to suit individual circumstances. Lithium is not traded on any exchange. Producers of lithium negotiate prices with individual consumers and price information is rarely reported, particularly for downstream lithium chemicals. Commercial payment terms are also negotiated between buyer and seller and can vary widely. Annual or longer contracts were common until the mid-2010s, but have now been supplemented by more frequently negotiated agreements.

Spot prices for lithium have become more widely quoted, especially in China. Although they are not thought to influence contract pricing directly, they do reflect supply/demand of material available off-contract in small volumes, and are therefore a sign of market balance which may later influence contract pricing. Spot prices are generally higher, when the market is good, or lower, when the market is poor, than contract prices. The price profiles quoted by different journals or websites are usually similar over an extended term although they might show a small, consistent offset. These sources publish prices on a weekly, twice-weekly or month-end basis. They quote the low price and the high price that represents what has been the general consensus of industry correspondents who have reported spot transactions for the period. Spot transactions by definition use the spot price to settle. The spot price itself is open to negotiation between buyer and seller according to the perceived market conditions.

7.3 Historical price trends

The main trends over the past two and a half decades (Figure 46) have been:

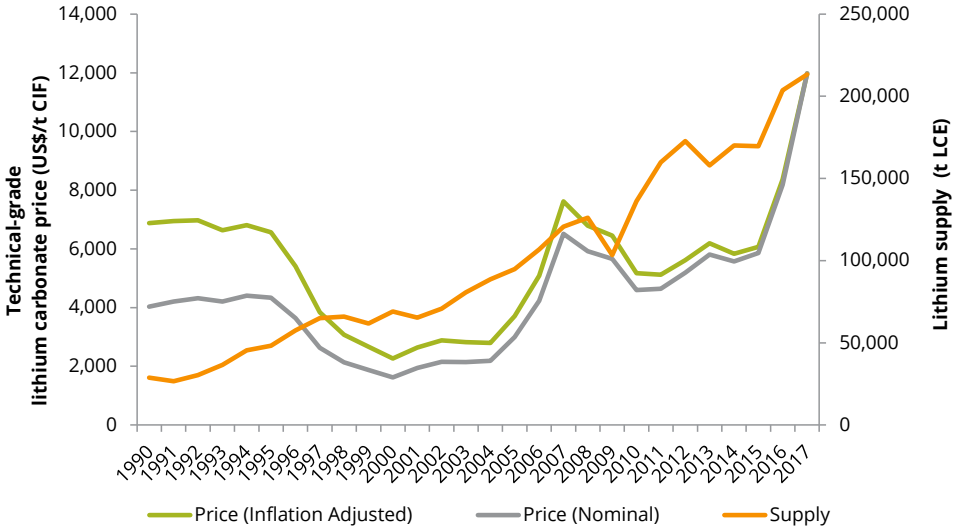
- stable supply and pricing environment until the early-1990s
- a large fall in lithium carbonate prices following the entry of SQM into the market in the late-1990s and its aggressive marketing strategy to gain market share
- a sharp recovery in prices in the mid-2000s due to increased reliance on higher cost Chinese conversion plants for refined lithium products
- a softening of prices during and after the 2008/09 global economic downturn and a partial recovery in 2012 and 2013
- a minor decline in prices in 2014 and a strong surge from 2015 on higher demand growth and tightening supply

In real terms (adjusted for inflation using constant 2017 US dollars), prices for technical-grade lithium carbonate fell from US$6,875/t CIF in 1990 to US$5,875/t CIF in 2015, or -0.6%py. The driver for falling prices in real terms has been the introduction and growth in lower cost

production methods (i.e. brine extraction) in the 1990s, improvements in scale and efficiency, and increased competition. Except for 2017, the peak price of the last 25 years occurred during 2007.

Note: CIF pricing does not always fully capture the value of contracts as some trades will include premiums applied by local sales offices, agents or distributors.

Figure 46: Lithium supply and price, 1990-2017



Source: Supply: 1990-1999 = USGS; 2000-2016 = Roskill data; Prices 1990-1999 = USGS, US domestic price; 2000-2017 = Average values of imports of technical-grade lithium carbonate

Note: Real prices adjusted to constant 2017 US dollars using World GDP deflator data from the International Monetary Fund's World Economic Outlook Database

In 2013 and 2014, the international and China domestic price for lithium carbonate was generally stable at around US$5,600-5,800/t CIF, meaning as spodumene prices were rising, conversion plants were experiencing higher costs but lower margins. In 2013, Talison was acquired by Tianqi Lithium (with a 49% stake sold to Albemarle in 2014) meaning it absorbed the high margin (with cash costs estimated around US$100/t) being made by Talison on chemical-grade spodumene concentrate. Its Chinese competitors, however, saw margins squeezed in 2015 as Talison increased the price to US$430/t but lithium carbonate stayed around US$5,700/t, and this may have kick-started the rise in Chinese domestic prices witnessed from H2 2015, as converters looked to recover higher costs, although strong demand growth also contributed to a tightness in refined product supply.

In 2016, Tianqi and Albemarle reduced the supply of spodumene concentrate from Talison to their Chinese competitors and processed the majority internally (Tianqi) or through tolling agreements (Albemarle). A rise in spodumene concentrate prices to US$560/t in 2016 therefore made little difference to the market; it was feedstock availability alongside continued strong demand growth that catalysed further price rises in China. Feedstock availability spurred Chinese conversion plants to seek alternatives to Talison Lithium, and new sources (RIM at Mt.

Marion, Galaxy at Mt. Catlin and MinRes Wodgina) in Australia delivered feedstock to China in 2017. While these shipments helped partner Chinese conversion plants to produce without reliance on Talison, the volume and lag couldn't prevent a continued squeeze of battery-grade product availability.

7.3.1 Technical-grade lithium carbonate

The average value of imports (CIF) of lithium carbonate into key technical (i.e. non-battery) markets from Chile (and Belgium and Germany as distribution points) can be used as a guide to changes in yearly average contract prices for technical-grade lithium carbonate from SQM and Albemarle, the two major suppliers outside China. Key technical markets include Spain, France, Italy, Turkey, Thailand and China, where lithium carbonate is used in glass, ceramics, glass-ceramic and metallurgical end-uses.

In addition, Industrial Minerals reports monthly spot and contract prices for technical/industrial-grade lithium carbonate on the following basis (since end-2017):

- Min. 99% Li_2CO_3 ex-works China
- Min. 99% Li_2CO_3 CIF China, Japan, South Korea
- Min. 99% Li_2CO_3 DDP Europe & US

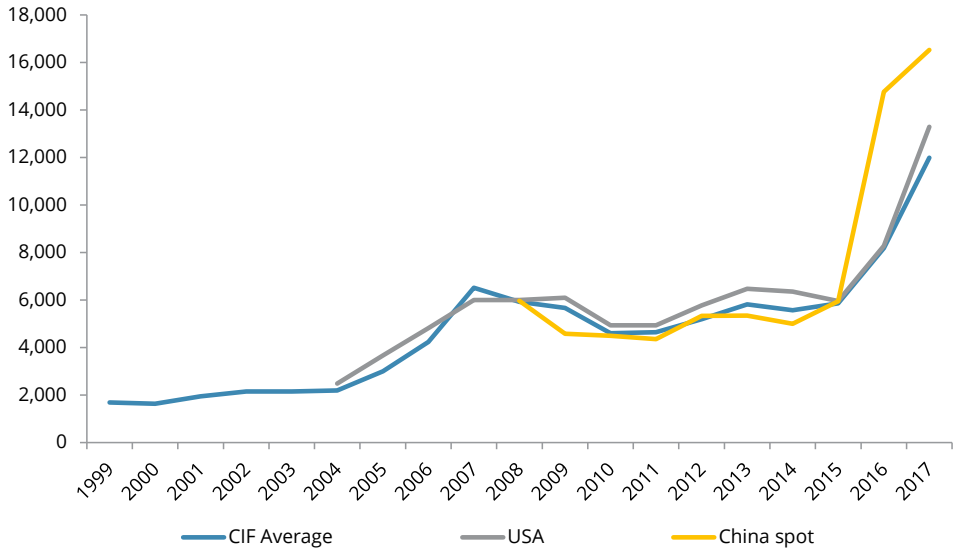
Asian Metal, a China-based news/prices website, also lists average weekly prices for technical-grade lithium carbonate DDP China; these are considered to only represent spot transactions.

The price of domestically-produced technical-grade lithium carbonate (adjusted from DDP incl. VAT to CIF excl. VAT) in China, as reported by Asian Metal, followed a similar trend to average values of imports and US contract prices (adjusted from DDP to CIF), as reported by IM, bottoming at US$3,950/t in May 2011, after which it started to climb rapidly, but plateauing at US$5,555/t in July 2012.

Average CIF prices for technical-grade lithium carbonate reached US$5,700/t CIF in 2013, their highest annual average since 2008, however in 2014 they dipped to US$5,600/t. Average Chinese domestic prices fell by roughly 6% to US$5,000/t and delivered USA prices fell by 2% to US$6,350/t. In 2015, average CIF prices rose to US$6,000/t, while domestic Chinese prices increased to US$5,940/t, however delivered USA prices fell to US$5,950/t. The sharp uptick in Chinese domestic prices was helped by a surge in pricing from October 2015. Average prices in 2015 were now back at 2009 levels.

In 2016, domestic China prices surged on tight availability and averaged US$14,750/t, but delivered USA and CIF average contract prices increased by only 45% to US$8,800/t as longer-term contracts prevented a more immediate price reaction. In 2017, delivered USA and CIF basis contract prices continued to increase rapidly and averaged US$13,280/t and US$12,250/t respectively, 60% higher than 2016. The spread of contract prices has increased, however, with Turkish imports closer to US$9,000/t and Thailand US$14,700/t, up from only US$900/t in 2016.

Figure 47: Average annual contract and spot prices for technical-grade lithium carbonate, 1999-2017 (US$/t CIF)



Source: *CIF = GTT (weighted average imports into Spain, France, Italy, Belgium, turkey, Thailand and China); USA = Industrial Minerals; China = Asian Metal*

Note: *USA and China spot prices have been adjusted from DDP incl. VAT to CIF excl. VAT*

7.3.2 Battery-grade lithium carbonate

The average value of imports (CIF) of lithium carbonate into key battery-grade markets from Chile and Argentina can be used as a guide to yearly average contract prices for battery-grade lithium carbonate from SQM, Albemarle and FMC Lithium. Specifically, the average values of imports into China, Japan, South Korea and Taiwan are key indicators, as these are the locations for major producers of Li-ion cathode materials using battery-grade lithium carbonate. Bill-of-ladings data from China Customs can be used to identify battery-grade contract prices, but Japan, South Korea and Taiwan includes some technical-grade sales that cannot be split out.

Consistent with technical-grade lithium carbonate, average values of battery-grade lithium carbonate imports increased throughout the mid-2000s, peaking at around US$6,400/t CIF in 2008 in Japan and Taiwan. Average values of imports fell sharply to around US$5,100/t in 2010 and were US$4,850/t in 2011. In 2012, the average value of imports reached US$5,025/t CIF Korea, US$5,150/t CIF Japan and US$5,500/t CIF Taiwan. In 2013, prices moved up by around 10%.

Asian Metal started reporting prices for battery-grade lithium carbonate in June 2009, with prices (adjusted to CIF excl. VAT from DDP incl. VAT) falling to around US$3,870/t in early 2011 but averaging US$4,830/t for 2011 as a whole. Prices recovered in 2012, with an annual average price of US$5,583/t and continued to increase in 2013 averaging US$5,836/t, a rise of 5%.

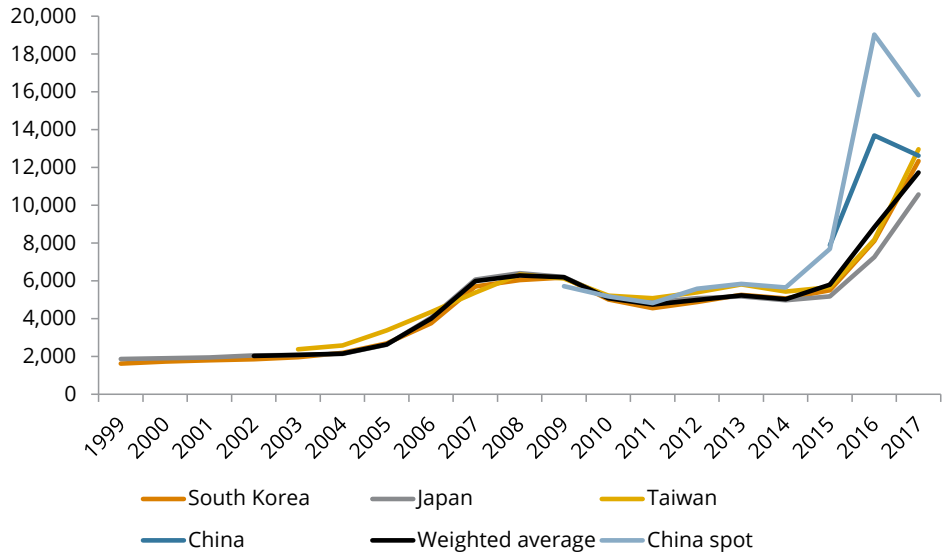
In 2014, domestic China prices averaged US$5,645/t CIF, approximately 3% lower than 2013. Import prices on a CIF Asia basis were also down, by 4%, to US$5,125/t CIF. However, domestic China prices rallied in the second half of 2015, in particular in the last quarter, and averaged US$7,695/t for the year, up 36% on 2014. This compares to an average price of US$5,800/t for China, Japan, Korea and Taiwan, a rise of only 15%.

Spot prices continued rising in China in 2016, averaging US$19,030/t CIF for the year. The sudden spurt of activity in the Chinese spot market since Q4 2015 was a result of: a) reduced availability of spodumene concentrate as more material was kept for conversion by Tianqi (or tolled by Albemarle); b) strong demand from the battery sector following a surge in EV and e-bus output; and, c) speculative activity with an expectation that market tightness would continue and prices would continue rising. Contract pricing elsewhere in Asia also rose in 2016, by 50% to average US$8,835/t for the year. In 2017, contract prices CIF Asia increased by 33% to US$11,730/t, compared to spot prices which fell to US$15,825/t.

In addition to domestic China and CIF Asia pricing, Industrial Minerals reports monthly spot and contract prices for battery-grade lithium carbonate on the following basis (but only since end-2017 meaning a comparison against the other sources on an annual basis is not yet possible):

- Min. 99.5% Li_2CO_3 ex-works China
- Min. 99.5% Li_2CO_3 CIF China, Japan, South Korea
- Min. 99.5% Li_2CO_3 DDP Europe & US

Figure 48: Average annual contract prices for battery-grade lithium carbonate, 1999-2017 (US$/t CIF)



Source: *CIF = Average of Japan, Korea, Taiwan and China (since 2015) imports;; China spot = Asian Metal*

Note: *China spot prices have been adjusted from DDP incl. VAT to CIF excl. VAT*

Spot prices for battery-grade lithium carbonate (>99.5% Li_2CO_3) in China, as reported by Asian Metal, appear to command a premium to technical-grade (>99.0% Li_2CO_3). In 2015, this premium stood at US$745/t, exceeding the previous high of US$371/t recorded in 2009 but which in the intervening period subsided to as low as -US$655/t. The premium increased to US$1,762t in 2017, suggesting tightness in battery-grade over technical-grade supply, but fell to -US$3,510/t in 2017 as the situation reversed.

Comparing average values of imports of battery-grade lithium carbonate in Asia to average values of imports of technical-grade, the latter rose faster and peaked sooner (2007) versus the former (peaking in 2008). From 2009, the premium for battery-grade fell and technical-grade commanded a premium from 2012 to 2015, it then reversed in 2016 but in 2017 flipped back to a discount. This reflects: a) differences in the structure of contracts between producers and consumers for different grades; b) volumes sold as battery market customers become the key buyers and secure larger discounts for large volumes; and, c) increased competition, particularly in Asia, as suppliers look to increase market share in the battery market. Taking the average for 2008-2017, there has essentially been no premium price for battery-grade.

Table 12: Comparison of battery-grade and technical-grade lithium carbonate average annual contract and spot prices, 2008-2017 (US$/t)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
DDP Spot China:										
Technical-grade	-	5,350	5,259	5,086	6,238	6,245	5,846	6,950	17,272	19,336
Battery-grade	-	5,721	5,180	4,830	5,583	5,836	5,645	7,695	19,034	15,826
Premium	*-*	*371*	*-79*	*-256*	*-655*	*-409*	*-201*	*745*	*1,762*	*-3,510*
CIF Contract:										
Technical-grade	5,916	5,663	4,595	4,640	5,191	5,809	5,570	5,796	8,183	11,981
Battery-grade	6,288	6,190	5,086	4,741	4,987	5,229	5,023	5,858	8,833	11,729
Premium	*372*	*528*	*490*	*101*	*-204*	*-580*	*-547*	*-65*	*650*	*-252*

Source: Roskill (contract); Asian Metal (spot)

7.4 Price outlook

Lithium carbonate is the main product produced and consumed in the lithium market, although lithium hydroxide use is growing at a faster rate. Battery-grade lithium carbonate accounted for around 70% of carbonate use in 2017. With this considered, the price of lithium carbonate is the best indicator of changes in market balance, as well as being the benchmark by which most other lithium products are priced, including lithium hydroxide. However, differning contracts and more independent production of lithium hydroxide directly from minerals or brine may change its relationship to carbonate, creating separate fundamentals driving price, however a true divergence from the current lithium hydroxide premium is not likely until the mid-2020s.

7.4.1 Battery-grade lithium carbonate

The commonly held view in the market is that battery-grade lithium carbonate commands a slightly higher price to technical-grade, typically around US$500-1,000/t CIF, reflecting the purification and/or micronizing steps involved for most producers. This is apparent in quoted

spot prices for lithium carbonate published by Asian Metal or Industrial Minerals, for example, but in the analysis of historical contract pricing based on trade flows it is not as clear cut, with battery-grade appearing cheaper than technical-grade over most of the last decade. It is possible, however, that the premium is not observed in trade data as it is applied by agents and distributors acting for the producer or consumer. It is more possible, however, that the structure of contracts benefits battery-grade consumers, possibly as battery-grade end-users now account for a significant proportion of lithium carbonate sales by the major producers, meaning more favourable pricing for large and/or long-term deals. Technical-grade lithium carbonate may instead carry a premium to battery-grade going forward.

Contract prices for battery-grade lithium carbonate in the base-case scenario are expected to peak in 2018 at US$12,500/t CIF Asia but then fall to US$12,000/t in 2019 as more refined supply enters the market. US$12,000/t is expected to be the new floor for average annual contract prices, which assumes demand continues to grow at high rates necessitating incentives for capacity build-out and higher-cost supply. The spread between low and high scenario prices will remain significant in the short and long-term, at US$6,000/t for 2018 growing to US$8,000/t in 2027, such is the uncertainty around timing of new capacity/supply and demand growth. If demand accelerates or capacity/supply lags even the low-case demand projections, then prices may trend higher, but an overcapacity/supply situation, or lower demand growth, could also occur, in which case prices would trend towards the low scenario and be US$8-10,000/t until 2026.

Although new capacity and supply could enter the market to 2020, which could lead to oversupply, Roskill expects delays and ramping issues alongside continued incentives for new capacity to mean prices trending somewhere in the middle of the range, potentially moving closer to the low pricing scenario in late-2010s/early-2020s, but increasing towards the high-case towards the mid/late-2020s when significant annual capacity build out is required (Figure 49 and Table 13).

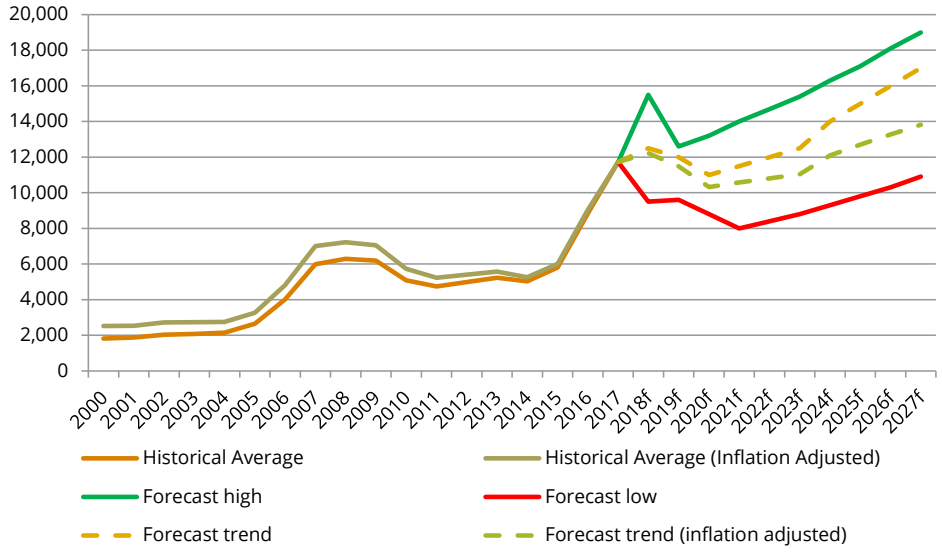
Table 13: Average annual price forecast trend for battery-grade lithium carbonate, 2017-2027 (US$/t CIF Asia)

	Nominal	Real (inflation adjusted)
2017	11,729	11,729
2018	12,500	12,226
2019	12,000	11,485
2020	11,000	10,320
2021	11,500	10,575
2022	12,000	10,810
2023	12,500	11,031
2024	14,000	12,103
2025	15,000	12,703
2026	16,000	13,274
2027	17,000	13,816

Source: *Roskill*

Note: *Nominal forecast rounded to nearest US$500/t. Real prices adjusted to constant US dollars using World GDP deflator data from the International Monetary Fund's World Economic Outlook Database*

Figure 49: Average annual price forecast for battery-grade lithium carbonate, 2000-2027 (US$/t CIF Asia)



Source: *Roskill*

Note: *Real prices adjusted to constant US dollars using World GDP deflator data from the International Monetary Fund's World Economic Outlook Database*

7.4.2 Technical-grade lithium carbonate

Technical-grade lithium carbonate contract prices are expected to follow the same trend as battery-grade, with average prices similar over the long-term (Figure 50 and Table 14).

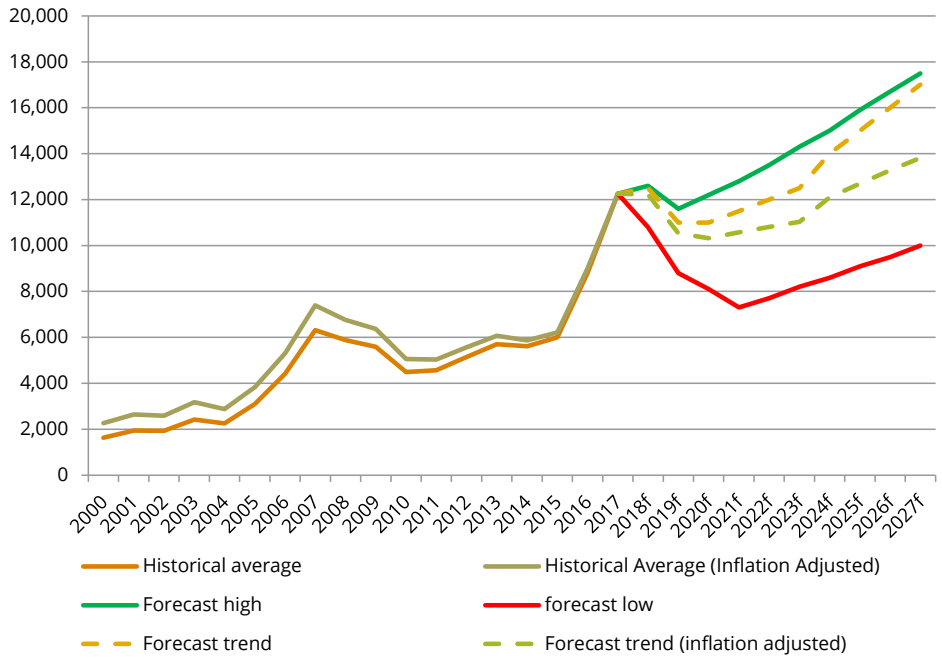
Table 14: Average annual price forecast trend for technical-grade lithium carbonate, 2016-2027 (US$/t CIF)

	Nominal	Real (inflation adjusted)
2017	12,254	12,254
2018	12,500	12,226
2019	11,000	10,528
2020	11,000	10,320
2021	11,500	10,575
2022	12,000	10,810
2023	12,500	11,031
2024	14,000	12,103
2025	15,000	12,703
2026	16,000	13,274
2027	17,000	13,816

Source: *Roskill*

Note: *Nominal forecast rounded to nearest US$500/t. Real prices adjusted to constant US dollars using World GDP deflator data from the International Monetary Fund's World Economic Outlook Database*

Figure 50: Average annual price forecast for technical-grade lithium carbonate, 2000-2027 (US$/t CIF)



Source: *Roskill*

Note: *Real prices adjusted to constant US dollars using World GDP deflator data from the International Monetary Fund's World Economic Outlook Database*

7.4.3 Price risk factors

A number of key factors are likely to affect global commodity markets and, therefore, may impact lithium prices over the coming years. Further, some risk factors unique to the lithium market may also impact the price in the future. Those key factors that underpin the forecasts presented above are presented below:

Global economic growth – The world economy remains fragile, albeit since 2016 there has been an improvement in sentiment if not substance. Chinese growth is slowing and impacting world markets, but not as severely as predicted. While some recovery has been seen in Europe, this remains threatened by uncertainty in certain economies, reforms, and the impact of the increasing calls to halt austerity programs. In North America, cheap shale gas and increased oil output was contributing to growth, and the election of Donald Trump as President has further improved domestic sentiment towards more rapid US GDP growth, however this may be short-lived with protectionism of US industry potentially damaging in the long-run. A Chinese recession before 2020 cannot be ruled out, especially as debt levels continue to soar and this was the catalyst for the last recession in the west in 2008/09, and with it potential demand destruction in lithium and lower prices as witnessed between 2008 and 2011. Roskill has

adjusted its baseline forecasts for all markets to show low/high scenarios should economic growth proceed at lower or higher levels than currently forecast.

Changes to the cost of production (energy and raw materials) – The cost of energy has a major effect on the price of raw materials, especially soda ash (sodium carbonate), as well as lithium production costs (excluding natural brine evaporation) and increasing energy prices impact costs across the supply chain. In addition, the cost of non-energy or less energy intensive raw materials, such as spodumene concentrate and sulphuric acid to Chinese conversion plants, has the ability to impact pricing.

Changes to the cost of production (labour) – Costs of labour are affected by a number of factors including the availability of a skilled workforce, government regulation, training programs, and investment in automation. Such measures will impact the cost of production of individual producers, and the competitiveness of individual countries. Of particular importance for the lithium market is the fact that China, which has historically enjoyed growth underpinned by comparatively low wages, is forecast to see a continued increase in wages over the coming decade. This may be countered by mechanised equipment, requiring less workers, however this equipment will also come at higher costs, increasing the up-front and working capital expensditure required.

Changes to freight costs – High shipping rates can impact consumers' choice of source for raw materials. For example, the cost of importing lithium concentrates or raw materials could be affected by high shipping rates and potentially lead to consumers seeking alternative sources at higher cost. Any increases in oil prices will have an impact on shipping rates. Price risks associated with shipping are mostly upside risks, as shipping rates appear to have reached their fundamental bottom limit, beyond which any shipping would mostly be unprofitable. The dry bulk sector is in the midst of a heavy trough with rates sinking to historic lows at end 2015. The fall was driven by the wide availability of dry bulk tonnage, with many vessels laid-up, and waning demand in the Asia-Pacific region pushing down freight rates. There has been a small recovery in the dry bulk sector in 2017, but this has yet to materially impact costs of lithium, which are approaching historic highs. If lithium prices were to collapse, and freight rates increase as they did in the late-2000s/early-2010s, then freight would have a more pronounced impact on lithium prices, especially spodumene concentrate and DSO. The vast majority of refined lithium product is shipped by container; containerised freight rates are more variable than bulk freight, and are not significant compared to the current price of lithium, however if the latter was to fall and the former rise then freight rates would have a more pronounced impact on refined lithium products.

Changes to exchange rates – Any companies that face costs denominated in their local currency but sell their products in US denominated contracts will be negatively affected by a weakening of the dollar and/or strengthening of their own currency, though most mining companies routinely hedge against exchange rate risk. The impact of the RMB devaluation was clearly seen by Australian, Canadian and South African currencies falling against the US Dollar. A weakened RMB should favour domestic China producers and a weakened US dollar vice versa.

Capital availability – Since the global financial crisis, financial losses on the equity markets have dampened enthusiasm for equity deals, many of which have fallen through. The lack of availability financing and investor interest has disproportionately affected the mining industry, which is highly capital-intensive, and has pushed up the average cost of capital paid by

companies. As a result, potential new lithium projects, exploration programs and expansion plans could sustain delays or cancellations if sentiment in the wider mining sector worsens for example as a result of another global downturn.

Stockpiling – Stockpiling of commodities can lead to increases in prices through shortening the available supply to the market. Conversely, if large stockpiles are made available to the world market, prices are likely to fall owing to excess availability.

Technological developments – Despite some new direct brine extraction technologies being developed, these have yet to be commercialised, and therefore the potential of them making a significant impact on lithium prices remain unknown. In the period to 2026 it is unlikely that enough lower cost capacity could come on stream to fundamentally change the cost position and therefore impact prices. On the demand side, new technological developments and products could impact lithium prices should they require large quantities of lithium. This is potentially the case if the automotive (EV) market or grid/off-grid storage (ESS) market expands rapidly and supply cannot keep pace.

INDEPENDENT EXPERT REPORT

10.0

Independent Technical Review
Lobo Blanco Project
Salta, Argentina

Report Prepared for

Centaur Resources Limited

Report Prepared by

SRK Consulting (U.S.), Inc.
SRK Project Number 522000.010
September 13, 2018

Independent Technical Review
Lobo Blanco Project
Salta, Argentina

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SRK Project Number 522000.010

September 13, 2018

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List of Abbreviations

The metric system has been used throughout this report. Tonnes are metric of 1,000 kilograms (kg), or 2,204.6 pounds (lb) All currency is in U.S. dollars (US$) unless otherwise stated.

Abbreviation	Unit or Term
APVC	Altiplano-Puna Volcanic Complex
ASIC	Australian Securities and Investment Commission
ASX	Australian Stock Exchange
%	percent
°	degree (degrees)
°C	degrees Centigrade
Centaur	Centaur Resources Limited
CP	Competent Person
CSAMT	Controlled source audio-frequency magnetotellurics
Eramine	Eramine Sudamerica S.A.
ha	hectares
IPO	Initial Public Offering
ITR	Independent Technical Review
kg	kilograms
km	kilometer
km/h	kilometers per hour
km^2	square kilometer
kV	kilovolt
lb	pound
Li	Lithium
LSC	LSC Lithium Corporation
m	meter
m.y.	million years
Ma	mega-annum
masl	meters above sea level
mg/L	milligrams/liter
Mg/Li	Magnesium/Lithium
Millennial	Millennial Lithium
mm	millimeter
mm/y	millimeter per year
Mt	million tonnes
MW	mega watts
NI 43-101	Canadian National Instrument 43-101
ppm	parts per million
PR	Press Release
RM	Registered Member
SME	Society for Mining, Metallurgy & Exploration
SRK	SRK Consulting (US), Inc.
Sy	Specific Yield
t	tonne (metric ton) (2,204.6 pounds)
tpa	tonnes per annum

1 Introduction

1.1 Terms of Reference and Purpose of the Report

Centaur Resources Limited (Centaur) has acquired mineral exploration projects in the Salta province of Argentina for the purpose of exploration for lithium (Li) bearing brines. SRK Consulting (US.), Inc. (SRK) has provided an Independent Technical Review (ITR) for Centaur. This report represents a Competent Persons (CP) report and independent assessment of the geology, exploration data and exploration potential of those assets located in Argentina.

SRK understands this report will form part of an Initial Public Offering (IPO) and prospectus document to be lodged with the Australian Securities and Investment Commission (ASIC) for a proposed listing on the Australian Stock Exchange (ASX).

The objectives of this report are to:

- Provide an overview of the regional and local geology of the broader project areas encompassing Centaur's Lobo Blanco Project (the Project);
- Provide an opinion on the exploration potential of the project areas;
- Provide a summary of the current and previous exploration undertaken on and around the project areas; and
- Outline the exploration strategy and proposed work programs.

1.2 Reporting Standard

This ITR has been prepared to the standard of, and is considered by SRK to be, a Technical Assessment Report under the guidelines of the 2015 Edition of the Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets (VALMIN Code).

The VALMIN Code incorporates the 2012 Edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves as published by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC Code).

As per Clause 19 of the JORC Code (for significant projects the reporting of all criteria of sections 1 and 2 of Table 1 on an 'if not, why not' basis is required, preferably as an appendix), the required sections are included in Appendix A.

1.3 Reliance on SRK

SRK is responsible for this ITR, and for all the technical information that has been directly extracted from the ITR and reported in the Prospectus.

SRK declares that it has taken all reasonable care to ensure that the information contained in the ITR and included in the Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

SRK confirms that the presentation of information contained elsewhere in the Prospectus, which relates to information in the ITR, is accurate, balanced and not inconsistent with the ITR.

SRK considers that its opinion must be considered as a whole and, that selecting portions of the analysis or factors considered by it, without considering all factors and analyses together, could create a misleading view of the process underlying the opinions presented in this ITR. The preparation of an ITR is a complex process and does not lend itself to partial analysis or summary.

SRK has no obligation or undertaking to advise any person of any development in relation to the mineral assets which comes to its attention after the date of this ITR. SRK will not review, revise or update the ITR, or provide an opinion in respect of any such development occurring after the date of this ITR.

1.4 Reliance on Information

SRK has relied upon the accuracy and completeness of technical, financial and legal information and data furnished by or through Centaur.

Centaur has confirmed to SRK that, to its knowledge, the information provided by it (when provided) was complete and not incorrect or misleading in any material respect. SRK has no reason to believe that any material facts have been withheld. Whilst SRK has exercised all due care in reviewing the supplied information, SRK does not accept responsibility for finding any errors or omissions contained therein and disclaims liability for any consequences of such errors or omissions.

SRK's assessment of exploration results for the mineral assets is based on information provided by Centaur throughout the course of SRK's investigations, which in turn reflect various technical and economic conditions prevailing at the date of this report. These conditions can change significantly over relatively short periods of time. Should these change materially the assumptions could be materially different in these changed circumstances.

This ITR specifically excludes all aspects of legal issues, marketing, commercial and financing matters, insurance, land titles and usage agreements, and any other agreements and/or contracts Centaur may have entered.

This ITR includes technical information, which requires subsequent calculations to derive subtotals, totals and weighted averages. Such calculations may involve a degree of rounding and consequently introduce an error. Where such errors occur, SRK does not consider them to be material.

1.5 Declaration

SRK will receive a fee for the preparation of this ITR in accordance with its normal professional consulting practices and standard billing rates. This fee is not dependent on the findings of this ITR and SRK will receive no other benefit for the preparation of this ITR. Neither SRK nor any of the authors have any pecuniary or other interests that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the mineral assets opined upon by SRK and reported herein.

Neither SRK nor the Competent Person who is responsible for authoring this ITR, nor any Directors of SRK have at the date of this report, nor have had within the previous two years, any shareholding in the Company, the mineral assets, or any other economic or beneficial interest (present or contingent) in any of the assets being reported on. SRK is not a group, holding or associated company of the Company. None of SRK's partners or officers are officers or proposed officers of any group, holding or associated company of the Company.

Further, none of the Competent Persons involved in the preparation of this ITR is an officer, employee or proposed officer of the Company or any group, holding or associated company of the Company. Consequently, SRK, the Competent Persons and the Directors of SRK consider themselves to be independent of the Company, its directors, and senior management.

In this ITR, SRK provides assurances to the Board of Directors of the Company, in compliance with the Reporting Standard that the exploration potential of the mineral assets as provided to SRK by Centaur and reviewed and, where appropriate, modified by SRK are reasonable, given the information currently available.

1.6 Consent

SRK will give its written consent to the inclusion of this ITR in the Prospectus and all of the information to be contained in the Prospectus, which has been extracted directly from this ITR.

1.7 Qualifications of Competent Persons

The SRK Group comprises over 1,500 staff, offering expertise in a wide range of mining and resource engineering disciplines with 45 offices located on six continents. The SRK Group prides itself on its independence and objectivity in providing clients with resources and advice to assist them in making crucial judgment decisions. For SRK this is assured by the fact that it holds no equity in either client companies/subsidiaries or mineral assets.

SRK has a demonstrated track record in undertaking independent assessments of resources and reserves, project evaluations and audits, Competent Persons' Reports, Mineral Resource and Ore Reserve Compliance Audits, Independent Valuation Reports and independent feasibility evaluations to bankable standards on behalf of exploration and mining companies and financial institutions worldwide. SRK has also worked with a large number of major international mining companies and their projects, providing mining industry consultancy service inputs. SRK also has specific experience in commissions of this nature.

This ITR has been prepared based on a technical and economic review by a team of consultants sourced from SRK office in Denver, Colorado, USA. These consultants have extensive experience in the mining and metals sector and are members in good standing of appropriate professional institutions. The consultants comprise specialists in the fields of: geology and resource estimation; hydrogeology; project development and project evaluation.

Mr. Pablo Cortegoso, Civil Engineer, M.Eng. Civil Engineering, has compiled and reviewed the information included in this Report. Mr. Cortegoso is a full-time employee of and Senior Consultant (Civil Engineer) at SRK's Denver office. Mr. Cortegoso is a Civil Engineer with over 8 years' experience in the mining industry, focused on lithium brines projects. Mr. Cortegoso undertook the site visit to the Project in May 2018.

The Competent Person who has overall responsibility for the peer review of this ITR is Mr. Cristian Pereira Farias, Geologist, who is a Senior Consultant at SRK's Denver office. Mr. Pereira is a Geologist, specialized in Hydrogeology, with over 17 years' experience in the mining industry. Mr. Pereira Farias is a Registered Member (RM) of the Society for Mining, Metallurgy & Exploration (SME). As such he qualifies as a Competent Person as defined in the JORC Code (2012).

2 Overview of Centaur

Centaur is a pure-play lithium explorer whose business involves identifying, securing, acquiring and development of promising lithium projects in South America. Centaur aims to establish itself as a low-cost producer of lithium products. Phase 1 of Centaur's business plan is to develop the Lobo Blanco project at the Salar de Pastos Grandes with an aim of constructing a 1,200 tonnes per annum (tpa) Lithium Carbonate Plant at the Salar.

In parallel with the work to further define the lithium resource at the Lobo Blanco Project to a greater certainty, Centaur intends to undertake a sales and marketing campaign to build strategic relationships that will ultimately capture market share in the key Asian lithium markets. Phase 2 of Centaur's business plan is to achieve safe, reliable, low cost production at commercial levels of both lithium carbonate and lithium hydroxide products and exceed customer expectations in terms of product delivery, quality, and support. Centaur is targeting commercial levels of production of 25,000 tonne (t) of Lithium Carbonate and 8,000 t of Lithium Hydroxide.

3 Property Description and Location

3.1 Property Location

The Lobo Blanco Project, 100 percent (%) owned by Centaur through its wholly-owned subsidiary, is located in the Salar de Pastos Grandes Basin, Province of Salta, Argentina (Figure 3-1 and Figure 3-2).

Figure 3-1: Lobo Blanco Project Regional Location

Figure 3-2: Lobo Blanco Project Location - NW Argentina

3.2 Property Description

Centaur has entered into agreements to acquire a 100% interest in the project from several project vendors comprising of 11,036 hectares (ha) located in the Pastos Grandes Basin. The Project comprises a tenement package consisting of the properties shown in Figure 3-3 and summarized in Table 3-1.

Figure 3-3: Lobo Blanco Project Claims

Table 3-1: Lobo Blanco Project Claims List

Name	Area (hectares)	File Number
Alma Fuerte	1,000	18.792
Barreal 1	2,686	22.878
Barreal 3	1,534	22.879
Barreal2	414	22.880
Fortuna II	321	20.120
Graciela	299	6.189
La Relojera	1,999	22.820
Patovica I	257	20.902
Roberta	2,525	23.089
Total Lobo Blanco Project	**11,036**	

3.3 Mineral Titles

SRK did not verify mineral titles on these properties. Centaur's legal advisor, Estudio Béccar Varela, provides and independent view of judicial/mining files as described in the Prospectus.

4 Accessibility, Climate, Local Resources, Infrastructure and Physiography

4.1 Accessibility and Transportation to the Property

The Project is accessible from the city of Salta through the town of San Antonio de Los Cobres via National Highway 51, and then through a secondary gravel road (all-weather provincial Route 129) via the town of Santa Rosa de los Pastos Grandes (Figure 4-1). By road the distance from Salta to the property is approximately 250 kilometers (km), which is a driving time of four to five hours.

Source: Google Earth

Figure 4-1: Road Access to Lobo Blanco from Salta City

From Antofagasta, Chile, the access is via the Pan-American Highway 5N 70 km to Baquedano, proceeding east along Routes 365, 367 and 23 for some 300 km to the Paso de Sico international pass. From Sico, the shorter access to the project site is 130 km via routes RN-51, RP-127 and RP-129 through Cauchari and Estación Pocitos.

4.2 Topography, Elevation and Vegetation

The Altiplano-Puna region is the second largest high-altitude plateau in the world and is the location of numerous brine bodies containing elevated concentrations of lithium among several other specific elements of economic interest (Houston 2011). The Puna is a depression in altitude with a general elevation of 3,800 m above mean sea level (masl), surrounded by high mountains. The region is furrowed by a series of mountain ranges that are fault blocks which rise to 1,000 to 2,000 m above the average elevation of the Puna. Short drainage areas separate these ranges, most of which have a Salar in the depressions.

The present-day Salar de Pastos Grandes comprises an area of some 21 square kilometers (km^2) of mostly flat sandy-silty salt crust. The surface is disrupted over approximately 15% of its area by elevated outcrops of a coarser sand-silt mix. Some have interpreted these outcrops to comprise slightly older Salar sediments that were eroded, yet remained as more resistant "islands". However, the appearance of the outcrops makes it appear more likely that they are a younger, coarser layer, perhaps related to large land/mudslide or climatic event (possibly ice age related), that since being deposited has been dissected, possibly by a recent event that drained the upper surface of the Salar into the Pozuelos basin.

The Salar de Pastos Grandes is typical of the landscape of the Puna region, with a dry climate and scarce to no vegetation. There is an absence of green vegetation, with only relicts or isolated patches in small watering places or mudflats. There are few vulnerable, rare or endemic fauna and flora species.

4.3 Climate

The regional climate, known as "Puna Andean" climate, is characterized by extreme aridity, scarce rainfall which concentrates in summer, low temperatures in winter, large diurnal thermal ranges throughout the year, low cloudiness and very high incident solar radiation. Such a climate is desert climate (significant thermal amplitude on a daily basis) with a distinct continental nature (rainfall in summer), very severe thermo-hygrometric features and insolation and irradiation of great intensity.

The radiation intensity is high due to the lack of humidity, the rarefaction of air and the practically non-existent cloudiness. Strong winds are frequent, sometimes enough to blow sand and dust clouds. These conditions create the high level of evaporation, ranging between 2,500 millimeters (mm) and 3,000 mm annually (an average of 7 to 8 mm daily).

4.3.1 Meteorological Data Sources

Climate data has been collected within and around the Pastos Grandes basin by several organizations. Relevant and available stations can be grouped into two general categories:

- Off-Salar, operated in San Antonio de los Cobres town and in Hombre Muerto Salar (Tincalayu mine), by the Argentinean National Weather Service (Servicio Meteorológico Nacional - SMN); and
- On-Salar, operated within the Salar, by Eramine Sudamerica S.A. during 2011 and 2012.

4.3.2 San Antonio de los Cobres Weather Station

Located 50 km NE of the Project and an altitude of 3,770 masl. Climate parameters are as follows:

- Rainfall: The annual average rainfall is 103.9 mm with the highest occurrence in the period January to March. The annual average maximum recorded is 144 mm.
- Temperature: The annual average temperature is 8.6 degrees centigrade (°C). The period from November to February is the highest monthly average and is in the order of 12 °C, while the coldest month is July at 2.2°C. The maximum and minimum measured temperatures are 27°C and -21°C, respectively. The absolute maximum temperature for the period was 27°C, recorded in December and the absolute minimum -16°C in July.
- Humidity: The Annual Mean Relative Humidity is 43.8%. Monthly Average Maximum Humidity is during July at 58% and the minimum in October at 34%.

- Frost: The average annual frequency of frost days is 223, most frequently between April and October.
- Wind: The wind tends to be very strong in the Puna, with gusts as high as 100 kilometers per hour (km/h) usually occurring between noon and dusk. The strongest winds are recorded in the months of July and August. The prevailing wind direction is from the northwest quadrant, shifting southerly during the mid-summer months.

4.3.3 Hombre Muerto Weather Station

Located in the Tincalayu Mine Weather Station in the NW corner of the Salar del Hombre Muerto, 85 km SW of the Project, at an elevation of 4,010 masl. Climate parameters are as follows:

- Rainfall: The annual median rainfall is 63.8 mm, with the monthly highest rainfall being January with 31.4 mm. During August through November, rainfall is rare. According to recorded data, the month of January has the highest monthly rainfall and averages close to 50% of the annual total. A measurement in February 2014 records exceptionally high precipitation of 144 mm recorded in 4 days. In the Salar del Hombre Muerto, snowfall occurs occasionally in the winter months and rainfall between November and early March.
- Temperature: The average annual temperature is 4.7°C. The warmest months are January and February with an average monthly temperature of 10.9°C and 10.3°C, respectively. The coldest month is July with a monthly average temperature of -28°C. The maximum and minimum mean annual temperatures are 13.9°C and -4°C, respectively. The absolute minimum temperature in January is -10°C and -28°C in July, while the absolute maximum temperature is 26°C and 12°C, respectively.
- Frosts: The average annual frequency of days with frost is on the order of 350 days.

There is no data for humidity or wind from the Hombre Muerto Weather Station.

4.3.4 Pastos Grandes Weather Station

Eramine Sudamerica S.A. collected information with their own weather station, the Eramine Weather Station, located close to their proposed pilot plant at coordinates S24.560009 degrees (°) W-66.696311° and approximately 3,800 masl. The station gathered information every 5 minutes.

Information was collected during April, May, June, August, September, October, November and December 2012 and January to September 2013.

- Temperature: The average annual temperature is 6.3°C. The warmest months are December, January and February with an average monthly temperature of 13.6°C, 11.2°C and 12.9°C, respectively. The coldest month is July with a monthly average temperature of -14.2°C. The maximum and minimum mean annual temperatures are 13.6°C and 0.2°C, respectively. The absolute minimum temperature in January is -1.2°C and -14.2°C in July, while the absolute maximum temperatures are 26.2°C and 14.2°C, respectively.
- Wind: The annual average wind speed recorded in the Salar de Pastos Grandes is 13.8 km/h and the maximum annual rate was recorded in August at 75.6 km/h.
- Atmospheric Pressure: In Salar de Pastos Grandes the annual atmospheric pressure is 963.8 bar. The minimum atmospheric pressure was registered in December at 944.2 bar and the maximum atmospheric pressure was registered in August at 983 bar.

- Humidity: The average annual humidity recorded in the Salar de Pastos Grandes is 23.2%. The minimum humidity was recorded in the months of August and September with 3% and the maximum humidity was recorded in February at 64%.

4.4 Infrastructure Availability and Sources

Santa Rosa de los Pastos Grandes and San Antonio de los Cobres, with populations of 200 and 6,000, respectively are the nearest permanent communities to the Project. Unskilled labor, lodging, fuel and basic supplies may be obtained in San Antonio de los Cobres; also serviced by potable and process water, and railway services.

The 600-megawatt (MW), 375 kilovolt (kV) power line between Salta and Mejillones in Chile runs about 60 km north of the Property. The line was built with the aim to transport energy from Argentina to Chile. In February 2016 the line resumed operation and transports 110 MW from Mejillones (Chile) to the Argentinean Interconnected System. In the event that a power supply to Lobo Blanco is required, a transformer station and a power line of 60 km would be installed off of the main line.

A natural gas line (Gas de la Puna) runs through San Antonio de los Cobres to Estación Salar de Pocitos (Figure 4-2), about 30 km northwest of the Property. At Estación Salar de Pocitos there is an industrial park where a gas distribution pipeline feeds the Mina Fenix (at Salar del Hombre Muerto) and other operations in the Puna being developed. This is also another alternative power supply for a potential lithium operation at Lobo Blanco.

Figure 4-2: Gas de la Puna - Estación Salar de Pocitos

5 History

Rio Tinto through its subsidiary Boroquimica SAMICAF (more recently Borax Argentina) initiated industrial production of borates at the Tincalayu mine at Hombre Muerto in 1954. Borax Argentina also mined borates (colemanite - hydroboracite - ulexite), on the southern and eastern portions of the Salar de Pastos Grandes. These minerals are processed at the Sijes borates plant, presently operated by the local subsidiary of Orocobre Limited.

In 1987, Ulex established borate operations on the south-eastern extension of the Pastos Grandes basin at the Sol de Mañana mine, producing some 1,000 t of colemanite-hydroboracite-ulexite per year.

Tramo SRL has mined borates (colemanite) at the Quebracho property on the southern border of the Salar de Pastos Grandes and common salt (halite, NaCl) on the Salar surface since 2006. Other minor mining groups have also carried out salt exploitation over various properties in the Salar.

In 1979, the Direccion General de Fabricaciones Militares conducted an exploration program covering a number of Salars in the Puna Region, including Pastos Grandes. Their work included mapping and surface sampling, collecting brine samples from the surface, hand-dug pits, and from streams feeding the basin. The samples from the Salar were consistent, return average values of 384 parts per million (ppm) Li for the pit samples, and 327 ppm Li for the surface samples.

During 2011 and 2012, Eramine Sudamerica S.A., while performing an exploration for lithium, studied part of the Salar de Pastos Grandes and carried out geochemical sampling on the superficial and subsuperficial brines. In addition, they completed geophysical surveying, drilling and pumping tests to evaluate lithium contents in the brine of the Salar.

Eramine carried out geophysics surveys including seismic, controlled-source audio-frequency magnetotellurics (CSAMT) and VES, surface geochemical sampling and drilled holes, including core holes and well for pumping tests. In the geophysics program, the SEV in many areas of the Salar was interpreted as indicating thick halite layers at depth, in the core of the Salar with a high content of brine. However, the drilling program was limited to no greater than 160 m depth and did not validate the geophysics interpretations. Eramine suspended their efforts at Pastos Grandes without testing the deeper horizons and later concentrate their efforts on the Centenario-Ratones project.

More recently (2016-2018), Millennial Lithium has performed extensive drilling, sampling and aquifer testing in the center of the Salar for its Pastos Grandes Lithium Brine Project. Millennial's Pastos Grandes Project recently reported a Lithium resource (Measured + Indicated) of 400,000 tons Li Metal in December 2017. More details on the Millennial Lithium Project are provided in Section 12 of this Report.

LSC Lithium (LSC) completed a 4-hole drill program on Salar de Pastos Grandes in Q3 and Q4 2017. The hole locations for the drill program were based on the results of a VES geophysical survey completed by LSC in late 2016. More details on the LSC exploration campaign are provided in Section 12 of this Report.

6 Geological Setting and Mineralization

6.1 Regional Geology

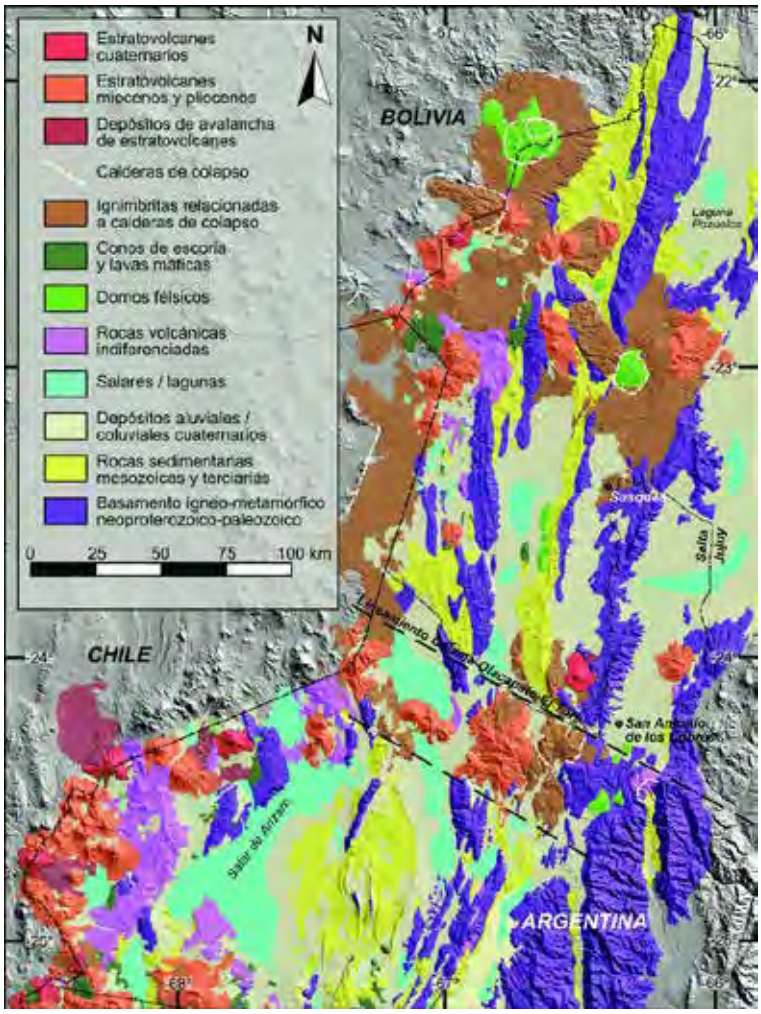
The Altiplano-Puna Region of Northwestern Argentina is part of a tectonically elevated plateau that covers portions of Peru, Bolivia, Chile and Argentina. This plateau, with present baseline elevations of 3,800 to 4,000 m, is called the Altiplano or referred to as the Puna within Argentina. The exposed rock units within this portion of the Puna range from Pre-Cambrian to Present with a number of missing sections and complex structures resulting from a series of major tectonic events. These units are exposed in a series of roughly north-south bands, which are often bounded by faults.

The eastern portion of the Puna is somewhat more deeply eroded, exposing the older Pre-Cambrian and Ordovician meta-sedimentary rocks (Coqueña Formation) at the surface. The Upper Tertiary (Miocene and Pliocene) periods are represented by the Pastos Grandes Group and a series of volcanic units. Quaternary sediments and the sequences within the upper portions of the Salars make up the youngest units on the Puna.

Miocene to recent volcanism, both basaltic, latitic and rhyolitic (bi-modal volcanism) typical of extensional terrains plays a large role in the ultimate concentration of the elements (Li, B, K, etc.) that are ultimately concentrated in both the brines of the Salars and in the clays and silts of the Miocene basins of the Puna. One prominent theory is that these elements are leached over time from the volcanics and are conveyed to these closed basins by the heated waters (warm to hot springs) that leached them from the volcanic units.

Much of the Miocene to present Tectonics that have shaped the Puna and gave it the internal drainage systems seen today is a series of oblique convergent stress with the translation of back-arc extension. This structural setting resulted in a series of strike-slip basins behind (east) of the Cordilleran Volcanic Arc, located along the Argentine–Chilean border (Figure 6-1). These basins are present as late Miocene Basins that are exposed within the Puna and are known to contain Borates (Tincalayu and others). The much younger basins are shown as the Salars and have been present during all of the Holocene and some may have their beginnings as early as the latest Miocene (±5 million years (m.y.)). This small but significant change in basin depocenters and character has its roots in the slight change in vectors through time of both the convergence rates and therefore the slab orientation (dip) as it is subducted. The depocenter movement is also affected by the regional uplift of the entire Puna and the continuing movement along the strike-slip faults to the positions they occupy today.

Many of the faults described below occur as low angle thrust faults and oblique faults bounding this north-south outcrop pattern. During the extension phase of tectonics, a number of high angle normal faults propagated as basin bounding faults and many of these are only evident after the basin configuration is exposed.



Source: Petrinovic et al., 2017

Figure 6-1: Regional Geological Map of the Puna

The dominant structures in the Puna trend N-S to NNE-SSW, are mainly of compressive or transpressive nature, and originated mainly during the Neogene. Other structures are alignments of regional magnitude, transversal to the Andean strike, trending northeast and northwest, along which there are displacements in the strike direction and changes in the orientation of the Neogene folds and faults, as well as aligned volcanic effusions of Cretaceous, Miocene-Pliocene and Quaternary ages. Some of the transversal lineaments have well-documented pre-Cenozoic history, as is the case of the El Toro-Olacapato lineament. South of this lineament, deeper crust levels are exposed in both the Puna and Calchaquenia, suggesting that the pre-Neogene deformation was dominated there by vertical movements, descending northward. Moreover, immediately north of the lineament, the western

border of the Cretaceous rift basin undergoes a marked westward displacement (Gorustovich et al, 2011).

The mountains are formed mainly by the intensely faulted and folded Precambrian- Ordovician basement, and their limbs are limited by inverse faults with high angles and opposite vergence; in other cases, only one limb is faulted, while the other limb is overlapped by Neogene sedimentary rocks. The depressions between the mountains are covered by salt flats, lagoons and occasionally thick mantles of ignimbrite, and their subsurface preserves the sedimentary succession, which often crop out at the margins.

The structural sections located north of the El Toro lineament (Figure 6-1) are located in the western portion of the Cretaceous rift basin. The interpretation of available seismic data shows that there is an appreciable participation of inversion structures in the internal structure of the depressed areas; these structures originated during the Neogene by compressive reactivation of pre-existing extensive structures. It is also noticeable that the degree of inversion and deformation of the Cretaceous-Neogene deposits is much less in the subsurface of the depressions than on the limbs of the mountains (Gorustovich et al, 2011).

The high-angle north-south trending faults form narrow and deep horst-and-graben basin systems. The northwest-southeast trending lineaments cause displacement of the horst-and-graben basins. The El Toro Lineament and the Archibarca Lineament occur in the vicinity of Salars Olaroz, Cauchari, and Rincon. The Olaroz-Cauchari Basin, which contains the Olaroz and Cauchari Salars, is located north of the El Toro Lineament. Salar del Rincón, Salar Salinas Grandes, Salar Pocitos, Salar Pastos Grandes, and Salar Arizaro are located between the El Toro and Archibarca Lineaments.

The structural evolution of the Puna region and the formation of Salars as described by Houston (2010) is summarized below.

6.1.1 Jurassic-Cretaceous

The Andes have been part of an Andean type convergent plate margin since the Jurassic period, with both a volcanic arc and associated sedimentary basins developed as a result of eastward dipping subduction. The early island arc is interpreted to have formed on the west coast of South America during the Jurassic (195-130 mega-annum (Ma)), progressing eastward during the mid-Cretaceous (125 to 90 Ma) (Coira et al., 1982). An extensional tectonic regime existed through the late Cretaceous, generating back-arc rifting and grabens (Salfity & Marquillas, 1994). Marine sediments of Jurassic to Cretaceous age underlie much of the Central Andes.

6.1.2 Late Cretaceous to Eocene

During the late Cretaceous to the Eocene (~78 to 37 Ma), the volcanic arc migrated east to the position of the current Precordillera (Allmendinger et al, 1997). Significant crustal shortening occurred during the Incaic Phase (44 to 37 Ma), (Gregory-Wodzicki, 2000) forming a major north-south watershed, contributing to the formation of coarse clastic continental sediments. Initiation of shortening and uplift in the Eastern Cordillera of Argentina around 38 Ma, contributed to forming a second north-south watershed, with the accumulation of coarse continental sediment throughout the Puna (Allmendinger et al., 1997).

6.1.3 Oligocene to Miocene Volcanism

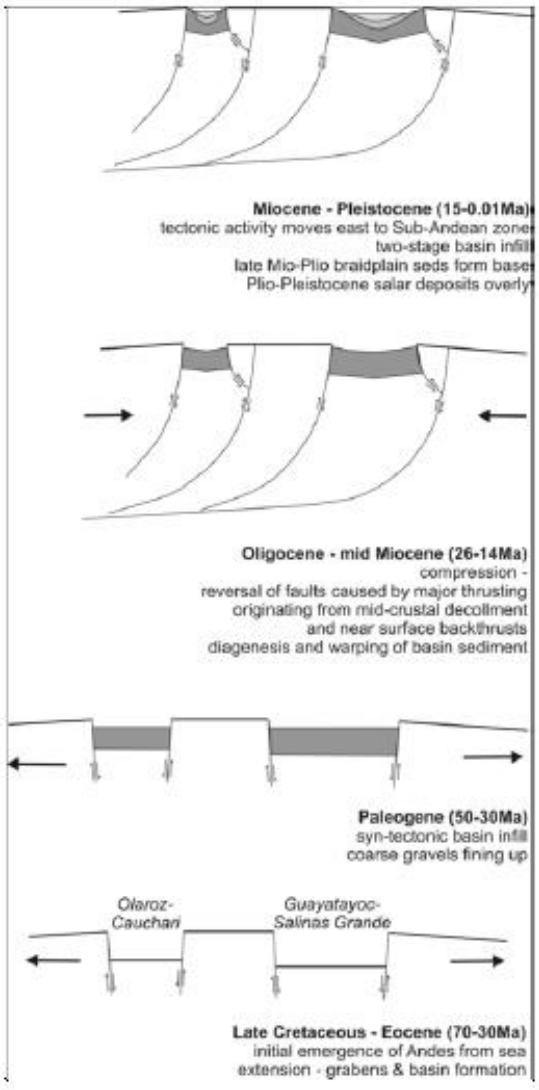
By the late Oligocene to early Miocene (20 to 25 Ma), the volcanic arc switched to its current location in the Western Cordillera. At the same time, significant shortening across the Puna on reverse faults led to the initiation of separated depocenters. Major uplift of the Altiplano-Puna plateau began during the middle to late Miocene (10 to 15 Ma), perhaps reaching 2,500 m by 10 Ma, and 3,500 m by 6 Ma (Garzione et al., 2006). Coutand et. al. (2001) interpret the reverse faults as being responsible for increasing the accommodation space in the basins by uplift of mountain ranges marginal to the Puna Salar basins.

Late Miocene volcanism at 5 to 10 Ma in the Altiplano-Puna Volcanic Complex (APVC) between 21 to 24°S (de Silva, 1989), erupted numerous ignimbrite sheets, with associated caldera subsidence, and the formation of andesitic to dacitic stratovolcanoes. This volcanic activity was often constrained by NW-SE trending crustal mega fractures, which are particularly well displayed along the Calama-Olacapato-El Toro lineament passing to the south of the Cauchari Salar (Salfity & Marquillas 1994; Chernicoff et al., 2002).

The Puna is host to numerous large ignimbrites and stratovolcanoes. Stratovolcanoes and calderas, with associated ignimbrite sheet eruptions, extend as far south as Cerro Bonete and the Incapillo caldera. De Silva et al., (2006) have shown the APVC is underlain by an extensive magma chamber at 4 to 8 kilometers (km) depth. Silicic magmas in the volcanoes Ojos de Salado (W of the Antofalla Salar), Tres Cruces and Cerro Bonete are interpreted to reflect crustal melting and melting in the thickening mantle wedge after the passage of the Juan Fernandez ridge.

It has been suggested by many authors (i.e., Gajardo and Carrasco, 2010; Kay et. al., 2008) that Cenozoic volcanism is the source of the lithium and potassium, which is released into Salar basins from hot springs leaching volcanic sequences. However, little investigation has been undertaken to determine which phases of volcanism are associated with the elevated lithium levels.

A summary evolution of the Puna is shown in Figure 6-2.



Source: Houston, 2010

Figure 6-2: Generalized Structural Evolution of the Puna Basins

6.1.4 Sedimentation

During the early to middle Miocene red bed sedimentation is common throughout the Puna, Altiplano and Chilean Pre-Andean Depression (Jordan & Alonso, 1987). This suggests continental sedimentation was dominant at this time. With thrust faulting, uplift and volcanism intensifying in the mid to late Miocene, sedimentary basins between the thrust sheets became isolated by the thrust bounded mountain ranges. At this stage the basins in the Puna developed internal drainages, bounded by major mountain ranges to the west and east.

Sedimentation in the basins consisted of alluvial fans forming from the uplifting ranges with progressively finer sedimentation and playa sands and mudflat sediments deposited towards the low energy centers of the basins. Alonso et al. (1991) note there has been extensive evaporite deposition since 15 Ma, with borate deposition occurring for the past 7 to 8 Ma. Hartley et al. (2005) suggests Northern Argentina has experienced a semi-arid to arid climate since at least 150 Ma as a result of its stable location relative to the Hadley circulation (marine current). Most moisture originating in Amazonia was blocked due to Andean uplift, resulting in increased aridity in the Puna since at least 10 to 15 Ma.

The high evaporation level in the Puna, together with the reduced precipitation, has led to increased aridity and the deposition of evaporites in many of the Puna basins.

6.1.5 Pliocene-Quaternary

During the Pliocene-Pleistocene tectonic deformation took place as shortening moving east from the Puna into the Santa Barbara fault system. Coincident with this change in tectonic activity, climatic fluctuation occurred, with short wetter periods alternating with drier periods. As a result of both, reduced tectonic activity in the Puna and the predominant arid conditions, reduced erosion led to reduced sediment accumulation in the isolated basins. However, both surface and groundwater inflows into the basins continued the leaching, dissolution, transportation, and concentration of minerals. Precipitation of salts and evaporites occurred in the center of basins where evaporation is the only means of water escaping from the hydrological system. Evaporite minerals (halite, gypsum) occur disseminated within clastic sequences in the Salar basins and as discrete evaporite beds. In some mature Salars such as the Hombre Muerto and Atacama Salars thick halite sequences have formed.

6.2 Local Geology

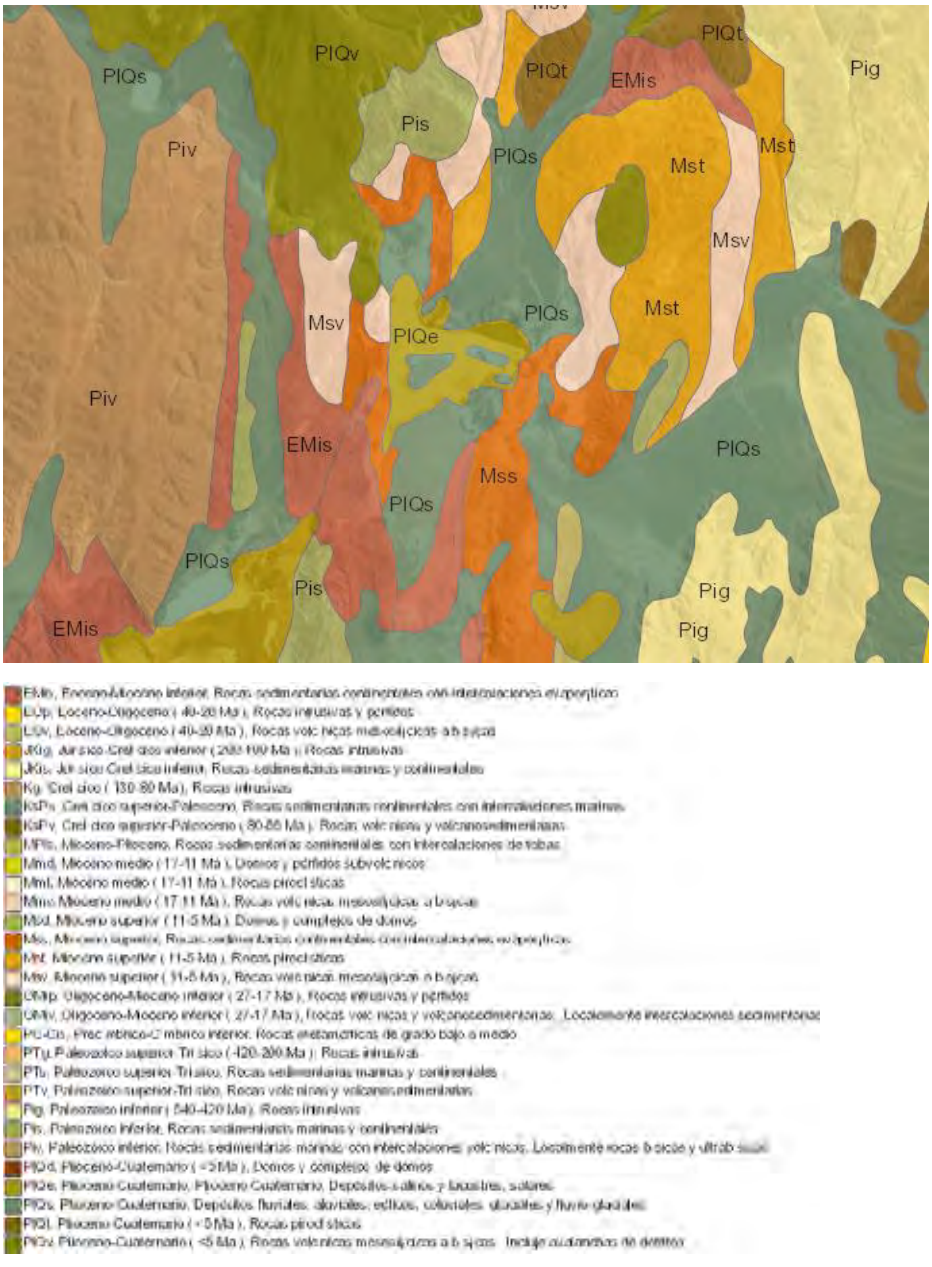
The geology of the Pastos Grandes area (Figure 6-3 and Figure 6-4) is comprised of Precambrian meta-sedimentary units consisting of slates and phyllite rocks of the Puncoviscana Formation and Lower Ordovician turbidites built of shales and sandstone of the Caucota and Copalayo Formations, both intruded by Late Ordovician granitoids and a Tertiary continental sedimentary cover consisting of red-beds, tuffs, halite, borates, gypsum, upper Miocene volcanics built up of dacitic lava flows and subvolcanic intrusions, Miocene dacitic tuffs and ignimbrites of the Tajamar Formation, and Quaternary sediments covering the lower part of the Salar basins and slope deposits, aeolian sandstones (Jordan and Alonso, 1987).

The Salar de Pastos Grandes is the current expression of a larger sedimentary basin, known as the Sijes Basin, developed and deposited from the Miocene. The Sijes formation is represented by sandstone silt, clay, tuff and evaporite such as halite, gypsum, borate and travertine.

The Salar de Pastos Grandes is filled by clastic unconsolidated sediments (clay, sand and silt), organic material and fine-grained sediments. Evaporites are represented by halite, gypsum and ulexite. The age of these sediments is Late Quaternary to Recent and the thickness is unknown. Geological features indicate erosion - dissolution of older rocks and subsidence of the central part of the Salar. The sediments host brine rich in lithium, as demonstrated by Eramine Sudamerica S.A during their 2011 to 2012 campaign.

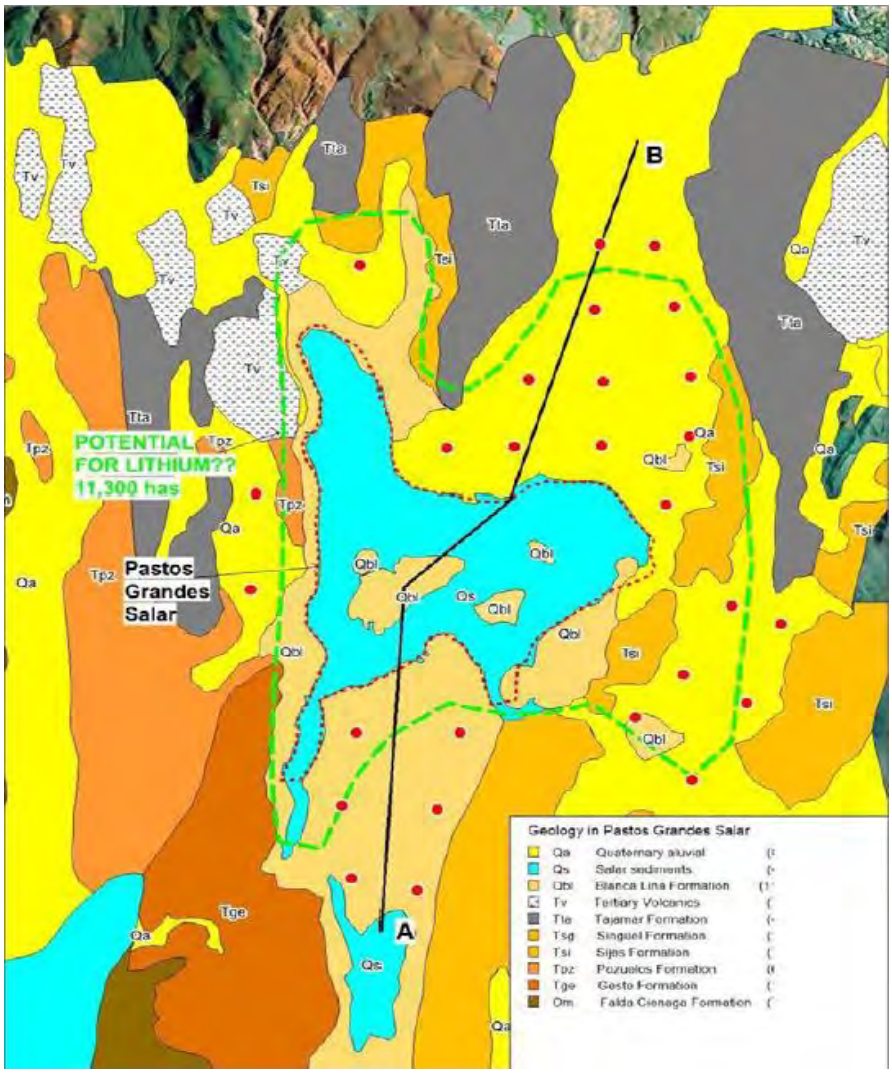
There are several rocky islets and lagoons within the Salar. Salar de Pastos Grandes was previously connected to Salar de Pozuelos by a paleochannel. This channel was broken approximately 1.5 Ma by the reverse fault on the east side of Pozuelos, which resulted in infilling of the Pozuelos basin due

to the uplift of Salar de Pastos Grandes by approximately 200 meters (m) above Pozuelos. The islets in the Salar are the remnants of this major tectonic movement.



Source: SRK edit from SegemAR, 2018

Figure 6-3: Geological Map of the Salar de Pastos Grandes



Source: Sergio Lopez, July 2016

Figure 6-4: Geological Map of the Salar de Pastos Grandes

As described in Hains, 2016, the Salar Pastos Grandes is a triangular shaped basin with a surface area of approximately 25 km^2. The Pastos Grandes drainage basin occupies an area of about 1600 km^2. Drainage is predominately from the eastern and northern slopes of the Nevado de Palermo and Cerro Pastos Grandes. On the eastern side, the main stream is river Ochaqui, which is fed by snowmelt from the Nevado de Palermo. This stream drains into the Salar and also receives water from river Sijes. A small delta has been built up at the outflow of river Olchqui to the Salar. To the north, the main water contributions are from river Pastos Grandes and river Aguas Calientes. Both of these streams are permanent, but stream flow from river Pastos Grandes is greater. Combined, the streams have built up an extensive alluvial fan that enters the Salar near Pastos Grandes lagoon, which is

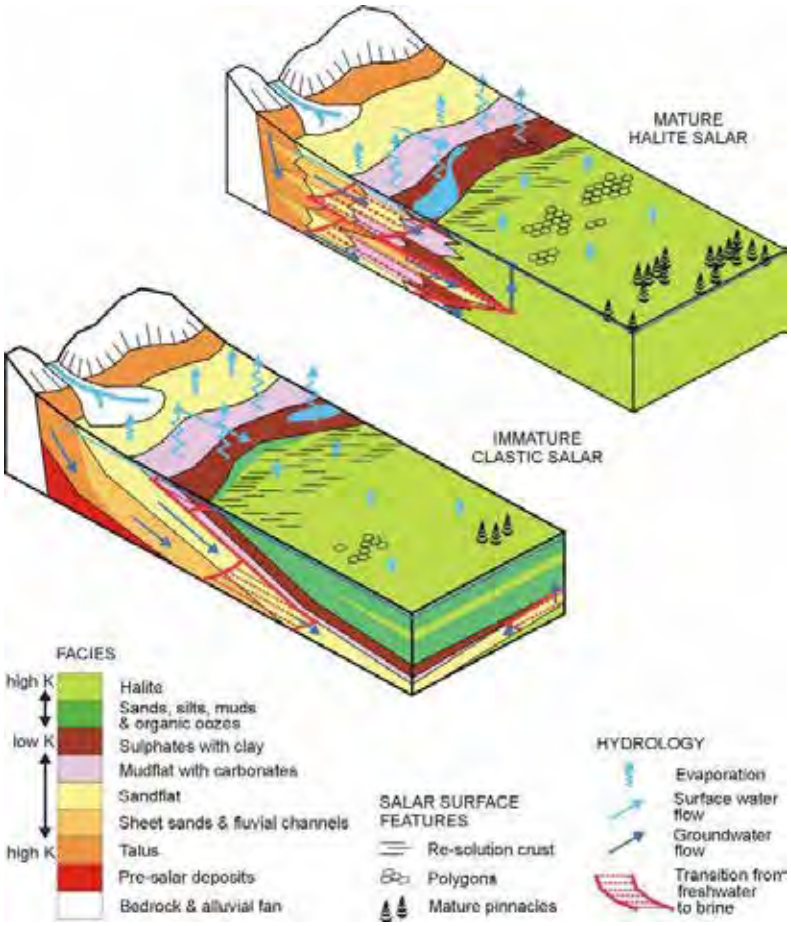
moderately saline. Along with the streams, there are a number of thermal springs feeding the Salar and the combined input results in a near surface water table which inundates broad sectors of the Salar during the wet season.

In the Pastos Grandes region, several parallel north-south structures intercept the Calama-Olacapato-el Toro lineament carrying Upper Miocene-Oligocene acidic-intermediate volcanism and development of large NW to SE trending volcanic structures such as Cerros del Rincon-Tultul-Del Medio-Pocitos-El Queva-El Azufre and the Acay systems. Large ignimbrite fields, major caldera nests, surge pyroclastic fields, as well as hot spring systems have contributed to the flowing of calcium-magnesium and sodium-potassium-lithium and boron anomalous solutions that have concentrated in the basins over time and spaced at different levels and positions of the lagoons and Salars from early Tertiary times.

7 Deposit Type

The Altiplano-Puna, located in the Central Andes of South America at ~13 to 30°S, is one of the only two currently existing high-elevation orogenic plateaus, spanning ~1,800 km north to south and ~200 km to 450 km west to east (e.g. Barnes and Ehlers, 2009). The Puna is the Southern portion of the plateau located at ~22 to 30°S, spanning about 800 km north (N) to south (S). Its relief is characterized by flat endorheic sedimentary basins at an average altitude of 3,700 masl and N to S trending mountain ranges with elevations up to 6,000 masl, both bounded by high-angle reverse faults (Turner, 1972). The Puna is bounded to the east by the Eastern Cordillera mountain chain (up to ~6,500 masl), which acts as a regional barrier to moisture transport from the east and causes arid to hyper arid conditions within the plateau (<200 mm precipitation per year). Miocene evaporitic deposits indicate that endorheic drainage is present in the Puna from about 15 Ma (Alonso et al., 1991; Vandervoort et al., 1995). Stable isotope studies suggest that elevations higher than 3,000 masl and high evaporation/precipitation rates are present from at least 6 Ma (Ghosh et al., 2006; Fiorella et al., 2015). Hence, huge volumes of continental evaporites accumulated in the Puna during Neogene uplift of the Altiplano-Puna plateau (Alonso et al., 1991). Endorheic basins where evaporite deposits are in high proportions are called “Salars” in this report.

The Puna plateau was subdivided in Northern Puna and Southern Puna, northwards and southwards of the Olacapato regional fault zone (Turner 1972; Alonso et al., 1984). The Northern Puna is located at ~22° to 24°S and the Southern Puna locates at ~24° to 30°S. Average elevation and precipitation within the plateau increase from southwest to northeast and hence Salars in the Southern Puna tend to be characterized by dryer climatic regimes than those in the Northern Puna. Houston et al. (2011) recognized two types of Salars in the Puna plateau based on lithology and moisture conditions (Figure 7-1).



Source: Houston, 2011

Figure 7-1: Mature and Immature Salar Classification

7.1 Immature Salars

Lithology is dominated by clastic sediments such as clay, silt and sand with minor interbedded evaporites such as halite, ulexite and gypsum. These Salars tend to be more frequent in the eastern part of the Northern Puna, where wetter climatic cycles seem to have been more frequent than hyper arid conditions during their formation. Hosted brines barely reach halite saturation and slightly wetter conditions (~150 to 200 millimeters per year (mm/y) precipitations) are currently present. A simplified typical geological section of an immature Salar, Salar de Cauchari (Jujuy, Argentina), is shown in Figure 7-2. Relatively coarse grained clastic sediments such as sand beds and lenses, with high drainable porosity (Specific Yield (S_y) up to 20% to 25%), can be present throughout the more than 300 m thick sedimentary sequence and are able to host significant volumes of brine in unconfined and confined aquifers.

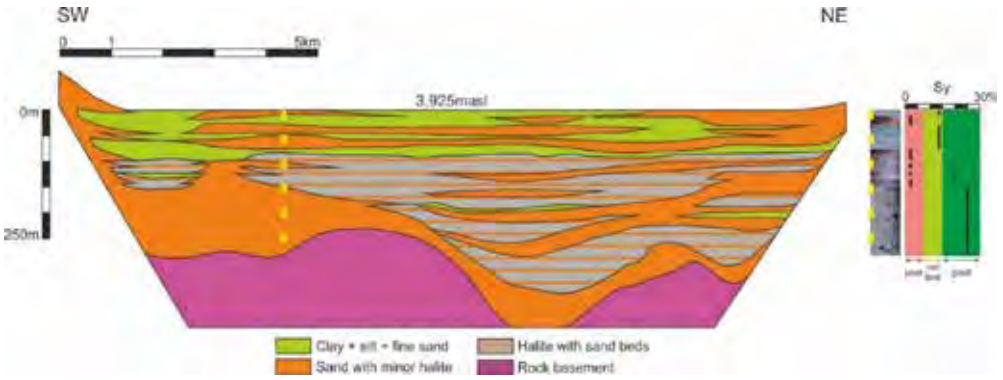


Figure 7-2: Simplified Section of the Salar de Cauchari as a Typical Example of Immature Salar

The Salar de Pastos Grandes is classified as a terrigenous type Salar, immature Salar. Lithium brine bearing deposits are characterized by restricted basins within deep structural depressions in-filled with sediments differentiated as inter-bedded units of clays, salt (halite), sands and gravels. In the Salar de Pastos Grandes, a lithium-bearing aquifer or multiple aquifers developed during arid climatic periods. On the surface, the Salar is presently covered by clay, silt, sand, sodium chloride facies, sulfate, carbonate and borates.

7.2 Mature Salars

The sedimentary sequence is dominated by porous and massive halite with minor beds and lenses of clastic (silt/clay, sand) sediments. Occurrence of this type of Salars is more frequent in the western part of the Southern Puna, which is the lower and drier region of the plateau. A simplified section of a typical mature Salar, Salar del Rincón (Salta, Argentina), is shown in Figure 7-3: Simplified Section of the Salar del Rincón as a Typical Example of Mature Salar. The halite core of mature Salars is typically characterized by a thin upper porous halite layer and a lower thick sequence of massive halite.

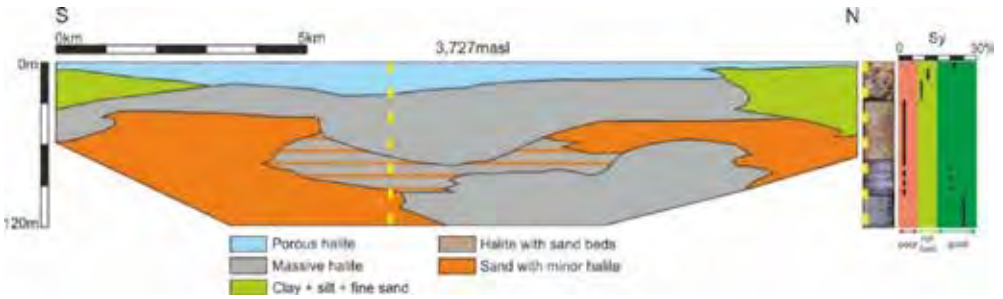


Figure 7-3: Simplified Section of the Salar del Rincón as a Typical Example of Mature Salar

The thin upper 15 to 25 m thick porous halite layer is produced by contact of halite with unsaturated recharge water at the margins of the Salar and shallow circulation of more diluted brine. Hydraulic conductivity of this upper layer is very high and the upper portion is characterized by high S_y and high permeability. At deeper burial depths, pore spaces are completely filled due to diagenetic cementation of halite giving rise to a thick >60 m to 70 m core of massive halite (e.g., Casas and Lowenstein, 1989; Warren, 2010). High S_y sand-dominated beds can be found at the margins and bottom of the Salar.

8 Exploration

To the date of this report, no exploration has been performed within the Project properties; with the exception of one sample taken by Lacus in 2011 in the Alma Fuerte property (Brooker, 2011). The reported mineral content for lithium ranged from 0 to 50 milligrams per liter (mg/L) and 50 to 100 mg/L Li. Wet weather during February 2011 prevented access to and further sampling in the area. SRK has been unable to verify the information contained in the Lacus report. Neighboring projects have performed exploration on their properties as discussed in Section 12.

9 Drilling

To the date of this report, no drilling has been performed within the Project properties.

Neighboring projects have completed drilling programs on their properties as discussed in Section 12.

10 Mineral Processing and Metallurgical Testing

Centaur has engaged Hatch to undertake a conceptual study to determine the feasibility of building a lithium carbonate pilot plant in Argentina. This study will focus on generating capital and operating cost for a single suggested processing route capable of producing 1,200 tpa of lithium carbonate.

The proposed processing method is based on industry standard:

- Pre-treatment of natural brine, concentration of lithium grades by evaporation in artificial ponds;
- Batch treatment with quick lime for magnesium removal and soda ash for calcium removal;
- Concentration of lithium ions to greater than 10,000 mg/L Li in artificial ponds;
- Lithium carbonate production by reacting LiCl with Na_2CO_3; and
- Li_2CO_3 precipitate recovered by centrifugation, purified, and dried.

The conceptual study will produce an estimate with a cost level accuracy of ±50%, using as much standard, off the shelf equipment and instrumentation as possible.

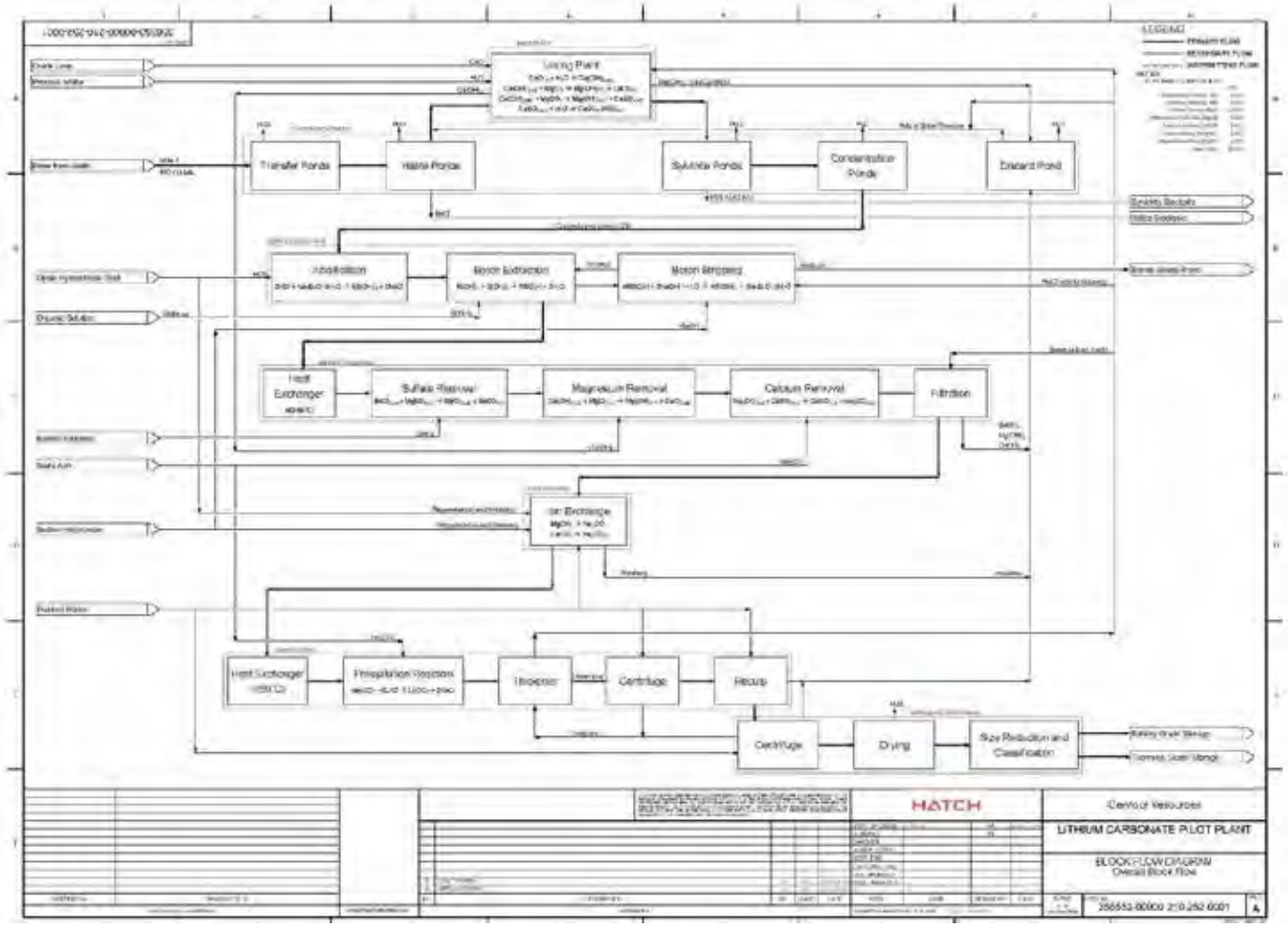


Figure 10-1: Process Flowchart Proposed by Hatch

11 Mineral Resource Estimates

This technical report does not present a Mineral Resource Estimate for the Project.

12 Adjacent Properties

12.1 Millennial Lithium

Millennial Lithium (Millennial) owns the Pastos Grandes Project covering 8,664 has in the Salar de Pastos Grandes (Figure 12-1).

Source: WorleyParsons, 2018

Figure 12-1: Pastos Grandes Project Property Concession Map - Millennial Lithium

Millennial has been working on its Pastos Grandes Project since 2016 and recently published a Preliminary Economic Assessment (WorleyParsons, 2018). The Property exhibits elevated lithium and potassium brines and has been tested by surface geochemical sampling, CSAMT surveying, VES geophysical surveying, diamond coring of boreholes, mud rotary drilling of wells, depth-specific brine and core sampling, and pumping tests at completed wells.

Prior to Millennial Lithium's work, the Salar de Pastos Grandes had been explored by different companies between 2007 and 2012, in exploration programs that included surface sampling, geophysics, and drilling. The main effort in the Property was a 2-year, Phase I exploration program by Eramine Sudamerica S.A. (Eramine) during 2011 to 2012; results were considered by Millennial to be favorable for continued exploration.

Recent Phase II drilling by Millennial demonstrated the extent of brine in the Salar and also indicates that lithium-enriched brine is also found in a large thickness of clastic sediments below the previous maximum depth drilled of 160 m. The current deepest depth-specific brine sample is from a depth of 593 m at Millennial well PGMW17-05c, showing a lithium content of 539 mg/L. Exploration drilling activities by Millennial in support of resource characterization started in 2016 and were completed in November 2017, and included the following:

- Multiple exploration core holes drilled at 11 locations to depths ranging from 154 to 601 m;
- Total drilling of 4,010 m of exploration drilling at the seven polygons used to estimate the Measured, Indicated, and Inferred resources;
- Collection and analysis of 165 depth-specific brine samples, not including duplicates, with an average spacing of about 25 m;
- Analysis of 108 depth-specific core samples and repacked sediment samples for drainable and total porosity testing, with an average spacing of about 40 m;
- One pumping test well, with a total cased depth of 348 m; and
- A 60-hour pumping test at well PGPW16-01 with collection of 20 brine samples during pumping.

Table 12-1 presents averages of lithium and magnesium contents from analyzed samples, and Magnesium/Lithium (Mg/Li) ratio from Phase II drilling and testing.

Table 12-1: Average Lithium and Magnesium Grades for Phase II Drilling and Testing

Hole ID	Total Depth (m)	Avg. Li (mg/L)	Avg. Mg (mg/L)	Mg/Li
PGMW16-01b	355	394	2,443	6.20
PGMW16-02	400	382	2,357	6.17
PGMW17-03	154	277	1,849	6.66
PGMW17-04b	564	535	2,988	5.59
PGMW17-05c	601	541	3,315	6.12
PGMW17-06c	455	453	3,186	7.03
PGMW17-07d	510	425	2,961	6.97
PGMW17-08b	446	460	3,100	6.74
PGMW17-09	595	431	2,904	6.73
PGMW17-10	601	447	2,694	6.03
PGMW17-11	568	401	2,539	6.33
PUMPING TEST PGPW16-01	348	434	3,156	7.28

Montgomery and Associates estimated the Resource for Phase II as shown in Figure 12-2.

Phase II Resource Category	Brine Volume (m^3)	Avg. Li (mg/l)	In situ Li (tonnes)	Avg. K (mg/l)	In situ K (tonnes)
Measured	5.2×10^8	465	240,000	5,009	2,582,000
Indicated	3.8×10^8	418	160,000	4,395	1,687,000
M+I	9.0×10^8	445	400,000	4,747	4,269,000
Inferred	3.5×10^8	469	165,000	4,871	1,711,000

Source: WorleyParsons, 2018

Figure 12-2: Summary of Measured, Indicated, and Inferred Resources for Millennial's Pastos Grandes Project

SRK has been unable to verify the information contained in the Millennial technical report. Mineralization and Resource Estimates reported in the Millennial technical report with respect to Salar de Pastos Grandes may not be representative of mineralization on the adjacent property held by Centaur.

12.2 LSC Lithium Corporation

LSC Lithium Corporation's (LSC) ownership package consists of tenements and applications for tenements covering 2,683 ha (Figure 12-3). LSC acquired the Pastos Grandes Property in 2016.

Source: Hains, 2016

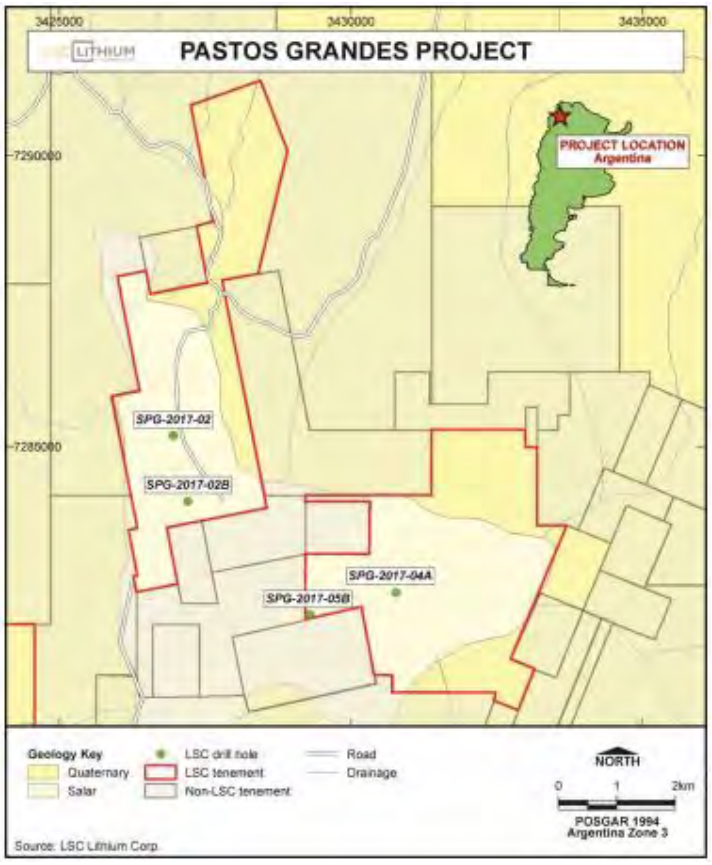
Figure 12-3: LSC Lithium Property Map in Salar de Pastos Grandes

LSC commenced a planned 7-hole drill program on Salar de Pastos Grandes in 3Q 2017. The hole locations for the drill program were based on the results of a VES geophysical survey completed by LSC in late 2016. All planned drill holes had target depths of 400 m. Packer samples and porosity samples (RBRC samples) were being collected as part of the drill program.

On February 21, 2018, LSC reported on a Press Release the following results:

- Drill hole SPG-2017-05B averages 569 mg/L Li over 430 m;
- Peak value of 637 mg/L Li intersected;
- Grade range of between 543 mg/L Li and 637 mg/L Li;
- Mineralization open at depth below 480 m;
- Mineralized footprint extended on the property and remains open all round; and
- LSC is considering combining the potential production from Pastos Grandes with its Pozuelos project, located only 17 km away.

To the date of the PR (last known statement found by SRK for this Project), LSC has completed four drill holes with depth ranging from 121 m to 573 m Drill hole locations shown in Figure 12-4.



Source: LSC, 2018

Figure 12-4: LSC Pastos Grandes Drill Holes Location

As was reported for the previous holes drilled at Pastos Grandes, including SPG-2017-02B1 and SPG2017-04A2, this hole has also returned consistently high lithium grades and is open ended at depth. The Company plans to deliver a Canadian National Instrument 43-101 (NI 43-101) Mineral Resource estimate in Q3-2018 for the project. Drill hole SPG-2017-05B was drilled to complement diamond hole SPG-2017-05A utilizing the tricone method to a final depth of 500 m below surface. The hole is mineralized with lithium throughout and a range of between 543 mg/L Li and 637 mg/L Li and an average of 569 mg/L Li based on packer samples. There are three main lithological units present, being volcanic sands from surface to 35.5 m, halite interbedded with subordinate volcanic and alluvial sands from 35.5 m to 304.75 m (269 m intersection) and thereafter clastics with a volcanic sand component to end of hole at 500 m (195 m intersection). The halite unit averages 585 mg/L Li over 269 m while the lower sand unit averages 550 mg/L Li over 195 m.

The brine chemistry down hole with ratios as follows:

- Mg/Li: 6.7;
- SO_4/Ca: 17.9;
- Mg/Ca: 6.1;
- K/Li: 10.8; and
- SO_4/Li: 19.8.

SRK has been unable to verify the information contained in the LSC Press Release (PR). Mineralization reported in the LSC PR with respect to Salar de Pastos Grandes may not be representative of mineralization on the adjacent property held by Centaur.

13 Interpretation and Conclusions

Although exploration is at a relatively early stage, SRK believes that the Lobo Blanco Project displays potential for advanced exploration and development of lithium resources, taking account of the following observations:

- Lobo Blanco is located in geologically attractive areas for lithium exploration;
- The project has similar characteristics to other lithium brine projects currently being developed nearby to advanced stages of mining technical studies;
- Demonstrated lithium brine mineralization by LSC and Millennial in neighboring projects; and
- Even though being located outside of the main Salar core area, the properties of the Lobo Blanco project may have underlying brine aquifers, potential for lithium brine resources.

A phased approach to further exploration and assessment is recommended by SRK at this stage. Any successive phases of work will rely upon positive results from this initial phase of exploration. SRK has prepared preliminary exploration program and budget for the Lobo Blanco Project in the following Section.

14 Recommendations

14.1 Recommended Work Programs

Further exploration work is proposed to determine the resources of lithium in brine, the effective recovery of brine and the economic viability and subsequent mining and refining operations.

As described in Section 5 and 12, the Salar de Pastos Grandes has been explored for several years by different companies. Therefore, exploration information within the Salar itself is relatively abundant. Since the Lobo Blanco Project sits neighboring the Salar de Pastos Grandes core, SRK has prepared a phased exploration program that will better define the subsurface of the project claims and assess their potential for lithium brines. Summarized proposed tasks for the initial stage (Phase 1) as follows:

- Phase 1 (see Figure 14-1):
  - Surface geophysics to target initial drilling (CSAMT and VES);
  - Core drilling to identify and test potentially productive brine aquifers;
  - Brine and Core sampling;
  - Airlift Testing to determine hydraulic properties;
  - Basic process test works (including lab and field evaporation trials); and
  - Metallurgical testing and environmental permits.

Phase 1 exploration program for the Lobo Blanco Project consists of the activities summarized in below:

- Initial Geophysical Surveys (CSAMT and VES);
- Based on the geophysical survey, drill up to six core holes (at least to depth of 400 m each) exploration core holes for lithium and drainable porosity sampling. Install monitoring wells. (CPW-01 through CPW-06);
- Collect brine and core samples for chemistry and drainable porosity analyses (20 Samples per core hole);
- Conduct airlift tests to determine hydraulic parameters; and
- Evaporation Pond Testing Program.

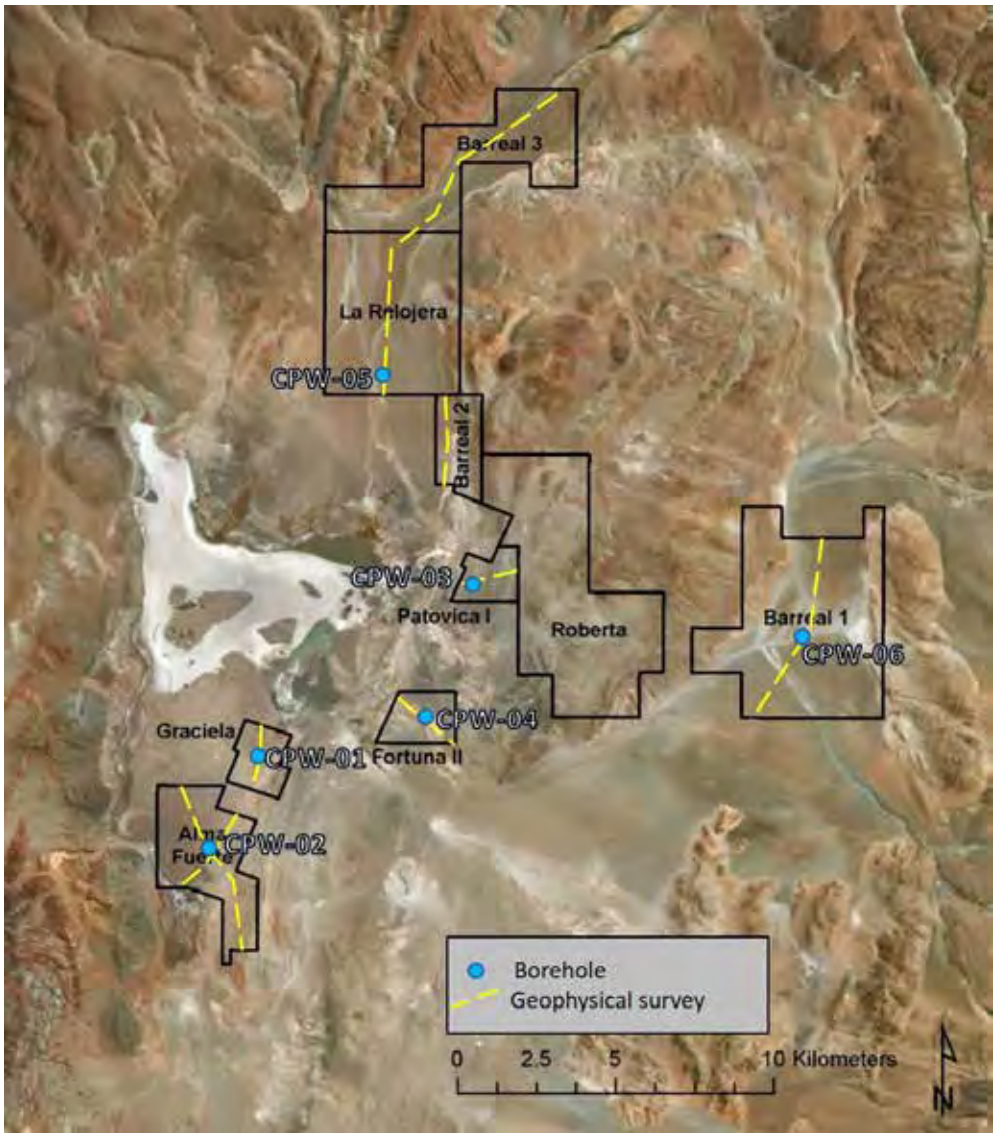


Figure 14-1: Exploration Program for Lobo Blanco Project - Drill Holes and Geophysical Surveys

A follow-up process test work program has been proposed by Centaur. The work program comprises the construction of evaporation ponds and conducting evaporation trials.

At the completion of Phase 1, if successful, Centaur will be in a position to evaluate the property for its potential to host a resource of lithium brines amenable to current extraction and processing methods. Contingent on the Company confirming the presence of lithium brines similar to those encountered in

adjacent and nearby basins, the Company would continue its exploration program with Phase 2 activities as follows:

- Phase 2:
  - Follow up surface geophysics to target resource drilling (CSAMT/TEM, seismic and VES);
  - Follow-on rotary drilling and well construction;
  - Pumping tests; and
  - JORC Resource Estimate.

Phase 2 budget will be estimated after finalizing the Phase 1 exploration program.

14.2 Centaur Work and Expenditure Program

Centaur intends to use a portion of the funds raised from the Offer and its existing cash balance to execute its strategy to systematically explore the Lobo Blanco Project for commercial quantities of lithium.

Centaur has prepared a two (2) year exploration budget assuming both minimum and maximum subscription scenarios under the Offers. The proposed budget is set out in Table 14-1.

Table 14-1: Centaur's Two-Year Exploration Budget

Funds to be completed for Argentinian Property Acquisitions							
	Min Subscription ($12.5 million)				Max Subscription ($15 million)		
	Year 1	Year 2	Total		Year 1	Year 2	Total
Funds to settle the Espinosa Agreement, Sulca Agreement and Leiseca Agreement	**2,660,000**	**-**	**2,660,000**		**2,660,000**	**0**	**2,660,000**
Funds to complete tranche payments for Marmol	**975,000**	**-**	**975,000**		**975,000**	**2,702,703**	**3,677,703**
Exploration Expenditure							
Wages/ Salaries	85,000	85,000	170,000		85,000	85,000	170,000
Geophysical / TEM Survey	350,000	-	350,000		350,000	-	350,000
Metallurgical Testing	112,500	-	112,500		112,500	-	112,500
Drilling Program	755,370	846,490	1,601,860		755,370	1,024,192	1,779,562
Assays	60,000	-	60,000		60,000	-	60,000
Evaporation Field Test	267,400	114,600	382,000		267,400	114,600	382,000
Field Costs and Consumables	75,000	200,000	275,000		75,000	225,000	300,000
Treatment Administration	60,000	36,000	96,000		60,000	36,000	96,000
Total	**1,765,270**	**1,282,090**	**3,047,360**		**1,765,270**	**1,484,792**	**3,250,062**
Expenses of Offer							
Legal Fees	175,000	-	175,000		175,000	-	175,000
Audit Fees	30,000	-	30,000		30,000	-	30,000
ASX Listing Fee	125,000	-	125,000		125,000	-	125,000
Brokerage Fee	1,150,000	-	1,150,000		1,375,500	-	1,375,500
Total	**1,480,000**	**-**	**1,480,000**		**1,705,500**	**-**	**1,705,500**
Sub Total	6,880,270	1,282,090	8,162,360		6,130,770	4,187,495	10,318,265
Working Capital	1,400,199	2,636,805	4,037,004		1,400,199	2,636,805	4,037,004
Total	**8,280,469**	**3,918,895**	**12,199,364**		**7,530,969**	**6,824,300**	**14,355,269**

SRK considers the budgets are reasonable, sufficient to fund the exploration programs towards the various milestones described in this ITR in the next two years. The planned work builds logically on existing results to advance projects towards realistic milestones.

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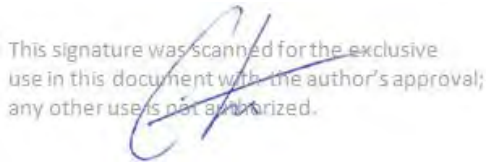
16 Date and Signature Page

Signed on this 13th Day of September 2018.

Prepared by



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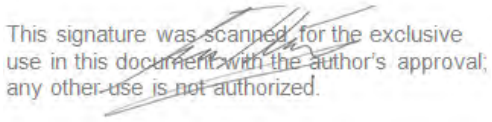


Cristian Pereira Farias, Senior Consultant (Hydrogeology) SME-RM, QP, CP

All data used as source material plus the text, tables, figures, and attachments of this document have been reviewed and prepared in accordance with generally accepted industry practices.

Disclaimer

The opinions expressed in this Report have been based on the information supplied to SRK Consulting (U.S.), Inc. (SRK) by Centaur Resources Limited (Centaur). These opinions are provided in response to a specific request from Centaur to do so, and are subject to the contractual terms between SRK and Centaur. SRK has exercised all due care in reviewing the supplied information. Whilst SRK has compared key supplied data with expected values, the accuracy of the results and conclusions from the review are entirely reliant on the accuracy and completeness of the supplied data. SRK does not accept responsibility for any errors or omissions in the supplied information and does not accept any consequential liability arising from commercial decisions or actions resulting from them. Opinions presented in this report apply to the site conditions and features as they existed at the time of SRK's investigations, and those reasonably foreseeable. These opinions do not necessarily apply to conditions and features that may arise after the date of this Report.

Copyright

Appendix A: JORC Table 1

• JORC Code, 2012 Edition – Table 1 Report Template

• Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Sampling not being reported
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Drilling not being reported
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Drilling not being reported
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Drilling not being reported
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Sampling not being reported
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.*	• Sampling not being reported

Criteria	JORC Code explanation	Commentary
	• *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Sampling not being reported
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Drilling not being reported
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Analysis not being reported
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Not reported
Sample security	• *The measures taken to ensure sample security.*	• Not reported
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Not reported

• Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. • The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	• SRK did not verify mineral titles on these properties. Centaur's legal advisor, Estudio Béccar Varela, provides and independent view of judicial/mining files as described in the Prospectus.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Exploration carried out by Lacus in 2011 in Almafuerte property
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Centaur is primarily exploring for brine aquifers in salars (dried salt lakes) and the geological setting seems suitable for lithium bearing brines in commercial quantities.

Criteria	JORC Code explanation	Commentary
		•
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• Drilling not being reported
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No data aggregation used
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Drilling not being reported
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Sampling not reported
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Sampling not reported
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater,*	• Sampling not reported

Criteria	JORC Code explanation	Commentary
	geotechnical and rock characteristics; potential deleterious or contaminating substances.	
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Phase 1 Exploration: ○ Surface geophysics to target initial drilling (CSAMT and VES); ○ Core drilling to identify and test potentially productive brine aquifers; ○ Brine and Core sampling; ○ Airlift Testing to determine hydraulic properties; ○ Basic process test works (including lab and field evaporation trials); and ○ Metallurgical testing and environmental permits. • A follow-up process test work program has been proposed by Centaur. The work program comprises the construction of evaporation ponds and conducting evaporation trials.

ADDITIONAL INFORMATION

11.0

11.1 Registration

Centaur was incorporated in Queensland, Australia on 4 April 2018 as a public company.

Centaur Holdings was incorporated in Queensland, Australia on 21 June 2017 as a proprietary company limited by shares.

Centaur PG was incorporated and is governed by the laws of Argentina on 22 June 2018 as a wholly owned subsidiary of Centaur Holdings.

11.2 Tax Status

Centaur will be taxed as an Australian tax resident public company. The financial year of Centaur ends on 30 June annually.

11.3 Corporate Structure

Figure 4 shows the corporate structure of Centaur on Completion of the Offer.

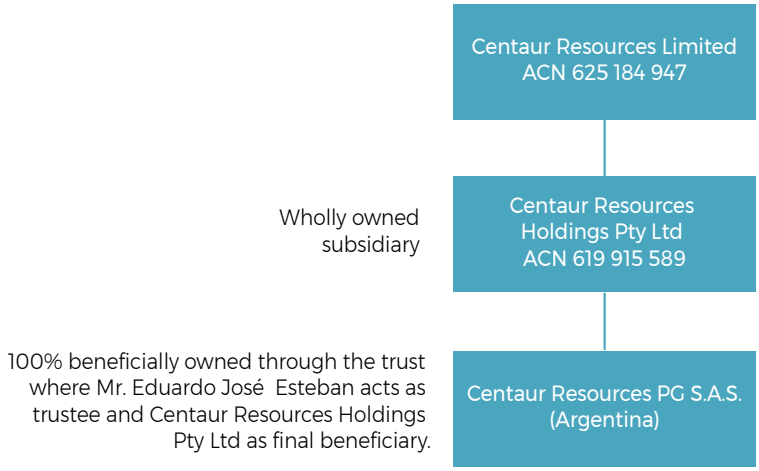


Figure 4: Centaur corporate structure

11.4 Material Contracts

The Directors consider that there are a number of contracts which are significant or material to Centaur or of such a nature that an investor may wish to have details of them when making an assessment of whether to apply for Shares. The main provisions of these contracts are summarised below, or elsewhere in this Prospectus. These summaries do not purport to be complete and are qualified by the text of the contracts themselves.

a. Mandate Agreement

On 8 June 2018, Centaur entered into a mandate agreement with Sequoia Corporate Finance Pty Ltd (ACN 602 219 072 (a Corporate Authorised Representative No 469074 of Sequoia Wealth Management Pty Limited, ACN 002 314 310, AFSL No. 472387) under which Sequoia Corporate Finance was engaged to manage seed capital raisings, to act as lead manager to the Offer under this Prospectus ('**Mandate Agreement**').

The consideration payable under the Mandate Agreement is as follows:

i. the payment of a monthly retainer fee of $20,000 (plus GST) per month, payable until completion or termination of the engagement, which will be deducted from the offer management fee;
ii. the payment of an offer management fee equal to two (2) percent (plus GST) of funds raised under the Offer;
iii. the payment of a brokerage fee equal to five (5) percent (plus GST) of funds raised under the Offer (except those funds raised under the "Chairman's list" of up to a maximum of twenty (20) percent of all funds raised);
iv. the issue of 2,500,000 Shares in Centaur to the Lead Manager at the Offer Price (plus GST);

v. the payment of a success fee equal to $100,000 (plus GST) in cash;
vi. the payment of $10,000 (plus GST) for the establishment and execution of the DVP settlement function; and
vii. the payment of up to $100,000 (plus GST) for marketing, research and administration services organised by the Lead Manager on behalf of Centaur.

Other material terms under the Mandate Agreement include:

i. either party may terminate with or without cause by providing one (1) months' written notice;
ii. granting the Lead Manager a right of first refusal to be engaged as financial adviser for mergers and acquisitions actions, including takeovers;
iii. terms which clarify how the Lead Manager manages internal conflict of interests in relation to Centaur's interests;
iv. an indemnity and release of liability in favour of the Lead Manager and its associates for any loss they suffer in connection with their engagement or the IPO, or any breach of the Mandate Agreement by Centaur;
v. express terms confirming the contractual relationship of the parties is not one of partnership or fiduciary;
vi. obligations of confidence, delivery of information required for the Lead Manager to perform its services and marketing and announcements;
vii. ownership of intellectual property rights developed by the Lead Manager during the engagement are solely owned by the Lead Manager;
viii. warranties that Centaur will comply with applicable laws, has full power to enter into the Mandate Agreement, and is a 'wholesale client' under section 761G of the Corporations Act;
ix. disclaimer that only Centaur can rely on the services provided by the Lead Manager which must not be relied on by any third party;
x. authorisation of the Lead Manager to act on behalf of Centaur in the capacity as financial adviser;
xi. undertakings that Centaur will procure any necessary consents from individuals for their disclosure of personal information to the Lead Manager in connection with their engagement; and
xii. other standard terms for an engagement agreement of this nature.

b. Centaur Trust

On 25 June 2018 Centaur Holdings entered into a trust deed with TMF appointee Eduardo Jose Esteban as trustee, under which the Trustee holds the entire share capital of Centaur PG in a bare trust on behalf of Centaur Holdings.

The key terms of the Centaur Trust are as follows:

i. the Trustee holds all of the right, title and interest in the Centaur PG Shares, in equal shares, on trust for Centaur Holdings absolutely;
ii. The Trustee must:
    a. immediately upon registration of Centaur Holdings to act as a foreign shareholder in Argentina; and
    b. otherwise at any time at the request of Centaur Holdings, transfer the Centaur PG Shares to Centaur Holdings or otherwise deal with the Centaur PG Shares as Centaur Holdings directs, and the Trustees must do all things reasonably required by Centaur Holdings to vest the Centaur PG Shares in Centaur Holdings;
iii. the Trustee irrevocably appoints Centaur Holdings as its agent and attorney for the purpose of effecting the transfer of the Centaur PG Shares to Centaur Holdings as contemplated by the Centaur Trust;
iv. nothing in the Centaur Trust entitles any Trustee to beneficial ownership of the Centaur PG Shares, or operates to deprive Centaur Holdings of the rights of beneficial ownership of the Centaur PG Shares;
v. the Trustee has no authority to mortgage, charge, sell, transfer or otherwise deal with the Centaur PG Shares except as directed by Centaur Holdings;
vi. the Trustee is obliged to deal with the Centaur PG Shares and all benefits derived from the Centaur PG Shares as directed by Centaur Holdings;
vii. Centaur Holdings has the following additional rights under the Centaur Trust:
    a. the right to be provided with any notice of information to shareholders of Centaur PG;
    b. the right to receive any distributions or dividends made or paid to shareholders of Centaur PG;
    c. the right to appoint an individual as Centaur Holdings' attorney to exercise votes attached to the Centaur PG Shares in the manner directed by Centaur Holdings (and neither Trustee is permitted to cast a vote on any resolution at a meeting of shareholders of Centaur PG other than through Centaur Holdings' attorney under the Centaur Trust);

d. the right to appoint and nominate persons to attend and speak, and demand a poll or join in demanding a poll, at a meeting of shareholders of Centaur PG and to consent

e. the power to remove the Trustees and appoint new trustees; and

viii. The governing law of the trust agreement shall be the law of the Argentine Republic. Any dispute arising out of or in connection with the trust agreement, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by the Courts of the City of Buenos Aires, Argentina.

c. Convertible Note Agreements

Centaur has entered into seventy-one (71) convertible note agreements with a face value of $5,543,660 ('**Convertible Note Agreements**'). The funds raised pursuant to the Convertible Note Agreements have been utilized by Centaur to partially pay the purchase consideration under the Acquisition Agreements and funding the working capital costs associated with Listing. The Convertible Note Agreements will convert into 129,500,000 Shares on Listing, representing approximately fifty-four (54) percent of the total issued Shares on Listing at Minimum Subscription and approximately fifty-two (52) percent at Maximum Subscription.

In accordance with the terms of the Convertible Note Agreements, the note holders agree that the Shares issued pursuant to the conversion may be mandatorily escrowed by the ASX for such periods as the ASX requires under the ASX Listing Rules.

Table 19 below is a summary of the Convertible Note Agreements:

Table 19

Number of Convertible Note Agreements	Convertible Note Amount ($)	Aggregated Conversion Ratio	Number of Shares issued upon conversion at Listing
71*	$5,543,660**	4.67	129,500,000

* Includes a Convertible Note Agreement with Mr Clifford. Refer to Section 5.8 for more information. Section 7 sets out details of the financial treatment of the Convertible Note Agreements.

** Centaur has had the Convertible Note Agreements reviewed by an independent third party and given a fair value of $5,870,593. Section 7 sets out details of the fair value movement in relation to the Convertible Note Agreements.

11.5 Substantial Holding

Based on information available to Centaur, table 20 shows the Shareholders (and their associates) who held five percent (5%) or more of the total number of Shares on issue as at the Prospectus Date and the Shares they will hold on Completion of the Offer:

Table 20

Shareholder	Shares held on the Prospectus Date		Shares held on Completion of the Offer (Minimum Subscription)		Shares held on Completion of the Offer (Maximum Subscription)	
Actium Asset Management Pty Ltd ACN 611 832 485 as trustee for the Actium Trust*	23,500,000	54.65%	23,500,000	9.89%	23,500,000	9.4%
JM National Property Pty Ltd ACN 622 637 174 as trustee for Australian Property Trust	-	-	17,569,550	7.40%	17,569,550	7.03%
Brian Anthony Clifford and Lisa Rose-Marie Clifford as trustee for the Clifford Family Trust	7,500,000	17.44%	7,500,000	3.16%	7,500,000	3.00%
Three Monkeys Company Pty Ltd ACN 150 965 745 as trustee for the Milbourne Family Trust	5,000,000	11.63%	5,000,000	2.11%	5,000,000	2.00%
Brendan Scott Raftery	2,500,000	5.81%	2,500,000	1.05%	2,500,000	1.00%

* The Founders' Shares include those held by Actium Asset Management Pty Ltd ACN 611 832 485 as trustee for the Actium Trust.

11.6 Trade marks

Centaur has also filed a trade mark application in Australia for the Centaur logo pictured below:

Figure 5: Centaur logo

Centaur is also in the process of filing a trade mark application in Argentina for the above logo.

11.7 Litigation and claims

As at the Prospectus Date, so far as the Directors are aware, there are no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or government prosecutions of a material nature in which Centaur is directly or indirectly concerned, which is likely to have a material adverse impact on the business or financial position of Centaur.

11.8 Insurance

Centaur has a range of insurance policies in place to manage the risks of its day-to-day business activities.

These policies include professional indemnity insurance, along with workers compensation insurance for all states and territories of operation.

There are additional, more specific policies in place to cover other relevant business risks, including corporate travel and public and products liability cover.

11.9 Taxation considerations

Overview

The comments below provide a general summary of Australian tax issues for Australian tax resident individual shareholders who acquire Shares under this Prospectus and hold their Shares on capital account for Australian income tax purposes.

These comments do not apply to Shareholders that hold their Shares on revenue account or as trading stock, or to non-Australian tax resident Shareholders. They also do not apply to Shareholders that are banks, insurance companies or taxpayers that carry on a business of trading in Shares. These Shareholders should seek their own professional advice.

Tax laws are complex. The comments below are based on the Income Tax Assessment Act 1936 (Cth), the Income Tax Assessment Act 1997 (Cth), the A New Tax System (Goods and Services Tax) Act 1999 (Cth), relevant stamp duty legislation, applicable case law and published Australian Taxation Office and State/Territory Revenue Authority rulings, determinations and statements of administrative practice at the Prospectus Date. The tax consequences discussed below may alter if there is a change to the tax law after the Prospectus Date. They do not take into account the tax law of countries other than Australia.

This summary is general in nature and is not intended to be an authoritative or complete statement of the applicable law. Centaur and its advisers disclaim all liability to any Shareholder or other party for all costs, loss, damage and liability that the Shareholder or other party may suffer or incur arising from, relating to or in any way connected with the contents of this summary or the provisions of this summary to the Shareholder or other party or the reliance on this summary by the Shareholder or other party.

Shareholders should seek professional advice on the taxation implications of holding the Shares, taking into account their specific circumstances.

Dividends on a Share for Australian Tax Resident Shareholders

Dividends distributed by Centaur on a Share will constitute assessable income of an Australian tax resident Shareholder. Australian tax resident Shareholders should include in their assessable income the dividend actually received, together with any franking credit attached to that dividend.

Where the franking credit is included in the Shareholder's assessable income, the Shareholder will generally be entitled to a corresponding tax offset against tax payable by the Shareholder. To be eligible for the franking credit tax offset, a Shareholder must satisfy the 'holding period' rule and 'related payments' rule. This requires that a Shareholder hold the Shares 'at risk' for a continuous period of not less than forty-five (45) days (excluding the days of acquisition and disposal) and that the benefit of the dividend is not passed on within 45 days. Shareholders should seek professional advice to determine if these requirements, as they apply to them, have been satisfied. The holding period rules will not apply to a Shareholder who is an individual whose tax offset entitlement (for all franked distributions received in the income year) does not exceed AU$5,000.

Where a Shareholder is an individual or a complying superannuation entity, the Shareholder will generally be entitled to a refund of tax to the extent that the franking credit tax offset exceeds the Shareholder's income tax liability for the income year.

Where a Shareholder is a company, the Shareholder will generally be entitled to claim a carry forward loss calculated by reference to any excess of the franking credit attached to the Shareholder's dividends over the Shareholder's tax liability for the income year. Shareholders that are companies should seek specific advice regarding the tax consequences of dividends received in respect of the Shares they hold and the calculation of carry forward tax losses arising from excess tax offsets.

Franked dividends received by a corporate Shareholder will generally give rise to a franking credit in the Shareholder's franking account (subject to the Shareholder satisfying the rules outlined above for claiming a tax offset). Special rules apply to Shareholders that are trustees (other than trustees of complying superannuation entities) or partnerships. These Shareholders should seek specific advice regarding the tax consequences of dividends received in respect of Shares held.

Disposal of Shares by Australian Tax Resident Shareholders

The disposal of a Share by a Shareholder will be a CGT event where the Shareholder holds their Share on capital account. The Shareholder will make a capital gain where the capital proceeds received on the disposal of the Share exceeds the cost base of the Share, and will make a capital loss where the reduced cost base of the Share exceeds the capital proceeds from the disposal of that Share. Capital losses may only be offset against capital gains made by the Shareholder in the same income year or future income years. Broadly, the cost base and reduced cost base of a Share will be equal to the amount paid to acquire the Share (including certain other costs, such as incidental costs of acquisition and disposal).

Generally, all capital gains and losses made by a Shareholder for an income year, plus any net capital losses carried forward from an earlier income year, will need to be aggregated to determine whether the Shareholder has made a net capital gain or net capital loss for the year. A net capital gain is included in a Shareholder's assessable income whereas a net capital loss is carried forward and may be available to be offset against capital gains of later years (subject to the satisfaction of the loss recoupment rules for companies).

If a Shareholder is an individual, complying superannuation entity or trust, and has held the Share for at least twelve (12) months or more before disposal of the Share, the Shareholder will be entitled to a 'CGT discount' for any capital gain made on the disposal of the Share. Where the CGT discount applies, any capital gains arising may be reduced by fifty (50) percent in the case of individuals and trusts, and by one-third in the case of complying superannuation entities. Shareholders that are companies are not entitled to a CGT discount.

Where the Shareholder is a trustee of a trust that has held the Share for at least twelve (12) months or more before disposal, the CGT discount may flow through to the beneficiaries of that trust if those beneficiaries are not companies. Shareholders that are trustees should seek specific advice regarding the tax consequences of distributions to beneficiaries who may qualify for discounted capital gains after offering current year or prior year capital losses.

11.10 Tax File Number

A Shareholder is not required to quote their TFN to Centaur. However, if a TFN or exemption details are not provided, Centaur may be required to deduct Australian tax from certain distributions (other than fully franked dividends) at

the maximum marginal tax rate plus the Medicare levy. A Shareholder that holds Shares as part of an enterprise may quote their Australian Business Number instead of their TFN.

11.11 Goods and Services Tax

Shareholders should not be liable for GST in respect of their acquisition or disposal of Shares. No GST should be payable by Shareholders on receiving dividends distributed by Centaur.

11.12 Stamp duty

No Australian stamp duty should be payable by Shareholders in respect of their acquisition or disposal of their Shares. However, Shareholders should obtain their own independent advice depending on their individual circumstances.

11.13 Consents to be named and disclaimers of responsibility

Each of the parties listed in this Section 11.13 of this Prospectus (each a '**Consenting Party**'), to the maximum extent permitted by law, expressly disclaims all liabilities in respect of, makes no representations regarding and takes no responsibility for any statements in or omissions from this Prospectus, other than the reference to its name in the form and context in which it is named and a statement or report included in this Prospectus with its consent as specified below.

Each of the parties listed below have given and has not, before lodgement of this Prospectus with ASIC, withdrawn its written consent to the inclusion of the statements in this Prospectus that are specified below in the form and context in which the statements appear:

a. Sequoia Corporate Finance Pty Ltd ACN 602 219 072 (a Corporate Authorised Representative No 469074 of Sequoia Wealth Management Pty Limited ACN 002 314 310, AFSL No. 472387) has given and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as Lead Manager to the Offer;
b. Crowe Horwath Corporate Finance (Aust) Ltd AFSL No 239170 has given and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as Auditor and Investigating Accountants in the form and context in which it is named and has given and not withdrawn its consent to the inclusion in this Prospectus of its Investigating Accountants' Report in the form and context in which it is included;
c. Ramsden Lawyers has given and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as Australian legal adviser to Centaur in relation to the Offer in the form and context in which it is named;
d. Estudio Beccar Varela has given and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as Argentine Counsel to Centaur in relation to the Legal Tenure Report in the form and context in which it is named;
e. Roskill Consulting Group Ltd has given and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as industry advisor in relation to the Offer in the form and context in which it is named;
f. SRK Consulting (U.S.), Inc has given and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as Independent Expert Geologist to Centaur in relation to its preparation of the Independent Expert Report in the form and context in which it is named; and
g. Computershare Investor Services Pty Ltd has given and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as the Share Registry in the form and context in which it is named. Computershare Investor Services Pty Ltd has had no involvement in the preparation of any part of this Prospectus other than being named as Share Registry to Centaur. Computershare Investor Services Pty Limited has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

11.14 Photographs and diagrams

Photographs and diagrams used in this Prospectus that do not have descriptions are for illustration only and should not be interpreted to mean that any person shown in them endorses this Prospectus or its contents or that the assets shown in them are owned by Centaur. In particular, with the exception of the photographs appearing on the covering pages for Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 13 and 14, all photographs are only included for illustrative

purposes and may not be representative of the Lobo Blanco Project. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise indicated all data contained in charts, graphs and tables is based on information available at the Prospectus Date.

11.15 Governing law

This Prospectus and the contracts that arise from the acceptance of the Applications are governed by the laws applicable in Queensland and each Applicant submits to the exclusive jurisdiction of the courts of Queensland.

11.16 Documents available for inspection

The following documents are available for inspection during normal business hours at the registered office of Centaur:

a. this Prospectus;
b. the Constitution of Centaur; and
c. the consents to the issue of this Prospectus.

12 Directors' Authorisation

This Prospectus is issued by Centaur and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC and has not withdrawn that consent.

Robert Milbourne
Chairman and Non-Executive Director
Centaur Resources Limited

19 September 2018

GLOSSARY

13.0

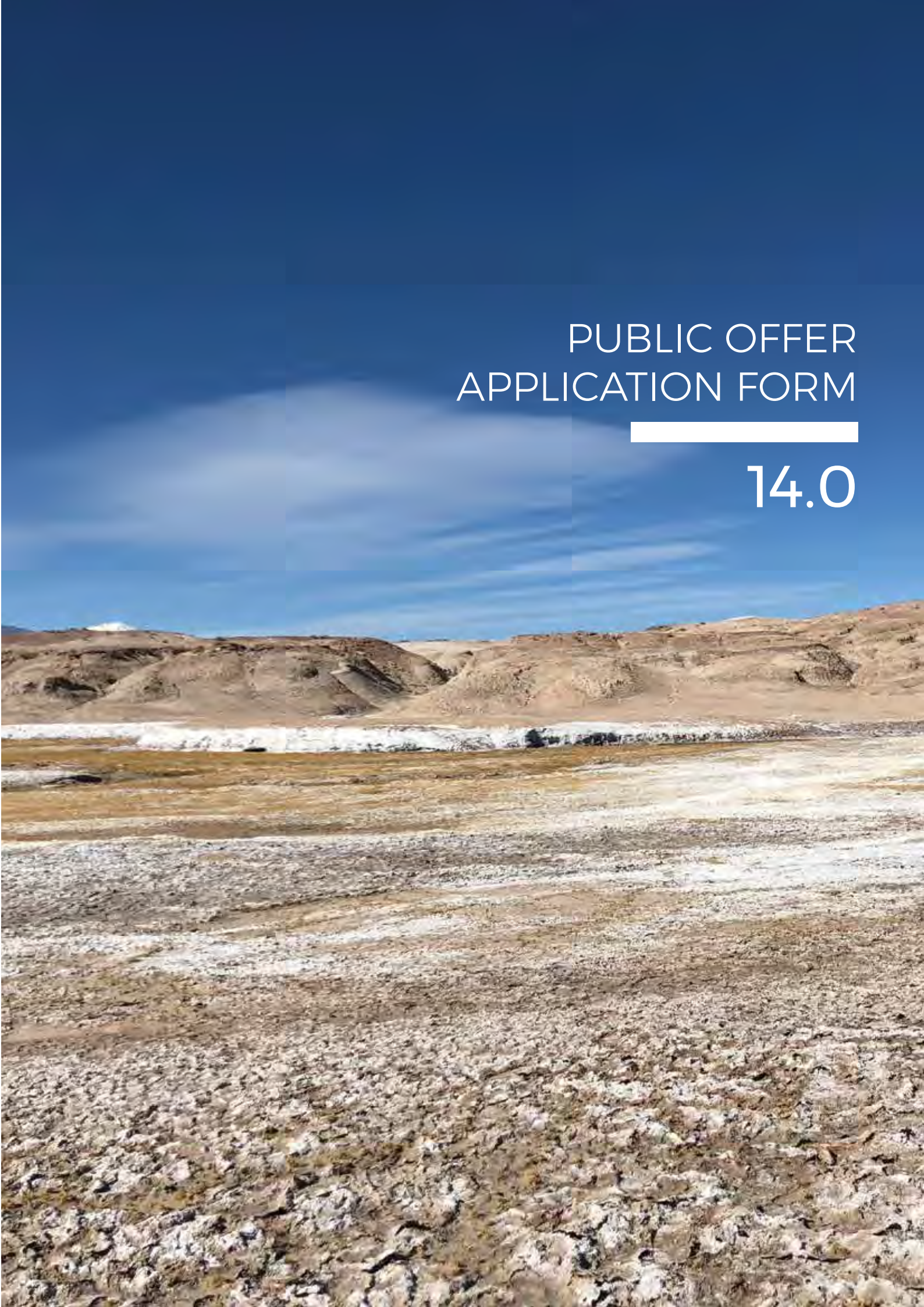
In this Prospectus the following expressions have the meanings set out below:

$	Australian dollars, except where noted as being in US dollars (USD)
Acquisition Agreements	the Mármol Agreement, Espinosa Agreement, Sulca Agreement and Leiseca Agreement.
Applicant(s)	a person who submits an Application Form
Application Form	an application form for Shares attached to or accompanying this Prospectus
Application Monies	the amount accompanying an Application Form submitted by an Applicant
Application(s)	an application for Shares by submitting an Application Form
Argentine Counsel	Estudio Beccar Varela
ASIC	Australian Securities & Investments Commission
ASX	the ASX Limited ACN 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited
ASX Listing Rules	the official listing rules of the ASX
ASX Recommendations	the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (3rd edition)
ASX Settlement Operating Rules	the operating rules of ASX Settlement Pty Ltd ACN 008 504 532
Bankable Feasibility Study	a feasibility study, including estimation of capital and operating costs, in respect of the Pilot Plant
Biller Code	has the meaning given to that term in Section 2.12
Board	the board of Directors of Centaur
Broker Pool Shares	2,500,000 Shares issued to the Lead Manager (or nominee) per the engagement agreement with the Lead Manager
Broker(s)	any ASX participating organisation selected by the Lead Manager to act as broker to the Offer
CAGR	compound average growth rate
Centaur	Centaur Resources Limited ACN 625 184 947
Centaur Holdings	Centaur Resources Holdings Pty Ltd ACN 619 915 589
Centaur PG	Centaur Resources PG S.A.S
Centaur PG Shares	all the issued shares in Centaur PG
Centaur SAS	Centaur Resources S.A.S
Centaur Trust	the deed of trust dated 25 June 2018 in respect of the shares in Centaur PG held by the Trustee for the benefit of Centaur
CEO	chief executive officer of Centaur
CEO JORC Bonus	has the meaning given to that term in Section 5.9(a)
CEO Salary	has the meaning given to that term in Section 5.9(a)
CFO	chief financial officer of Centaur
CFO JORC Bonus	has the meaning given to that term in Section 5.9(b)
CFO Salary	has the meaning given to that term in Section 5.9(b)
CGT	capital gains tax
Chairman	the chairman of the Board
Charter	the relevant charter adopted by Centaur
CHESS	Clearing House Electronics Sub-register System

Closing Date	the date by which valid Applications must be received by the Share Registry being 5:00pm (Sydney Time) 25 October 2018 or such other date and time determined by the Board
Code	the Code of Conduct of Centaur available on Centaur's website www.centaurresources.com
Completion	completion of the Offer
Completion Date	the date the relevant Acquisition Agreement completes
Consenting Party	each party listed in Section 11.13
Consideration	the consideration payable under the relevant Acquisition Agreement
Constitution	the constitution of Centaur
Convertible Note Agreements	the convertible note agreements referred to in Section 11.4
COO Salary	has the meaning given to that term in Section 5.9(c)
Corporations Act	*the Corporations Act 2001* (Cth)
CRN	customer reference number
Delegated Persons	Centaur's directors, executives, employees, contractors, consultants and advisors which are prohibited from dealing in Centaur's Securities pursuant to Centaur's Securities Trading Policy
Director(s)	a director of Centaur
Espinosa Agreement	an asset sale and purchase agreement between the Espinosa Vendor and Centaur SAS dated 20 July 2018 to acquire the Espinosa Property
Espinosa Property	the tenements being acquired under the Espinosa Agreement, as noted in Section 4.2
Espinosa Vendor	Alba Andrea Espinosa
Executives	the individuals noted in Section 5.10
Expiry Date	the period of thirteen (13) months after the Prospectus Date.
Exposure Period	the seven (7) day period commencing after lodgement of the Prospectus with ASIC during which no applications may be accepted by Centaur
Extension Payments	additional payments payable under the relevant Acquisition Agreement as consideration for extending the Completion Date
Founders' Shares	the Shares owned by the founding Shareholders of Centaur
Gas Line	a natural gas line located approximately 35 km to the northwest of the Lobo Blanco Project
Glossary	this glossary
GST	goods and services tax
HIN	holder identification number
Independent Expert Geologist	Mr Pablo Cortegoso employed by SRK Consulting (US) Inc
Independent Expert Report	the expert report prepared by the Independent Expert Geologist in Section 10
Investigating Accountant	Crowe Horwath Corporate Finance (Aust) Ltd AFSL No 239170
Investigating Accountant's Report	the report prepared by Crowe Horwath in Section 7 of this Prospectus
JORC Code	the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 edition prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia
Lead Manager	Sequoia Corporate Finance Pty Ltd ACN 602 219 072 (a Corporate Authorised Representative No 469074 of Sequoia Wealth Management Pty Limited ACN 002 314 310, AFSL No. 472387)

Legal Tenure Report	the legal tenure reports prepared by the Argentine Counsel in Section 8
Leiseca Agreement	an asset sale and purchase agreement between the Leiseca Vendor and Centaur SAS dated 10 July 2018 to acquire the Espinosa Property
Leiseca Property	the tenements being acquired under the Leiseca Agreement, as noted in Section 4.2
Leiseca Vendor	Ruben Omar Diego representing Sergio Ignacio Aguilar and Ramon Genaro Leiseca
Listing	the admission of Centaur to the Official List and the Official Quotation of it Shares
Loan	has the meaning given to that term in Section 5.11
Loan Offer	has the meaning given to that term in Section 5.11
Loan Terms	has the meaning given to that term in Section 5.11
Lobo Blanco Project	the project encompassing nine (9) tenements located in the prospective Salar de Pastos Grandes Basin, Province of Salta, Argentina
Long-Term Incentive Plan	the long-term incentive plan of Centaur described in Section 5.11
LSC	LSC Lithium Corporation
Management	the management team of Centaur
Managing Director	Mr Brian Clifford
Mandate Agreement	the mandate agreement entered into between Centaur and the Lead Manager, as disclosed in Section 11.4
Mármol Agreement	an asset sale and purchase agreement between the Mármol Vendor and Centaur SAS dated 26 March 2018 and assigned on 25 July 2018 to acquire the Mármol Property
Mármol Property	the tenements being acquired under the Mármol Agreement, as disclosed in Section 4.2
Mármol Vendor	Victor Fernando Mármol
Maximum Subscription	75,000,000 Shares at the Offer Price to raise $2,500,000, being an additional 12,500,000 Shares to raise $1,000,000 over the Minimum Subscription
Minimum Subscription	62,500,000 Shares at the Offer Price to raise $12,500,000
Millennial	Millennial Lithium
Non-Executive	a member of the Board who does not form part of the Management
Offer	the offer of Shares under this Prospectus
Offer Period	the period commencing on the Opening Date and ending on the Closing Date
Offer Price	$0.20 per Share
Official List	the official list of the ASX
Official Quotation	quotation of Centaur's Shares on the ASX
Opening Date	the date the Offer opens being 4 October 2018 or such other date determined by the Board
Participant	has the meaning given to that term in Section 5.11
Pilot Plant	a processing plant capable of producing 1,200 tonnes per annum of lithium carbonate
Power Line	a 600 megawatt (MW), 375 kilovolt (KV) power line approximately 60 km to the north of the Lobo Blanco Project
PPSA	Personal Property Securities Act 2009 (Cth)
Prospectus	this document
Prospectus Date	the date of the Prospectus, being 19 September 2018

Registration Information	has the meaning given to that term in Section 4.8
Securities	has the meaning given to that term in section 92(4) of the Corporations Act
Share	a fully paid ordinary share in Centaur
Share Registry	Computershare Investor Services Pty Ltd
Shareholder	a registered holder of a Share in Centaur
SRN	securityholder reference number
Sulca Agreement	an asset sale and purchase agreement between the Sulca Vendor and Centaur SAS dated 10 July 2018 to acquire the Espinosa Property
Sulca Property	the tenements being acquired under the Sulca Agreement, as noted in Section 4.2
Sulca Vendor	Javier Francisco Sulca Sanchez
TFN	tax file number
TMF	TMF Argentina S.R.L
Trustee	Mr. Eduardo José Esteban
TSR	total shareholder return
US	the United States of America
US Securities Act	*US Securities Act 1933*
Vesting Period	has the meaning given to that term in Section 5.11
VP Salary	has the meaning given to that term in Section 5.9(d)



PUBLIC OFFER APPLICATION FORM

14.0

Centaur Resources Limited

ACN 625 184 947

For all enquiries:

(within Australia) 1800 850 505
(outside Australia) +61 3 9415 4000

Offer closes at 5.00pm (Sydney time) on 25 October 2018 unless closed earlier.

Public Offer Application Form

This Application Form is important. If you are in doubt as to how to deal with it, please contact your stockbroker or professional advisor without delay.
You should read the Centaur Resources Limited Prospectus dated 19 September 2018 and any relevant Supplementary Prospectus (if applicable), carefully before completing this Application Form. The Corporations Act prohibits any person from passing on this Application Form (whether in paper or electronic form) unless it is attached to or accompanies a complete and unaltered copy of the Prospectus and any relevant Supplementary Prospectus (whether in paper or electronic form).

A **I/we apply for**

Number of Shares in Centaur Resources Limited at $0.20 per Share or such lesser number of Shares which may be allocated to me/us.

B **I/we lodge full Application Money**

A$.

C **Individual/Joint applications - refer to naming standards overleaf for correct forms of registrable title(s)**

Title or Company Name Given Name(s) Surname

Joint Applicant 2 or Account Designation

Joint Applicant 3 or Account Designation

D **Enter the postal address - include State and Postcode**

Unit Street Number Street Name or PO Box/Other information

City/Suburb/Town State Postcode

E **Enter your contact details**

Contact Name

Telephone Number - Business Hours

( )

F **CHESS Participant**

Holder Identification Number (HIN)

X

Please note that if you supply a CHESS HIN but the name and address details on your form do not correspond exactly with the registration details held at CHESS, your application will be deemed to be made without the CHESS HIN, and any Shares issued as a result of the Offer will be held on the issuer sponsored subregister.

G **Payment details - Please note that funds are unable to be directly debited from your bank account**

Drawer	Cheque Number	BSB Number	Account Number	Amount of cheque
				A$

Make your cheque, bank draft or money order payable to 'Centaur Resources Limited' and cross it 'Not Negotiable".

By submitting this Application Form:

- I/we declare that this Application is complete and lodged according to the Prospectus, and any relevant Supplementary Prospectus, and the declarations/statements on the reverse of this Application Form,
- I/we declare that all details and statements made by me/us (including the declaration on the reverse of this Application Form) are complete and accurate, and
- I/we agree to be bound by the Constitution of Centaur Resources Limited.
- I/we have personally received a true and unaltered copy of the Prospectus accompanied by or attached to this Application Form before applying for the Shares.

See overleaf for completion guidelines ➔

How to complete this Application Form

A **Number of Shares applied for**
Enter the number of Shares you wish to apply for. The Application must be for a minimum of 10,000 Shares ($2,000). Applications for greater than 10,000 Shares must be in multiples of 2,500 Shares ($500).

B **Application Monies**
Enter the amount of Application Monies. To calculate the amount, multiply the number of Shares applied for in Step A by the Issue Price of $0.20.

C **Applicant Name(s)**
Enter the full name you wish to appear on the statement of shareholding. This must be either your own name or the name of a company. Up to 3 joint Applicants may register. You should refer to the table below for the correct forms of registrable title. Applications using the wrong form of names may be rejected. Clearing House Electronic Subregister System (CHESS) participants should complete their name identically to that presently registered in the CHESS system.

D **Postal Address**
Enter your postal address for all correspondence. All communications to you from the Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.

E **Contact Details**
Enter your contact details. These are not compulsory but will assist us if we need to contact you regarding this Application.

F **CHESS**
Centaur Resources Limited will apply to the ASX to participate in CHESS, operated by ASX Settlement Pty Limited, a wholly owned subsidiary of ASX Limited. If you are a CHESS participant (or are sponsored by a CHESS participant) and you wish to hold Shares issued to you under this Application on the CHESS Subregister, enter your CHESS HIN. Otherwise, leave this section blank and on issue, you will be sponsored by Centaur Resources Limited and allocated a Securityholder Reference Number (SRN).

G **Payment**
Make your cheque, bank draft or money order payable in Australian dollars to '**Centaur Resources Limited**' and cross it '**Not Negotiable**'. Cheques must be drawn from an Australian bank. Cash will not be accepted.
The total payment amount must agree with the amount shown in Step B.
Complete the cheque details in the boxes provided.
Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as dishonoured cheques may not be represented and may result in your Application being rejected. Paperclip (do not staple) your cheque to the Application Form. Receipts will not be forwarded.
Funds cannot be directly debited from your bank account.

Before completing the Application Form the Applicant(s) should read the Prospectus to which this Application relates. By lodging the Application Form, the Applicant agrees that this Application for Shares in Centaur Resources Limited is upon and subject to the terms of the Prospectus and the Constitution of Centaur Resources Limited, agrees to take any number of Shares that may be issued to the Applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

Lodgement of Application

Application Forms must be received by Computershare Investor Services Pty Limited (**CIS**) by no later than 5.00pm (Sydney time) on 25 October 2018. You should allow sufficient time for this to occur. Return the Application Form with cheque, bank draft or money order attached to:

Computershare Investor Services Pty Ltd
GPO Box 52
Melbourne VIC 3001

Neither CIS nor Centaur Resources Limited accepts any responsibility if you lodge the Application Form at any other address or by any other means.

Privacy Notice

The personal information you provide on this form is collected by CIS, as registrar for the securities issuer (the issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided overleaf or emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers or to third parties upon direction by the issuer where related to the issuer's administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at http://www.computershare.com/au.

Correct forms of registrable title(s)

Note that ONLY legal entities are allowed to hold Shares. Application Forms must be in the name(s) of a natural person(s), companies or other legal entities acceptable to Centaur Resources Limited. At least one full given name and the surname is required for each natural person. Application Forms cannot be completed by persons less than 18 years of age. Examples of the correct form of registrable title are set out below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual: use given names in full, not initials	Mr John Alfred Smith	JA Smith
Company: use the company's full title, not abbreviations	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings: use full and complete names	Mr Peter Robert Williams & Ms Louise Susan Williams	Peter Robert & Louise S Williams
Trusts: use the trustee(s) personal name(s)	Mrs Susan Jane Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates: use the executor(s) personal name(s)	Ms Jane Mary Smith & Mr Frank William Smith <Est John Smith A/C>	Estate of late John Smith or John Smith Deceased
Minor (a person under the age of 18): use the name of a responsible adult with an appropriate designation	Mr John Alfred Smith <Peter Smith A/C>	Master Peter Smith
Partnerships: use the partners personal names	Mr John Robert Smith & Mr Michael John Smith <John Smith and Son A/C>	John Smith and Son
Long Names	Mr John William Alexander Robertson-Smith	Mr John W A Robertson-Smith
Clubs/Unincorporated Bodies/Business Names: use office bearer(s) personal name(s)	Mr Michael Peter Smith <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds: use the name of the trustee of the fund	Jane Smith Pty Ltd <Super Fund A/C>	Jane Smith Pty Ltd Superannuation Fund

centaurresources.com.au