

Ticker: CTM AU	4Q24 cash: A\$18m	Project: Jaguar / Boi Novo / Jambreiro
Market cap: A\$184m	Price: A\$0.37/sh	Country: Brazil
<i>REC. (unc): BUY</i>	<i>TARGET (unc): A\$1.70/sh</i>	<i>RISK RATING (unc): HIGH</i>

Today's news of Centaurus' Jaguar Project being selected to join the Brazil Climate and Ecological Transformation Investment Platform (BIP) has potential to provide the company with significant non-dilutive government funding. It is estimated that BIP is ready to mobilize up to US\$10.8bn – a major capital commitment for Brazil, speaking to the government's focus on promoting the sustainable use of resources to addressing climate change/initiatives. Having already passed extensive initial government screenings to qualify for investment, we think today's news speaks to the quality of Centaurus' Jaguar asset – one of few mining projects currently being considered under the program. Recall Jaguar's capex is ~US\$371m as per the 3Q24 DFS, hence its inclusion in the BIP is positive to reducing traditional funding pathways. For now, **we maintain our BUY rating and our \$1.70/sh** based on 0.5xNAV and DFS inputs producing ~19ktpa over 18-years and exclude any upside from high-grade UG mining. Looking ahead, Centaurus has several value driving catalysts this year, including a Jaguar installation license and mining lease, value engineering study (all this quarter), and more progress on funding (incl. potential strategic partnership), with A\$18m cash at December end to support twin track Boi Novo exploration and Jaguar development.

Centaurus' Jaguar Project selected under US\$10.8bn Brazil government funding initiative

Today, Centaurus announced its Jaguar Nickel Sulphide Project in northern Brazil has been selected for the Brazil Climate and Ecological Transformation Investment Platform (BIP), an initiative by the Brazilian Government and managed by BNDES. BIP connects sustainable projects with global investors, offering access of up to US\$10.8bn in current funding to support decarbonization and green economic growth. Jaguar was chosen for its strong ESG credentials, alignment with Brazil's climate transition plans, and socio-economic benefits. Centaurus will now engage with major investment banks, development institutions, and global funds to secure financing for Jaguar's development and operation, further supporting Brazil's sustainability goals.

Why we like Centaurus

1. Only >1.2Mt Ni metal, <\$500m capex, pitiable nickel sulphide junior globally
2. One of few high-grade nickel sulphide developer retaining 100% of its offtake rights
3. CO₂ / energy security value with <1/10th the CO₂ 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

- SCPe 1Q25: Installation License (LI)
- 1Q25: Jaguar Value Engineering study
- 1Q25: Jambreiro preliminary license
- 2H24-1H25: Offtake and funding progress
- 1Q25: Mining Lease
- 2Q25 / 2H27: Final investment decision / production start

Research

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Ticker: CTM AU	Price / mkt cap: A37c/sh / A\$184m	P/NAV today: 0.11x	Country: Brazil
Author: B Gaspar	Rec/0.5xNAV7% PT: BUY, A\$1.70/sh	1xNAV _{1Q25} FF FD: A\$1.48/sh	Asset: Jaguar

Commodity price	CY23A	CY24A	CY25E	CY26E	CY27E
Ni price (US\$/t)	21,704	17,061	17,704	20,060	20,944
Ni price (US\$/t, payable)	16,495	12,966	13,455	15,246	15,917
1xNAV project valuation*	A\$m	o/ship	NAVx	A\$/sh	
Jaguar OP NPV (build start)	1,345	100%	1.0x	2.68	
Jaguar UG, 50% risked	144	100%	1.0x	0.29	
Expln & resources ex reserve @ 1% insitu	179	100%	1.0x	0.36	
4Q24 cash	18	100%	1.0x	0.04	
Cash from ITM options	-	100%	1.0x	-	
1xNAV A\$ @ 3Q24	1,686			3.35	

*Build start, ex fin. cost + G&A, dil. for optns not build P/NAV today: 0.11x

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	756	1,086	1,417	1,748	2,079
7.0% discount	922	1,304	1,686	2,069	2,451
5.0% discount	1,133	1,580	2,026	2,473	2,920
Ungeared project IRR:	17%	23%	27%	31%	35%
Group NAV (A\$/sh)	16,535	18,739	20,944	23,149	25,353
9.0% discount	1.50	2.16	2.82	3.48	4.14
7.0% discount	1.83	2.59	3.35	4.12	4.88
5.0% discount	2.25	3.14	4.03	4.92	5.81

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

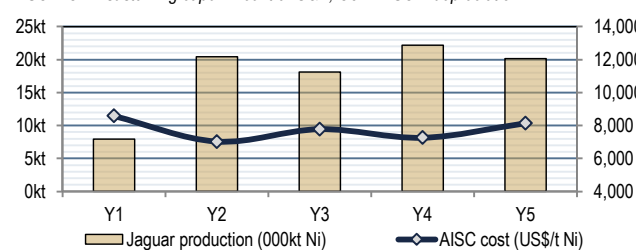
SOTP company valuation^	Mar-25	Mar-26	Mar-27	Mar-28	Mar-29
Jaguar NPV	1,318	1,663	2,102	2,230	2,182
Resources ex reserve + UG	323	323	323	323	323
Central G&A & fin costs	(133)	(137)	(121)	(81)	(41)
Net cash prior quarter	18.0	(17.7)	(339.9)	(371.6)	(230.9)
Cash from ITM options	-	-	-	-	-
NAV (A\$m)	1,526	1,832	1,964	2,100	2,233
FD share count (m)	1034	1034	1034	1034	1034
1xNAV7%/sh FF FD (A\$/sh)	1.48	1.77	1.90	2.03	2.16

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	1,041	1,458	1,875	2,291	2,708
7.0% discount	1,179	1,640	2,100	2,561	3,021
5.0% discount	1,349	1,863	2,377	2,892	3,406

Exit value: 1xNAV/sh company @ first production (A\$, geared)^	7.50/lb	8.50/lb	9.50/lb	10.50/lb	11.50/lb
1xNAV (A\$/sh)	16,535	18,739	20,944	23,149	25,353
9.0% discount	1.04	1.46	1.87	2.29	2.71
7.0% discount	1.18	1.64	2.10	2.56	3.02
5.0% discount	1.35	1.86	2.38	2.89	3.40

Production	Y1	Y2	Y3	Y4	Y5
Jaguar production (000kt Ni)	7.9	20.4	18.1	22.2	20.2
C1 cost (US\$/t Ni)	7,128	5,536	6,224	5,803	6,610
AISC cost (US\$/t Ni)	8,587	7,034	7,786	7,263	8,143

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



Source: SCP estimates

Resource/Inventory	Mt	NiEq %	Mt	Ni %
	2Q24 JORC		Reserves	
M&I	112.6	0.95%	OP:	63.0 0.73%
Inferred	25.7	0.97%	UG:	- -
	138.2	0.95%	Total	63.0 0.73%

Funding: uses	Funding: sources		
Capex (A\$m)	562.1	4Q24 cash (A\$m)	18.0
Drilling/FS cost (A\$m)	3.7	SCPe debt (A\$m)	365.4
Working cap >DFS (A\$m)	13.1	SCPe equity at spot (A\$m)	196.7
G&A and fin. cost (A\$m)	36.5	Total sources (A\$m)	580.2
Total uses: group (A\$m)	615.5	Buffer (A\$m)	-35.3

Share data (m)	Basic	FD	FF FD
Shares (m)	496.7	502.7	1034.4

Ratio analysis	CY23A	CY24E	CY25E	CY26E	CY26E
Shares out (m)	496.7	496.7	1,028.4	1,028.4	1,028.4
EPS (Ac/sh)	-	-	-	-	1.3
CFPS pre w/c (A\$/sh)	-	-	-	-	-
EV (A\$m)	149.1	165.7	398.2	720.4	752.1
FCF yield (%)	-	-	-	-	-
PER (x)	-	-	-	-	29.1x
P/CF (x)	-	-	-	-	-
EV/EBITDA (x)	-	-	-	-	11.1x

Income statement	CY23A	CY24E	CY25E	CY26E	CY26E
Revenue (A\$m)	-	-	-	-	143.3
COGS (A\$m)	-	-	-	-	71.8
Gross profit (A\$m)	-	-	-	-	71.5
G&A (A\$m)	5.3	4.3	4.0	4.0	4.0
Exploration (A\$m)	37.7	16.9	3.7	-	-
Finance costs (A\$m)	-	-	-	18.2	39.5
Tax (A\$m)	(0.5)	(3.5)	-	-	4.8
Other (A\$m)	(1.4)	(1.4)	(0.2)	0.0	10.2
Net income (A\$m)	(41.4)	(16.2)	(7.5)	(22.2)	13.1

Cash flow statement	CY23A	CY24E	CY25E	CY26E	CY26E
EBITDA (A\$m)	(43.0)	(21.2)	(7.7)	(4.0)	67.5
Add share based (A\$m)	-	-	-	-	-
Net change WC (A\$m)	2.0	2.1	-	-	12.2
Cash flow ops (A\$m)	(43.2)	(18.4)	(7.5)	(22.2)	11.0
PP&E + sust. (A\$m)	2.2	0.3	225.0	300.0	42.6
PP&E - expl'n (A\$m)	0.9	0.1	-	-	-
Cash flow inv. (A\$m)	(3.1)	(0.4)	(225.0)	(300.0)	(42.6)
Share issue (A\$m)	44.5	0.4	196.7	-	-
Debt draw (repay) (A\$m)	-	-	-	315.0	50.4
Cash flow fin. (A\$m)	44.5	0.4	196.7	315.0	50.4
Net change in cash (A\$m)	(1.7)	(19.0)	(35.7)	(7.2)	18.7

Balance sheet	CY23A	CY24E	CY25E	CY26E	CY26E
Cash (A\$m)	34.7	18.0	(17.7)	(24.9)	(6.2)
Acc rec. + invet. (A\$m)	3.3	3.3	3.3	3.3	21.2
PP&E & expl'n (A\$m)	23.5	21.7	246.7	546.7	579.2
Total assets (A\$m)	60.3	43.0	232.2	525.0	594.2
Debt (A\$m)	-	-	-	315.0	365.4
Accounts payable (A\$m)	3.4	2.2	2.2	2.2	7.9
Others (A\$m)	36.8	21.1	(14.6)	(21.8)	14.8
Total liabilities (A\$m)	5.1	4.2	4.2	319.2	375.3
Shareholders' equity (A\$m)	281.4	282.2	478.9	478.9	478.9
Reserves (A\$m)	(4.7)	(7.3)	(7.3)	(7.3)	(7.3)
Retained earnings (A\$m)	(221.6)	(236.1)	(243.6)	(265.8)	(252.7)
Liabilities + equity (A\$m)	60.3	43.0	232.2	525.0	594.2

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Summary of Recommendations as of February 2025	
BUY:	42
HOLD:	0
SELL:	0
UNDER REVIEW:	1
TENDER:	1
NOT RATED:	0
TOTAL	44

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