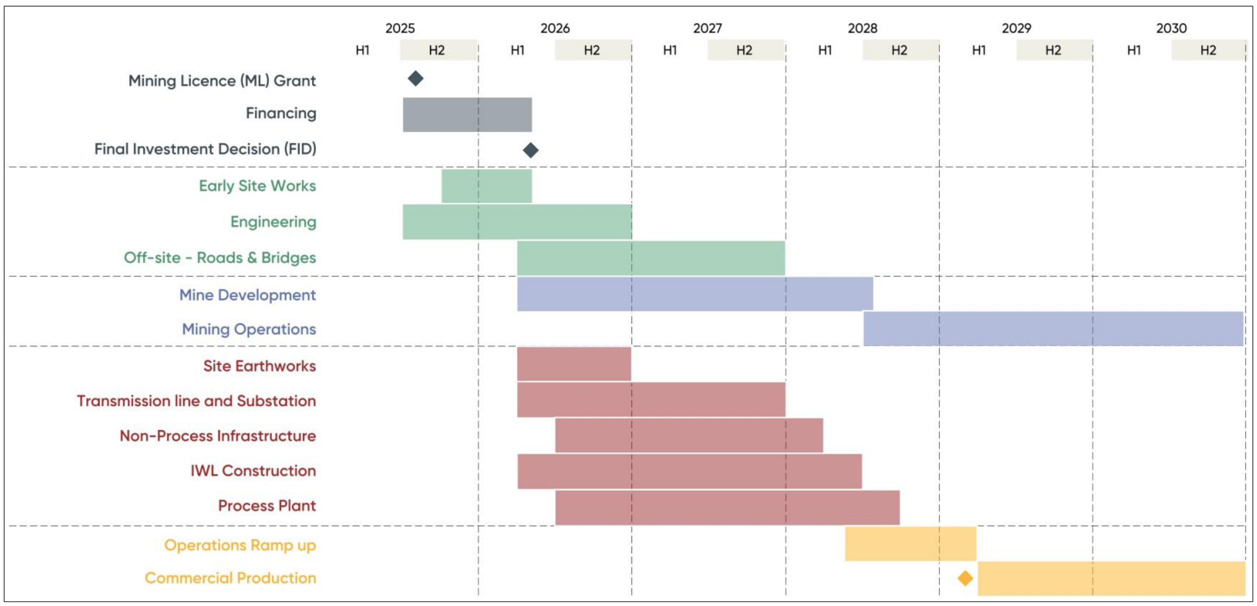
SCP EQUITY RESEARCH

Centaurus Metals, 10 October 2025

| | | |
|---|---|---|
| **Ticker:** CTM AU | **Cash:** A$12m | **Project**: Jaguar / Boi Novo / Jambreiro |
| **Market cap**: A$228m | **Price:** A$0.46/sh | **Country:** Brazil |
| *REC. (unc): BUY* | *TARGET (unc): A$1.75/sh* | *RISK RATING (unc): HIGH* |

*Today's news of the Jaguar Nickel Sulfide Project receiving its Mining Lease from the Brazilian Ministry of Mines and Energy is positive. Centaurus now holds all key environmental and mining licenses and approvals necessary to start construction – fully derisking the project and paving the way for next year's FID. Recall, Jaguar's 2Q25 Value Engineering Process (JVEP) outlined a globally significant conventional open pit operation with strong economics at spot based on 52Mt @ 0.78% Ni reserves yielding a high 80% payable 30.1% concentrate (~19ktpa over the 15-year LOM) driving our SCPe NPV of A$1,431m – with upside still on future underground potential (16Mt @ 1.5% UG M&I) currently under scoping study. As such, we maintain our* ***BUY rating and our price target of $1.75/sh*** *based on 0.5xNAV. Looking ahead the key now will be securing project financing (incl. relevant offtake discussions) ahead of construction start. Trading at just 0.13xNAV at spot, Centaurus remains among the rare >1.2Mt Ni metal, low-cost open-pittable nickel sulfide deposits globally with metallurgy, permitting, and engineering fully derisked – making it an excellent countercyclical investment – with a potential 'flyer' for discovery on new copper Boi Novo still to come.*

**Figure 1. Jaguar project implementation schedule**




*Source: Centaurus Metals, 5-Aug-2025 – Diggers & Dealers Presentation*

## Jaguar receives Mining Lease from Brazilian MME paving way for 1H26 FID

Today, Centaurus announced the granting of the Mining Lease for Jaguar Nickel Sulphide Project (Brazil) by the Brazilian Ministry of Mines and Energy (MME), providing the ability to mine ore from the Project's deposits for commercial purposes and marking the last of key approvals to support an FID, as Centaurus now holds all the key environmental and mining licenses and approvals necessary to start construction.

## Why we like Centaurus

1. Only >1.2Mt Ni metal, <US$500m capex, pittable nickel sulphide junior globally
2. One of few high-grade nickel sulphide developers retaining 100% of its offtake rights
3. $CO_2$ / energy security value with <1/10$^{th}$ the $CO_2$ of laterites, and location outside Russia
4. Taking 'vanilla' concentrate route leaving room for down-stream POX optionality
5. 10Y 75% tax-breaks in well known mining jurisdiction (no rainforest, RAP, indigenous)

## Catalysts

- 2H25: Jambreiro mining lease
- 1H26 / 2H28: Final investment decision / production start
- 2H25: underground conceptual study

## Research

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| | | | | | |
|---|---|---|---|---|---|
| **Ticker:** CTM AU | **Price / mkt cap:** | A46c/sh / A$228m | **P/NAV today:** | 0.13x | **Country:** Brazil |
| **Author:** B Gaspar | **Rec/0.5xNAV7% PT:** | BUY, A$1.75/sh | **$1xNAV_{2Q25}$ FF FD:** | A$3.17/sh | **Asset:** Jaguar |

| Commodity price | CY24A | CY25E | CY26E | CY27E | CY28E |
|---|---|---|---|---|---|
| Ni price (US$/t) | 17,061 | 15,579 | 17,726 | 20,408 | 20,944 |
| Ni price (US$/t, payable) | 13,649 | 12,463 | 14,181 | 16,326 | 16,755 |
| **1xNAV project valuation*** | **A$m** | **o/ship** | **NAVx** | **A$/sh** | |
| Jaguar OP NPV (build start) | 1,431 | 100% | 1.0x | 2.82 | |
| Jaguar UG, 50% risked | 141 | 100% | 1.0x | 0.28 | |
| Expln & resources ex reserve @ 1% insitu | 190 | 100% | 1.0x | 0.37 | |
| 2Q25 cash + SPP | 12 | 100% | 1.0x | 0.02 | |
| Cash from ITM options | - | 100% | 1.0x | - | |
| **1XNAV A$ @ 2Q25** | **1,774** | | | **3.50** | |
| **Build start, ex fin. cost + G&A, dil. for optns not build* | | | *P/NAV today:* | 0.13x | |

| Asset value: 1xNPV *project* @ build start (A$m, ungeared)* | 7.50/lb | 8.50/lb | 9.50/lb | 10.50/lb | 11.50/lb |
|---|---|---|---|---|---|
| Group NAV (A$m) | 16,535 | 18,739 | 20,944 | 23,149 | 25,353 |
| 9.0% discount | 855 | 1,195 | 1,535 | 1,874 | 2,214 |
| 7.0% discount | 1,008 | 1,391 | **1,774** | 2,157 | 2,540 |
| 5.0% discount | 1,195 | 1,631 | 2,067 | 2,502 | 2,938 |
| Ungeared project IRR: | 21% | 27% | 33% | 38% | 43% |
| Group NAV (A$/sh) | 16,535 | 18,739 | 20,944 | 23,149 | 25,353 |
| 9.0% discount | 1.69 | 2.35 | 3.02 | 3.69 | 4.36 |
| 7.0% discount | 1.99 | 2.74 | **3.50** | 4.25 | 5.00 |
| 5.0% discount | 2.35 | 3.21 | 4.07 | 4.93 | 5.79 |

**Project level NPV, excl finance costs and central SGA, discounted to build start*

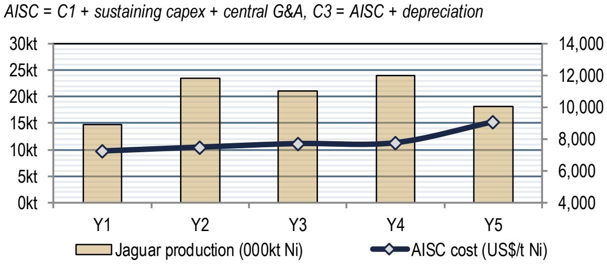
| SOTP *company* valuation^ | Dec-25 | Dec-26 | Dec-27 | Jun-28 | Dec-29 |
|---|---|---|---|---|---|
| Jaguar NPV | 1,403 | 1,728 | 2,175 | 2,324 | 2,154 |
| Resources ex reserve + UG | 331 | 331 | 331 | 331 | 331 |
| Central G&A & fin costs | (158) | (152) | (110) | (84) | (23) |
| Net cash prior quarter | 213.7 | (0.4) | (349.1) | (455.2) | (148.2) |
| Cash from ITM options | - | - | - | - | - |
| NAV (A$m) | 1,789 | 1,907 | 2,047 | 2,116 | 2,313 |
| *FD share count (m)* | *565* | *565* | *565* | *565* | *565* |
| 1xNAV7%/sh FF FD (A$/sh) | 3.17 | 3.38 | 3.63 | 3.75 | 4.10 |

| Exit value: 1xNAV/sh *company* @ first production (A$, geared)^ | 7.50/lb | 8.50/lb | 9.50/lb | 10.50/lb | 11.50/lb |
|---|---|---|---|---|---|
| Group NAV (A$m) | 16,535 | 18,739 | 20,944 | 23,149 | 25,353 |
| 9.0% discount | 1,099 | 1,510 | 1,920 | 2,331 | 2,742 |
| 7.0% discount | 1,223 | 1,670 | **2,116** | 2,563 | 3,009 |
| 5.0% discount | 1,371 | 1,861 | 2,350 | 2,839 | 3,329 |

| Exit value: 1xNAV/sh *company* @ first production (A$, geared)^ | | | | | |
|---|---|---|---|---|---|
| 1xNAV (A$/sh) | 16,535 | 18,739 | 20,944 | 23,149 | 25,353 |
| 9.0% discount | 1.95 | 2.67 | 3.40 | 4.13 | 4.86 |
| 7.0% discount | 2.17 | 2.96 | **3.75** | 4.54 | 5.33 |
| 5.0% discount | 2.43 | 3.30 | 4.16 | 5.03 | 5.90 |

| Production | Y1 | Y2 | Y3 | Y4 | Y5 |
|---|---|---|---|---|---|
| Jaguar production (000kt Ni) | 14.8 | 23.5 | 21.1 | 23.9 | 18.2 |
| C1 cost (US$/t Ni) | 5,745 | 5,961 | 6,242 | 6,222 | 7,457 |
| AISC cost (US$/t Ni) | 7,240 | 7,482 | 7,702 | 7,757 | 9,055 |

*AISC = C1 + sustaining capex + central G&A, C3 = AISC + depreciation*




| Resource/Inventory | Mt | NiEq % | | Mt | Ni % |
|---|---|---|---|---|---|
| | 2Q24 JORC | | | Reserves | |
| M&I | 112.6 | 0.95% | OP: | 52.0 | 0.78% |
| Inferred | 25.7 | 0.97% | UG: | - | - |
| | 138.2 | 0.95% | Total | 52.0 | 0.78% |

| Funding: uses | | Funding: sources | |
|---|---|---|---|
| Capex (A$m) | 578.7 | 2Q25 cash (A$m) | 12.2 |
| Drilling/FS cost (A$m) | - | SCPe debt (A$m) | 462.9 |
| Working cap >DFS (A$m) | - | SCPe equity at spot (A$m) | 205.6 |
| G&A and fin. cost (A$m) | 35.8 | Total sources (A$m) | 680.7 |
| *Total uses: group (A$m)* | *614.5* | *Buffer (A$m)* | *66.2* |

| Share data (m) | Basic | FD | FF FD |
|---|---|---|---|
| Shares (m) | 496.7 | 507.6 | 954.6 |

| Ratio analysis | CY24A | CY25E | CY26E | CY27E | CY28E |
|---|---|---|---|---|---|
| Shares out (m) | 496.7 | 553.8 | 553.8 | 553.8 | 553.8 |
| EPS (Ac/sh) | - | - | - | - | 21.7 |
| CFPS pre w/c (A$/sh) | - | - | - | - | 8.1 |
| EV (A$m) | 210.4 | 41.9 | 338.6 | 667.5 | 590.1 |
| FCF yield (%) | - | - | - | - | 30% |
| PER (x) | - | - | - | - | 2.1x |
| P/CF (x) | - | - | - | - | 3.3x |
| EV/EBITDA (x) | - | - | - | - | 2.6x |

| Income statement | CY24A | CY25E | CY26E | CY27E | CY28E |
|---|---|---|---|---|---|
| Revenue (A$m) | - | - | - | - | 378.4 |
| COGS (A$m) | - | - | - | - | 150.9 |
| **Gross profit (A$m)** | **-** | **-** | **-** | **-** | **227.5** |
| G&A (A$m) | 4.3 | 4.0 | 4.0 | 4.0 | 4.0 |
| Exploration (A$m) | 16.9 | 7.2 | - | - | - |
| Finance costs (A$m) | - | - | 18.2 | 48.9 | 47.7 |
| Tax (A$m) | (3.5) | - | - | - | 24.6 |
| Other (A$m) | 0.2 | 0.3 | (0.5) | (0.4) | 30.9 |
| **Net income (A$m)** | **(17.8)** | **(11.5)** | **(21.7)** | **(52.5)** | **120.2** |

| Cash flow statement | CY24A | CY25E | CY26E | CY27E | CY28E |
|---|---|---|---|---|---|
| EBITDA (A$m) | (22.5) | (11.9) | (4.0) | (4.0) | 223.5 |
| Add share based (A$m) | 1.1 | 0.5 | - | - | - |
| Net change WC (A$m) | (0.6) | 0.4 | - | 1.5 | 32.4 |
| **Cash flow ops (A$m)** | **(15.8)** | **(11.3)** | **(21.7)** | **(53.9)** | **118.7** |
| PP&E + sust. (A$m) | 0.3 | 0.0 | 275.0 | 275.0 | 41.2 |
| PP&E - expl'n (A$m) | 0.1 | - | - | - | - |
| **Cash flow inv. (A$m)** | **(0.4)** | **(0.0)** | **(275.0)** | **(275.0)** | **(41.2)** |
| Share issue (A$m) | 0.4 | 205.6 | - | - | - |
| Debt draw (repay) (A$m) | - | - | 315.0 | 147.9 | (115.7) |
| **Cash flow fin. (A$m)** | **0.4** | **205.6** | **315.0** | **147.9** | **(115.7)** |
| Net change in cash (A$m) | (16.4) | 194.5 | 18.3 | (181.0) | (38.3) |

| Balance sheet | CY24A | CY25E | CY26E | CY27E | CY28E |
|---|---|---|---|---|---|
| Cash (A$m) | 18.0 | 212.8 | 231.1 | 50.1 | 11.9 |
| Acc rec. + invet. (A$m) | 14.0 | 14.0 | 14.0 | 13.4 | 62.4 |
| PP&E & expl'n (A$m) | 20.7 | 10.7 | 285.7 | 560.7 | 571.0 |
| **Total assets (A$m)** | **39.5** | **237.4** | **530.8** | **624.2** | **645.2** |
| Debt (A$m) | - | - | 315.0 | 462.9 | 347.2 |
| Accounts payable (A$m) | 2.4 | 2.0 | 2.0 | - | 16.5 |
| Others (A$m) | 18.6 | 213.4 | 231.7 | 50.1 | 60.8 |
| Total liabilities (A$m) | 4.1 | 6.1 | 321.1 | 467.0 | 367.8 |
| Shareholders' equity (A$m) | 282.5 | 488.2 | 488.2 | 488.2 | 488.2 |
| Reserves (A$m) | (7.7) | (6.8) | (6.8) | (6.8) | (6.8) |
| Retained earnings (A$m) | (239.4) | (250.0) | (271.7) | (324.2) | (204.0) |
| **Liabilities + equity (A$m)** | **39.5** | **237.4** | **530.8** | **624.2** | **645.2** |

*Source: SCP estimates*

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|---|---|
| BUY: | 54 |
| HOLD: | 0 |
| SELL: | 0 |
| UNDER REVIEW: | 0 |
| TENDER: | 0 |
| NOT RATED: | 0 |
| TOTAL | 54 |

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