

5 September 2019

## CENTAURUS AND VALE EXECUTE FORMAL SALE & PURCHASE AGREEMENT FOR ADVANCED JAGUAR NICKEL SULPHIDE PROJECT

Signing of pivotal acquisition agreement clears way for maiden exploration programs to commence

- Centaurus and Vale have executed the formal Sale & Purchase Agreement for the Jaguar Nickel Sulphide Project in northern Brazil following receipt of Vale Board approval for the transaction – allowing initial field exploration activities to commence.
- The settlement of the acquisition remains subject to approval by the Brazilian National Bank for Economic and Social Development (BNDES) for the assignment of BNDES' royalty interest in the Project. This approval is anticipated by the end of October 2019.
- The Jaguar Nickel Sulphide Project, located in the world-class Carajás Mineral Province, contains a foreign resource estimate of 40.4Mt at 0.78% Ni (0.5% Ni cut-off) for a total of 315,000 tonnes of contained nickel<sup>1</sup>, based on more than 55,000m of historical diamond drilling by Vale.
- Centaurus intends to focus on the significant opportunity to establish a high-grade JORC Resource in the near term, with multiple shallow high-grade zones delineated by previous diamond drilling:
  - 34.0m at 3.31% Ni from 56m in PKS-JAGU-DH00065;
  - 42.4m at 2.20% Ni from 76m in PKS-JAGU-DH00132;
  - 31.4m at 2.47% Ni from 15.3m in PKS-JAGU-DH00030; and
  - 26.0m at 2.13% Ni from 66.0m in PKS-JAGU-DH00033.
- Recent re-processing of FLEM and DHEM survey data clearly demonstrates that the EM conductors correlate extremely well with the high-grade nickel sulphide zones intersected in the historical drilling and will be an extremely useful targeting tool for further high-grade mineralisation on the Project area.
- Southern Geoscience continues to work on the FLEM and DHEM survey data from the remaining Jaguar Deposit area, with more results expected in the coming weeks.
- The Company's maiden diamond drilling program is planned to commence at the end of October, with initial drilling designed to test the extent of the known near-surface high-grade zones as well as newly-identified EM conductor plates.

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<sup>1</sup> Centaurus cautions that the mineral resources for the Jaguar Project are not reported in accordance with the JORC Code. A Competent Person has not yet done sufficient work to classify the resources as mineral resources in accordance with the JORC code. It is uncertain that, following evaluation or further work, the foreign estimate will be able to be reported as Mineral Resources in accordance with the JORC Code. Refer to ASX Announcement 6 August 2019 for detail on foreign resource.

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Further to its ASX announcement of 6 August 2019, Centaurus Metals (ASX Code: **CTM**) is pleased to advise that the Vale Board has approved the sale of the **Jaguar Nickel Sulphide Project** (“Jaguar” or the “Project”) to Centaurus and the formal Sale & Purchase Agreement has now been executed by both parties.

Commenting on the completion of the landmark acquisition, Centaurus’ Managing Director, Mr Darren Gordon, said:

*“The receipt of approval from the Vale Board represents a key final step towards completing this transformational acquisition. Being able to acquire such an outstanding asset with genuine company-making potential is a great result for the Company and our shareholders, and reflects the strong and deep relationships which Centaurus has built up in Brazil over the past 10 years.*

*“We have developed a strong working relationship with Vale through the negotiation process, and to be able to complete this transaction with them is testament to Vale’s strong belief in the mutual benefits that can be created under their recently rolled out mini-mines model for base metals and Centaurus’ credentials in Brazil and the Carajás as a project developer.*

*“Very rarely does an opportunity arise to acquire a high-quality advanced nickel sulphide asset like Jaguar. With near-surface resources of 40.4Mt at 0.78% Ni for 315,000t of contained nickel, Jaguar immediately puts Centaurus into rarefied space in the nickel sulphide development sector.*

*“Many of the premier mid-cap nickel sulphide mining and development companies on the ASX – companies like IGO, Western Areas, Mincor and Panoramic – were born from assets divested by the majors. These assets did not meet the threshold of the larger mining companies that divested them but were instrumental in underpinning the creation of a new generation of mid-tier mining companies, many of which are still thriving today, almost two decades later.*

*“And the timing for this acquisition could not be better. The nickel price recently soared to five-year highs after the Indonesian Government confirmed a ban on ore exports from December this year, putting further pressure on an already tight supply pipeline. Supply disruptions from PNG have added further upward pressure to the nickel market, adding further impetus to the search for potential new nickel sulphide deposits worldwide.*

*“We believe the acquisition of the Jaguar Nickel Project will provide Centaurus with a unique growth opportunity at the perfect time in the nickel market cycle. The opportunity to fast-track a new nickel sulphide development over the next two years could well prove to be a game-changer for the Company.*

*“We intend to focus our initial efforts on the high-grade potential of the already-defined deposits, while also testing potential extensions indicated by geophysics. We are gearing up for drilling to start at the end of October with the aim of building up a new high-grade JORC Resource as rapidly as possible.”*

## **The Next Steps at the Jaguar Nickel Sulphide Project**

Centaurus will focus initial drilling and project development efforts on high-grade targets with in-fill and extensional drilling designed to improve the understanding of the high-grade mineralisation and add additional high-grade nickel tonnes to the current foreign resource.

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The near-term project milestones to be undertaken in the period through to the end of 2019 and the first half of 2020 include:

- Continuation of the re-processing of historical ground and airborne geophysical survey data (Southern Geoscience – underway);
- Re-logging and re-interpretation of historical drill core with a focus on the structural controls and plunge of the high-grade zones (underway);
- New ground Magnetic and Electro-magnetic (EM) geophysical surveys (to start in September);
- Land-owner agreements and drill access licensing (underway);
- In-fill and extensional drilling within the known deposits to test the continuity of high-grade zones (planned to start at the end of October);
- Completion of a maiden JORC Resource estimate (H1 2020); and
- Metallurgical testwork and process route determination (H1 2020).

## **Jaguar Deal Terms under the Formal Agreement**

As outlined in the ASX Release of 6 August 2019, the consideration payable for 100% acquisition of the Jaguar Project involves a small up-front cash payment and the transfer of the Company's Salobo West tenure to Vale. The main component of the future cash consideration is contingent on successful production from the Project. This significantly de-risks the acquisition for the Company and allows the Company to focus on advancing the development aspects of the Project over the next 18 months.

*Up-Front Consideration on Closing (Closing of the Formal Agreement to occur upon BNDES approval of the Transaction)*

- US\$250,000 cash; and
- The transfer of all Salobo West Exploration Licences and Exploration Licence Applications to Vale.

*Deferred Consideration*

- US\$1.75 million on the commencement of a Bankable Feasibility Study, or construction funding being secured, or 3 years from agreement signing, whichever occurs first;
- US\$5.0 million on First Commercial Production;
- A Net Operating Revenue royalty of 0.75% on all concentrate production from the project; and
- Centaurus to take on Vale's obligation to Brazil's National Bank for Economic and Social Development (BNDES) for 1.8% Net Operating Revenue royalty.
- Until all deferred consideration is paid, should Centaurus transfer or assign the Project or undergo a change of control event at a corporate level, all outstanding deferred consideration would become immediately payable to Vale.

*Off-take*

Vale and Centaurus have also agreed to enter into a future Off-take Agreement whereby Vale can purchase 100% of the production from the Project (with the product or products from the project to be determined during future Feasibility Study work). Under the proposed key off-take terms, Vale would acquire all production from any future operation at Jaguar on standard arm's length prevailing market prices and they may consider a pre-purchase of product to support Centaurus' funding of the project.

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## Cooperation

Vale and Centaurus will also explore opportunities to optimise costs of the Project as well as to generate potential synergies between the Project and the nearby Projects of Vale.

**-ENDS-**

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## Competent Persons Statement

*Mr Roger Fitzhardinge confirms that the information in this market announcement that relates to the Exploration Results and Mineral Resource provided under ASX Listing Rules 5.12.2 to 5.12.7 is an accurate representation of the available data and studies supplied to Centaurus as a foreign estimate.*

*Roger Fitzhardinge is a permanent employee of Centaurus Metals Limited and a Member of the Australasian Institute of Mining and Metallurgy. Roger Fitzhardinge has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Roger Fitzhardinge consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

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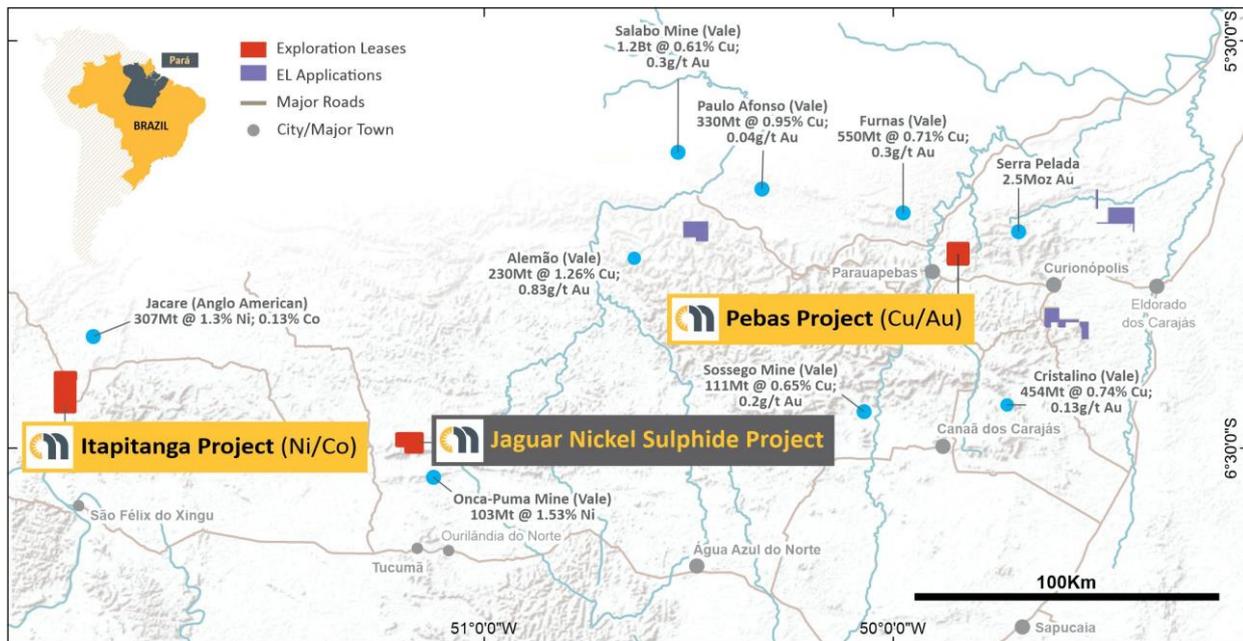


## About the Jaguar Nickel Sulphide Project

The Jaguar Project hosts multiple nickel sulphide deposits and exploration targets within a 30km<sup>2</sup> land package in the western portion of the World-Class Carajás Mineral Province. Occurring from surface, the nickel sulphide mineralisation is hosted by porphyritic felsic sub-volcanic and granitic rocks located along multiple sub-vertical ductile-brittle hydrothermal alteration zones.

The Project is located just 35km north of the regional centre of Tucumã (population +50,000) with a 230kVA sub-station located 15km south-east of the Project at Vale's Onça-Puma Nickel Mine (Figure 1).

**Figure 1 – The Jaguar Nickel Sulphide Project Location Map**



The historical Mineral Resource estimate completed by Vale in 2010, which was based on more than 55,000m of diamond drilling, comprised **40.4Mt at 0.78% Ni** at a 0.5% Ni cut-off for a total of **315kt of contained nickel metal** (see Table 1 below). All historical resource work was completed to the highest industry standards. Centaurus will engage an independent resource specialist to review and update the resource to JORC 2012 compliance during the initial phase of planned work programs.

**Table 1 – Jaguar Nickel Sulphide Project Foreign Resource Estimate (0.5% Ni cut-off)**

Classification*	Mt	Grade			Contained Metal (Tonnes)		
		Ni %	Cu %	Co ppm	Ni	Cu	Co
Measured	19.0	0.79	0.06	145	150,008	11,393	2,753
Indicated	21.4	0.77	0.07	123	164,939	14,994	2,635
<b>Total</b>	<b>40.4</b>	<b>0.78</b>	<b>0.07</b>	<b>133</b>	<b>314,947</b>	<b>26,387</b>	<b>5,388</b>

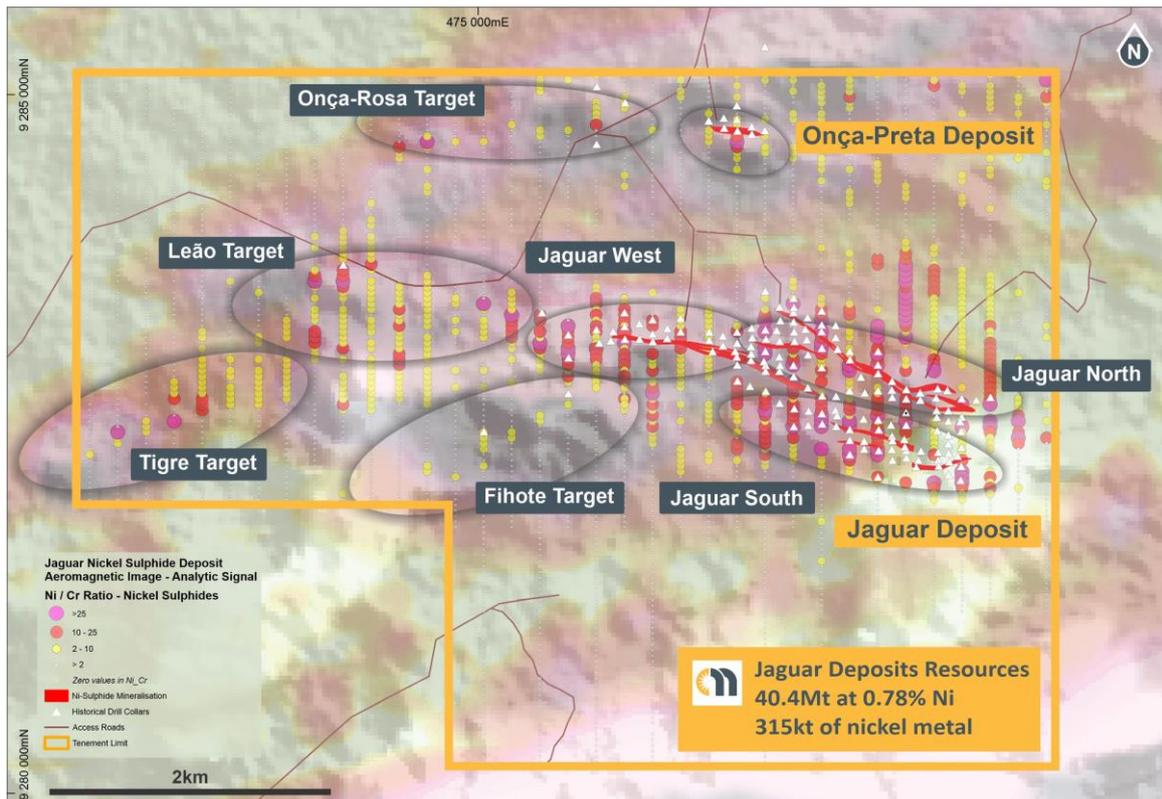
\* Cut-Off 0.5% Nickel; Rounding errors may occur.

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**Note:** This information is reported on the basis of a Foreign Estimate and as such, is not reported in accordance with the JORC Code 2012. The Foreign Estimate reported is based on a 0.5% Nickel cut-off and no additional economic constraints were applied to the resource. An additional 17.2Mt at 0.76%Ni is reported in the Inferred Resource category of the Foreign Estimate. The Centaurus competent person considers that these Inferred Resources do not meet the requirements of the JORC Code (2012) for reporting Mineral Resources and should be used as a broad guide only. The resource is to be read in conjunction with ASX Listing Rule 5.12 (see Appendix A in ASX Announcement 6 August 2019).

**Figure 2 – The Jaguar Nickel Sulphide Project – Key Deposits and Exploration Targets**



Nickel sulphide mineralisation occurs as two types at Jaguar. The bulk low-medium grade mineralisation occurs as veins and veinlets to stringer sulphides associated with, and generally concordant to, the W-NW trending large scale hydrothermal alteration zones. This was the type of mineralisation targeted in the historical drilling.

The high-grade mineralisation forms as zones of massive and semi-massive sulphides comprising bodies up to 30m thick parallel or oblique to the large hydrothermal alteration zones. Centaurus will focus its in-fill and extensional drilling efforts on these near-surface high-grade targets.

### High-Grade Open Pit Potential – The Immediate Focus

Historical drilling focused on the bulk tonnage low-medium grade mineralisation and, as such, all historical drilling was completed on north-south orientated sections spaced 100m apart with 40-100m between drill holes. Vale did not follow-up with targeted drilling of the high-grade massive and semi-massive sulphide.

The deposits host multiple thick zones of primary high-grade massive and semi-massive nickel sulphide intersections (as per below) that occur close to surface with outstanding nickel grade (see ASX Announcement 6 August 2019 for all significant intersection results and Figure 3 for cross-sections; widths and depths are downhole).

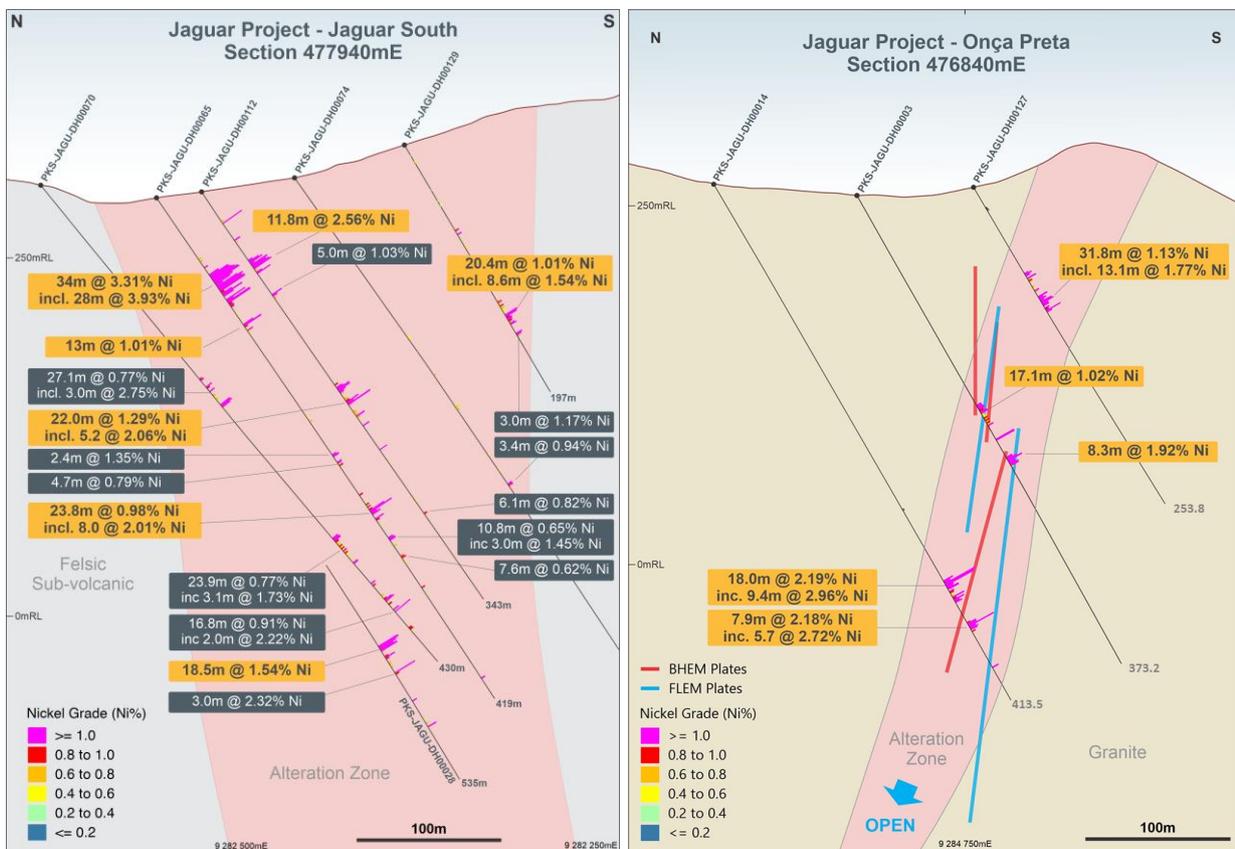
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- 34.0m at 3.31% Ni from 56m in PKS-JAGU-DH00065;
- 42.4m at 2.20% Ni from 76m in PKS-JAGU-DH00132;
- 31.4m at 2.47% Ni from 15.3m in PKS-JAGU-DH00030;
- 26.0m at 2.13% Ni from 66.0m in PKS-JAGU-DH00033;
- 32.3m at 1.40% Ni from 55.5m in PKS-JAGU-DH00024;
- 30.6m at 1.46% Ni from 65.5m in PKS-JAGU-DH00048;
- 17.4m at 2.38% Ni from 23.8m in PKS-JAGU-DH00121;
- 31.5m at 1.27% Ni from 115.0m in PKS-JAGU-DH00115;
- 16.6m at 1.98% Ni from 99.4m in PKS-JAGU-DH00054;
- 31.8m at 1.13% Ni from 66.2m in in PKS-JAGU-DH00127; and
- 11.8m at 2.56% Ni from 55.0m in PKS-JAGU-DH00112.

The late-stage high-grade zones often appear oblique to drilling, suggesting that the historical drill orientation was not particularly favourable to identifying and defining the high-grade zones. Re-logging and re-interpretation are already underway with a focus on understanding the structural controls and plunge of the high-grade zones in order to allow Centaurus to focus on the development of an initial high-grade open pit project before moving underground on the high-grade lodes.

**Figure 3 – Jaguar Sulphide Nickel Project Cross Section – Left: Jaguar South 477940mE (looking East); Right: Onça-Preta 476840mE, showing FLEM (blue) and DHEM (red) conductor plates. (looking East)**



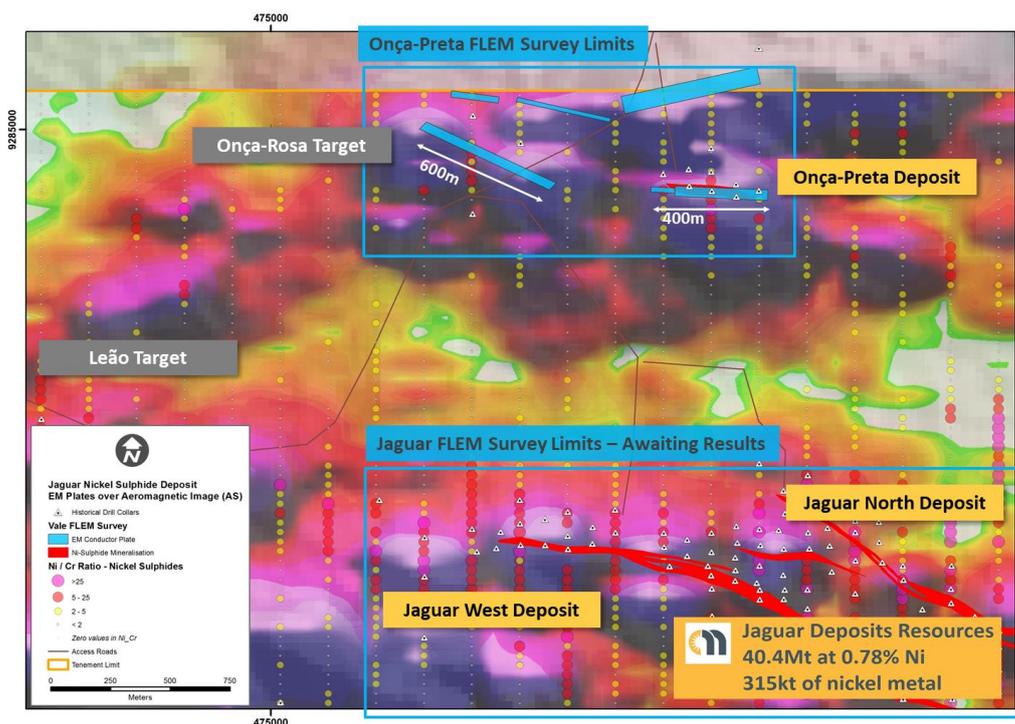


The close association of magnetite with the high-grade massive to semi-massive sulphide mineralisation lends itself very well to ground Magnetic and Electro-magnetic (EM) surveys. Both are planned to start in September 2019, ahead of drilling planned to commence at the end of October.

### EM Conductor Plates

Recently the re-processing work over the Onça-Preta Deposit and Onça-Rosa Target in the northern part of the Project **demonstrated clearly that the EM conductors identified in both the FLEM and DHEM surveys correlate extremely well with the high-grade nickel sulphide zones** intersected in the historical drilling, (see Figures 3-5 and the following technical discussion).

**Figure 4 – The Jaguar Nickel Sulphide Project: Onça-Preta Deposit and Onça-Rosa Target FLEM Plates (Aeromagnetic Images (AS) and Ni/Cr Ratio in soils geochemistry).**



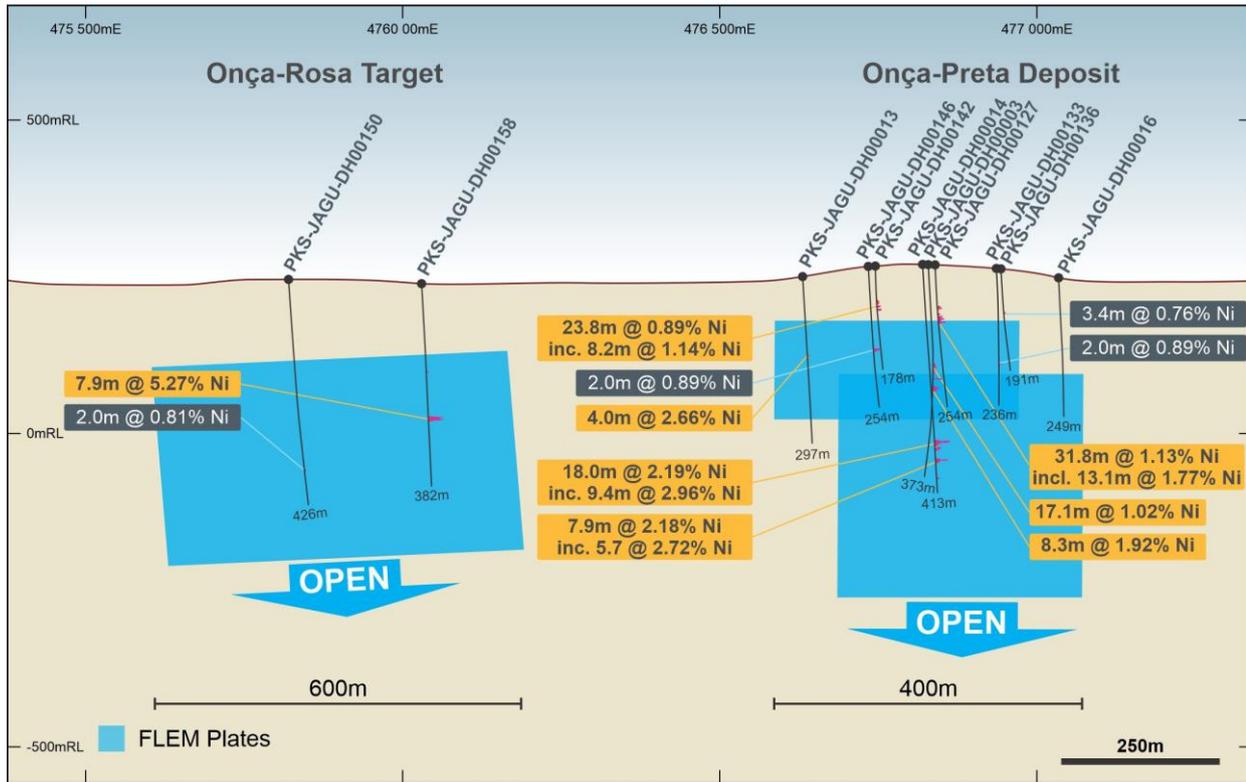
At the **Onça-Preta Deposit**, a **strong 400m long FLEM conductor** was modelled that correlates very well with existing nickel sulphide intersections from multiple drill holes within the deposit (see Figure 3 above). PKS-JAGU-DH00014, the deepest historical drill hole into the deposit, returned intercepts of **18.0m at 2.19% Ni** and **7.9m at 2.18% Ni**. The FLEM plates, shown below in blue, extend more than 150m below the deepest drill hole, demonstrating that the deposit remains continuous and open at depth. Furthermore, drillholes DH000133, 136 and 016 are drilled above the FLEM plate, meaning the Onça-Preta Deposit remains open along strike to the east.

The Onça-Rosa Target is located 500m west of the Onça-Preta Deposit. Southern Geoscience has modelled a **600m long EM conductor plate, which is coincident with a magnetic anomaly and high Ni/Cr soil geochemical ratios** which are indicative of nickel sulphides.

The Onça-Rosa Target was tested by Vale with only three drill holes. Two of the holes intersected the EM conductor plate and both returned nickel sulphide mineralisation with the best result coming from PKS-JAGU-DH00158, which returned an outstanding intercept of **7.9m at 5.27% Ni, 0.26% Cu and 1,096ppm Co** from 247m down-hole (see Figure 5 below).



Figure 5 – The Jaguar Nickel Sulphide Project: Onça-Preta Deposit and Onça-Rosa Target Long-Section.



The Onça-Rosa Target presents an outstanding walk up high-grade nickel sulphide drill target for Centaurus. The Company is confident that it can generate similar high-grade intercepts to the historical intersection of 7.9m at 5.27% Ni by targeting the 600m long continuous EM conductor plate.

Multiple new targets similar to Onça-Rosa and Onça-Preta have also been identified where discrete magnetic anomalies are coincident with high Ni/Cr soil geochemical ratios and which remain completely untested. The Leão target and un-named magnetic anomalies east of Onça-Preta are examples of this (see Figure 2 and 4).

Southern Geoscience continues to work on the FLEM and DHEM survey data from the Jaguar Deposit area to the south (see Figure 2 above), with results expected in September.

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## APPENDIX A – Compliance Statements for the Jaguar Project

The following Tables are provided for compliance with the JORC Code (2012 Edition) requirements for the reporting of Exploration Results at the Jaguar Project.

### SECTION 1 - SAMPLING TECHNIQUES AND DATA

(Criteria in this section apply to all succeeding sections).

Criteria	Commentary
<b><i>Sampling techniques</i></b>	<ul style="list-style-type: none"> <li>Historical soil sampling was completed by Vale, samples were taken at 50m intervals along 200m spaced north-south grid lines.</li> <li>Surface material was first removed, and sample holes were dug to roughly 20cm depth. A 5kg sample was taken from the subsoil. The sample was placed in a plastic sample bag with a sample tag before being sent to the lab.</li> <li>Surface rock chip/soil samples were collected from in situ outcrops and rolled boulders and submitted for chemical analysis.</li> <li>The historical drilling is all diamond drilling. Drill sections are spaced 100m apart and generally there is 50 to 100m spacing between drill holes on sections.</li> <li>Core was cut and ¼ core sampled and sent to commercial laboratories for physical preparation and chemical assay.</li> <li>Sample length along core varies between 0.3 to 4.0m, with an average of 1.48m; sampling was done according to lithological contacts and generally by 1m intervals within the alteration zones and 2m intervals along waste rock.</li> <li>Due to the nature of mineralisation which is sub-vertical, mineralisation is mostly oblique to drill core.</li> <li>At the laboratories, samples were dried (up to 105°C), crushed to 95% less than 4mm, homogenized, split and pulverized to 0.105mm. A pulverized aliquot was separated for analytical procedure.</li> </ul>
<b><i>Drilling techniques</i></b>	<ul style="list-style-type: none"> <li>Historical drilling was carried out between 2006 to 2010 by multiple drilling companies (Rede and Geosol), using wire-line hydraulic diamond rigs, drilling NQ and HQ core.</li> <li>Vale drilled 173 drill holes for a total of 58,024m of drilling on the project. All drill holes were drilled at 55°-60° towards either 180° or 360°.</li> </ul>
<b><i>Drill sample recovery</i></b>	<ul style="list-style-type: none"> <li>Diamond Drilling recovery rates were calculated at each drilling run.</li> <li>For all diamond drilling, core recoveries were logged and recorded in the database for all historical diamond holes. Overall recoveries are &gt;98% and there are no core loss issues or significant sample recovery problems.</li> <li>To ensure adequate sample recovery and representivity a Vale geologist or field technician was present during drilling and monitored the sampling process.</li> <li>No relationship between sample recovery and grade has been demonstrated. No bias to material size has been demonstrated.</li> </ul>
<b><i>Logging</i></b>	<ul style="list-style-type: none"> <li>Historical outcrop and soil sample points were registered and logged in the Vale geological mapping point database.</li> <li>All drill holes have been logged geologically and geotechnically by Vale geologists.</li> <li>Logging for drilling is qualitative and quantitative in nature.</li> <li>All historical diamond core was photographed.</li> </ul>
<b><i>Sub-sampling techniques and sample preparation</i></b>	<ul style="list-style-type: none"> <li>Diamond Core (HQ) was cut using a core saw (HQ and NQ), ¼ core was sampled. Sample length along core varies between 0.3 to 4.0m, with an average of 1.48m; sampling was done according to lithological contacts and generally by 1m intervals within the alteration zones and 2m intervals along the waste rock.</li> <li>There is no non-core sample within the historical drill database.</li> <li>QAQC: Standards (multiple standards are used on a rotating basis) are inserted every 20 samples. Blanks have been inserted every 20 samples. Field duplicates are completed every 30 samples. Additionally, there are laboratory standards and duplicates that have been inserted.</li> <li>Sample sizes are appropriate for the nature of the mineralisation.</li> <li>All geological samples were received and prepared by SGS Geosol or ALS Laboratories as 0.5-5.0kg samples. They were dried at 105°C until the sample was completely dry (6-12hrs), crushed to 90% passing 4mm and reduced to 400g. The samples were pulverised to 95% passing 150µm and split further to 50g aliquots for chemical analysis.</li> <li>During the preparation process grain size control was completed by the laboratories (1 per 20 samples).</li> </ul>

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Criteria	Commentary
<b>Quality of assay data and laboratory tests</b>	<ul style="list-style-type: none"> <li>Chemical analysis for drill core and soil samples was completed by multi element using Inductively Coupled Plasma ICPAES (multi-acid digestion); ore grade analysis was completed with Atomic Absorption (multi-acid digestion); sulphur analysis was completed with Leco, and Au and PGEs completed via Fire Assay.</li> <li>SGS Geosol and ALS Laboratories insert their own standards at set frequencies and monitor the precision of the analysis. These results reported well within the specified standard deviations of the mean grades for the main elements. Additionally, the labs perform repeat analyses of sample pulps at a rate of 1:20 (5% of all samples). These compare very closely with the original analysis for all elements.</li> <li>Vale inserted standard samples every 20 samples (representing 5%). Mean grades of the standard samples are well within the specified 2 standard deviations.</li> <li>All laboratory procedures are in line with industry standards. Analysis of field duplicates and lab pulp duplicates have returned an average correlation coefficient of over 0.98 confirming that the precision of the samples is within acceptable limits.</li> <li>Vale QAQC procedures and results are to industry standard and are of acceptable quality.</li> </ul>
<b>Verification of sampling and assaying</b>	<ul style="list-style-type: none"> <li>All historical samples were collected by Vale field geologists. All assay results were verified by alternative Vale personnel. The Centaurus CP has verified the historical significant intersections.</li> <li>No twin holes were completed.</li> <li>All primary data is now stored in the Centaurus Exploration office in Brazil.</li> <li>No adjustments were made to the assay data.</li> </ul>
<b>Location of data points</b>	<ul style="list-style-type: none"> <li>All collars were picked up using DGPS units. Centaurus has checked multiple collars in the field and has confirmed their location. All field sample and mapping points were collected using a Garmin handheld GPS.</li> <li>An aerial survey was completed by Esteio Topografia and has produced a detailed surface DTM at (1:1000 scale).</li> <li>The survey grid system used is SAD-69 22S. This is in line with Brazilian Mines Department requirements.</li> </ul>
<b>Data spacing and distribution</b>	<ul style="list-style-type: none"> <li>Soil samples were collected on 50m spacing on section with distance between sections of 200m and 400m depending on location.</li> <li>Sample spacing was deemed appropriate for geochemical studies.</li> <li>The historical drilling is all diamond drilling. Drill sections are spaced 100m apart and generally there is 50 to 100m spacing between drill holes on sections.</li> <li>No sample compositing was applied to the drilling</li> </ul>
<b>Orientation of data in relation to geological structure</b>	<ul style="list-style-type: none"> <li>Historical drilling was oriented at 55°-60° to either 180° or 360°. This orientation is generally perpendicular to the main geological features sequence along which broad scale mineralisation exists.</li> <li>Centaurus will investigate the higher grade, structurally controlled mineralisation which is understood to be oblique to historical drilling.</li> </ul>
<b>Sample security</b>	<ul style="list-style-type: none"> <li>All historical samples were placed in pre-numbered plastic sample bags and then a sample ticket was placed within the bag as a check. Bags were sealed and then transported by courier to the SGS Geosol or ALS laboratories in Parauapebas, PA.</li> <li>All remnant diamond core is stored at the Vale core shed in Parauapebas, PA and is to be transported to Centaurus core shed.</li> </ul>
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li>The Company is not aware of any audit or review that has been conducted on the project to date.</li> </ul>

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## SECTION 2 REPORTING OF EXPLORATION RESULTS

(Criteria listed in the preceding section also apply to this section).

Criteria	Commentary
<b>Mineral tenement and land tenure status</b>	<ul style="list-style-type: none"> <li>The Jaguar project includes one exploration licence (856392/1996) for a total of circa 30km<sup>2</sup>. A Mining Lease Application has been lodged that allows for ongoing exploration and project development ahead of project implementation.</li> <li>The tenement is part of a purchase agreement with Vale SA. Centaurus has committed to an upfront cash payment of US\$250,000, the transfer of the Salobo West tenements to Vale, two deferred consideration payments totalling US\$6.75M and a production royalty of 0.75%. Settlement of the acquisition remains subject to approval of the Brazilian National Bank for Economic and Social Development (BNDES) for the assignment of BNDES' royalty interest in the Project.</li> <li>All mining projects in Brazil are subject to a CFEM royalty, a government royalty of 2% on base metal revenue.</li> <li>Landowner royalty is 50% of the CFEM royalty.</li> <li>The project is covered by a mix of cleared farm land and natural vegetation.</li> <li>The project is not located within any environmental protection zones and exploration and mining is permitted with appropriate environmental licences.</li> </ul>
<b>Exploration done by other parties</b>	<ul style="list-style-type: none"> <li>Historically the Jaguar Project was explored for nickel sulphides by Vale from 2005 to 2010.</li> </ul>
<b>Geology</b>	<ul style="list-style-type: none"> <li>Jaguar Nickel Sulphide is a hydrothermal nickel sulphide deposit located near Tucumã in the Carajás Mineral Province of Brazil.</li> <li>The deposit setting is interpreted as an extensional fault with the Itacaiúnas Supergroup down thrust southwards over the Xingu basement resulting in the development of a ductile mylonite zone along the Canãa Fault.</li> <li>Iron rich fluids were drawn up the mylonite zone causing alteration of the host felsic volcanic and granite units and generating hydrothermal ironstones. Late stage brittle-ductile conditions triggered renewed hydrothermal fluid ingress and resulted in local formation of high-grade nickel sulphide zones within the mylonite and as tabular bodies within the granite.</li> </ul>
<b>Drill hole Information</b>	<ul style="list-style-type: none"> <li>Refer to Figures 2 to 5.</li> <li>This report does not include any new drill hole results. Refer to ASX Announcement 6 August 2019 for all significant intersections.</li> </ul>
<b>Data aggregation methods</b>	<ul style="list-style-type: none"> <li>Continuous sample intervals are calculated via weighted average using a 0.5 % Ni cut-off grade with 3m minimum intercept width.</li> <li>There are no metal equivalents reported.</li> </ul>
<b>Relationship between mineralisation widths and intercept lengths</b>	<ul style="list-style-type: none"> <li>The results reported in this announcement and in ASX Announcement 6 August 2019 reflect individual down hole sample intervals and no mineralised widths were assumed or stated.</li> </ul>
<b>Diagrams</b>	<ul style="list-style-type: none"> <li>Refer to Figures 1-5.</li> </ul>
<b>Balanced reporting</b>	<ul style="list-style-type: none"> <li>All exploration results received by the Company to date are included in this report.</li> </ul>
<b>Other substantive exploration data</b>	<ul style="list-style-type: none"> <li>The Company has received additional geophysical data from Vale that is being processed by an independent consultant Southern Geoscience, results are in this announcement.</li> </ul>
<b>Further work</b>	<ul style="list-style-type: none"> <li>The Company is undertaking re-logging and re-interpretation of the historical data with focus on the structural controls and plunge of the high-grade zones.</li> <li>The Company has engaged a geophysical specialist to re-process historical ground and airborne geophysical survey data. This work has provided the results of this release and the work is ongoing. Additionally, that company will prepare Ground Magnetic and Electro-magnetic (EM) geophysical surveys to be carried out over the coming months.</li> <li>In-fill and extensional drilling within the known deposits to test the continuity of high-grade zones are planned to start in Q4 2019.</li> </ul>