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## SPEC BUY

Current Price	\$0.41
Valuation	\$0.80
TSR	95%

Code: **ASX:CTM**  
Sector: **Materials**

Shares on Issue (m):	<b>497</b>
- Fully Diluted (m)	<b>502</b>
Market Cap (A\$m):	<b>204</b>
- Fully Diluted (\$m):	<b>206</b>
Cash (A\$m) (Estimate):	<b>25</b>
Debt (A\$m) (Estimate):	<b>0</b>
Enterprise Value (A\$m):	<b>179</b>

52 wk High/Low (ps):	<b>A\$0.56</b>	<b>A\$0.25</b>
12m av. daily vol. (Mshs):		<b>602</b>

<b>Advanced Projects</b>	<b>Stage</b>
Jaguar	Permitting/Financing
Jambreiro	Studies
Boi Novo	Exploration

<b>Jaguar</b>	<b>Mt</b>	<b>Ni %</b>
Measured	14.8	1.06
Indicated	97.8	0.84
Inferred	25.7	0.88

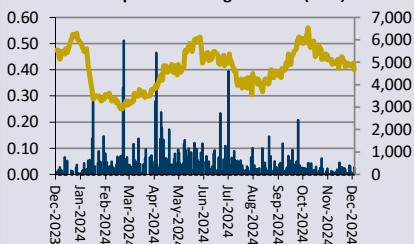
<b>Key Metrics:</b>	<b>FY29e</b>	<b>FY30e</b>	<b>FY31e</b>
P/E (x)	1.4	1.4	1.5
EV/EBITDA (x)	0.9	0.9	0.9

<b>Financials:</b>	<b>FY29e</b>	<b>FY30e</b>	<b>FY31e</b>
Revenue (\$m)	352	350	343
EBIT (\$m)	258	246	232
NPAT (A\$m)	244	242	233

<b>Directors</b>	
Didier Murcia	Chairman
Darren Gordon	Managing Director / CEO
Bruno Scarpelli	Executive Director
Mark Hancock	Non-Executive Director
Chris Banasik	Non-Executive Director

<b>Top Shareholders</b>	<b>%</b>
McCusker	13.2
Lujeta	10.0
Regal	5.7

Share Price Graph and trading volumes (msh)



Please refer to important disclosures from page 13

Thursday, 12 December 2024

## Centaurus Metals (CTM)

### Jambreiro, Jaguar and Boi Novo Updates

Analyst | George Ross

#### Quick Read

While progression of the Jaguar nickel project remains CTM's key focus, the Jambreiro Iron Ore project is back in the spotlight with award of priority project status by the State of Minas Gerais. Progression of Jambreiro remains dependent on security of an offtake with a major iron ore miner, enabling use of its material transport network. Boi Novo drilling has returned decent copper grade and width intervals. Results remain outstanding for some holes, including one through a broad disseminated sulphide zone. A strategic partnership process for development of Jaguar is underway. Formal issue of the Jaguar Mining License is expected in Q1 of CY2025. Potential price catalysts include progression of the Jaguar strategic partnership process, Jaguar value engineering outcomes, formal grant of the Jaguar Mining License, security of an offtake deal for Jambreiro and exploration results from Boi Novo.

#### Key Points

**Jambreiro Iron Ore Project:** CTM reports its Jambreiro Iron Ore Project has been awarded priority status by the State of Minas Gerais. The priority status means the remaining licence renewal steps should be fast-tracked through the State regulators. This supports CTMs' plans to re-evaluate the development of the deposit to meet growing demand for high-grade, low-impurity direct reduction pellet feed iron ore.

**Jaguar Nickel Project Status:** FID for the Jaguar Nickel Sulphide project remains targeted for Q2 CY2025. Approval of the Jaguar Installation License (LI) is anticipated in Q4 2024 or soon after. Receipt of the LI will lead to formal issue of the Mining License (expected Q1 of CY2025), enabling project construction to proceed. A strategic partnering process is currently underway to support funding of the project. Jaguar is one of a handful of credible nickel sulphide projects that could provide diversity of supply at a competitive cost of production to Indonesian nickel. Active value engineering workflows include optimisation of Jaguar mine designs and understanding of the nickel grade-recovery relationship. A Scoping Study to assess the potential for underground mining at Jaguar South and Onca Preta is expected to be released soon.

**Boi Novo Exploration:** Recently reported drilling results from the Boi Novo copper discovery returned 24.2m at 0.76% Cu from 42.3m including 9.1m at 1.56% Cu and 0.1g/t Au from 57m. In this instance, drilling intersected a shallow breccia zone of stringer and semi-massive sulphide. New hole BON-DD-24-021 (assays pending) intersected an 80m wide zone of disseminated chalcopyrite and pyrite mineralisation.

#### Recommendation & Price Target

We maintain our Speculative Buy recommendation and ascribe a Price Target of \$0.80 per share (previously \$0.75 per share). Change in our Price Target relates to variation in spot metal pricing and improvement in Jambreiro economics.



**Centaurus Metals (ASX:CTM)**

(Assumed 60% Retention of Jaguar)

**Equities Research**

Analyst: George Ross

<b>Recommendation</b>	<b>Spec Buy</b>
<b>Current Price (A\$)</b>	<b>0.41</b>
<b>Price Target (A\$)</b>	<b>0.80</b>
<b>TSR</b>	<b>95%</b>

<b>Sector</b>	<b>Metals &amp; Mining</b>
<b>Issued Capital (Mshs)</b>	<b>497</b>
<b>Market Cap (M)</b>	<b>A\$203M</b>

Profit & loss (\$M)	Unit	2028E	2029E	2030E	2031E
<b>Revenue</b>	<b>A\$M</b>	<b>224</b>	<b>352</b>	<b>350</b>	<b>343</b>
+ Other income/forwards	A\$M	0	0	0	0
- Operating costs	A\$M	-146	-120	-120	-121
- Royalties	A\$M	-14	-21	-21	-20
- Corporate & administration	A\$M	-8	-8	-8	-8
<b>Total Costs</b>	<b>A\$M</b>	<b>-167</b>	<b>-149</b>	<b>-149</b>	<b>-149</b>
<b>EBITDA</b>	<b>A\$M</b>	<b>57</b>	<b>203</b>	<b>201</b>	<b>194</b>
- margin	%	13%	58%	57%	57%
- D&A	A\$M	66	55	46	38
<b>EBIT</b>	<b>A\$M</b>	<b>123</b>	<b>258</b>	<b>246</b>	<b>232</b>
+ Finance Income/Expense	A\$M	-17	-7	2	8
<b>PBT</b>	<b>A\$M</b>	<b>106</b>	<b>251</b>	<b>248</b>	<b>239</b>
- Tax expense	A\$M	-6	-7	-7	-6
- Remeasurement	A\$M	0	0	0	0
<b>NPAT</b>	<b>A\$M</b>	<b>100</b>	<b>244</b>	<b>242</b>	<b>233</b>

Cash flow (\$M)	Unit	2028E	2029E	2030E	2031E
+ Sales	A\$M	221	352	350	343
- Cash costs	A\$M	-161	-149	-149	-149
- Forwards	A\$M	0	0	0	0
- Tax payments	A\$M	-2	-7	-7	-7
- Stamp duty/other	A\$M	0	0	0	0
+ Interest & other	A\$M	-17	-7	2	8
<b>Operating activities</b>	<b>A\$M</b>	<b>41</b>	<b>188</b>	<b>196</b>	<b>195</b>
- Property, plant, mine devel.	A\$M	-48	-13	-13	-13
- Acquisition/ asset sale	A\$M	0	0	0	0
- Exploration & evaluation	A\$M	0	0	0	0
<b>Investment activities</b>	<b>A\$M</b>	<b>-48</b>	<b>-13</b>	<b>-13</b>	<b>-13</b>
+ Borrowings	A\$M	-40	-150	-98	0
- Lease payments	A\$M	0	0	0	0
- Dividends	A\$M	0	0	0	0
+ Equity	A\$M	0	0	0	0
Financing activities	A\$M	-40	-150	-98	0
<b>Cash change</b>	<b>A\$M</b>	<b>-48</b>	<b>26</b>	<b>85</b>	<b>182</b>

Balance sheet	Unit	2028E	2029E	2030E	2031E
<b>Cash</b>	<b>A\$M</b>	<b>108</b>	<b>133</b>	<b>218</b>	<b>401</b>
Receivables	A\$M	17	22	22	21
Inventories	A\$M	3	4	4	4
Other current assets	A\$M	0	0	0	0
<b>Total current assets</b>	<b>A\$M</b>	<b>127</b>	<b>160</b>	<b>245</b>	<b>426</b>
Property, plant & equip.	A\$M	0	0	0	0
Exploration Properties	A\$M	0	0	0	0
Investments/other	A\$M	0	0	0	0
<b>Total non-curr. assets</b>	<b>A\$M</b>	<b>265</b>	<b>219</b>	<b>182</b>	<b>153</b>
<b>Total assets</b>	<b>A\$M</b>	<b>392</b>	<b>378</b>	<b>427</b>	<b>580</b>
Trade payables	A\$M	28	20	20	20
Short term borrowings	A\$M	150	98	0	0
Other	A\$M	21	20	20	20
<b>Total curr. liabilities</b>	<b>A\$M</b>	<b>199</b>	<b>139</b>	<b>40</b>	<b>40</b>
Long term borrowings	A\$M	83	0	0	0
Other	A\$M	0	0	0	0
<b>Total non-curr. liabil.</b>	<b>A\$M</b>	<b>83</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total liabilities</b>	<b>A\$M</b>	<b>282</b>	<b>139</b>	<b>40</b>	<b>40</b>
<b>Net assets</b>	<b>A\$M</b>	<b>110</b>	<b>240</b>	<b>386</b>	<b>539</b>

Share Capital		2028E	2029E	2030E	2031E
New shs issued/exerciseable	M	0	0	0	0
Average issue price	ps	0.00	0.00	0.00	0.00
Total Cash Raised	A\$M	0	0	0	0
Ordinary shares - end	M	843	843	843	843
Diluted shares - end	M	843	843	843	843

Key Financials/Ratios	Unit	Date			
		2029E	2030E	2031E	2032E
GCFPS	¢	89.4	92.9	92.5	90.3
CFR	X	0.5	0.4	0.4	0.5
EPS	¢	28.9	28.7	27.6	21.6
PER	X	1.4	1.4	1.5	1.9
Yield	%	0%	0%	0%	0%
Interest cover	x	6.9	0.0	0.0	0.0
ROCE	%	68%	58%	40%	26%
ROE	%	102%	63%	43%	26%
Gearing	%	39%	0%	0%	0%

Jaguar Project Performance		2029E	2030E	2031E	2032E
Ore Mined					
Tonnage	Mt	3.5	3.5	3.5	3.5
Ni	%	0.80	0.81	0.79	0.78
Co	%	0.02	0.02	0.02	0.02
Payable Metal Produced					
Nickel	kt	15.6	15.7	15.4	15.1
Cobalt	kt	0.2	0.2	0.2	0.2
Payable Nickel Costs					
C1 Cost Net-BP	US\$/t Ni	2.93	2.92	2.97	3.02
AISC Net-BP	US\$/lb Ni	3.41	3.40	3.45	3.50
C1 Cost Ore Milled	US\$/t Ore	30.7	30.7	30.7	30.6
Nickel Forecast (Real)	US\$/lb Ni	8.06	8.06	8.06	8.06

Project Valuation	A\$M	A\$/sh
Jaguar Build Date Post-Tax NPV(9)   100% Ownership	657	1.32
Jambreiro Build Date Post-Tax NPV(9)   100% Ownership	236	0.48

\*Value base on current shares on issue

Company Valuation Summary	Spot		Forecast	
	A\$M	A\$/sh	A\$M	A\$/sh
Jaguar Post-Tax NPV(9) 60% Retained	214	0.25	378	0.44
Jaguar Optimisation Upside	32	0.04	57	0.07
Jambreiro Post-Tax NPV(9) 100% Ownership	228	0.27	212	0.25
Regional Exploration	20	0.02	20	0.02
Corporate Overheads	-65	-0.08	-65	-0.08
Cash (Estimate)	19	0.02	19	0.02
Debt	0	0.00	0	0.00
Future Unpaid Capital	147	0.17	147	0.17
<b>Valuation</b>	<b>595</b>	<b>0.70</b>	<b>767</b>	<b>0.90</b>
<b>Price Target 50:50 Spot:Forecast</b>			<b>681</b>	<b>0.80</b>

\* Valuation estimated on a capital diluted share basis

Directors & Management	
Didier Murcia	Chairman
Darren Gordon	Managing Director / CEO
Bruno Scarpelli	Executive Director
Mark Hancock	Non-Executive Director
Chris Banasik	Non-Executive Director
Natalia Streltsova	Non-Executive Director

Top Shareholders	M shs	%
McCusker	66	13.2
Lujeta	50	10.0
Regal	28	5.7
Harmanis	25	5.0

Jaguar Project Resources	Mt	Ni %	Co %
Measured	15	1.06	0.04
Indicated	98	0.84	0.02
Inferred	26	0.88	0.03
<b>Total</b>	<b>138</b>	<b>0.87</b>	<b>0.03</b>



## Jambreiro Iron Ore Project

CTM's second major Brazilian asset the Jambreiro Iron Ore Project remains largely ignored by the market. Progression of the project is largely dependent upon executing an offtake with a large miner, allowing utilisation of their transport infrastructure.

**The 2019 Jambreiro PFS evaluated an operation of 1Mtpa 65% Fe**

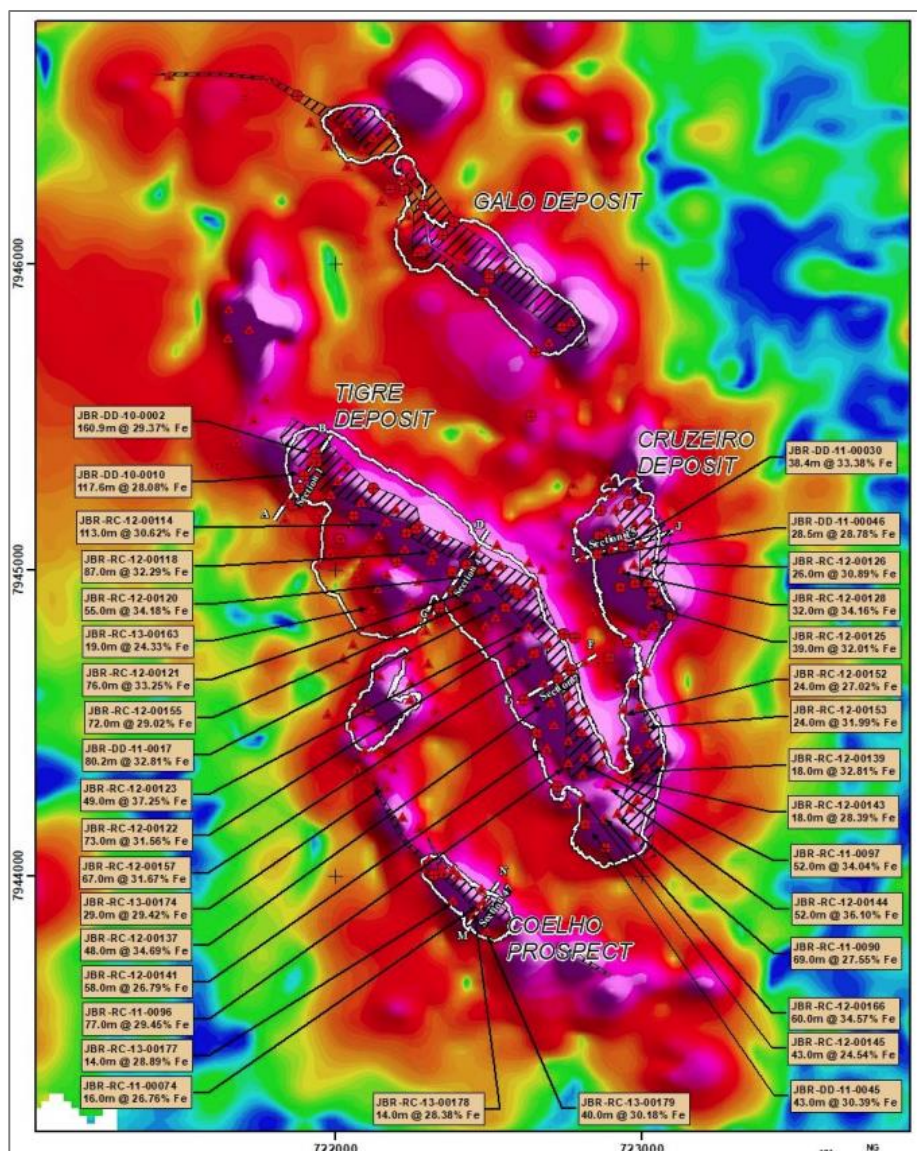
The project is located 250km north-east of the city of Belo Horizonte. Jambreiro incorporates three deposits containing a mix of friable, semi-compact and colluvium itabirite iron ore grading an average 28% Fe. The key commercial benefit of concentrate produced from itabirite ore is its quality. The product is high grade with very low phosphorous, alumina and silica content.

### 2019 Jambreiro PFS

CTM's 2019 Jambreiro PFS evaluated an 18-year, 1Mtpa +65% Fe operation at an Fe 62% reference price of US\$75/t (Mine Gate FOB US\$41/t). Under base cost parameters including pre-production capital costs of A\$60M, the study estimated a Post-Tax NPV(8) of A\$115M. The study assumed a C1+Royalty operating cost of A\$29.0/t product.

Figure 1: Overview map of Jambreiro with proposed pits.

Several pits would be used to source friable itabirite iron mineralisation

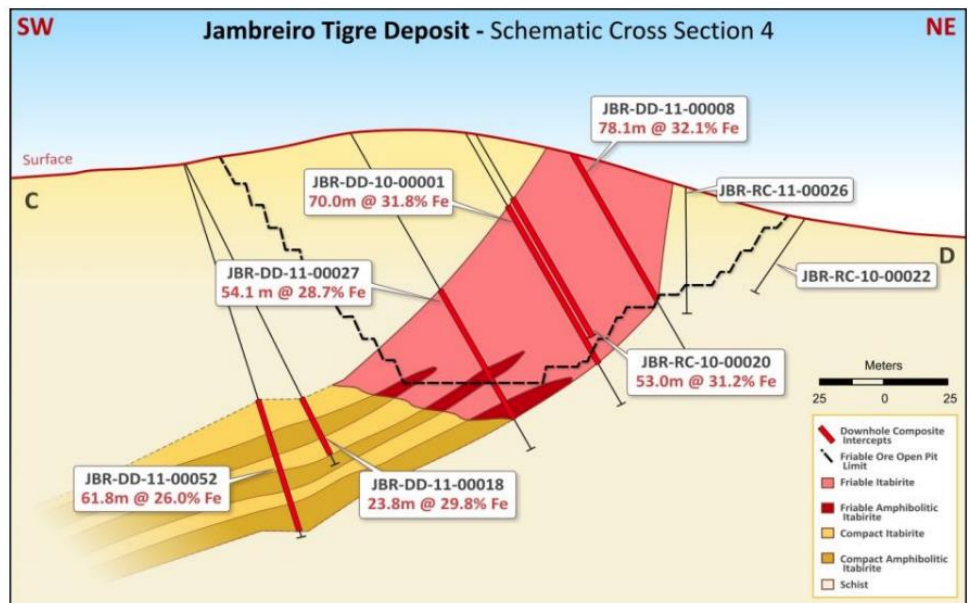


Source: CTM

The study outlined the mining of ~2.3Mt of ore per annum with at an average waste strip ratio of 0.68. Initially mined material would grade just under 34% Fe and taper over life of mine. The friable nature of ore will make mining free dig in the initial period of operations.

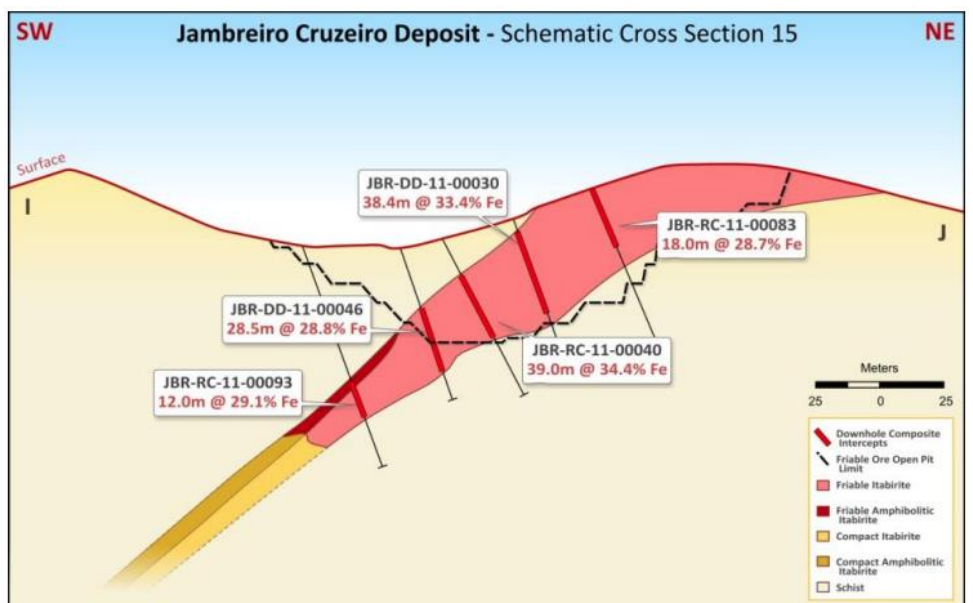
Jambreiro ore will be processed via a flowsheet involving screening, concentration and scavenging (Figure 5). Pilot scale tests of the flowsheet achieved a 65.9% Fe sinter feed with low impurities.

Figure 2: Jambreiro Tigre deposit cross section.



Source: CTM

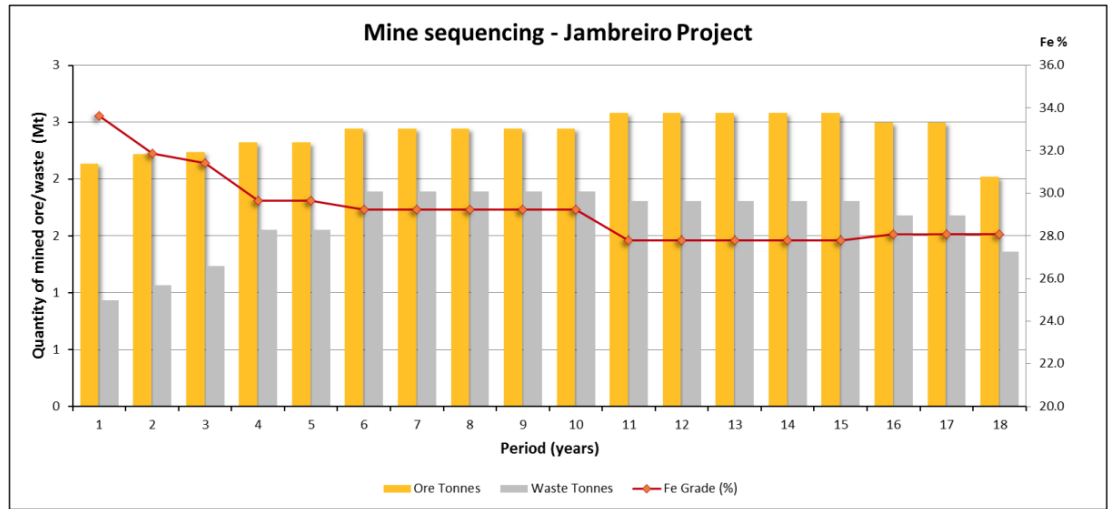
Figure 3: Jambreiro Cruzeiro deposit cross section.



Source: CTM

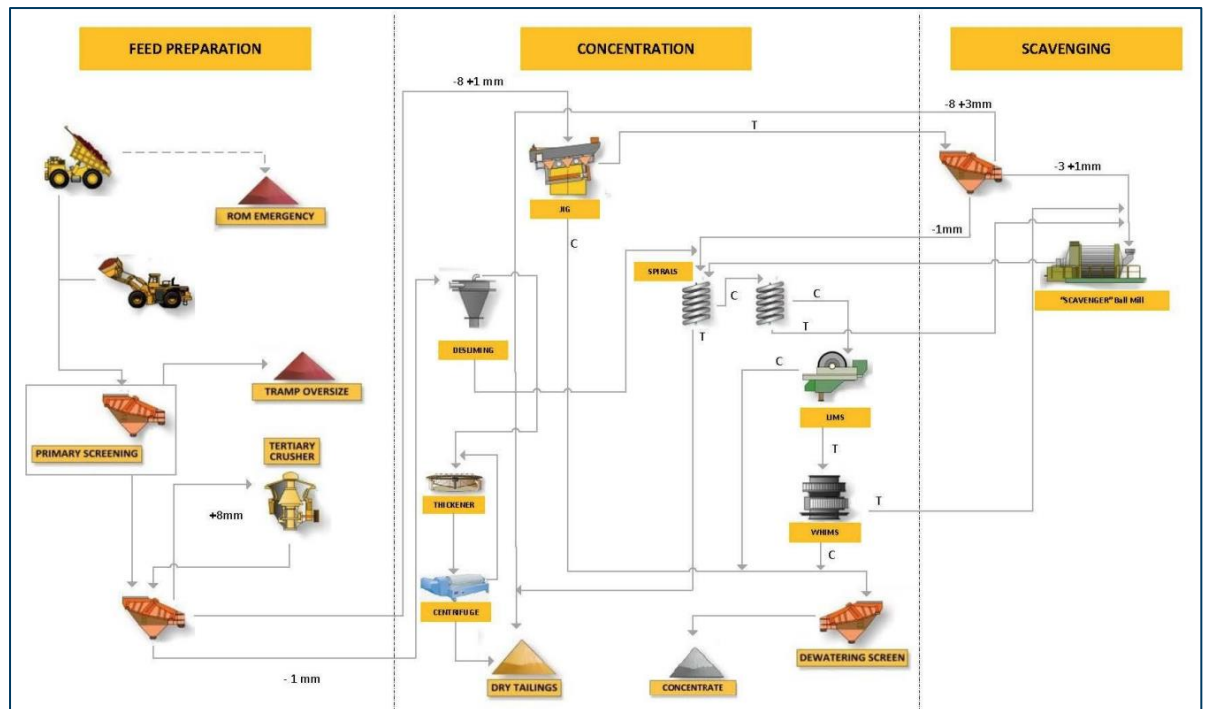
Deposit geometry ensures low strip ratios

Figure 4: Jambreiro PFS mine sequencing.



Source: CTM

Figure 5: Jambreiro 2019 PFS flow sheet.



Source: CTM

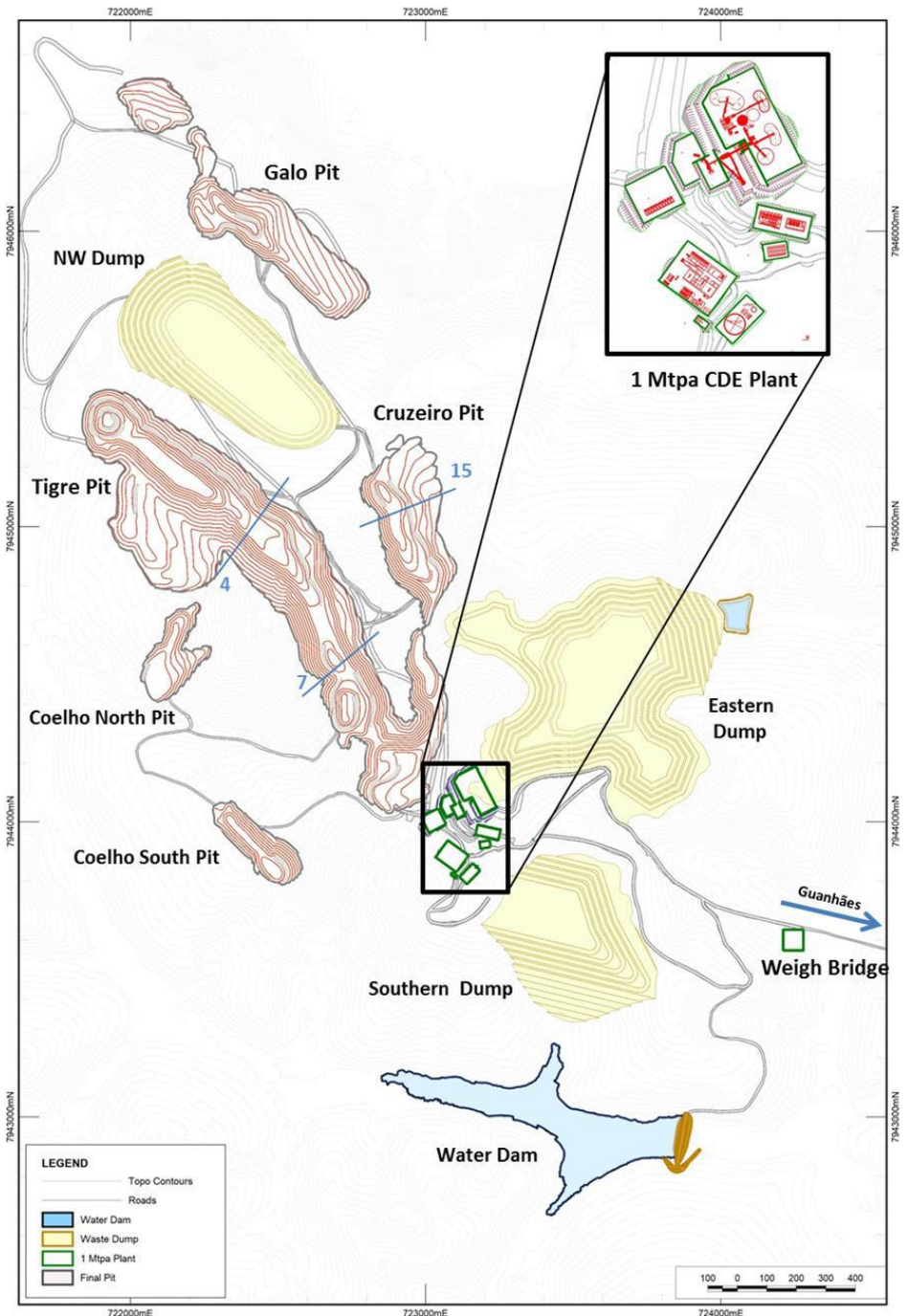
Table 1: Jambreiro pilot plant test work product characteristics.

		Sinter Feed
Chemical Analysis	Fe (%)	65.9%
	SiO <sub>2</sub> (%)	4.3%
	Al <sub>2</sub> O <sub>3</sub> (%)	0.8%
	P (%)	0.01%
	Mn (%)	0.04%
	LOI (%)	0.42%

Source: CTM

Figure 6: Jambreiro site layout.

Site layout for the 1Mtpa operation



Source: CTM

### Direct Reduction Pellet Feed Concentrate Option

A DR feed product could provide benefits to revenues

Ongoing work by CTM suggests Jambreiro is capable of producing a high-grade Direct Reduction (DR) quality pellet feed concentrate. DR pellet feed product is used to produce DR pellets, which in turn are then used as feed for Electric Arc furnaces. Production of steel using electric-arc-furnaces fed by DR feed lowers the overall carbon footprint of steel production compared to conventional blast furnace processing.

Sighter on Jambreiro itabirite samples with a head grade of 38-39% Fe successfully generated concentrates grading >68% Fe with recoveries ranging between 80-86% Fe. Test flowsheets included grinding to 150µm followed by either magnetic separation

(WHIMS) or desliming and flotation. The addition of a grind circuit on the back end of the plant for reduction of particle size to <45µm. This would generate a product suitable for pipe transport.

## Argonaut Jambreiro Model

**We estimate a Jambreiro Build Date Post-Tax NPV(9) of A\$236M**

Our Jambreiro model uses modified 2019 PFS assumptions. Under our base forecast parameters, we estimate a Build Date Post-Tax NPV(9) of A\$236M, valued at A\$212M today (assumed construction starting 2027).

Our model assumes production of 1Mtpa of Direct Reduction Pellet Feed (DPRF) product per year over an 18-year mine life. We estimate an AISC operating cost of A\$41.44/t ore milled resulting in an AISC of A\$50.49/t product. We assume initial capital requirements of A\$80M (up from \$60M in the 2019 PFS) and have escalated operating costs.

Our NPV estimate is based on a 9% discount rate and long-term Fe 62% reference forecast price of US\$90/t, equivalent to a mine gate FOB DRPF price of ~US\$50/t (A\$77/t). Spot pricing for Fe 62% product is currently ~US\$107/t. Additional value could be added assuming positive DR studies, however, for the moment we exclude this upside.

Royalties and other similar charges are estimated at 10%. Jambreiro is expected to receive a tax break of the first 10 years of operation (15% effective tax rate). After 10-years we apply a flat 34% tax rate over remaining life of mine.

An updated EIA/RIMA was lodged in September 2023 with the environmental agency in Minas Gerais State, Supram, for Jambreiro. All environmental licences required to build Jambreiro (3Mtpa scale potential) were previously held by the Company but lapsed during the period when the Project was put on hold. Now that the State of Minas Gerais has awarded priority status to the project, the renewal approval for the Jambreiro Preliminary License is expected to be issued in the March quarter. Approval of the installation license is expected to follow 6-months later.

*Table 2: Argonaut Jambreiro Model key variables and parameters.*

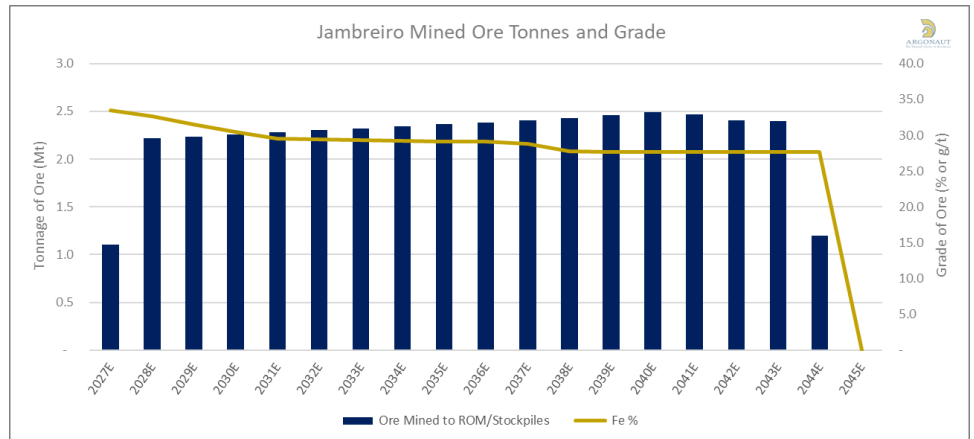
**Jambreiro's economics stack up**

Argonaut Jambreiro Project Model Key Variables & Parameters			
<b>Pre-Tax Project Value (9% DR)</b>		<b>Jaguar Performance LOM</b>	
Pre-tax Current NPV	243 A\$M	Tonnes Mined (LOM)	40.0 Mt
Pre-tax Build Date NPV	271 A\$M	Tonned Benefiated (pa)	2.3 Mt
<b>Post-Tax Project Value (9% DR)</b>		Ore Metal Grades	
Post-tax Current NPV	212 A\$M	Fe	29.10 %
Post-tax Build Date NPV	236 A\$M	<b>Metal Payabilities</b>	
Operation Start Date	1/01/2027	Fe	100 %
Initial Capital Cost	80 A\$M	<b>Payable (Avg pa/LOM)</b>	
Process Plant Design Rate	0.94 Mtpa	Fe	1   17.9 Mt
<b>Long Term Forecast Metal Prices</b>		C1 Cost /t ore Milled	29.3 A\$/t
Fe 62%	90 US\$/t	AISC Cost /t ore Milled	35.8 A\$/t
Adjusted Mine Gate FOB	50 US\$/t	<b>Payable Costs</b>	
AUDUSD	0.65 x	C1 Net Byproducts	41.44 A\$/t Fe
Tax Rate (First 10 years)	15.00 %	AISC Net ByProducts	50.49 A\$/t Fe
Tax Rate (After 10 years)	34.00 %	AIC Net ByProducts	51.20 A\$/t Fe
Royalties and Other Charges	10.00 %		

Source: Argonaut

**An 18 year mine life with consistent ore feed**

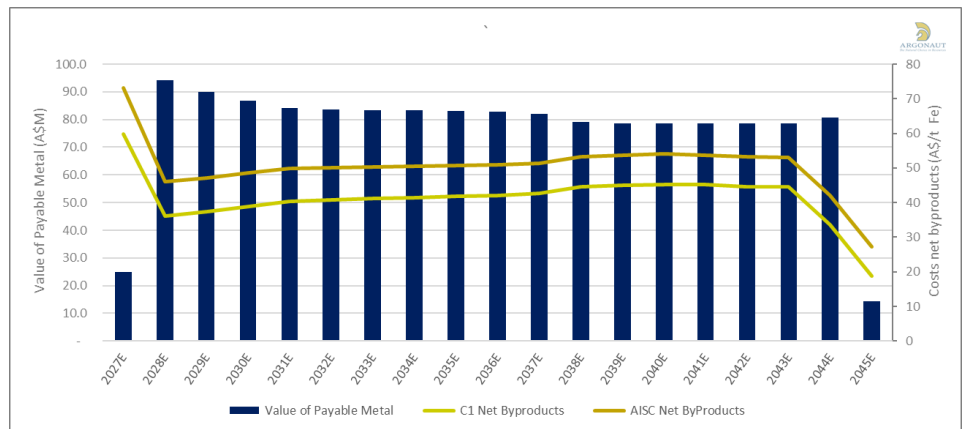
Figure 7: Argonaut Jambreiro mining schedule with ore tonnes and grade.



Source: Argonaut

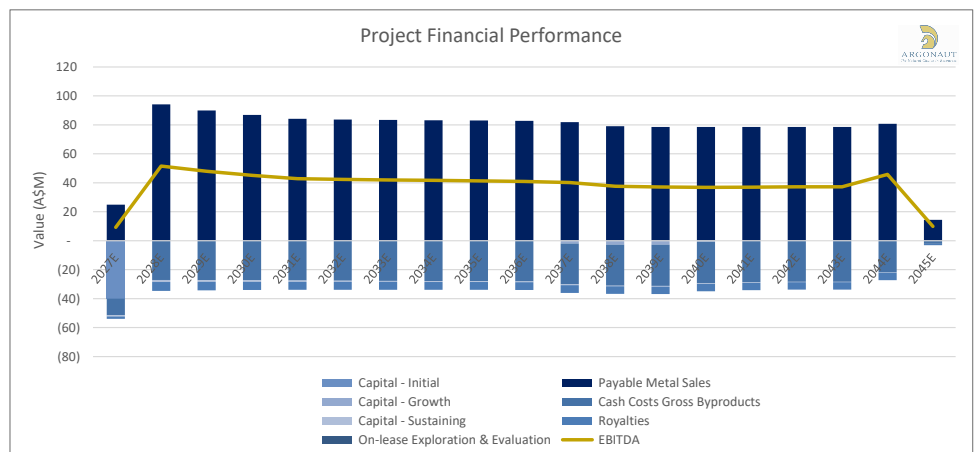
**Costs steady over life of mine**

Figure 8: Jambreiro value of metals produced with C1 and AISC costs.



Source: Argonaut

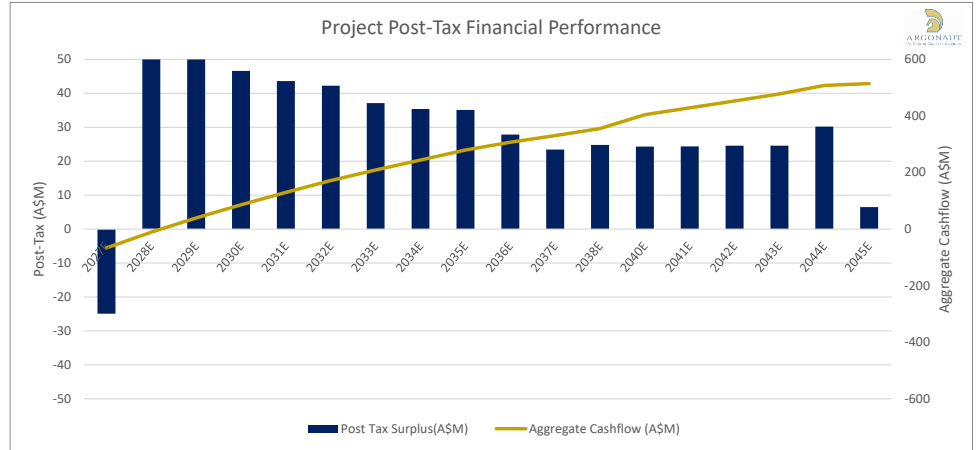
Figure 9: Jambreiro financial performance with costs and EBITDA.



Source: Argonaut

Figure 10: Argonaut model Jambreiro Post-Tax financial performance with surplus and aggregate cashflow.

Aggregate post tax cashflow of over A\$500M over life of mine



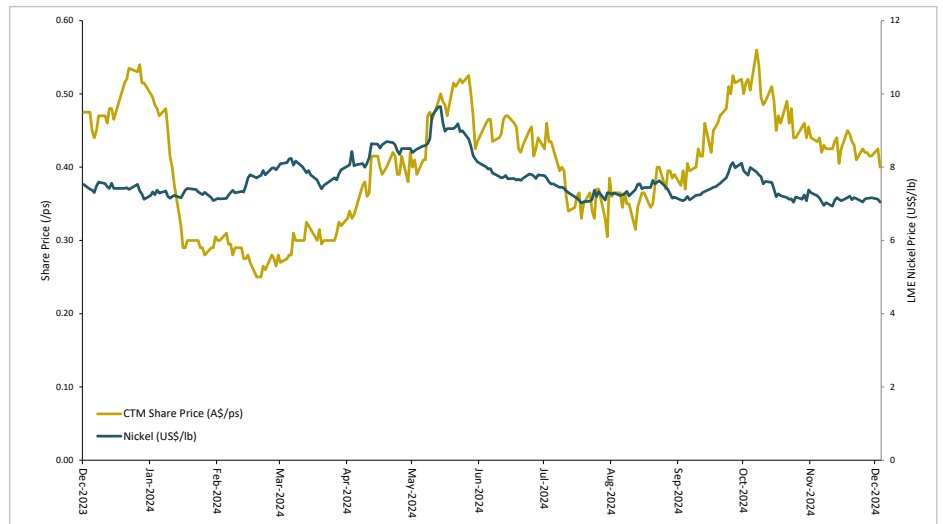
Source: Argonaut

### CTM Share Price & Nickel Metal Pricing

Class 1 nickel metal pricing deteriorated during the last six months, although now shows indications of stabilising.

Figure 11: CTM share price and LME nickel pricing – prior 12 months.

Nickel pricing has deteriorated. CTM's share price has fluctuated



Source: Argonaut with Factset data

## Boi Novo Results

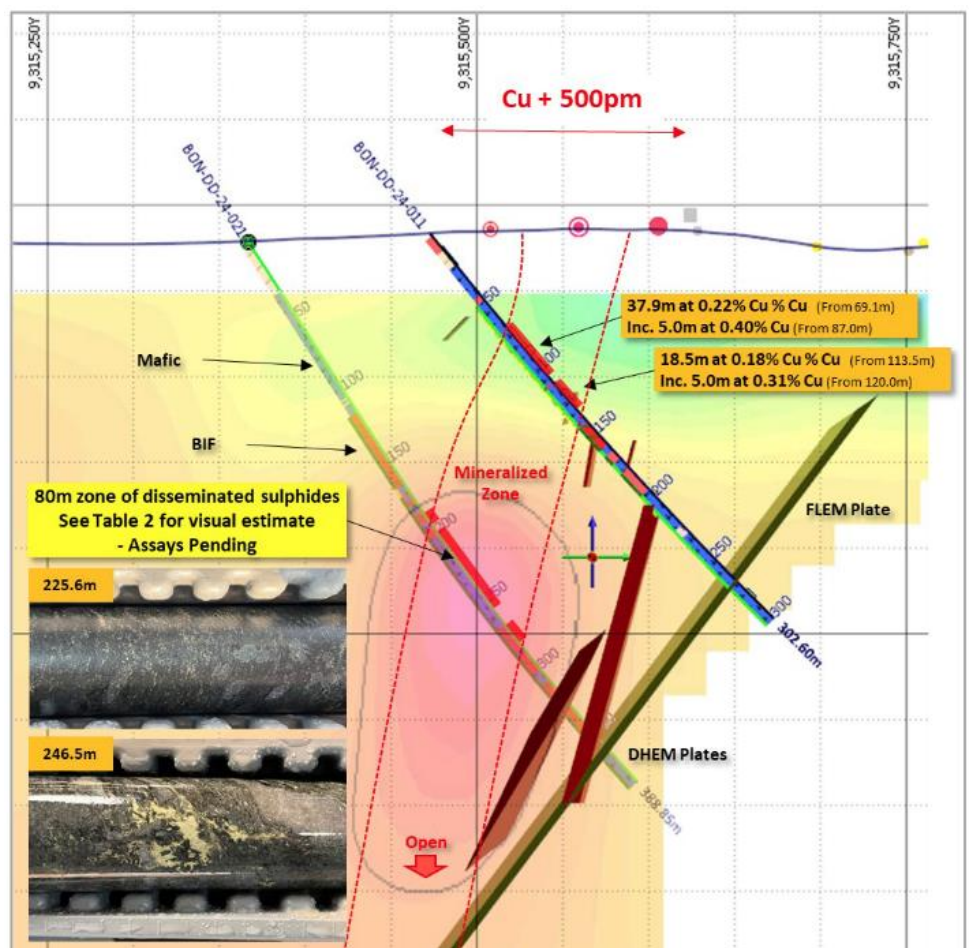
Recently reported drilling results from the Boi Novo copper discovery returned 24.2m at 0.76% Cu from 42.3m including 9.1m at 1.56% Cu and 0.1g/t Au from 57m. In this instance, drilling intersected a shallow breccia zone of stringer and semi-massive sulphide. New hole BON-DD-24-021 (assays pending) intersected an 80m wide zone of disseminated chalcopyrite and pyrite mineralisation. This zone of mineralisation is associated with an IP geophysical anomaly. CTM is expected to drill a further 2,000m of drilling to at least the end of 2024. Boi Novo is located less than 20km from BHP’s Antas Norte copper flotation plant.

**New Boi Novo drilling has encountered intervals of decent width and grade**

New drilling results from the Boi Novo project area include:

- BON-DD-24-016 28.7m at 0.51% Cu and 0.01ppm Au from surface (oxide)  
4.3m at 0.18% Cu and 0.01ppm Au from 28.7m  
24.2m at 0.76% Cu and 0.05ppm Au from 42.3m
- BON-DD-24-014 5.0m at 0.40% Cu and 0.11 ppm Au from 87.0m
- BON-DD-24-015 4.8m at 0.13% Cu and 0.02ppm Au from 86.5m

Figure 12: Nelore prospect drill section with exploration results over disseminated zone.



**Assays for disseminated sulphide zone at Boi Novo remain outstanding**

Source: CTM

## Corporate Level Valuation

**Our Valuation integrates build of both the Jaguar and Jambreiro projects**

Our corporate level valuation assumes construction of Jaguar will begin mid-CY2026, with operations ramping up from mid-CY2028. We assume capital requirements would be provided by a 40% selldown of the project for US\$120M (30% discount to NPV). Funding shortfalls would be provided by debt and an equity raising. Using our base case assumptions, CTM's assumed 60% retained stake in Jaguar is today valued at NPV(9) A\$378M or A\$0.45 per share. We also include A\$57M (60% retained ownership) in optimisation value for Jaguar.

The Jambreiro Iron Ore project remains CTM's sleeper project. Our base case NPV(9) model generates a current value of A\$212M, equivalent to \$0.25 per share for 100% of the project. Our model assumes development would begin at the beginning of January 2026, funded by equity and debt.

We include \$20M in value for regional exploration projects including Boi Novo.

Corporate overheads are presented as the NPV of modelled heady company future outgoings. We estimate \$29M in current cash and equivalents with no major debt.

The impact of modelled future option and equity dilution is addressed. Our cashflow model supports both developments as currently scheduled.

*Table 3: CTM company level net asset valuation.*

Company Valuation Summary	Spot		Forecast	
	A\$M	A\$/sh	A\$M	A\$/sh
Jaguar Post-Tax NPV(9) 60% Retained	214	0.25	378	0.45
Jaguar Optimisation Upside	32	0.04	57	0.07
Jambreiro Post-Tax NPV(9) 100% Ownership	228	0.27	212	0.25
Regional Exploration	20	0.02	20	0.02
Corporate Overheads	-65	-0.08	-65	-0.08
Cash (Estimate)	19	0.02	19	0.02
Debt	0	0.00	0	0.00
Future Unpaid Capital	147	0.17	147	0.17
<u>Valuation</u>	<u>595</u>	<u>0.70</u>	<u>767</u>	<u>0.91</u>
<b>Price Target 50:50 Spot:Forecast</b>			<b>681</b>	<b>0.80</b>

\* Valuation estimated on a capital diluted share basis

Source: Argonaut

## Recommendation & Price Target

**We ascribe a Price Target of A\$0.80 per and maintain our Speculative Buy**

We maintain our Speculative Buy recommendation and ascribe a Price Target of \$0.80 per share (previously \$0.75 per share). Change in our Price Target relates to variation in spot metal pricing, improvement in Jambreiro economics and increased implied capital dilution due to a weakened share price.

## Key Risks to valuation

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### Timelines

Our discounted cash flow model is time dependant. Any delay to scheduled development or production will adversely effect on our valuation.

### Metallurgical performance

Sulphide concentrate characterisation studies have concluded that fluorine is present at manageable levels for pyrometallurgical refiners. Deleterious elements are less of an issue for hydrometallurgical refiners.

### Commodity Pricing

Value estimates are based on consensus long term commodity price forecasts. A 10% difference to the price of nickel over the modelled life of mine will result in a ~25% shift in project valuation.

### Costs

Cost assumptions are based on operating and capital costs from CTM documentation and our knowledge of industry rates.

### Exploration success

Valuation assumes that future exploration and investments achieve acceptable returns. Subjective value is attributed to exploration assets at Jaguar.

### Interest rates/discount rates

Argonaut takes cash flow risk into account when choosing discount rates for different projects. Our valuation is sensitive to the discount rate used.

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**Important Disclosure**

The publishing analyst holds CTM shares.

Argonaut holds or controls 261,638 CTM shares.

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