



HALLGARTEN + COMPANY

Corporate Action

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Centauri Minerals

Strategy: NEUTRAL

Key Metrics	
Price (CAD)	\$0.50
12-Month Target Price (CAD)	n/a
Upside to Target	n/a
12mth - Low-High	n/a
Market Cap (CAD mn)	\$25.69
Shares Outstanding (mns)	51.38
Fully diluted	U/K

Centauri Minerals

The Aldebaran SpinCo

- + In a not unsurprising move, Aldebaran Resources is spinning out its Argentine exploration assets, maintaining only its massive Altar project in San Juan province
- + The demerger of Centauri Minerals represents a form of bonus for ALDE holders during a period when the progenitor company is maturing to near-developer status
- + The main SpinCo's project, Rio Grande, is in the mining friendly Argentine province of Salta, with a bundle of lesser assets in other northern provinces with pro-mining stances
- + The recently raging Gold & Silver prices have reset the perspectives for financing explorers since 2012-2020 period when investor interest was tepid
- + The new entity is headed by an executive who was part of the successful team behind the evolution of Abra Silver
- + Altius Minerals debuted as a shareholder in a CAD\$5.7mn seed round for the SpinCo
- + Argentina has been declared by the libertarian regime of Javier Milei as "open for business" giving further impetus to a sector rapidly expanding, particularly in copper
- + The RIGI (large projects) regime of the Milei administration is potentially useful should the CapEx of the provinces top US\$200mn
- ✗ The assets being spun out have had little work done in the last seven years and the last major effort was made early last decade
- ✗ For those betting on the team that made Aldebaran, Regulus and Antares, there might be disappointment that there will be little overlap with the executives that made those entities
- ✗ The extant resource at Rio Grande is somewhat long in the tooth and doesn't quicken the pulse of copper *aficionados*
- ✗ The Cu and Au grades of the historic MREs are on the skinny side

Divide & Multiply

The management team at Aldebaran have established "form" in creating entities that they then replicate by demerger of SpinCo entities. Hitherto they have gone on to manage both the progenitor and the progeny. In the latest example one might call the approach "if you love them, set them free".

We have dealt with Aldebaran (and its Altar project) in [our mine trip note](#) on the McEwen Copper and Aldebaran projects which we visited in early 2023. This review can be found [here](#).

Son of Aldebaran

In a not unsurprising move, in early September of 2025, Aldebaran Resources (TSX-V: ALDE | OTCQX: ADBRF) announced its intention to transfer its portfolio of projects located in Salta, Jujuy, and

Catamarca provinces of Argentina into a newly-incorporated Canadian SpinCo to be focused on copper, gold, and silver exploration in Argentina. Aldebaran will continue to focus on the Altar copper-gold project located in San Juan, Argentina.

In late October, the company fleshed its earlier statement of intent with the official launch of Centauri Minerals, that followed the corporate grouping's practice of choosing astronomical nomenclature. In a somewhat nuanced comment, Aldebaran signaled that it intends to distribute its shares of Centauri to Aldebaran shareholders upon a go-public event for Centauri. However, Aldebaran "may elect to distribute the Centauri shares all at once or in stages and may retain a minority interest in Centauri".

It was also announced that Centauri had undertaken a private seed financing round of CAD\$5.7mn to execute exploration programs and administrative preparations for an initial public offering or go-public transaction in 2026. Without indicating whether the seed round went to one or various investors, it was proffered that Altius Minerals, an investment group with a +25-year record of supporting new exploration ventures was in some way part of this seed round.

Formation of Centauri Minerals and Seed Financing

Centauri Minerals Inc. is currently a Canadian subsidiary of Aldebaran. Aldebaran and Centauri have executed a definitive transfer agreement, pursuant to which Centauri will acquire all of the shares of Aldebaran Argentina S.A. and Minera El Toro S.A., the subsidiaries owned by Aldebaran that hold the portfolio of Argentina projects. In exchange, Aldebaran will receive 40,000,000 common shares (78.1%) of Centauri, and the balance will be owned by the seed round investors.

The transfer is subject to certain conditions and closing is expected to occur in Q4-2025. Pursuant to the non-brokered seed round financing, Centauri issued 11,380,000 shares at CAD\$0.50 per share to new investors for a total capital raise of CAD\$5,690,000.

The Centauri Project Portfolio

Centauri Minerals is initially focusing on copper, gold, and silver exploration in Argentina with a portfolio of six exploration projects spanning over 43,000 hectares located in Salta, Jujuy, and Catamarca provinces.

The Back History – Quite a Saga

In 1999, Mansfield Minerals discovered, staked and prospected the Rio Grande area. In early 2000, Mansfield signed a joint venture agreement with a wholly owned subsidiary of Teck Corporation, that had the opportunity to earn a 55% interest and was the manager of the exploration project.

In 2004, Mansfield and Planet Ventures Inc. (predecessor of Antares Minerals Inc) signed a joint venture agreement under which Antares became the operator, and Antares began a comprehensive exploration program.

Pachamama (TSX-V: PMA) was incorporated in a Spin-Off Plan of Arrangement with Mansfield, and Pachamama held a 50% interest in the Rio Grande. Pachamama signed a joint venture agreement with

Antares. Under the agreement, Antares was to remain the project operator.

In October of 2010 First Quantum Minerals and Antares announced that they had entered into an agreement pursuant to which a wholly-owned subsidiary of First Quantum would acquire, by way of a court-approved plan of arrangement, all of the outstanding securities of Antares. As Antares had 50% ownership of the Rio Grande JV, this equity was spun-out to a new subsidiary called Regulus Resources Inc. and Regulus inherited part of the joint venture, and operator of the joint venture, with Pachamama.

Back in 2011, the Rio Grande project was a 50/50 joint venture between Regulus and Pachamama Resources Inc. (Pachamama), with Regulus acting as the operator.

In a somewhat biblical sequence Antares begat Regulus, Regulus begat Aldebaran and now Aldebaran gets Centauri.

The Rio Grande Project

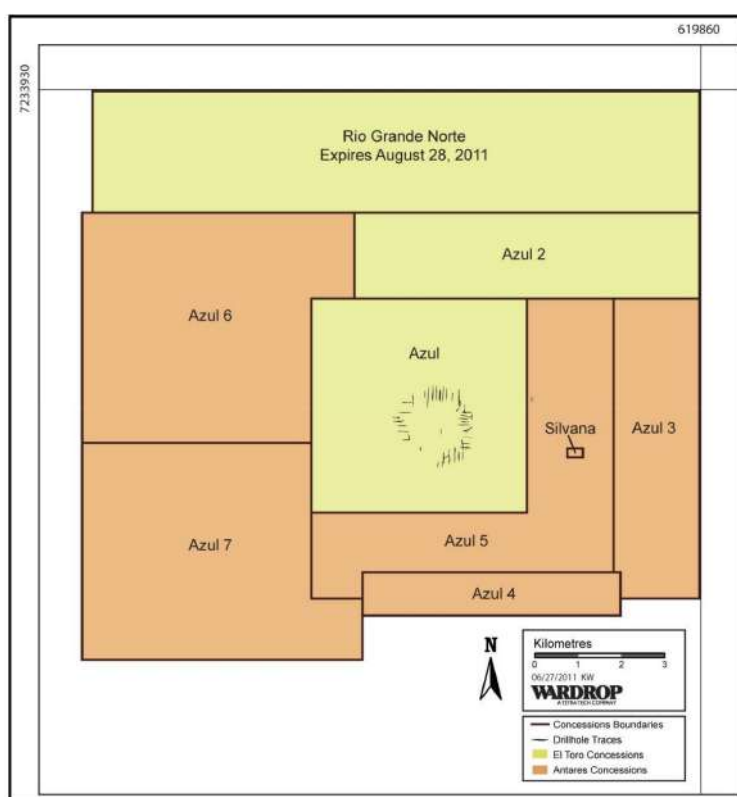
Chief of these projects is the Rio Grande target located in Salta Province, approximately 260 km west of the city of Salta and 40 km east of the Chilean border. Access to the project from Salta, which is the principal economic centre of the region, is by paved roads for approximately 100 km, followed by all-weather dirt roads for 350 km along National Highway 51 and Provincial Highway 27, extending from Salta to the Chilean border. Total travel time is approximately 7 hours.



The camp for the property is situated on the south shore of the Salar Arizaro, 10 km east of the centre of the property.

The Rio Grande target is approximately 9 km from the Lindero gold-copper mine owned by Fortuna Mining (TSX: FVI | NYSE: FSM). The project also owns valuable support infrastructure, including an active airfield located between the project and the Lindero mine, which is currently being utilized by the mine.

The Rio Grande property consists of nine titles covering a total area of 18,048.1 ha. The concessions form one contiguous block that covers all of the exploration targets that have been identified. The Rio Grande property is located on the southern edge of Lake Salar Arizaro, in the western part of Salta Province in northwestern Argentina.



Rio Grande is the most advanced project in the Centauri portfolio having a near-surface, open-pittable resources totaling 71 million tonnes of 0.30% Cu, 0.36 g/t Au and 3.2 g/t Ag in the Indicated category and 41 million tonnes of 0.23% Cu, 0.28 g/t Au and 2.8 g/t Ag in the Inferred category.

In addition, well-mineralized porphyry dykes have been intercepted beneath the current resource, with the best intercepts returning 257.2 m of 0.53% Cu and 1.2 g/t Au.

Regional Geology

The Rio Grande copper-gold deposit lies in the western part of the Salta province in the Puna area,

where Andean Volcanic Arcs are concentrated along the north trending axis of the high Andes. These volcanic arcs and associated cross structures have localized magmatic activity and later hydrothermal emanations, producing a number of the most important copper porphyry deposits in the world.

Rio Grande lies within a 100 km-wide by 130 km-long extensional basin, which includes the Salar de Arizaro and contains continental sedimentary rocks. These sedimentary rocks include immature red beds, extrusive volcanic rocks and significant evaporite deposits, some of which are being exploited for boron and lithium. Eroded stratovolcanic complexes characterize the volcanic belt; these consist of porphyries, and coeval volcanic rocks that are the loci of many of the hydrothermal systems and important mineral deposits.

Project Geology

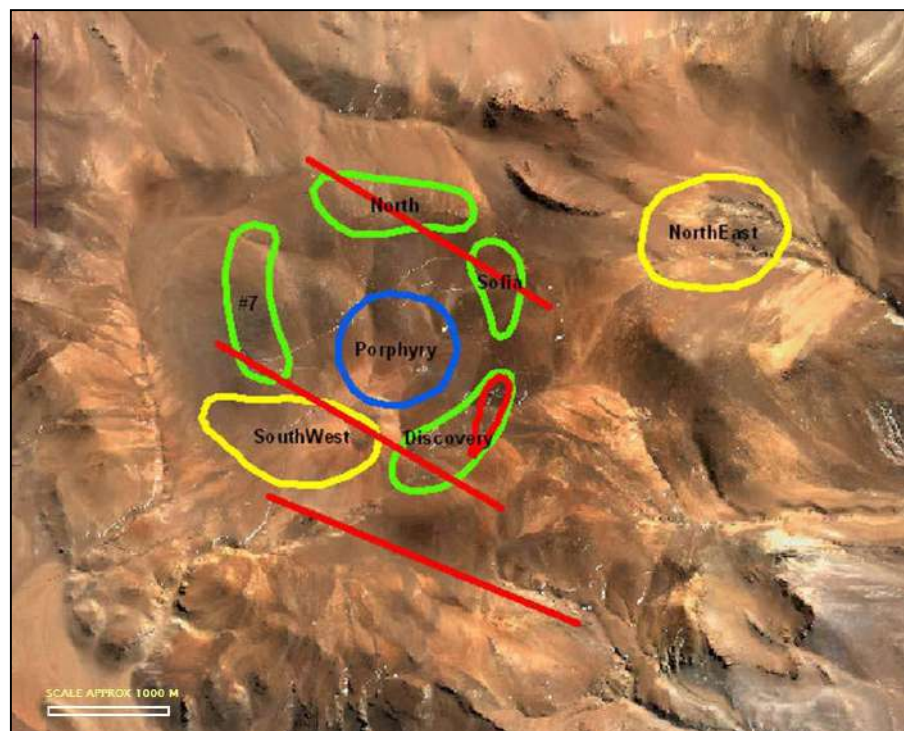
The project is located along the prominent northwest-trending Archibarca Lineament which also controls the location of the world-class giant Escondida porphyry copper deposit 150 km to the northwest in Chile. The Rio Grande project setting shares many similarities with that of porphyry copper-gold (Cu-Au) systems. For example, the Bajo de Alumbrera porphyry copper-gold mine was located along a similar northwest-trending regional structural lineament approximately 300 km to the south. However, the system also displays similarities in alteration and mineralization styles with Iron Oxide Copper Gold (IOCG) systems like Candelaria in Chile.

The Rio Grande property is hosted in a thick pile of young porphyritic andesite and dacite volcanics that are cut by post-mineralization andesite dikes and several (andesite to diorite) plugs. The volcanic and igneous intrusive system is thought to represent at least two dissected stratovolcanic centres. The mineralizing system consists of a large zone of hydrothermal alteration covering an area of 2.2 km (east-west) by 2 km (north-south) and may extend under cover.

Rio Grande has a number of named mineralized zones arranged around a central core as follows:

- North Zone
- Sofia Zone
- Discovery Zone
- Southwest Zone
- Number 7 Zone.

These zones form lenses



in an annulus around a suspected deep magmatic source.

To the northeast sits the separate and less-explored Northeast Zone. The main copper-gold mineralization at Rio Grande occurs as fracture-controlled copper oxides and sulphides, with blue-green and black copper oxides in the near-surface environment, both with associated gold. Supergene oxidation typically extends to depths of 300 to 400 m. The principal copper oxide minerals are chrysocolla, malachite, and traces of azurite. The principal sulphide minerals are chalcopyrite and pyrite, which are typically associated with magnetite.

A deeper and distinctly separate zone of molybdenum mineralization was encountered beneath the Sophia North zone. The deposits are thought to be transitional between IOCG deposits and classic potassic porphyry deposits.

Gold grades appeared in the opinion of the QP to have a strong correlation with copper grades, with a general ratio of 1 g/t gold to 1% copper.

Exploration

As mentioned, the project was originally a JV between Mansfield and Teck. Under this JV, Teck completed geological mapping and sampling, soil sampling, trenching and geophysical surveys followed by a diamond drilling program consisting of 11 holes, totaling 3,220.6 m.

Under the JV agreement with Pachamama, Antares remained the project operator. As at the time of the NI 43-101 of 2011, a total of 78 drill holes totaling 33,015.47m had been completed by Antares and Pachamama on the project.

Initially, trenching work at the Rio Grande project by Mansfield and Teck proved to be a highly effective exploration technique. Within the area of mineralization there is only 10 to 15% outcrop, but the cover (soil, talus, and colluvium) is often less than 2 m deep. The soil sampling programs outlined a substantial and strong copper-gold anomaly. Geophysical surveys, particularly induced polarization (IP), have outlined the sulphide rich areas.

Up until the end of June 2008, a total of 66 drill holes, totaling in excess of 26,000 m, had been completed at the Rio Grande project. In April 2009, Antares, on behalf of itself, Mansfield, and Pachamama reported results for an additional 12 diamond drill holes (6,523 m) in the Discovery, North, and Number 7 zones to offset previously identified mineralization in these areas. All twelve holes intersected zones of significant grade copper-gold mineralization and confirm the presence and continuity of mineralization in the Discovery and North zones. The twelve drill holes were drilled as 75 to 100 m offsets to previously completed drill holes at the Discovery, North, and Number 7 targets zones.

The holes were typically drilled at inclinations of minus 60 to 70° to traverse the defined zones of mineralization and are aligned to form drill fences spaced at 75 to 100 m intervals along strike.

Work to date has included geological, geophysical (IP and magnetic), soil geochemical, trenching and diamond drilling which has outlined a number of related bodies of copper-gold mineralization arranged in an annular pattern around an unexplored core.

Drilling at the project was last completed in 2012 with a NI43-101 Technical Report completed by Roscoe Postle Associates Inc. (now SLR Consulting Limited) in 2018, under much lower metal price assumptions and years before the nearby Lindero mine began operations in 2020. Several priority drill targets remain untested and more sophisticated modern geophysical and geochemical techniques have yet to be utilized at the project.

Near-surface oxide and mixed resources are potentially amenable to heap leach extraction, with opportunities for growth. Management feels that there is significant potential for copper-gold sulphide mineralization with historical drilling completed with the best intercept being: 257.2 m of 0.53% Cu and 1.20 g/t Au, hosted in porphyry dykes.

Centaury expects to receive drill permits in 1H26.

The MREs on Rio Grande

The NI 43-101 of 2011 was prepared by Wardrop Engineering Inc. (a Tetra Tech Company). The MRE was completed by Robert Morrison, B.Sc, Ph.D., MAusIMM (CP), P.Geo., the Lead Resource Geologist, assisted by Callum Grant, P.Eng., Senior Consultant. That NI 43-101 posited a MRE of:

- An Indicated Resource, at a 0.4 CuEQ% cut-off recorded a resource of approximately 55 million tonnes at 0.34% Cu, 15.9 ppm Mo, 0.34 g/t Au and 4.4 g/t Ag
- An Inferred Resource, at a 0.4 Cu% cut-off, recorded a resource of approximately 101 million tonnes at 0.30% Cu, 16.4 ppm Mo, 0.31 g/t Au and 4.4 g/t Ag

A NI43-101 Technical Report was completed by Roscoe Postle Associates Inc. (now SLR Consulting Limited) in 2018. Aldebaran notes that this MRE, under much lower metal price assumptions and years before the nearest comp, the Lindero mine, began operations in 2020.

The resource estimate, utilizing a 0.40% copper equivalent cut-off grade, is summarized below:

RIO GRANDE MRE							
0.40% copper eq.cut off							
Category	Tonnes mns	Cu %	Contained Cu tonnes	Au g/t	Contained Au Ozs	Ag g/t	Contained Ag Ozs
Indicated	55.257	0.342	188,857	0.359	637,025	4.38	7,787,342
Inferred	101.088	0.303	305,991	0.308	1,002,458	4.45	14,449,042

That resource estimate utilized all drilling at Rio Grande prior to 2010.

Regulus completed extensive additional drilling in 2001 and 2012 at Rio Grande (39,995 m in 48 drill

holes) and a short drilling program was completed at the nearby Cerro Cori target in 2013-14 (1,200 m in four holes).

Then in mid-2018 Regulus Resources revealed a NI43-101 Technical Report titled “Technical Report on the Rio Grande Project, Salta State, Argentina” (and dated August 17, 2018). This new calculation identified and parsed that approximately 53% of that published resource is oxide mineralization, 35% is transitional oxide-sulphide mineralization and 12% is sulphide mineralization.

The resulting resource was:

RIO GRANDE - MRE - 2018							
NSR cut-off grade of US\$8/t for Oxide, US\$12/t for Transition and US\$7.50/t for Sulphide							
Category	Tonnes mns	Cu %	Contained Cu tonnes	Au g/t	Contained Au ozs	Ag g/t	Contained Ag ozs
Indicated	71	0.30	212,613	0.36	815,000	3.20	7,300,000
Oxide	46.4	0.27	124,410	0.33	492,000	0.25	3,800,000
Transition	24.6	0.36	88,158	0.41	323,000	4.40	3,500,000
Inferred	41	0.23	94,374	0.28	375,000	4.45	3,600,000
Oxide	32.4	0.21	69,419	0.27	281,000	2.60	2,700,000
Transition	8.6	0.29	25,000	0.34	93,000	3.50	1,000,000

The MRE was estimated at a NSR cut-off grade of US\$8.00/t for Oxide, US\$12.00/t for Transition and US\$7.50/t for Sulphide. No sulphide material was captured in resource shell. These in turn were estimated using a long-term gold price of US\$1,400 per ounce and copper price of US\$3.50 per pound.

The Southwest Zone was discovered in late 2011 and thus was not included in the earlier resource estimate. Further drilling in 2012 revealed that several mineralization styles are present in the Southwest Zone:

- Southwest copper-gold sulphide
- Southwest supergene copper
- Southwest oxide gold
- Southwest molybdenum, and the newly discovered
- Southwest gold quartz stockwork zones

The Aguas Calientes Project

The project contains “abundant and well-mineralized” surface boulders with “high” concentrations of gold and silver along a 6 km strike length. Aguas Calientes is located in Jujuy Province. It is approximately 35 km from the town of San Antonio de los Cobres, a major mining industry service hub in Salta.

Limited drilling of 2,300 m was completed in 2019, which intersected some mineralization, with selected intercepts of note being:

- 23 m of 1.12 g/t Au, and 11.5 g/t Ag
- 20 m of 1.15 g/t Au, and 3.9 g/t Ag
- 20 m of 1.35 g/t Au, and 5.2 g/t Ag

The source of the high-grade boulders has yet to be found, and drill permits are still active. No additional drilling has been completed on the project since 2019.

In management's opinion work thus far has confirmed epithermal structures that are expected to assist in future targeting and drilling programs.

Other Projects

The remaining portfolio is somewhat formative, containing four green-field exploration projects with only limited historical work completed but with prospectivity for copper, gold and/or silver. These are:

- El Camino (Salta) - historic work by Teck indicated potential for IOCG mineralization
- Oscara (Salta) - large land package with widespread copper-gold occurrences suggestive of an IOCG system
- La Frontera (Catamarca) - significant Ag results from historical trench samples
- Catua (Jujuy) - a copper oxide occurrence, with minimal work completed to date

Historical exploration included a 2006 drilling program of 2,149 m in 12 drill holes and a 2005 1,960 m trench sampling program. Despite these projects not having been worked, or re-evaluated, for many years, the mineral concessions have been held in good standing through Aldebaran and its predecessor companies.

The NOA Lithium Deal

In a meeting with NOA Lithium Brines (TSX-v: NOAL), shortly after the second news release on the Centauri spinout, we noted the proximity of their Rio Grande (lithium *salar*) project to the project of Centauri and they noted that part of NOA's property had actually been acquired from Aldebaran's Rio Grande and as recently as 2024 (though the deal was inked in 2022).

The back story to this is that, in May of 2022, Aldebaran optioned the El Camino II claim, part of the El Camino property, for total consideration of US\$1.2mn to be paid over a two-year period, a 1% NSR on the property and a conditional US\$1mn payment. This gave NOA Lithium Brines the right to earn a 100% interest in the El Camino II claim by completing the following cash payments to Aldebaran:

- US\$75,000 upon signing
- US\$100,000 on the six-month anniversary of signing
- US\$150,000 on the 12- month anniversary of signing
- US\$350,000 on the 18-month anniversary of signing
- US\$525,000 on the 24-month anniversary of signing

The final payment of US\$525,000 was due on May 13, 2024, but Aldebaran agreed to grant NOA SA an

extension on the payment date in exchange for 100,000 shares of NOA (received 100,000 shares of NOA at a fair value of \$24,500).

Upon completing the cash payments, NOA SA granted Aldebaran a 1% NSR over all precious and base metals on the El Camino II claim, and if NOA SA includes the El Camino II claim in a feasibility study (either by itself or incorporating nearby claims) resulting in a construction decision, NOA SA will make a US\$1mn payment to the Aldebaran.

In mid-December of 2024, NOA Lithium Brines completed the last outstanding property payment related to its Rio Grande Project in Argentina. With the payment of US\$300,000 to Aldebaran, NOA moved to 100% of El Camino property, which is a fully permitted claim within NOA's 37,000 hectares Rio Grande Project.

Clearly the funds (and the 100,000 NOAL shares of delay compensation) for the asset sale went to Aldebaran. It is not clear whether the progenitor of Centauri shall also keep the NSR on NOA's asset or whether that too will go to the SpinCo. We have seen no mention of this.

Management

The management at Aldebaran feel that they have enough on their plate with their existing two listed vehicles so have gone outside for the leadership of the SpinCo. The new entity will be led by Sam Leung who has extensive experience in the mining industry focused primarily on corporate strategy, due diligence, and mergers & acquisitions. He was formerly Vice President, Corporate Development of Adventus Mining Corporation, and played an instrumental role in business growth that led to its sale to Silvercorp Metals in 2024. We had [covered Silvercorp](#) in the past.

Prior to Adventus, he was Director of Corporate Development at Lundin Mining, where he was a key contributor in the evaluation and completion of several successful acquisitions valued at over US\$3.7bn, responsible for joint-venture related activities with Freeport-McMoRan, and special projects at site operations.

Prior to Lundin Mining, he was a due diligence and strategy consultant for Hatch Ltd.'s advisory practice based in London and Toronto and began his career as a metallurgist.

Since 2019, he has been a board director of AbraSilver Resource Corp. which we [initiated in 2023](#) and have updated on several occasions. He is a professional engineer (Ontario, Canada) and received a B.A.Sc. degree in Engineering Chemistry from Queen's University at Kingston, Canada.

In the short-term, Centauri will be governed by a three-member board of directors, consisting of Mark Wayne (CFO and Director of Aldebaran), Javier Robeto (Vice President and Argentina Country Manager of Aldebaran), and Sam Leung (CEO of Centauri).

An exploration advisory committee was formed to assist in the development of new exploration programs as well as to ensure project continuity from historical work; the first two members of this committee are Dr. Kevin B. Heather (Chief Geological Officer and Director of Aldebaran) and John Black (CEO and Director of Aldebaran).

Centaury is in active discussions with candidate additions to the board of directors, exploration advisory committee, and the management team.

Timeline to the IPO

The actual point in 2026 at which the IPO occurs is vague at this time and rightly so as the company has set the ball rolling but can to a certain degree market time the landing in the markets depending on the markets, the mood towards explorers and the pricing of precious metals.

In its first month after announcing the spin-out, Aldebaran created the new entity, named it, “manned the bridge” and undertook a seed round. The latter was directed towards cashing up the company for a planned field program to get the news flow going on projects that have essentially been a long time in the freezer.

Thus, the next steps are stated to be:

- Human Resources – building out a management and exploration team with a strong emphasis on in-region technical and cultural experience to advance the exploration portfolio
- Administration in Argentina – completion of subsidiary and project portfolio transfers and filings with regulators, as well as renewal of drill permit for the Rio Grande project, expected in 2026
- Field work - Geophysical and geochemical field programs – application of geophysical and geochemical technologies to Rio Grande and Aguas Calientes to increase the probability of future drilling success
- Technical Report update – already in discussions with independent consultants to complete update of NI 43-101 Technical Report for the Rio Grande Project in preparation for go-public requirements
- Public listing: It is expected that the spinout of the SpinCo shares to Aldebaran shareholders will be completed by way of a plan of arrangement under the provisions of the Business Corporations Act (Alberta)
- Upon closing of the proposed plan of arrangement, SpinCo will become a reporting issuer in Canada, and it is expected that SpinCo will seek a public listing
- Drill program: Upon going public, SpinCo plans to raise capital for a drill program focused on new targets at the Rio Grande and Aguas Calientes properties

Shareholders

The company has mused aloud as to whether it would dividend out the totality of the shares it holds in Centaury or maybe retain a stake for later distribution (the keep ‘em dangling strategy) or sell some shares at a later date as a funding exercise. With shares withheld in either of the latter two strategies

this would naturally make the aftermarket less liquid post-IPO and thus these have to be less desirable outcomes than a full distribution. Moreover, a full demerger would be in line with the company's stated intention to avoid having the new entity take up management time.

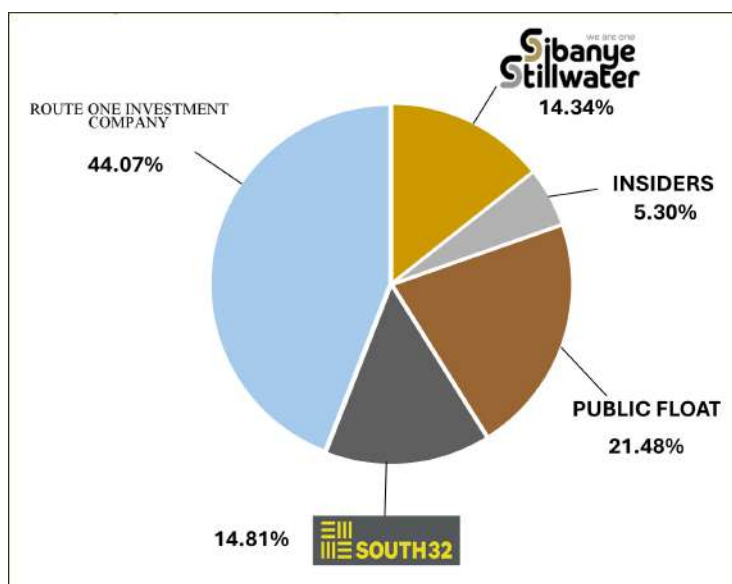
In a full distribution scenario at the IPO the register would thus replicate the current (on ex-date) look of the Aldebaran register (which is freighted with some heavyweight names) plus the seed stake of Altus Strategies (et al.). There would also be whatever shareholders might come in on an IPO round.

Thus, it is useful to look at the current makeup of the Aldebaran register, with the pie at the right showing the current mix of holders.

In a talk with management they felt that Route One will likely stay on at Centauri. We doubt that Sibanye will linger long, while we cannot see many reasons for South32 to be interested in the SpinCo.

An increase in the float would be desirable from the get-go.

Risks



The risks on this essentially gifted stock are:

- ✗ Gold & silver prices go off the boil or actually retreat substantially
- ✗ Problems with the provincial governments, which are the arbiters of mining matters in Argentina
- ✗ Aldebaran holds onto a residual stake, thus shrinking liquidity in the aftermarket of listing
- ✗ Despite having historic resources these projects still remain formative
- ✗ Grades fail to improve at Rio Grande
- ✗ Financing explorers remains challenging at the best of times

The company's main vulnerability is the prices of silver & gold and sentiment towards them. At least as long as the war in the Ukraine continues, we do not see much danger of the price of gold or silver retracing lower. Indeed, the longer it drags on the greater the chance of escalation in the conflict and thus the safe haven aspects of the precious metals will be reinforced. Beyond that we have the long-term underinvestment in new mines/capacity which has left silver with a scant pipeline of new sources of supply.

Salta is, definitely, the most friendly of the jurisdictions in which Centauri will operate. It has a long history of mining and is on a roll with the massive influx of Lithium projects and prospective regular mining projects (though of substantial heft) such as Diablillos and Taca Taca. Catamarca and Jujuy are

also benefitting mightily at the moment but are somewhat renowned for slow bureaucracy. In any case they are NOT anti-mining in any way, at the moment.

As we noted earlier, Aldebaran malingering on the register will not be good for liquidity and ideally a full distribution of its stake will occur.

Quite an amount of work will need to be done to underpin the valuation being put on Centauri as most recent work was over half a decade ago. The matter least under control of the company is grades at Rio Grande, thus far, being on the skinnier side. Maybe this situation will improve at depth or along strike. Time will tell.

Financing challenges come with the territory in the mining space. Pure explorers remain the ugly duckling of the current market as surging precious metals prices have brought substantial direct benefits to producers and collateral benefits to developers while investors continue to parse whether explorers are real or just going through the motions.

Investment Thesis

At this point the investment thesis for Centauri Minerals is essentially “lay back and enjoy” as Aldebaran shareholders will get their widow’s mite of stock in Centauri as long as they remain shareholders up until the ex-distribution record date.

The seed round placing and Aldebaran’s equity holding in the SpinCo values the entity at roughly CAD\$25mn. Is this a good price for this asset bundle? One might assess the four tag-along properties as worthless (or priceless at least). Aguas Calientes is formative and in any other situation, as a QT, might get a valuation of a million or two. Rio Grande’s valuation depends upon the eye of the beholder. Would CAD\$23mn be an OK price for an extant (historic) resource that has gold and copper grades that are so skinny that they may not be economic? We have no economics to back up this valuation.

In essence, time will tell. Centauri Minerals is a free lottery ticket.

Rating & Rationale

The rating on this stock must needs be a **NEUTRAL** stance at this juncture as there is not much to go upon. Aldebaran was not inspired for over half a decade to throw more money the way of Rio Grande, so we would use the old adage that “actions speak louder than words” in assessing whether one should try to position oneself for this freebie. Institutions for which the Centauri shares are not a taxable event may be inspired to take the money and run. Maybe these are famous last words from us, but Rio Grande does not have the look of being another Altar. Aldebaran for us is still a **LONG** and we expect it will become one of the most important projects in the copper pipeline over the next decade. Centauri will not have the secret sauce of Aldebaran’s management team once it is set free upon the markets. This prompts us to a **NEUTRAL** call.

Important disclosures

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