SCP EQUITY RESEARCH

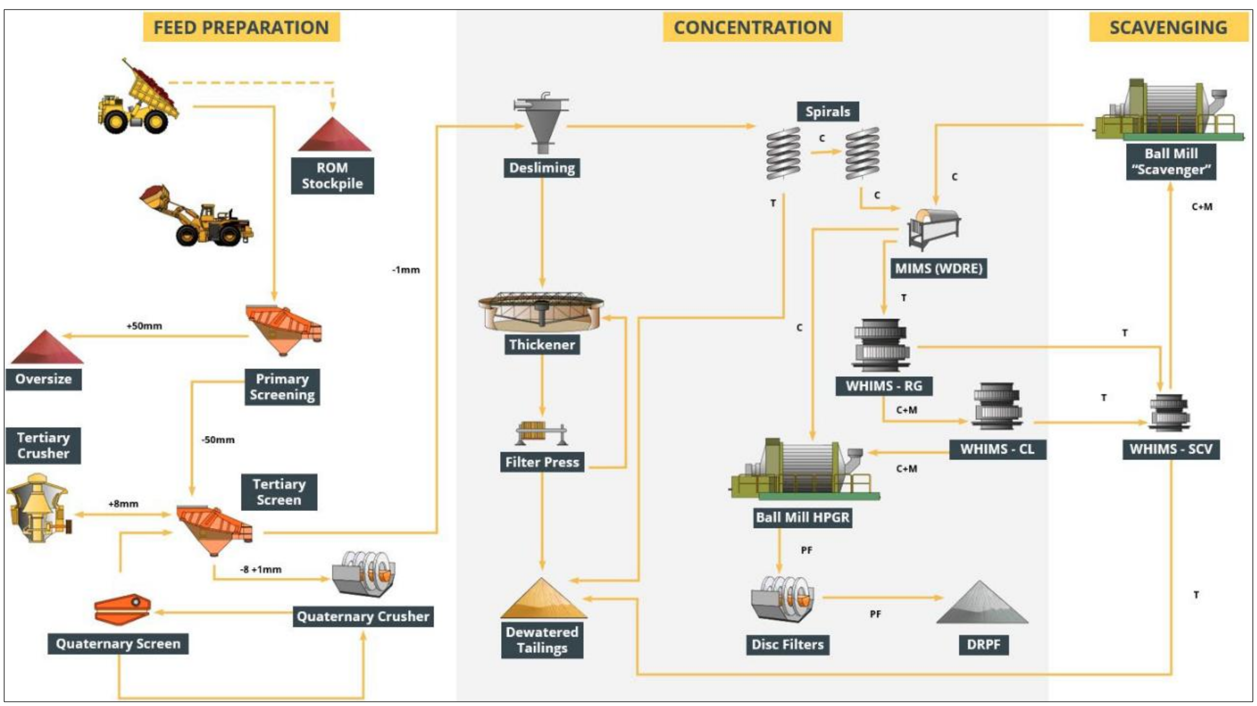
Centaurus Metals, 17 February 2026

Ticker: CTM AU	**4Q25 cash:** A$25m	**Project**: Jaguar / Boi Novo / Jambreiro
Market cap: A$353m	**Price:** A$0.63/sh	**Country:** Brazil
REC. (unc): BUY	*TARGET (unc): A$1.50/sh*	*RISK RATING (unc): HIGH*

Yesterday's Jambreiro pilot plant testwork provides a nice follow-on to 2Q24 bench scale testing, seeing improved average metallurgical (89.3% vs 89.1%) and mass (40.3% vs 37.6%) recoveries, and highlighting a finished concentrate squarely in the green steel/DR-EAF market, a structural premium segment. The project works not because it recovers a lot of mass, but because it produces a scarce premium DR product (67.8% Fe, 1.93% SiO2+Al2O3, 0.02% P) at high metallurgical recovery, so most iron value is captured while cheap mining and strong logistics support margins. Importantly, new tests now suggests that tailings co-disposal and simplified dewatering could further reduce project capital/operating intensity. That is, with the blended 9:1 tails:slimes seeing a ~24% moisture content, the expected operating ratio of ~13.5:1 should result in even lower final moisture, potentially eliminating the need for dedicated slimes filter press and separate deposition of a dry stacked slimes tails. Recall the 2020 study update (based on the 2019 PFS), outlined an 18-year, 1 Mtpa project requiring an initial A$58.8M capex, delivering an after-tax NPV of A$147.2M and a 37% IRR – hence we see further upside here on incorporating premium DR pricing in addition to reduced costs. Bottom line, the testwork materially de-risks the project and shifts the opportunity to securing commercial terms.

*As such, we maintain our **BUY rating and our A$1.50/sh price target** based on 0.5xNAV for Jaguar. While advancing permitted Jaguar to a production scenario remains in focus with project financing (incl. relevant offtake discussions) key now to kicking off construction. The name trades cheaply at just 0.21x NAV, hence we see deep value on any future potential commercial terms at Jambreiro or discovery flyer at Boi/Rio Novo – both entirely upside to Jaguar (one of the largest, fully-derisked, permitted, undeveloped nickel sulphide assets globally). All that ahead of any additional nickel price momentum, with Indonesian supply cut-backs already forecasted for this year with the national target of 260Mt down from 379Mt in 2025.*

Figure 1. New Jambreiro flowsheet to produce DR concentrate



Source: Centaurus Metals

Jambreiro pilot testwork confirms high-purity DRPF concentrate supporting off-take discussions

Yesterday, Centaurus reported pilot plant testwork from the 100%-owned Jambreiro Iron Ore Project (Brazil). Testing on a 1.4t bulk composite feed sample grading 30.61% Fe, 50.97% SiO2, 3.1% Al2O3 0.03% P and 1.51 LOI produced over 0.5t of high-purity direct-reduction pellet feed (DRPF) concentrate grading 67.8% Fe with low impurities (1.45% SiO2, 0.48% Al2O3; 1.93% combined (vs <2% DR pellet feed product target), 0.02% P), meeting DR steelmaking specifications. The product achieved 40.3% mass recovery and 89.3% metallurgical recovery, confirming consistent DR production capability and refining the flowsheet, including magnetic circuit upgrades that improved recovery and grade. Concentrate filtering and grinding tests resulted in leaf tests of 1.42t/m^2 with and without flocculant, bond work index 24.24kwh/t and PRED test 12.84kwh/t.

Tailings filtration and drainage tests resulted in moisture of 24% from testing 100% spiral tails (60% moisture) and 9:1 spiral tails (60% moisture):thickened slimes (80% moisture) mixture, suggesting co-disposal with mine waste and potential capex reductions from removing need for slimes filter press and separate deposition of dry stacked slimes tails. All three components of the future co-disposal waste piles (slimes, rougher spirals tails and waste rock) will be geotechnically tested. Ongoing test results will support off-take discussions and project re-licensing.

Why we like Centaurus

1. Only >1.2Mt Ni metal, <US$500m capex, pittable nickel sulphide junior globally
2. One of few high-grade nickel sulphide developers retaining 100% of its offtake rights
3. CO_2 / energy security value with <1/10th the CO_2 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

- 2026: Advance Jambreiro offtake discussions and licensing
- 2026: Boi/Rio-Novo exploration
- 1H26 / 2H28: Final investment decision / production start

Research

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Ticker: CTM AU	**Price / mkt cap:**	A63c/sh / A$353m	**P/NAV today:**	0.21x	**Country:** Brazil
Author: B Gaspar	**Rec/0.5xNAV7% PT:**	BUY, A$1.50/sh	**1xNAV$_{2Q25}$ FF FD:**	A$2.69/sh	**Asset:** Jaguar

Commodity price	**CY24A**	**CY25E**	**CY26E**	**CY27E**	**CY28E**
Ni price (US$/t)	17,061	15,579	17,726	20,408	20,944
Ni price (US$/t, payable)	13,649	12,463	14,181	16,326	16,755
1xNAV project valuation*		**A$m**	**o/ship**	**NAVx**	**A$/sh**
Jaguar OP NPV (build start)		1,445	100%	1.0x	2.38
Jaguar UG, 50% risked		141	100%	1.0x	0.23
Expln & resources ex reserve @ 1% insitu		190	100%	1.0x	0.31
4Q25 cash		25	100%	1.0x	0.04
Cash from ITM options		15.5	100%	1.0x	0.03
1XNAV A$ @ 2Q25		**1,816**			**2.99**
**Build start, ex fin. cost + G&A, dil. for optns not build*				*P/NAV today:*	0.21x

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	889	1,232	1,574	1,917	2,259
7.0% discount	1,043	1,429	1,816	2,202	2,588
5.0% discount	1,232	1,671	2,111	2,551	2,990
Ungeared project IRR:	21%	27%	33%	38%	43%
Group NAV (A$/sh)	16,535	18,739	20,944	23,149	25,353
9.0% discount	1.46	2.03	2.59	3.16	3.72
7.0% discount	1.72	2.35	2.99	3.63	4.26
5.0% discount	2.03	2.75	3.48	4.20	4.92

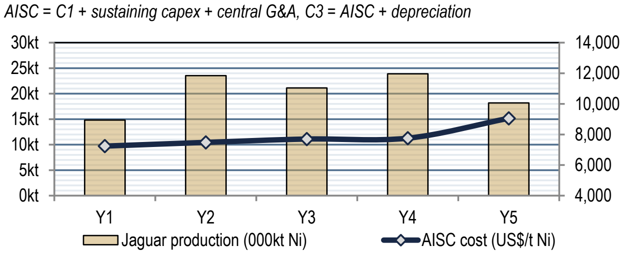
**Project level NPV, excl finance costs and central SGA, discounted to build start*

SOTP *company* valuation^	**Dec-25**	**Dec-26**	**Dec-27**	**Jun-28**	**Dec-29**
Jaguar NPV	1,416	1,743	2,190	2,346	2,173
Resources ex reserve + UG	331	331	331	331	331
Central G&A & fin costs	(159)	(152)	(110)	(84)	(23)
Net cash prior quarter	27.5	20.7	(328.0)	(439.6)	(129.7)
Cash from ITM options	15.5	15.5	15.5	15.5	15.5
NAV (A$m)	1,632	1,957	2,099	2,169	2,367
FD share count (m)	*606*	*607*	*607*	*607*	*607*
1xNAV7%/sh FF FD (A$/sh)	2.69	3.22	3.46	3.57	3.90

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	1,143	1,557	1,971	2,385	2,800
7.0% discount	1,268	1,718	2,169	2,619	3,070
5.0% discount	1,417	1,911	2,405	2,898	3,392
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	1.88	2.56	3.25	3.93	4.61
7.0% discount	2.09	2.83	3.57	4.31	5.06
5.0% discount	2.33	3.15	3.96	4.77	5.59

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



Resource/Inventory	**Mt**	**NiEq %**		**Mt**	**Ni %**
	2Q24 JORC			Reserves	
M&I	112.6	0.95%	OP:	52.0	0.78%
Inferred	25.7	0.97%	UG:	-	-
	138.2	0.95%	Total	52.0	0.78%
Funding: uses			**Funding: sources**		
Capex (A$m)	584.0		2Q25 cash (A$m)		24.6
Drilling/FS cost (A$m)	2.8		SCPe debt (A$m)		467.2
Working cap >DFS (A$m)	-		SCPe equity at spot (A$m)		22.4
G&A and fin. cost (A$m)	36.1		Total sources (A$m)		514.2
Total uses: group (A$m)	*622.9*		*Buffer (A$m)*		*-108.6*

Share data (m)	**Basic**	**FD**	**FF FD**		
Shares (m)	564.6	607.3	643.2		
Ratio analysis	**CY24A**	**CY25E**	**CY26E**	**CY27E**	**CY28E**
Shares out (m)	496.7	562.8	564.6	564.6	564.6
EPS (Ac/sh)	-	-	-	-	21.5
CFPS pre w/c (A$/sh)	-	-	-	-	7.2
EV (A$m)	292.4	325.3	415.6	744.7	671.5
FCF yield (%)	-	-	-	-	21%
PER (x)	-	-	-	-	2.9x
P/CF (x)	-	-	-	-	4.8x
EV/EBITDA (x)	-	-	-	-	3.0x
Income statement	**CY24A**	**CY25E**	**CY26E**	**CY27E**	**CY28E**
Revenue (A$m)	-	-	-	-	381.9
COGS (A$m)	-	-	-	-	152.3
Gross profit (A$m)	**-**	**-**	**-**	**-**	**229.6**
G&A (A$m)	4.3	4.2	4.0	4.0	4.0
Exploration (A$m)	16.9	10.0	-	-	-
Finance costs (A$m)	-	-	18.2	49.3	48.2
Tax (A$m)	(3.5)	-	-	-	24.9
Other (A$m)	0.2	0.2	(0.4)	(0.5)	31.1
Net income (A$m)	**(17.8)**	**(14.4)**	**(21.7)**	**(52.8)**	**121.4**
Cash flow statement	**CY24A**	**CY25E**	**CY26E**	**CY27E**	**CY28E**
EBITDA (A$m)	(22.5)	(14.9)	(4.0)	(4.0)	225.6
Add share based (A$m)	1.1	0.5	-	-	-
Net change WC (A$m)	(0.6)	0.4	-	1.2	32.7
Cash flow ops (A$m)	**(15.8)**	**(14.2)**	**(21.7)**	**(54.0)**	**119.9**
PP&E + sust. (A$m)	0.3	0.0	275.0	275.0	46.7
PP&E - expl'n (A$m)	0.1	-	-	-	-
Cash flow inv. (A$m)	**(0.4)**	**(0.3)**	**(275.0)**	**(275.0)**	**(46.7)**
Share issue (A$m)	0.4	22.4	207.5	-	-
Debt draw (repay) (A$m)	-	-	315.0	152.2	(116.8)
Cash flow fin. (A$m)	**0.4**	**22.4**	**522.5**	**152.2**	**(116.8)**
Net change in cash (A$m)	(16.4)	8.1	225.8	(176.8)	(43.6)
Balance sheet	**CY24A**	**CY25E**	**CY26E**	**CY27E**	**CY28E**
Cash (A$m)	18.0	26.5	252.2	75.4	31.8
Acc rec. + invet. (A$m)	14.2	14.2	14.2	13.4	62.8
PP&E & expl'n (A$m)	20.7	10.7	285.7	560.7	576.2
Total assets (A$m)	**39.5**	**51.3**	**552.1**	**649.5**	**670.8**
Debt (A$m)	-	-	315.0	467.2	350.4
Accounts payable (A$m)	2.4	2.0	2.0	-	16.7
Others (A$m)	18.6	27.3	253.0	75.4	81.2
Total liabilities (A$m)	4.1	6.1	321.1	471.3	371.2
Shareholders' equity (A$m)	282.5	305.0	512.5	512.5	512.5
Reserves (A$m)	(7.7)	(6.8)	(6.8)	(6.8)	(6.8)
Retained earnings (A$m)	(239.4)	(252.9)	(274.7)	(327.5)	(206.1)
Liabilities + equity (A$m)	**39.5**	**51.3**	**552.1**	**649.5**	**670.8**

Source: SCP estimates

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SCP Resource Finance Equity Research Ratings:

Summary of Recommendations as of February 2026	
BUY:	56
HOLD:	0
SELL:	0
UNDER REVIEW:	0
TENDER:	0
NOT RATED:	0
TOTAL	56

[1] As at the end of the month immediately preceding the date of issuance of the research report or the end of the second most recent month if the issue date is less than 10 calendar days after the end of the most recent month