

Ticker: CTM AU **2Q24 cash:** A\$25m **Project:** Jaguar
Market cap: A\$151m **Price:** A\$0.31/sh **Country:** Brazil
REC. (unc): BUY **TARGET (+5c):** A\$1.70/sh **RISK RATING (unc):** HIGH

Yesterday's MRE update of **138.2Mt @ 0.95% NiEq** (incl. 0.87% Ni, 0.07% Cu, 262ppm Co) was positive with a +28% lift in contained NiEq (at spot prices) at flat grades and M&I up +34% in contained NiEq at +2% higher grade. Key here is for the larger de-risked resource to drive an optimized mine schedule and grade profile vs last month's DFS which had an OP-only reserve of 63.0Mt @ 0.73% Ni from the 108Mt @ 0.95% NiEq 4Q22 MRE produce an 18-year mine life at ~19ktpa NiEq at US\$3.57/lb AISC resulting in A\$997m NPV8%. Among the potential scheduling benefits are i) open pittable high grade **8.3Mt @ 1.52% Ni (125.3kt) <100m from surface** and ii) high-grade UG (M&I **15.5Mt @ 1.50% Ni** (233kt contained Ni)) to bulk out the LOM or introduce high-grade earlier on for improved economics. Separately, on parameters, nice to see fixed cut-offs and modelling assumptions vs the prior resource, with pit shell metal prices seeing the only significant delta at US\$26,000/t, up from prior US\$22,000/t. While we think this provides a useful upper-bound on OP mined potential in higher-price environments, we expect more conservative long-term prices on conversion to reserves (i.e. recall the DFS's US\$19,800/t Ni economic assumptions). All that ahead of any additional consideration on advanced met testing to improve/optimize the recovery profile.

Updating our valuation to include updated resources outside of reserves at 1% in situ value, **we maintain our BUY rating and increase our PT to A\$1.70/sh from \$1.65/sh** based 0.5xNAV and DFS inputs producing ~19ktpa over 18-years and exclude any upside from high-grade UG mining. Upcoming catalysts include 4Q24 UG scoping study and Installation License, 1Q25 Mining Lease, progress on funding (incl. potential strategic partnerships) and a 2Q25 FID - with potential flyer on new greenfields exploration (Boi Novo) and nickel prices. With A\$25m in the treasury, several value-driving catalysts in the next 6-12 months, and a world-class >1,200t contained Ni resource base, Centaurus is an excellent countercyclical name to own.

Table 1. Jaguar 3Q24 MRE vs 4Q22 MRE summary and modelling assumptions

Jaguar MRE				MRE modelling assumptions		
Resource	4Q22	3Q24	Δ (%)	Jaguar MRE	2022 MRE	2024 MRE
Tonnes (000t)	108.00	138.20	28%	Parent block (m)	10x2x10; 1m composites	10x2x10; 1m composites
Grade (% NiEq)	0.95%	0.95%	0%	Cut-off (% Ni)	0.3% in pit 0.7% Ni below	0.3% in pit 0.7% Ni below
NiEq metal (000t)	1,028	1,315	28%	Number of Holes	699 DD (162,750m)	794DD (212,048m)
M&I (% total)	77%	81%	5%		71 holes (10,020m)	217 RC holes (34,533)
M&I Grade (% NiEq)	0.93%	0.95%	2%	Model method	OK	OK
Tonnes added (000t)	27.40	30.20	10%	Pit Shell metal prices (US\$/t)	US\$22,000/t Ni	US\$26,000t Ni
Grade of new tonnes (% NiEq)	0.86%	0.95%	10%		US\$44,092/t Co	
High grade tonnes (000t)	28.60	36.10	26%	US\$9,065/t Cu		
High-grade (% NiEq)	1.64%	1.62%	-1%	Search ellipse (m)	75m 1st 150m 2nd pass	75m 1st 150m 2nd pass
NiEq metal (000t)	469	584	24%	Top cut	Domain 121 Ni, other Cu and S	Domains 37 (4% Ni) and 121 (8% Ni)

Notes: high grade @ 1% cut-off; NiEq from Aug 5 metal prices, excludes Zn Source: Centaurus Metals, SCP

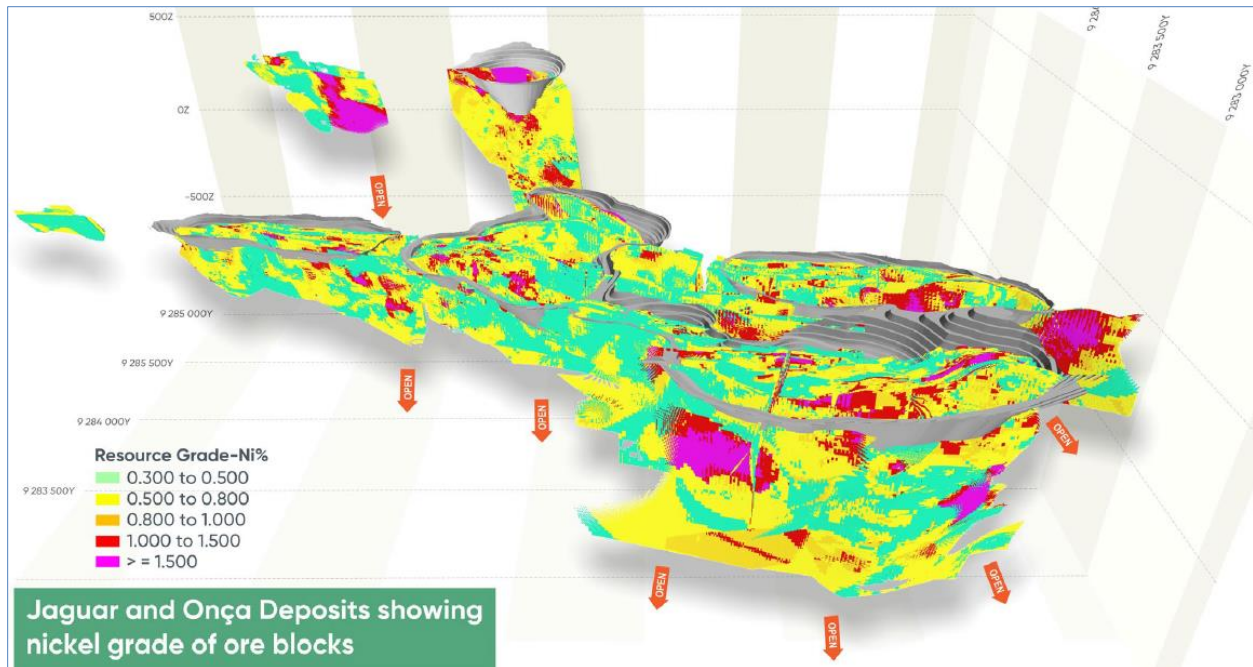
Source: Centaurus Metals, SCP

MRE update: +34% NiEq M&I metal additions provides upside to DFS; FID on track for 2Q25

Centaurus reported updated resources at the Jaguar Nickel Project totalling **138.2Mt @ 0.95% NiEq (spot)** with 0.87% Ni, 0.07% Cu and 262ppm Co (+28% tonnes and contained NiEq at flat grade) including 81% in M&I (+5%). Total M&I resources increased by +34% contained NiEq to **112.6Mt @ 0.95% NiEq**, while inferred resources increased by +8% contained NiEq to **25.7Mt @ 0.97% NiEq**. The high-grade component **36.1Mt @ 1.55% NiEq** (1.0% Ni cut-off) also increased (+26% tonnes, -1% NiEq grade, +24% NiEq metal) vs the 4Q22 MRE with **8.3Mt @ 1.52% Ni** within <100m from surface. An additional **21.5Mt @ 1.46% Ni (313kt contained Ni)** at a 1.0% Ni cut-off was reported to sit below the FS final pit design with **15.5Mt @ 1.50% Ni (233kt contained Ni)** in M&I that will be used to underpin an **underground scoping study** targeted for 4Q24. Next steps: Ahead of the 2Q25 Final Investment Decision (FID), the company is progressing the completion of Mining Lease (1Q25) and Installation License (LI) (4Q24) approvals as well as pursuing strategic partnerships. Additionally, the new MRE will be used in the Jaguar Value Engineering Process (JVEP) to incorporate new M&I mineralization, optimize mine sequence/schedule/design, and

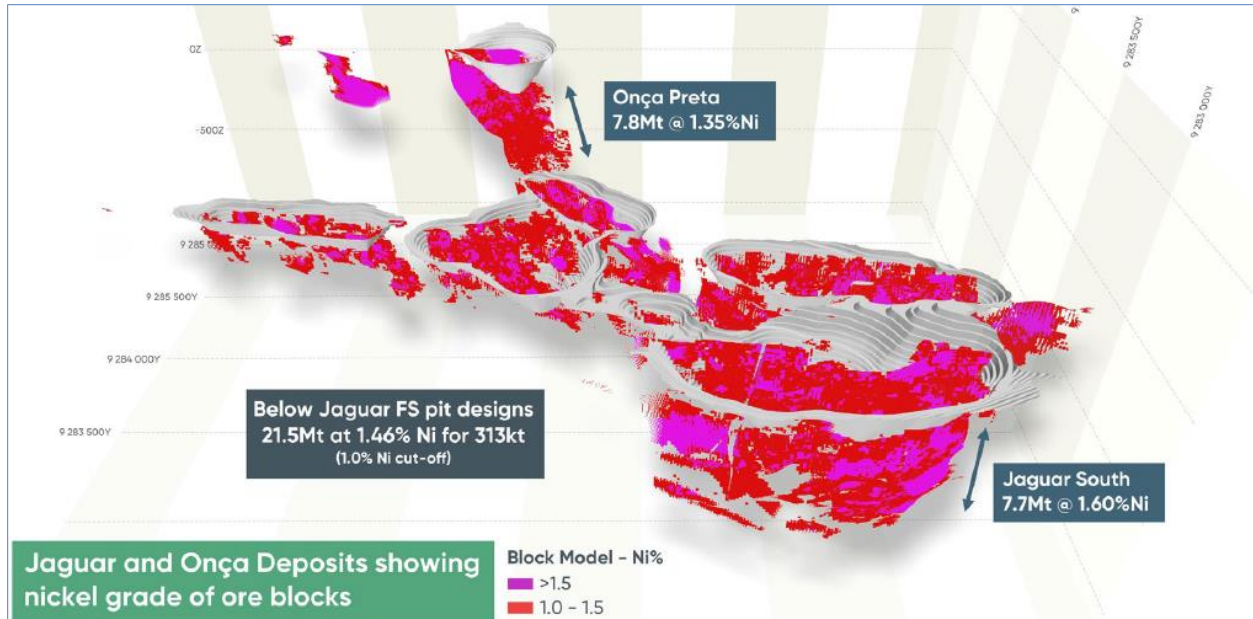
undertake further met testing to optimize project economics ahead of the FID. Centaurus Metals is well-funded with ~\$25 million in cash and no debt.

Figure 1. 3D view of Jaguar and Onça Deposits showing Nickel Grade within FS Pit Designs



Source: Centaurus Metals

Figure 2. Jaguar MRE block model showing blocks >1.0% Ni



Source: Centaurus Metals

Why we like Centaurus

1. Only >1.2Mt Ni metal, <\$500m capex, pittance 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

- CY24: Jambreiro Iron Ore Study update
- 4Q24: Jaguar UG scoping study
- 4Q24: Installation License (LI) granted
- 2H24-1H25: Offtake and funding progress
- 1Q25: Mining Lease granted
- 2Q25 / 2H27: Final investment decision / production start

Research

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Ticker: CTM AU	Price / mkt cap: A31c/sh / A\$151m	P/NAV today: 0.09x	Country: Brazil
Author: B Gaspar	Rec/0.5xNAV7% PT BUY, A170c/sh	1xNAV _{3Q24} FF FD: A\$2.34/sh	Asset: Jaguar

Commodity price	CY21A	CY22A	CY23A	CY24E	CY25E
Ni price (US\$/t)	18,244	26,490	19,913	20,944	20,944
Ni price (US\$/t, payable)	13,865	13,865	13,865	13,865	13,865

1xNAV project valuation*	A\$m	o/ship	NAVx	A\$/sh
Jaguar OP NPV (build start)	1,344	100%	1.0x	2.67
Jaguar UG, 50% risked	144	100%	1.0x	0.29
Expln & resources ex reserve @ 1% insitu	179	100%	1.0x	0.36
2Q24 cash	25	100%	1.0x	0.05
Cash from ITM options	-	100%	1.0x	-
1XNAV A\$ @ 2Q24	1,691			3.36

*Build start, ex fin. cost + G&A, dil. for optns not build P/NAV today: 0.09x

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	760	1,091	1,422	1,753	2,084
7.0% discount	927	1,309	1,691	2,073	2,456
5.0% discount	1,138	1,585	2,031	2,478	2,925
Ungeared project IRR:	17%	22%	27%	31%	35%
Group NAV (A\$/sh)	16,535	18,739	20,944	23,149	25,353
9.0% discount	1.51	2.17	2.83	3.48	4.14
7.0% discount	1.84	2.60	3.36	4.12	4.88
5.0% discount	2.26	3.15	4.04	4.92	5.81

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

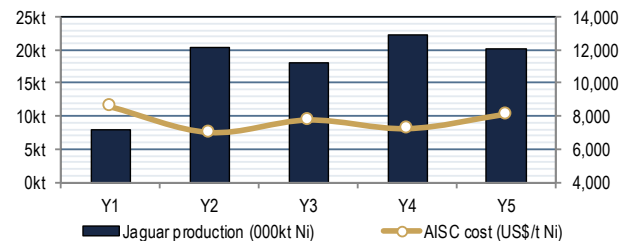
SOTP company valuation ^	Sep-24	Sep-25	Sep-26	Sep-27	Sep-28
Jaguar NPV	1,267	1,423	1,881	2,203	2,237
Resources ex reserve + UG	323	323	323	323	323
Central G&A & fin costs	(130)	(134)	(133)	(101)	(59)
Net cash prior quarter	24.7	196.1	(137.9)	(355.3)	(296.6)
Cash from ITM options	-	-	-	-	-
NAV (A\$m)	1,485	1,808	1,933	2,069	2,204
FD share count (m)	635	1280	1280	1280	1280
1xNAV7%/sh FF FD (A\$/sh)	2.34	1.41	1.51	1.62	1.72

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	1,032	1,433	1,835	2,237	2,638
7.0% discount	1,175	1,622	2,069	2,516	2,964
5.0% discount	1,352	1,855	2,359	2,862	3,365

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	0.85	1.17	1.50	1.83	2.16
7.0% discount	0.96	1.33	1.70	2.06	2.43
5.0% discount	1.11	1.52	1.93	2.34	2.76

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		SCP inventory	
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	2Q24 cash + pre FID equity (A\$m)	64.7
Drilling/FS cost (A\$m)	11.5	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)	38.6	Total sources (A\$m)	626.9
Total uses: group (A\$m)	625.3	Drilling / buffer (A\$m)	1.5

Share data (m)	Basic	FD	FF FD		
Shares (m)	496.2	503.4	1272.4		
Ratio analysis	CY21A	CY22E	CY23E	CY24E	CY25E
Shares out (m)	329.5	427.1	494.9	627.4	1,272.4
EPS (Ac/sh)	-	-	-	-	-
CFPS pre w/c (A\$/sh)	-	-	-	-	-
EV (A\$m)	92.2	96.2	116.3	136.3	368.8
FCF yield (%)	-	-	-	-	-
PER (x)	-	-	-	-	-
P/CF (x)	-	-	-	-	-
EV/EBITDA (x)	-	-	-	-	-

Income statement	CY21A	CY22E	CY23E	CY24E	CY25E
Revenue (A\$m)	-	-	-	-	-
COGS (A\$m)	-	-	-	-	-
Gross profit (A\$m)	-	-	-	-	-
G&A (A\$m)	2.7	4.1	5.3	4.6	4.0
Exploration (A\$m)	12.9	37.6	37.7	16.9	3.8
Finance costs (A\$m)	-	-	-	-	-
Tax (A\$m)	-	(0.3)	(0.5)	(1.3)	-
Other (A\$m)	0.7	(1.3)	(1.0)	(0.9)	(0.3)
Net income (A\$m)	(16.3)	(40.2)	(41.4)	(19.3)	(7.5)

Cash flow statement	CY21A	CY22E	CY23E	CY24E	CY25E
EBITDA (A\$m)	(16.4)	(41.7)	(43.0)	(21.4)	(7.8)
Add share based (A\$m)	0.8	-	-	-	-
Net change WC (A\$m)	-	(1.5)	2.0	-	-
Cash flow ops (A\$m)	(15.5)	(38.7)	(43.2)	(19.3)	(7.5)
PP&E + sust. (A\$m)	5.8	6.1	2.2	0.2	225.0
PP&E - expl'n (A\$m)	-	0.4	0.9	0.1	-
Cash flow inv. (A\$m)	(5.8)	(6.9)	(3.1)	(0.5)	(225.0)
Share issue (A\$m)	5.5	72.7	44.5	40.4	196.7
Debt draw (repay) (A\$m)	-	-	-	-	-
Cash flow fin. (A\$m)	5.5	72.7	44.5	40.4	196.7
Net change in cash (A\$m)	(16.0)	27.3	(1.7)	20.4	(35.8)

Balance sheet	CY21A	CY22E	CY23E	CY24E	CY25E
Cash (A\$m)	8.3	34.0	34.7	55.1	19.3
Acc rec. + invet (A\$m)	0.2	1.4	2.1	2.1	2.1
PP&E & expl'n (A\$m)	15.3	21.9	23.5	24.7	249.7
Total assets (A\$m)	23.8	57.4	60.3	81.9	271.1
Debt (A\$m)	-	-	-	-	-
Accounts payable (A\$m)	1.9	4.6	3.4	3.4	3.4
Others (A\$m)	8.5	35.4	36.8	57.2	21.4
Total liabilities (A\$m)	7.7	8.1	5.1	5.1	5.1
Shareholders' equity (A\$m)	162.2	236.3	281.4	321.9	518.6
Reserves (A\$m)	(8.3)	(5.8)	(4.7)	(4.7)	(4.7)
Retained earnings (A\$m)	(137.8)	(181.1)	(221.6)	(240.8)	(248.3)
Liabilities + equity (A\$m)	23.8	57.4	60.3	81.5	270.7

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TENDER:	1
NOT RATED:	0
TOTAL	49

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