

28 May 2021

CHAIR'S ADDRESS – 2021 ANNUAL GENERAL MEETING

I am pleased to welcome you to Centaurus' 2021 Annual General Meeting and to reflect briefly on what has been an outstanding year for the Company, in every respect.

Since our acquisition of the large-scale Jaguar nickel sulphide project in north-eastern Brazil from Vale in 2019, Centaurus has been on a rapid growth trajectory which has transformed our asset base, our investment profile and, ultimately, our market capitalisation. In a relatively short space of time, we have moved from micro-cap status to emerging mid-tier miner with the asset base, balance sheet and vision to move to the next level.

As I pointed out in our Annual Report, our ability to transact on the Jaguar asset with a company the size of Vale was made possible thanks to our decade-long presence in the Brazilian mining industry, and the strong reputation we have developed in-country as a professional and capable resource company.

The fact that we have been able to make the most of this acquisition, get on the ground quickly and execute major drilling programs, declare a maiden JORC compliant nickel sulphide Mineral Resource and deliver the first-ever economic study on the Jaguar Project – all within 18 months of the acquisition – is an outstanding result.

These achievements are all the more commendable when considered against the backdrop of the global COVID-19 pandemic. Centaurus has been able to implement multiple controls and protocols to help protect the health and safety of our in-country workforce, their families and the community – while maintaining the continuity of our operations throughout.

Since acquiring Jaguar, the Company's strategy has been to build on the strong foundations of the non-JORC compliant resource that came with the acquisition, based on some 55,000m of diamond drilling conducted by Vale. While Vale was looking for a Tier-1 bulk tonnage deposit, our strategy has been to focus on the high-grade massive to semi-massive sulphide intersections and to delineate a smaller tonnage, but higher-grade resource.


This strategy has been highly successful, with drilling completed since November 2019 allowing us to establish a globally significant JORC Mineral Resource, which was updated in March this year to 58.9 million tonnes grading 0.96% Ni for 562,000 tonnes of contained nickel¹, including Indicated Resources of 20.1 million tonnes at 1.12% Ni for 225,800 tonnes of contained nickel. This has confirmed Jaguar's position as an outstanding, near-surface nickel sulphide deposit – a unique development opportunity in the global nickel sulphide landscape.

Following the receipt of regulatory approvals for the Jaguar Project acquisition in April 2020 and with the formal transfer of the Mining Lease Application to Centaurus from Vale in October 2020, we were able to embark on the next key growth phase at Jaguar – supported by a successful \$25.5 million institutional placement in July.

¹ For full details of the JORC Mineral Resource Estimate please refer to the ASX Announcements of 4 February 2021 and 29 March 2021

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This paved the way for a major new 75,000m drilling program, along with the first-ever significant regional exploration to be undertaken at the Project. As part of this expansive drilling effort, we have had five drill rigs continuously on site for much of the latter half of the year – a significant logistical and technical achievement.

We also commenced work towards the delivery of a Scoping Study on the Jaguar Project, retaining highly-credentialed consultants to undertake the first-ever economic evaluation of the Project.

The Base Case Scoping Study was published on-schedule in March² this year, with the results confirming beyond any doubt that Centaurus is extremely well placed to achieve our aspiration of becoming a clean and efficient 20,000-plus tonne per annum nickel producer by the end of 2024 to assist in the global transition to electrification and to meet anticipated surging demand for key battery metals.

The Base Case Scoping Study outlined a 10 year, 20,000tpa nickel concentrate production scenario, with a life-of-mine Production Target of 32.8 million tonnes grading 0.84% Ni for 275,600 tonnes of contained nickel and processing via a conventional 2.7Mtpa nickel flotation circuit. The Study delivered impressive financial metrics, including net revenue totalling ~US\$2.42 billion, EBITDA totalling ~US\$1.23 billion, a post-tax NPV of A\$604 million, IRR of 54% and a capital payback period of less than two years.

Our plan to transform Centaurus into a clean, efficient and sustainable nickel sulphide producer could not be better timed. Nickel is a critical ingredient in high-performance lithium-ion batteries, and commodities forecaster Roskill expects automotive electrification will represent the single-largest growth sector for nickel demand over the next 20 years. Roskill expects that global nickel demand from the EV sector will reach 2.6 million tonnes per annum by 2040 – a significant increase from the 92,000 tonnes in 2020.

This monumental shift in forecast nickel demand is set against the backdrop of a dearth of new high-quality nickel projects coming on-stream – particularly the Class-1 nickel required for EV batteries, which can only be produced from sulphide projects (such as Jaguar) or by higher-cost High Pressure Acid Leach (HPAL) processing.

Against this backdrop, we have been working on a Value-Added Scoping Study which is due to be released early next week and will consider the production of nickel sulphate through the inclusion of a Pressure Oxidation circuit to further enhance the value of the nickel concentrate produced through the flotation plant.

Our strong progress over the past 12 months at Jaguar, together with this exceptionally strong long-term demand outlook for nickel, puts Centaurus in a very strong position as we continue to progress our development studies. The next key milestones for the Project should come from ongoing drilling and exploration results, with an updated Mineral Resource Estimate targeted for Q1 next year as part of ongoing feasibility study work.

The Company's growth and success over the past 18 months is a reflection of the focus, dedication and sheer hard work and commitment of our small, but very hard-working team, led by our Managing Director Darren Gordon here in Australia and our first-rate in-country team, led by Bruno Scarpelli in Brazil. I would like to particularly acknowledge the team in Brazil, who have consistently delivered outstanding results whilst managing the challenges of the COVID pandemic in country.

I would also like to thank our shareholders for your continued support. We have laid some outstanding foundations and I am confident that the Centaurus growth story has only just begun. Thank you for your attention.

Didier Murcia
Non-Executive Chair

² For full details of the Jaguar Base Case Scoping Study please refer to ASX Release of 29 March 2021

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