

Ticker: CTM AU **1Q25 cash:** A\$13m **Project:** Jaguar / Boi Novo / Jambreiro
Market cap: A\$169m **Price:** A\$0.34/sh **Country:** Brazil
REC. (unc): BUY **TARGET (+.05):** A\$1.75/sh **RISK RATING (unc):** HIGH

Yesterday's Jaguar Value Engineering Process (JVEP) sees our prior A\$1,354m NAV7%-9.50 lift to A\$1,431m after incorporating key refinements / de-risking work (Table 1 below)—**hence our price target increase below**. Our simple take-home: the project is now significantly de-risked and optimized with partnership / financing discussions ongoing towards FID in 1H26 and with the exclusion of the high-grade UG we think there is plenty of upside still. Moreover, Jaguar's refinement reaffirms it has the scale, mine life, and margins to deliver Class 1 nickel in every part of the cycle.

Key refinements: driven by a concentrate grade increase to 30.1% from 12.3%, improving payability to 80% and reducing logistics costs, outweighing higher processing expenses. Enhancements include a more efficient mine plan with lower strip ratios and an advanced processing circuit (i.e. new reagents, a fluorine column, additional flotation, detox etc). Unaccounted underground potential (16Mt @ 1.5% UG M&I) is under scoping study.

SCP model update: we model the Jaguar Nickel Sulphide Project's updated 52Mt at 0.78% Ni OP reserve, a 4.9:1 strip ratio, and mining start in Q2 2028, per Centaurus' JVEP. The 3.5Mtpa mill achieves ~70% LOM recovery, producing 30.1% Ni concentrate via enhanced circuits improving payability to 80%. At SCP's LT Ni price of US\$20,944/t, total Ni revenue is A\$7.25bn. Costs include US\$3.07/t mining, US\$11.96/t processing (up due to reagents, detox, and waste recovery), US\$1.98/t G&A, and US\$172.49/t concentrate logistics. Capex is A\$578.7m, with A\$277.7m sustaining costs, reflecting plant and infrastructure redesign.

UG upside: Ahead of scoping, we estimate a 4.9Mt @ 1.2% Ni inventory with a 1.5Mtpa twin decline UG operation starting year 7, potentially adding A\$281m NPV to our DCF, before grade or scheduling optimizations. While excluded from our DCF production profile, we include a conservative A\$141m in our STOP valuation at a 0.5x discount, preserving significant upside potential from M&I conversion to inventory. As such, we maintain our **BUY rating and lift our price target to \$1.75/sh from A\$1.70/sh** based on 0.5xNAV. While nickel is an overlooked commodity in the lower ends of its cycle, Centaurus provides an excellent countercyclical trade that works at spot prices and before considering the underground resources and can re-rate at higher nickel prices. There is, of course, the M&A opportunity that exists with this asset as Jaguar is positioned among the rare >1.2Mt Ni metal, <US\$500m capex, open-pittable nickel sulphide deposits globally, now construction ready with 100% of its offtake rights (for now).

Table 1. CTM's JVEP & SCP 'New vs Old' model inputs / economics

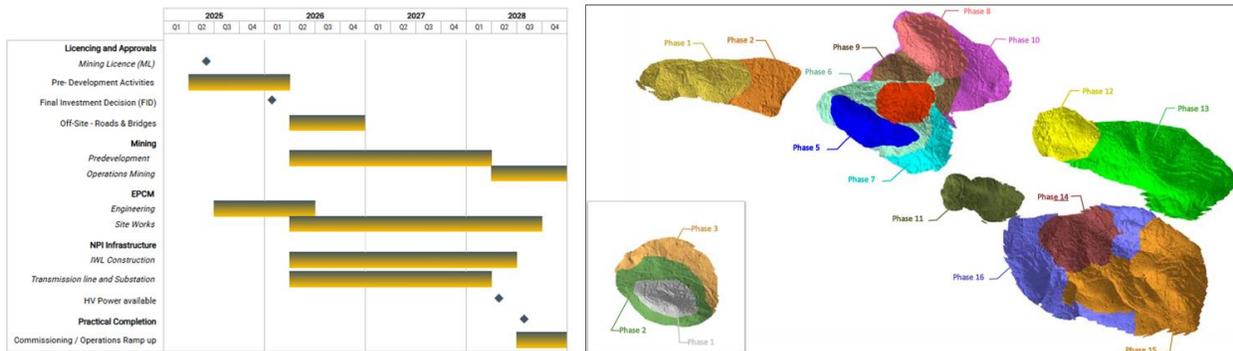
	CTM		SCP		Δ (%)
	1Q25 JVEP	Old	New	Δ (%)	
Jaguar (100%)					
Pit inventory (Mt ore)	52.0	63.0	52.0	-17%	
Strip ratio (x)	4.9	5.3	4.9	-7%	
Grade (% Ni)	0.78%	0.73%	0.78%	7%	
UG inventory (Mt ore)	--	--	--	--	
Grade (% Ni)	--	--	--	--	
Nickel mined (000t Ni)	406	460	406	-12%	
Mill capacity (000t pa)	3,500	3,500	3,500	0%	
Recovery (LOM, %)	69.9%	73.0%	69.9%	-4%	
Avg prod. (000t Ni in con pa)	18.7	18.7	18.6	-1%	
Mine life (years)	15.0	18.5	15.3	-18%	
Nickel price (US\$000/t)	19,800	20,944	20,944	0%	
Payability (%)	80%	76%	80%	5%	
Logistics (US\$/t conc.)	172.5	159.0	172.5	8%	
	CTM		SCP		Δ (%)
	1Q25 JVEP	Old	New	Δ (%)	
Pit mining cost (US\$/t ROM)	3.07	2.90	3.07	6%	
UG mining cost (US\$/t ROM)	-	--	--	--	
Processing cost (US\$/t ROM)	11.96	6.90	11.96	73%	
By-product credit (US\$/t ROM)	-1.01	--	-1.01	up	
G&A cost (US\$/t ROM)	1.98	1.91	1.98	4%	
C1 cost (US\$/lb, LOM average)	2.67	2.84	2.82	-1%	
AISC (US\$/lb, LOM average)	3.55	3.55	3.54	0%	
Initial capex (US\$m)	380	369	380	3%	
LOM sustaining capex (US\$m)	182	236	182	-23%	
AUD / USD	0.64	0.66	0.66	0%	
Discount rate (%)	8.0%	7.0%	7.0%	0%	
Project NPV (A\$m)	1148	1351	1431	6%	
Asset IRR (%)	34%	27%	33%	22%	

Source: SCP estimates

Refined & derisked Jaguar JVEP A\$1.15bn NPV8%-19,800 / 34% IRR; high quality concentrate

Yesterday, Centaurus announced the Jaguar Value Engineering Study with highlights of **A\$1.15bn NPV8%-19,800 / 34% IRR** and **1.8yr capital payback** on **US\$380m** for a conventional pit (excludes 21.5Mt @ 1.46% Ni in UG resources, 72% M&I) and concentrate operation. **Reserves:** 52Mt @ 0.78% Ni (vs prior 63Mt @ 0.73%) feeds a nominal 3.5Mtpa process plant at 69.9% LOM recovery for ~22.6ktpa production in the first seven years and 18.7ktpa LOM at 80% payability (vs prior 76%). **Opex** sees US\$3.07/t (O+W) + US\$11.96/t processing, US\$1.98/t G&A for US\$32.11/t US\$2.67/lb Ni con (vs prior US\$2.30/lb) C1 Cash costs. **Logistics** at US\$0.26/lb + royalties US\$0.41/lb + US\$0.29/lb sustaining capital and US\$0.08/lb by-product credits rolls through to **AISC** of US\$3.55/lb Ni con (vs prior US\$3.57/lb Ni) with the low AISC driven by low power costs, high grade Ni con (+30% Ni), size and quality of deposit, mining and processing methods, tax incentives, and a favorable exchange rate.

Figure 1: Jaguar (A) indicative project timeline (B) mining phases with Onça inset

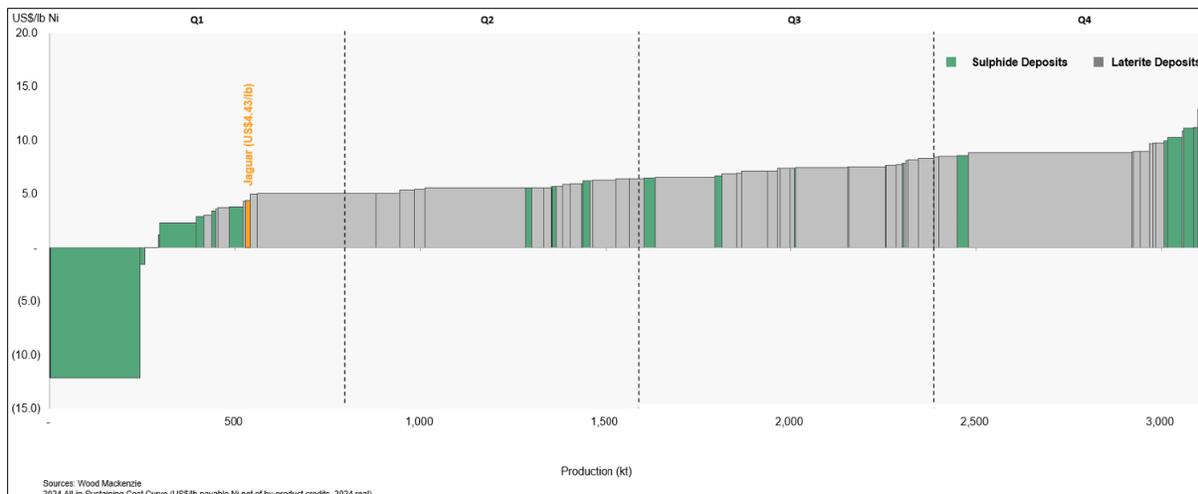


Source: Centaurus Metals

Underground upside potential: conceptual UG mining study for Jaguar and Onça Preta deposits below the JVEP pit limits is underway with an UG resource of 21.5Mt@ 1.46% Ni with a 1% cutoff (**15.5Mt @ 1.50% M&I**) which underpins the UG study that is expected to be completed over the next 6 weeks. Centaurus expects the geometry and host rock to lend themselves to conventional long-hole stoping with paste fill to be accessed by two separate declines, allowing UG mining to occur contemporaneously with the open pit.

Next steps: Centaurus is engaging with potential strategic partners including EV battery supply chain participants that are looking to limit reliance on Indonesia. The plan is to step up the partnership process with the finalization to support the FID, the company prefers minority equity at project level to minimize dilution. Project financing and other debt funding discussions are continuing in parallel.

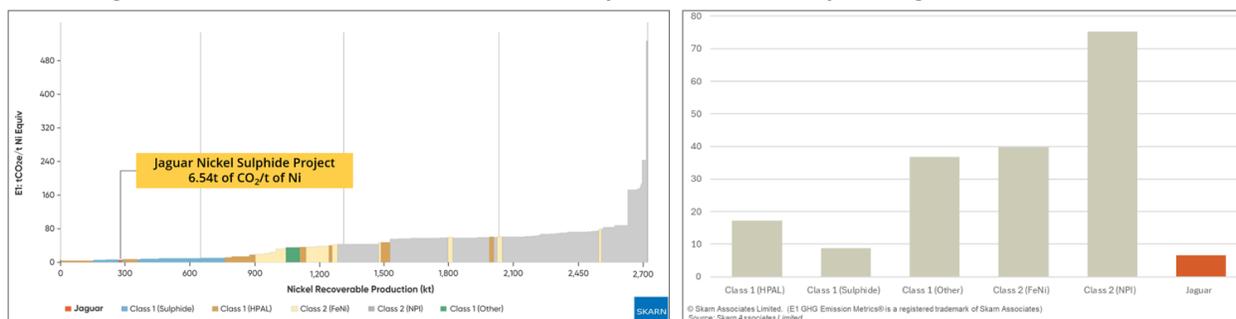
Figure 2: Industry CY24 AISC cost curve (US\$/lb payable Ni net of by-product credits)



Source: Centaurus Metals

In parallel, Centaurus also announced that GHG emissions for Jaguar based on the economic study are forecasted at 6.54t of CO₂/tonne of nickel equivalent which is a 10% reduction from the previous assessment due to the volume of new, high-grade concentrate being less than previously estimated resulting in lower emissions from transportation. LOM CO₂ footprint assessed at lower than 90% of global nickel production.

Figure 3: (A) Skarn associates GHG intensity curve (B) industry average E1 GHG Emissions



Source: Centaurus Metals

Why we like Centaurus

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

- 1H25: Jambreiro mining lease
- 1H25 / 2Q28: Final investment decision / production start
- 2H25 underground conceptual study

Research

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Ticker: CTM AU	Price / mkt cap: A34c/sh / A\$169m	P/NAV today: 0.10x	Country: Brazil
Author: B Gaspar	Rec/0.5xNAV7% PT: BUY, A\$1.75/sh	1xNAV ₁₀₂₅ FF FD: A\$3.05/sh	Asset: Jaguar

Commodity price	CY23A	CY24A	CY25E	CY26E	CY27E
Ni price (US\$/t)	21,704	17,061	16,754	19,332	20,944
Ni price (US\$/t, payable)	17,363	13,649	13,403	15,466	16,755
1xNAV project valuation*	A\$m	o/ship	NAVx	A\$/sh	
Jaguar OP NPV (build start)	1,431	100%	1.0x	2.83	
Jaguar UG, 50% risked	141	100%	1.0x	0.28	
Expln & resources ex reserve @ 1% insitu	190	100%	1.0x	0.38	
1Q25 cash	13	100%	1.0x	0.03	
Cash from ITM options	-	100%	1.0x	-	
1XNAV A\$ @ 3Q24	1,775			3.51	

*Build start, ex fin. cost + G&A, dil. for optns not build P/NAV today: 0.10x

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	856	1,196	1,535	1,875	2,214
7.0% discount	1,009	1,392	1,775	2,158	2,541
5.0% discount	1,196	1,632	2,067	2,503	2,939
Ungeared project IRR:	0%	0%	0%	0%	0%
Group NAV (A\$/sh)	16,535	18,739	20,944	23,149	25,353
9.0% discount	1.69	2.37	3.04	3.71	4.38
7.0% discount	2.00	2.75	3.51	4.27	5.03
5.0% discount	2.37	3.23	4.09	4.95	5.81

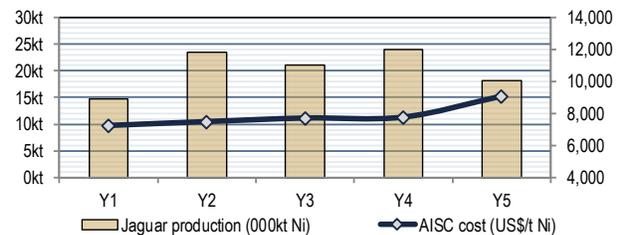
*Project level NPV, excl finance costs and central SGA, discounted to build start

SOTP company valuation^	Jun-25	Jun-26	Jun-27	Jun-28	Jun-29
Jaguar NPV	1,351	1,511	1,950	2,324	2,235
Resources ex reserve + UG	331	331	331	331	331
Central G&A & fin costs	(155)	(159)	(135)	(84)	(37)
Net cash prior quarter	13.4	160.1	(170.3)	(455.4)	(278.9)
Cash from ITM options	-	-	-	-	-
NAV (A\$m)	1,540	1,844	1,976	2,116	2,249
FD share count (m)	505	1101	1101	1101	1101
1xNAV7%/sh FF FD (A\$/sh)	3.05	1.67	1.79	1.92	2.04

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	2,741
7.0% discount	1,223	1,669	2,116	2,563	3,009
5.0% discount	1,371	1,860	2,350	2,839	3,328
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	1.03	1.41	1.80	2.18	2.57
7.0% discount	1.15	1.56	1.98	2.40	2.82
5.0% discount	1.28	1.74	2.20	2.66	3.12

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



Source: SCP estimates

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

Funding: uses	Funding: sources
Capex (A\$m)	4Q24 cash (A\$m)
Drilling/FS cost (A\$m)	SCPe debt (A\$m)
Working cap >DFS (A\$m)	SCPe equity at spot (A\$m)
G&A and fin. cost (A\$m)	Total sources (A\$m)
Total uses: group (A\$m)	615.5
	Buffer (A\$m)
	63.3

Share data (m)	Basic	FD	FF FD		
Shares (m)	496.7	505.4	1101.1		
Ratio analysis	CY24A	CY25E	CY26E	CY27E	CY28E
Shares out (m)	496.7	1,092.4	1,092.4	1,092.4	1,092.4
EPS (Ac/sh)	-	-	-	-	11.0
CFPS pre w/c (A\$/sh)	-	-	-	-	4.1
EV (A\$m)	150.8	158.4	455.1	784.4	706.9
FCF yield (%)	-	-	-	-	21%
PER (x)	-	-	-	-	3.1x
P/CF (x)	-	-	-	-	4.8x
EV/EBITDA (x)	-	-	-	-	3.2x

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	4.1	4.0	4.0	4.0
Exploration (A\$m)	16.9	4.0	-	-	-
Finance costs (A\$m)	-	-	18.2	48.9	47.7
Tax (A\$m)	(3.5)	-	-	-	24.6
Other (A\$m)	0.2	(0.4)	(0.5)	(0.4)	30.8
Net income (A\$m)	(17.8)	(7.7)	(21.7)	(52.5)	120.3
Cash flow statement	CY24A	CY25E	CY26E	CY27E	CY28E
EBITDA (A\$m)	(22.5)	(8.0)	(4.0)	(4.0)	223.5
Add share based (A\$m)	1.1	-	-	-	-
Net change WC (A\$m)	(0.6)	-	-	1.9	32.4
Cash flow ops (A\$m)	(15.8)	(7.7)	(21.7)	(54.3)	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	202.5	-	-	-
Debt draw (repay) (A\$m)	-	-	315.0	147.9	(115.7)
Cash flow fin. (A\$m)	0.4	202.5	315.0	147.9	(115.7)
Net change in cash (A\$m)	(16.4)	195.0	18.3	(181.4)	(38.3)
Balance sheet	CY24A	CY25E	CY26E	CY27E	CY28E
Cash (A\$m)	18.0	213.0	231.3	49.9	11.7
Acc rec. + invet. (A\$m)	0.7	0.7	0.7	0.2	49.2
PP&E & expl'n (A\$m)	20.7	20.6	295.6	570.6	581.0
Total assets (A\$m)	39.5	234.4	527.7	620.8	641.8
Debt (A\$m)	-	-	315.0	462.9	347.2
Accounts payable (A\$m)	2.4	2.4	2.4	-	16.5
Others (A\$m)	18.6	213.5	231.8	49.9	60.6
Total liabilities (A\$m)	4.1	4.1	319.1	464.6	365.4
Shareholders' equity (A\$m)	282.5	485.1	485.1	485.1	485.1
Reserves (A\$m)	(7.7)	(7.7)	(7.7)	(7.7)	(7.7)
Retained earnings (A\$m)	(239.4)	(247.1)	(268.8)	(321.3)	(201.0)
Liabilities + equity (A\$m)	39.5	234.4	527.7	620.8	641.8

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TENDER:	0
NOT RATED:	0
TOTAL	51

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