

## Nickel

### Jaguar Project

Asset Valuation \$510m

Current Share Price \$0.615

Ticker: **CTM**  
Sector: **Metals & Mining**

Shares on Issue (m): **325.9**  
Market Cap (\$m): **200.4**  
Cash Est. (\$m): **26.9**  
Debt Est. (\$m): **Nil**  
Enterprise Value (\$m): **173.5**

52 wk High/Low: **\$0.69** **\$0.07**  
12m Av Daily Vol (m): **919**

**Projects** **Stage**  
Jaguar Nickel Project Resource Development

| Mineral Resource      | Mt   | Ni %  | kt Ni |
|-----------------------|------|-------|-------|
| Jaguar Nickel Project | 48.0 | 1.08% | 517.5 |

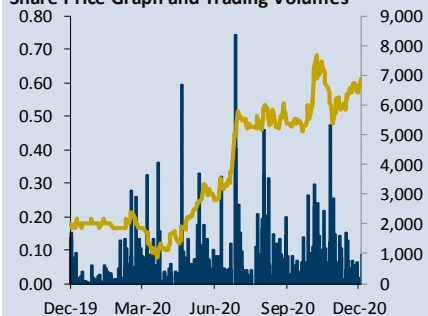
| Cashflows          | 2019 | 2020 |
|--------------------|------|------|
| Operating Cashflow | -4.1 | -3.6 |
| Investing Cashflow | 0.0  | -0.2 |
| Financing Cashflow | 4.7  | 12.2 |
| Cash Balance       | 1.4  | 9.7  |

**Directors:**

|                 |                        |
|-----------------|------------------------|
| Didier Murcia   | Chairman               |
| Darren Gordon   | Managing Director      |
| Bruno Scarpelli | Executive Director     |
| Mark Hancock    | Non-Executive Director |
| Chris Banasik   | Non-Executive Director |

| Substantial Shareholders: | %    |
|---------------------------|------|
| Dundee Resources          | 5.1% |
| Mccusker Holdings         | 4.6% |
| Sprott                    | 4.6% |
| Harman Family Trust       | 4.3% |

### Share Price Graph and Trading Volumes



## Centaurus Metals (CTM)

### Sweet ride in a Jaguar

#### Quick Read

Jaguar is an advanced nickel development project in the mining friendly Carajás region of Brazil, which is host to several world-class projects. CTM acquired the project from Vale in 2019 with over 55,000m of drilling already completed along with baseline metallurgical studies. After a campaign of infill and expansionary drilling the Company released a maiden JORC resource of 48Mt @ 1.1% Ni for 518kt contained nickel, with a higher-grade component of 20.6Mt @ 1.6% Ni for 321.4kt contained nickel making it the second largest nickel inventory under an ASX listed company after BHP.

#### Key Points

**Rare high grade open pit nickel:** Jaguar is a nickel sulphide deposit with both grade and near surface mineralisation making it amenable to open pit mining. It offers significant development optionality, ranging from a large low-grade bulk tonnage open pit operation to a smaller high-grade open pit and underground operation. CTM is expected to focus on the latter and Argonaut envisages a 1.0-1.5Mtpa concentrator plant processing ~1.5% Ni from open pit ore and up to 2.5% Ni from underground ore, producing up to 20ktpa nickel in concentrate. A Scoping Study is due in Q1 2021.

**Positive metallurgy tests:** Initial metallurgical testwork shows potential for ~82% nickel recoveries producing a 16% nickel concentrate for the Jaguar South and Onça Preta deposits. CTM is aiming to generate a single flowsheet for all mineralised material to provide flexibility in co-treating ores from various deposits in the project.

**Significant exploration upside:** Infill and extensional drilling is ongoing with four diamond rigs and one RC rig. All deposits quoted in the 48Mt resource remain open, particularly at depth. Up to 80% of Jaguar's contained nickel is within 200m of surface. Regionally, a number of coincident EM, magnetic and geochemical anomalies remain untested, particularly in the west of the project area (i.e. Fliperama and Leao prospects). Argonaut sees significant potential for resource expansion from CTM's well-funded exploration program.

#### Project Valuation

Argonaut's NPV<sub>11</sub> for Jaguar is \$510m, applying a US\$15,500/t nickel price and 0.72 AUD/USD FX. Our model assumes a mining scenario of 5-years open pit mining at 1.5% Ni grade and 5-years underground mining at 2.5% Ni grade with output of 1.5Mtpa and 1Mtpa respectively. LOM processed ore is 18Mt with recoveries of 80%. Capital and operating cost assumptions (US\$160m and US\$3.90/lb respectively) are largely based upon other base metal development projects including OZ Minerals' Pedra Branca project also located in the Carajás.

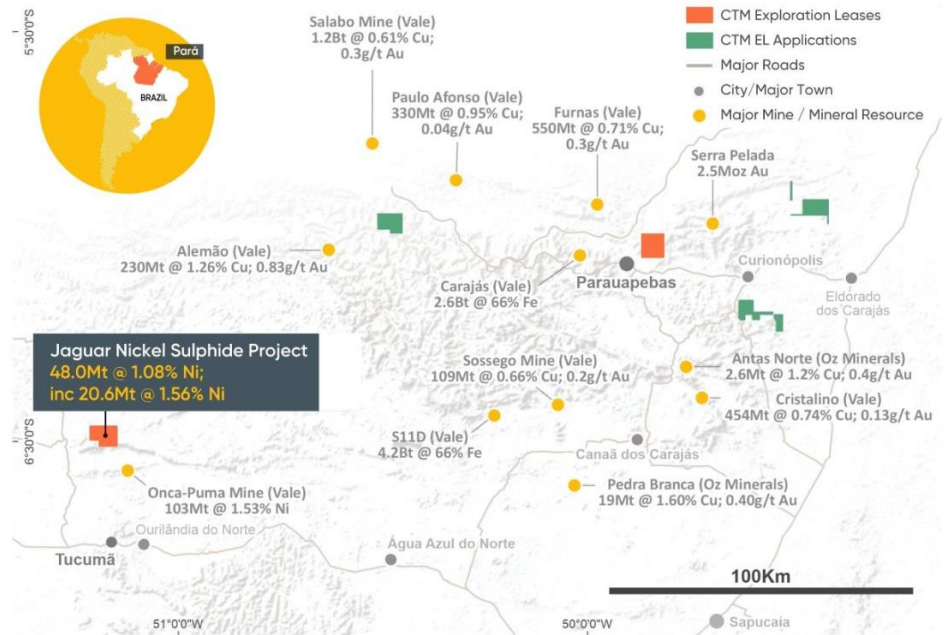
## Project Overview

**Jaguar is located in the well-established Carajás Mineral Province in the Pará state of Brazil**

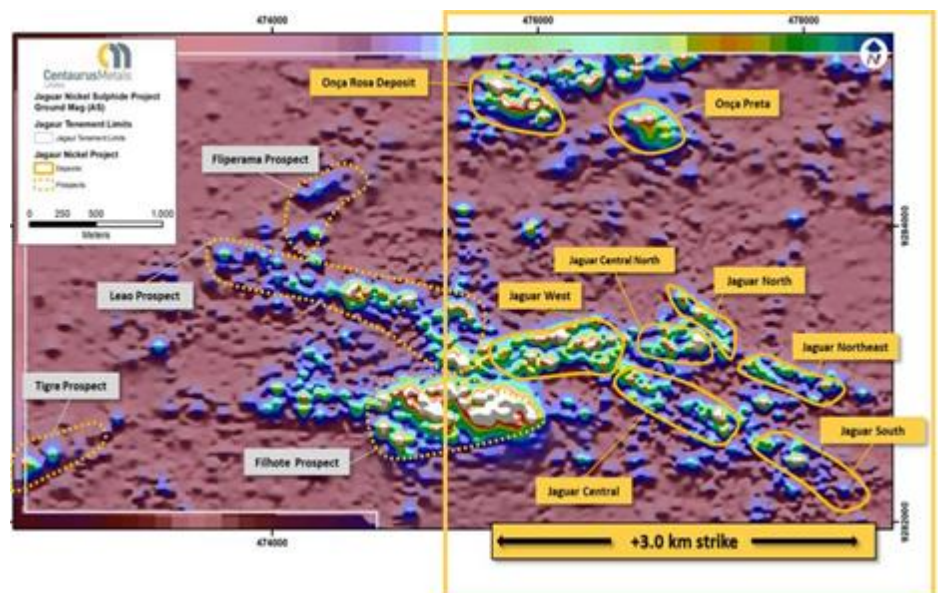
Jaguar is located on the western side of the well-established Carajás Mineral Province in the Pará state of Brazil. The project was discovered by Vale in 2007. CTM's tenure in the region is >100km<sup>2</sup> incorporating Jaguar, which spans over a prospective strike of ~7km. The project sits on low population density farmland with only four key landowners. The Pará state is a mining friendly jurisdiction and the Carajás region has established transport routes to port (road and rail), power infrastructure, a skilled mining workforce and access to key mining services. A high voltage power substation is located at Vale's Onça-Puma Ferronickel Plant 15km to the north. Water is readily available in the area. Rail is accessible from the iron ore hub of Parauapebas (~350km by sealed roads). Jaguar has a relatively unique style of nickel mineralisation, most akin to Iron Oxide Copper Gold (IOCG) deposits, only with nickel instead of copper.

**The region has established transport routes, power, water, a skilled mining workforce, and access to key mining services**

Figure 43. Location map of the Jaguar Project (top). Magnetic survey with deposits and prospects (bottom)



**It is a rare nickel sulphide deposit with both grade and near surface mineralisation**



Source: CTM