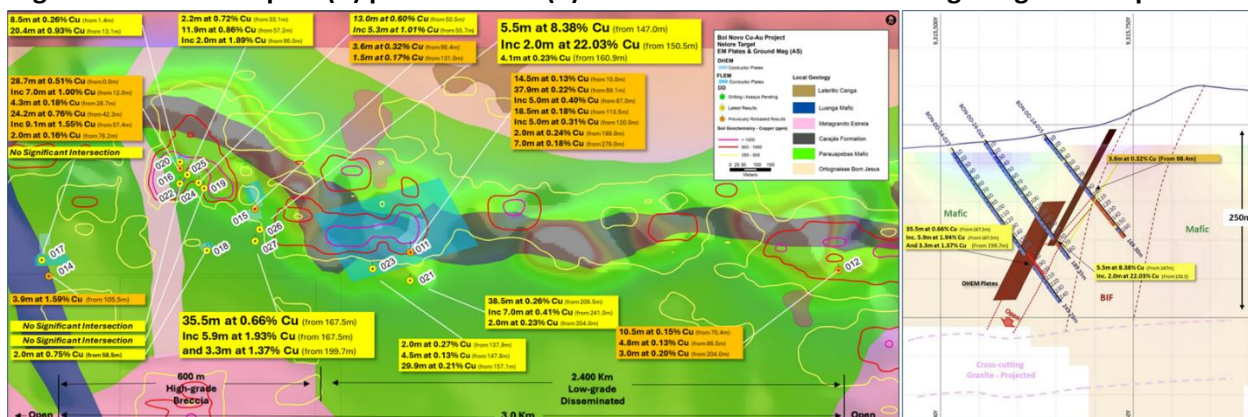


**Ticker:** CTM AU      **3Q24 cash:** A\$20m      **Project:** Jaguar / Boi Novo / Jambreiro  
**Market cap:** A\$196m      **Price:** A\$0.40/sh      **Country:** Brazil  
**REC. (unc):** BUY      **TARGET (unc):** A\$1.70/sh      **RISK RATING (unc):** HIGH

Today's results from the last of 2024 Boi Novo drilling saw the best hit to date from **entirely new** headliner **5.5m @ 8.4% Cu from 147m** targeting breccia mineralization at Nelore. The average for all hits was 11.8m @ 0.7% Cu from both disseminated and breccia-type mineralization, with an impressive overall hit rate of ~73% (8 of 11 holes hitting) from first pass drilling speaking to the prospectivity of this region (only 20km from BHP's Antas Norte copper float plant) and the technical team's ability to home in on these targets from their growing knowledge of the system. Big picture, it is still early days here with ~two dozen holes drilled on just a fraction of the 9.8km strike tested to date across four of five prospects. Hence with this year's program kicking off in the coming weeks, we see an opportunity for tonnes to build quickly on proving continuity (especially at headliner grades) – providing potential exploration upside and copper exposure to investors 'in for free'. 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. What the market is missing here is that this is an entirely new discovery back stopped by Jaguar, that could become Brazil's next copper delineation story which in our view can build tonnes quickly at these grades. 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 progress on funding (incl. potential strategic partnership), with A\$20m cash at September end to support twin track Boi Novo exploration and Jaguar development.

**Figure 1. Nelore Prospect (A) plan view and (B) cross-section 657720mE with geological interpretation**

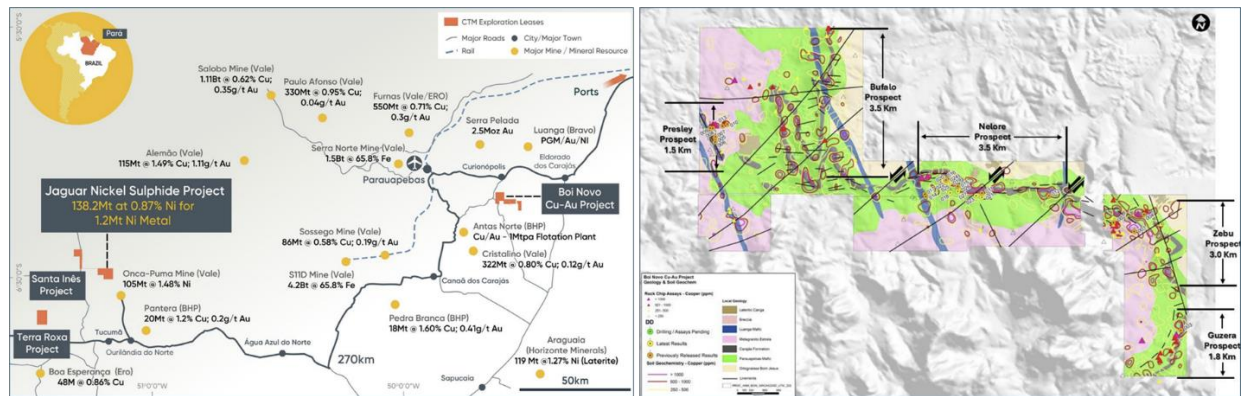


Source: Centaurus Metals

### Boi Novo drilling hits 5.5m @ 8.4% Cu from best intercept to date at Nelore

Today, Centaurus reported final results for 11 DDH targeting the Nelore Prospect as part of their 2024 27-hole drill program at the Boi Novo Copper-Gold Project. Highlights from breccia targets include **5.5m @ 8.4% Cu** and **0.18g/t Au** (including **2.0m @ 22.0% Cu** and **0.50g/t Au**) from 147m, **35.5m @ 0.7% Cu** and **0.01g/t Au** (including **5.9m @ 1.9% Cu** and **0.03g/t Au**) from 168m targeting a DHEM conductor plate 50m down-dip from the headline hit, and **20.4m @ 0.9% Cu** and **0.11g/t Au** from 13m in a shallow oxide zone. Other highlights from disseminated sulphide targets include **38.5m @ 0.3% Cu** and **0.05g/t Au** (including **7.0m @ 0.4% Cu** and **0.08g/t Au**) from 209m and **29.9m @ 0.2% Cu** and **0.05g/t Au** from 157m. Diamond drilling will recommence in the coming weeks with several DHEM and FLEM plates and IP targets still to test and mineralization open along strike and down-dip.

Figure 2. Plan map of (A) regional CTM holdings and (B) Boi Novo IP targets and drill hole locations



Source: Centaurus Metals

### Why we like Centaurus

1. Only >1.2Mt Ni metal, <\$500m capex, pitable nickel sulphide junior globally
2. One of few high-grade nickel sulphide developer retaining 100% of its offtake rights
3. CO<sub>2</sub> / energy security value with <1/10<sup>th</sup> the CO<sub>2</sub> 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:	A40c/sh / A\$196m	P/NAV today:	0.12x	Country: Brazil
Author: B Gaspar	Rec/0.5xNAV7% PT:	BUY, A\$1.70/sh	1xNAV <sub>1Q25</sub> FF FD:	A\$1.52/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
<b>1xNAV project valuation*</b>	<b>A\$m</b>	<b>o/ship</b>	<b>NAVx</b>	<b>A\$/sh</b>	
Jaguar OP NPV (build start)	1,345	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	
3Q24 cash	20	100%	1.0x	0.04	
Cash from ITM options	-	100%	1.0x	-	
<b>1XNAV A\$ @ 3Q24</b>	<b>1,688</b>			<b>3.35</b>	

\*Build start, ex fin. cost + G&A, dil. for optns not build P/NAV today: 0.12x

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	757	1,088	1,419	1,750	2,081
7.0% discount	924	1,306	1,688	2,070	2,453
5.0% discount	1,135	1,582	2,028	2,475	2,922
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	4.13
7.0% discount	1.84	2.59	3.35	4.11	4.87
5.0% discount	2.25	3.14	4.03	4.92	5.80

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

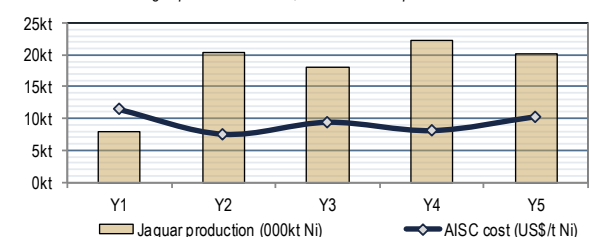
SOTP company valuation^	Mar-25	Mar-26	Mar-27	Mar-28	Mar-29
Jaguar NPV	1,318	1,663	2,102	2,230	2,182
Resources ex reserve + UG	323	323	323	323	323
Central G&A & fin costs	(133)	(137)	(121)	(81)	(41)
Net cash prior quarter	14.9	(21.1)	(343.3)	(374.9)	(234.3)
Cash from ITM options	-	-	-	-	-
NAV (A\$m)	1,523	1,828	1,961	2,097	2,229
FD share count (m)	1001	1001	1001	1001	1001
1xNAV7%/sh FF FD (A\$/sh)	1.52	1.83	1.96	2.09	2.23

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	1,038	1,455	1,871	2,288	2,705
7.0% discount	1,176	1,636	2,097	2,557	3,018
5.0% discount	1,346	1,860	2,374	2,888	3,403

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	1.04	1.46	1.88	2.30	2.72
7.0% discount	1.18	1.64	2.11	2.57	3.03
5.0% discount	1.35	1.87	2.39	2.90	3.42

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	3Q24 cash (A\$m)		19.9
Drilling/FS cost (A\$m)	7.9	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)	37.5	Total sources (A\$m)		582.0
Total uses: group (A\$m)	620.7	Buffer (A\$m)		-38.7

Share data (m)	Basic	FD	FF FD		
Shares (m)	496.7	503.4	994.8		
Ratio analysis	CY22E	CY23E	CY24E	CY25E	CY26E
Shares out (m)	496.7	496.7	496.7	994.8	994.8
EPS (A\$/sh)	-	-	-	-	-
CFPS pre w/c (A\$/sh)	-	-	-	-	-
EV (A\$m)	162.1	161.5	181.3	414.0	736.2
FCF yield (%)	-	-	-	-	-
PER (x)	-	-	-	-	-
P/CF (x)	-	-	-	-	-
EV/EBITDA (x)	-	-	-	-	-

Income statement	CY22E	CY23E	CY24E	CY25E	CY26E
Revenue (A\$m)	-	-	-	-	-
COGS (A\$m)	-	-	-	-	-
<b>Gross profit (A\$m)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
G&A (A\$m)	4.1	5.3	4.7	4.0	4.0
Exploration (A\$m)	37.6	37.7	17.1	4.0	-
Finance costs (A\$m)	-	-	-	-	18.2
Tax (A\$m)	(0.3)	(0.5)	(1.3)	-	-
Other (A\$m)	(1.0)	(1.1)	(1.1)	(0.2)	0.0
<b>Net income (A\$m)</b>	<b>(40.2)</b>	<b>(41.4)</b>	<b>(19.3)</b>	<b>(7.7)</b>	<b>(22.2)</b>

Cash flow statement	CY22E	CY23E	CY24E	CY25E	CY26E
EBITDA (A\$m)	(41.7)	(43.0)	(21.8)	(8.0)	(4.0)
Add share based (A\$m)	-	-	-	-	-
Net change WC (A\$m)	(1.5)	2.0	2.1	-	-
<b>Cash flow ops (A\$m)</b>	<b>(38.7)</b>	<b>(43.2)</b>	<b>(21.5)</b>	<b>(7.7)</b>	<b>(22.2)</b>
PP&E + sust (A\$m)	6.1	2.2	0.2	225.0	300.0
PP&E - expl'n (A\$m)	0.4	0.9	0.1	-	-
<b>Cash flow inv. (A\$m)</b>	<b>(6.9)</b>	<b>(3.1)</b>	<b>(0.5)</b>	<b>(225.0)</b>	<b>(300.0)</b>
Share issue (A\$m)	72.7	44.5	0.4	196.7	-
Debt draw (repay) (A\$m)	-	-	-	-	315.0
<b>Cash flow fin. (A\$m)</b>	<b>72.7</b>	<b>44.5</b>	<b>0.4</b>	<b>196.7</b>	<b>315.0</b>
Net change in cash (A\$m)	27.3	(1.7)	(21.9)	(36.0)	(7.2)

Balance sheet	CY22E	CY23E	CY24E	CY25E	CY26E
Cash (A\$m)	34.0	34.7	14.9	(21.1)	(28.3)
Acc rec. + invet (A\$m)	1.4	3.3	3.3	3.3	3.3
PP&E & expl'n (A\$m)	21.9	23.5	21.7	246.7	546.7
<b>Total assets (A\$m)</b>	<b>57.4</b>	<b>60.3</b>	<b>39.9</b>	<b>228.9</b>	<b>521.7</b>
Debt (A\$m)	-	-	-	-	315.0
Accounts payable (A\$m)	4.6	3.4	2.2	2.2	2.2
Others (A\$m)	35.4	36.8	18.0	(18.0)	(25.2)
Total liabilities (A\$m)	8.1	5.1	4.2	4.2	319.2
Shareholders' equity (A\$m)	236.3	281.4	282.2	478.9	478.9
Reserves (A\$m)	(5.8)	(4.7)	(7.3)	(7.3)	(7.3)
Retained earnings (A\$m)	(181.1)	(221.6)	(239.2)	(246.9)	(269.1)
<b>Liabilities + equity (A\$m)</b>	<b>57.4</b>	<b>60.3</b>	<b>39.9</b>	<b>228.9</b>	<b>521.7</b>

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**NEUTRAL:** The stock's total returns are expected to be in line with the overall market

**SELL:** The stocks total returns are expected to be materially lower than the overall market

**TENDER:** The analyst recommends tendering shares to a formal tender offering

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

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