Sprott	Equity Research		
			10 November 2022
Ticker: CTM AU	<b>Cash:</b> A\$47m	Project: Jaguar	
<b>Mkt cap</b> : A\$448m	<b>Price:</b> A\$1.05/sh	Country: Brazil	

REC. (unc): BUY TARGET (+50c): A\$3.10/sh RISK RATING (unc): HIGH

<u>Big surprise, big win, big deposit with 2<sup>nd</sup> best EV/decarbonisation macro after lithium:</u> In September we were looking for minimal headline growth (vs. +29% contained metal today), and 50-60Mt of M&I for 500kt Ni (vs. 730kt published today) leaving today's update outstanding, and a complete surprise. For context, the new resource equates to 12.3Moz @ 3.6g/t AuEq – given the chosen POX route gives full payability compared to N American / Australian peers selling concentrate to third parties at historic 75% payability. We think the nickel sulphide demand-case is scarily good to: (i) EV demand alone, by 2024 (not some lofty 2030 'forecast') sees +0.6Mt demand lift or 23% of 2021 supply; (ii) CO<sub>2</sub> of 4.7t:t Ni for Jaguar compares to ~60t from laterite peers (themselves representing 92% of forecast supply-growth) as Vale's Class 1 (sulphide/sulphate for EV) nickel premium already stands at US\$1,770/t in 3Q22; and (iii) the Siberian Tiger in the room? Norilsk hosts 3x more sulphide than every other >1% Ni sulphide deposit, globally, combined but in Russia being quite the pickle. This leaves Jaguar well-deserved of a scarcity premium alone, all the more given the stock trades at just US\$239/t NiEq / 1.0% in-situ. The uplift into production is clear, exemplified by \$800m-capped 'producing' peers such as Mincor trading at US\$2,258/t Ni resource or 9.2% in-situ (>9x higher than Centaurus) with just 84kt Ni in reserve.

<u>Valuation update:</u> Our existing DCF sees just 37Mt @ 0.76% Ni OP and 8.5Mt @ 1.0% Ni UG – that already drives a 13Y mine life at 20ktpa. We expect the DFS to maintain the same size/throughput; at a minimum this should show a materially longer life, and more likely albeit long dated, the new resource could support future expansions. For now, we maintain our mine plan / 45Mt @ 0.81% inventory. However, we replace our +15% nominal exploration upside with an in-situ value for resources outside reserves. Broadly 25% in-situ equates to post-opex post-tax 1xNPV undiscounted, call this 20% discounted, 15% accounting for mine-build equity dilution; applying just 0.2x to this to account for longer-dated input and lower reserve conversion, we apply 3.75% in-situ for A\$556m, or c. 30% of the DCF value of Jaguar. Rolling forward and updating for cash, we maintain our BUY rating but lift our PT from A\$2.60/sh to A\$3.10/sh based on 0.6xNAV<sub>7%-9.50</sub> on 45Mt / 364kt Ni inventory. The upside from here is dramatic – 1xNAV, fully-funded fully-diluted sits at A\$4.50-5.00/sh into production. Alternatively our PT, run at spot, sits at 375c/sh, while 1xNAV FF FD lifts to A\$6-7/sh. How precisely this funding, build and production scenario pans out isn't fully defined right now of course, but what is clear is all the above scenarios are multiples of the current price, with the next step of gap-close coming next year with reserves, DFS and permitting.

Jaguar MRE				MRE modelling assumptions				
Resource	4Q21	4Q22	D (%)	Jaguar MRE	2021 MRE	2022 MRE		
Tonnes (000t)	80.60	108.00	34%	Parent block (m)	10x2x10; 1m composites	10x2x10; 1m composites		
Grade (% NiEq)	1.03%	0.99%	-4%	Cut-off (% Ni)	0.3% in pit, 0.7% Ni below	0.3% in pit, 0.7% Ni below		
NiEq metal (000t)	831	1,072	29%	Number of Holes	398 DD (104,509m)	699 DD (162,750m)		
M&I (% total)	55%	78%	42%	Number of Holes	46 RC (6,358m)	71 holes (10,020m)		
M&I Grade (% NiEq)	1.05%	1.05%	0%	Model method	ОК	ОК		
Tonnes added (000t)	22.00	27.40	25%	Metal Prices (\$US)	US\$20,000/t Ni	US\$22,000/t Ni		
rade of new tonnes (% NiEq)	1.18%	0.88%	-26%		US\$40,000/t Co	US\$44,092/t Co		
High grade tonnes (000t)	22.40	28.60	28%			US\$9,065/t Cu		
High-grade (% NiEq)	1.70%	1.60%	-6%	Search elipse (m)	75m 1st 150m 2nd pass	75m 1st 150m 2nd pass		
Ni metal (000t)	380	459	21%	Top cut	None	Domain 121 Ni, other Cu and S		

#### Figure 1. (A) Onca Preta and (B) Jag South Cross sections showing today's deep step-out drill results

Source: Centaurus, SCP, high-grade resource at 1% cut-off

Source: Centaurus

### Resource upgrade a big beat without sacrificing grade as EV macro kicks in, PT lifted to 310c/sh

Centaurus has lifted the Jaguar resource from 81Mt @ 1.0% NiEq for 831kt contained metal to 108Mt @ 1.0% NiEq for 1,072kt NiEq metal (*SCP equivalencies at spot*). M&I has lifted from 55% of total to 78% of total, with 86Mt @ 1.05% NiEq for 833kt NiEq (**730kt Ni**) in M&I. The resource was completed on the same inputs as prior estimates, with the sole change lifting prices by ~10% from \$20k/t Ni to \$22/t Ni (Table 1). Resources are constrained at 0.3-0.7% Ni for pit and UG, respectively. At a higher 1% cut off there is 29Mt @ 1.51% Ni for 432kt Ni, with 30% of this lying within 100m of surface providing the opportunity for faster payback in early years. Cash of A\$47m more than funds the maiden reserve and DFS, due for completion in mid 2023.

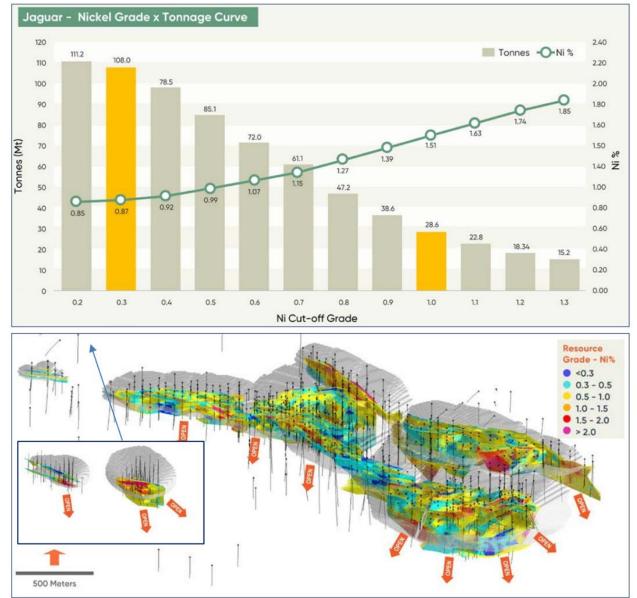


Figure 2. (A) Grade-tonnage curve, and (B) isometric view showing Ni grade (Onca satellites inset)

Source: Centaurus

## Why we like Centaurus Metals

- 1. Only >1Mt Ni contained, <\$500m capex, pittable nickel sulphide junior globally
- 2. Favourable macro as EV's see 24% Ni demand lift to 2024 against 2021 production numbers

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- 3. CO2 / energy security value with  $<1/10^{th}$  the CO<sub>2</sub> of laterites, and location outside Russia
- 4. Taking 'best trodden' new route to management, POX; lower technical risk vs. carbonyl route
- 5. 10Y 75% tax-breaks in well known mining jurisdiction (no rainforest, RAP, indigenous)

#### Catalysts

- 1. 1H23: Maiden reserve
- 2. 1H23: DFS
- 3. 2023: Regional drilling with infill complete, heli-tem flown mid 2022
- 4. CY23: Permitting and funding

#### Research

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# **Equity Research**

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Commonity price         CY20A         CY21E         CY21E         CY22E         CY2EE	Ticker: CTM AU	Price / m	ıkt cap:	A105c/sh	/ A\$448m		P/NAV today:	0.20x		Country:	Brazil	
N proc (155/n)         20344         20344         20344         20344         20344         20344         20344         20344         20344         20344         20344         20344         20344         20344         20344         2034         2035	Author: B Salier/E Magdzinski	Rec/0.6x	NAV7% PT	BUY,	A310c/sh		1xNAV7%4Q22 FF FD:	A\$5.00c.	/sh	Asset: Ja	guar	
N proc (155/n)         20344         20344         20344         20344         20344         20344         20344         20344         20344         20344         20344         20344         20344         20344         20344         2034         2035	Commodity price	CY20A	CY21A	CY22E	CY23E	CY24E	Resource/Inventory	Mt	NiFa %		Mt	Ni %
Ninet         2015-6         2015-6         2015-6         2015-6         2015-6         2015-7 </td <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>-</td> <td>_</td> <td></td> <td></td>									-	_		
DAMA         OrdAND         OrdANDD							M&I					
laggar         178         100         1.0         4.03           Resources en enserve (@ 25' insitu         4.45         1006         1.0         4.03           Resources en enserve (@ 25' insitu         4.45         1006         1.0         4.03           Capre (Ash)         384         4.01         2.00         1.00		20,540										
Pace-order serves enves												
Cal-hi of 2022         47.0         100         1.0.w         0.01         Caper (MSH)         364         Caper (D2 22 - A2)         250         SCP e dot (AS)         260         260         260         260         260         260         260         260         260         260         260         260         260         260         260         260         260         270        260	-	-itu	-	1			Fundinguises	108.0	0.99%	_		0.01%
Cach from M options     12     100.     1.0.     0.00     Delling/F5 oxt 34.0     200     SCP eut 14, 59.0     32.0       Stade stort e from and Lodd, all for an ent ball     F/MU katty     0.00     1.000 <t< td=""><td>-</td><td>iitu</td><td></td><td></td><td></td><td></td><td></td><td>20/</td><td></td><td>_</td><td></td><td>470</td></t<>	-	iitu						20/		_		470
DNAM A Ge 402         2.23         Just A More 402												
Shelf start         PANK loop         Q.2xx         GAA and fin. cost (ASm)         21.4.         The source (ASM)         47.1.           Asset value: IABPV project         Q.100         0.50/n         0.50/n <td></td> <td></td> <td>-</td> <td>100%</td> <td>I.UX</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>			-	100%	I.UX							
Asset value: httPV project @ build start (ASm)         South         South         Total uses group (ASm)         44.72         Total uses group (ASm)         44.71         43.66         49.67         FF U				J							,	
7.50/b         8.50/b         9.05/le         9.05/le <t< td=""><td></td><td>, ,</td><td></td><td></td><td>NAV today:</td><td>0.20x</td><td>· · · ·</td><td></td><td>-</td><td></td><td></td><td></td></t<>		, ,			NAV today:	0.20x	· · · ·		-			
Group NAV (Ashm)         16,53         18,74         20,393         23,142         25,344         Shares (m)         427.1         436.5         407.5         CV20         CV216         CV236         CV236 <thcv36< th="">         CV366        CV366<!--</td--><td>Asset value: 1xNPV <i>project</i> @</td><td></td><td></td><td></td><td>10.50 ///</td><td>44.50 (1)</td><td><u> </u></td><td></td><td>-</td><td></td><td>rer (A\$m)</td><td>4.2</td></thcv36<>	Asset value: 1xNPV <i>project</i> @				10.50 ///	44.50 (1)	<u> </u>		-		rer (A\$m)	4.2
9.05. discount 7.05 discount 1.241 1.669 2.062 2.08 2.08												
7.0% discount       1.241       1.668       2.096       2.524       2.924       2.924       3.304       FPS (Ac/sh)       -       -       -       -       -       2.0       2.50       3.304         Dingeard MP       1533       18.74       20.938       23.142       25.346       EV (A/Sm)       318.1       33.77       401.4       360.3       664.4         9.0% discount       1.32       3.27       4.24       5.00       67.0       FCF (wid (M)       -       -       -       -       -       41.3         5.0% discount       2.327       4.24       5.00       6.08       7.18       FCF (wid (M)       -	• • • •	-										
5.0% discount       1451       1937       2.423       2.908       3.384       EP5 (A/sh)       - </td <td>9.0% discount</td> <td></td> <td>1,444</td> <td></td> <td>2,202</td> <td>2,581</td> <td></td> <td>CY20A</td> <td></td> <td></td> <td></td> <td>CY24E</td>	9.0% discount		1,444		2,202	2,581		CY20A				CY24E
Ungsared project IRR         4.2%         51%         61%         70%         70%         CFPS before w/c (Ay/sh) $   -$	7.0% discount	1,241	1,668	2,096	2,524	2,952	Shares out (m)	325.9	329.5	427.1	496.7	496.7
$ \begin{array}{c c c c c c c c c c c c c c c c c c c $	5.0% discount	1,451	1,937	2,423	2,908	3,394	EPS (Ac/sh)	-	-	-	-	2.5
9.0% discount       1.9.3       2.77       3.62       4.47       5.33         7.0% discount       2.32       3.27       4.24       5.20       6.18         9.0% discount       2.32       3.27       4.24       5.20       6.18         9.0% discount       2.32       3.27       4.24       5.20       6.18         9.0% discount       2.78       3.86       4.97       6.08       7.18         VProject level NPV, excl finance costs and central SGA discounted to build start       EV/EBITDA (k)       -       -       -       7.77         819 augurn NPU       1.758       1.86.2       4.45       4.45       4.45       4.45         Net cash prior quarter       4.11       12.2       1.2	Ungeared project IRR:	: 42%	51%	61%	70%	78%	CFPS before w/c (A\$/sh)	-	-	-	-	-
7.0% discount       2.32       3.27       4.24       5.00       6.18       PER(i)       -       -       -       -       4.13         5.0% discount       2.79       3.88       4.97       6.08       7.18       PCF (k)       -	Group NAV (A\$/sh)	16,535	18,734	20,938	23,142	25,346	EV (A\$m)	318.1	337.7	401.4	360.3	684.4
5.0% discount       2.79       3.88       4.97       6.08       7.18       P/CF (x)       -       1       1       1       0       5       -	9.0% discount	1.93	2.77	3.62	4.47	5.33	FCF yield (%)	-	-	-	-	-
Project level NPV, exd finance costs and central SGA discounted to build start       EV/EBITDA (x)       -       -       -       -       16.80         SOTP company valuation*       Dec-22       Dec-23       Dec-24       Dec-26       Dec-26       Cr20a       CV21A       CV22E       CV22E       CV24         laguar NPV       1,758       1,862       2,360       2,380       2,380       COSS (A\$m)       -       -       -       -       7.97         Resources ex reserves       (70)       (68)       (56)       (34)       (17)       GoSS profit (A\$m)       0.5       -       -       -       4.67         Saft forn IfM options       1.2       1	7.0% discount	2.32	3.27	4.24	5.20	6.18	PER (x)	-	-	-	-	41.3x
SDTP company valuation         Dec-22         Dec-23         Dec-24         Dec-25         Dec-26         Income statement         CY20A         CY21A         CY22E         CY2A	5.0% discount	2.79	3.88	4.97	6.08	7.18	P/CF (x)	-	-	-	-	-
Jaguar NPV       1,758       1,862       2,360       2,385       2.232       Revenue (A\$m)       0.5       -       -       -       7.97         Resources ex reserve       44.5       44.5       44.5       44.5       44.5       COS (A\$m)       - </td <td>*Project level NPV, excl finance co</td> <td>osts and cei</td> <td>ntral SGA, d</td> <td>liscounted to</td> <td>o build start</td> <td></td> <td>EV/EBITDA (x)</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>16.8x</td>	*Project level NPV, excl finance co	osts and cei	ntral SGA, d	liscounted to	o build start		EV/EBITDA (x)	-	-	-	-	16.8x
Resources ex reserves       445       445       445       445       445       445       445       445       445       445       445       445       445       645       645       COGS (A\$m)       -       -       -       -       35.0         Resources ex reserves       (70)       (68)       (56)       (3.4)       (17)       G68A (A\$m)       0.5       -       -       -       44.7         Net cash prior quarter       47.1       192.2       (172.5)       (67.9)       211.2       (264(A\$m))       7.3       12.9       3.07       4.0       -         NAV (A\$m)       2,181       2,432       2,578       2,729       2,877       Finance costs (A\$m)       0.1       -       -       0.33       -       6.8       7.0       0.7       0.23       9       5.75       5.75       Tik A\$m(\$m)       -       -       0.33       0.7       1.0       -	SOTP company valuation^	Dec-22	Dec-23	Dec-24	Dec-25	Dec-26	Income statement	CY20A	CY21A	CY22E	CY23E	CY24E
Persources ex reserves       445       446         Resources ex reserves       (70)       (68)       (57.9)       21.12       (36.4 (Åsm))       0.5       -       -       -       447.         Nat cash prior quarter       47.1       192.2       (722       (67.9)       21.12       (12       1.2	Jaguar NPV	1,758	1,862	2,360	2,385	2,232	Revenue (A\$m)	0.5	-	-	-	79.7
Resources ex reserves       (70)       (68)       (56)       (34)       (17)       Gross profit (A\$m)       0.5       -       -       44.7         Net cash prior quarter       47.1       192.2       (172.5)       (67.9)       211.2       Exploration (A\$m)       1.0       1.0       -       1.7.5	-	445	445		445		COGS (A\$m)	-	-	-	-	35.0
Net cash pior quarter       4.7.1       192.2       (172.5)       (67.9)       211.2       G&A (A\$m)       2.9       2.7       3.6       4.0       4.00         Cash from ITM options       1.2       1								0.5	-	-	-	
Cash from ITM options       1.2       1									2.7	3.6	4.0	
NAV (A\$m)       2,181       2,432       2,578       2,729       2,872       Finance costs (A\$m)       0.1       -       -       -       17.5 $Po shore count (m)$ 4.37       497       497       497       497       787       50       5.00       5.00       5.00       5.00       5.00       0.30       -       6.68         IxNAV/% fr FED (A\$/sh)       5.00       5.00       5.00       5.00       0.500       0.500/h												
LD share count (m)       4.37       4.97       4.97       4.97       4.97       Tax (A\$m)       -       -       (0.3)       -       6.83         IXNAV7%/sh F FD (A\$/sh)       5.00       4.90       5.19       5.50       5.78       Other (A\$m)       3.6       0.7       (0.7)       (0.2)       3.9         Met income (A\$m)       3.6       0.7       (0.7)       (0.2)       3.9         Net income (A\$m)       (13.3)       (16.3)       (33.3)       (7.7)       12.6         Exit value: 1xNAV/sh company @ 2024 first production (A\$ geared)^       Cash flow statement       CY21A       C				1			-					
TxNAV/Tx/sh FF FD (A\$/sh)       5.00       4.90       5.19       5.50       5.78       Other (A\$m)       3.6       0.7       (0.7)       (0.2)       3.9         Use NAV/Tx PT:       3.11       Net income (A\$m)       (13.3)       (16.3)       (33.3)       (7.7)       (12.2)       CY20       CY20A       CY20A <thcy20a< th=""> <thcy21a< th=""> <thcy20a< td=""><td></td><td></td><td>•</td><td></td><td></td><td></td><td>-</td><td></td><td></td><td></td><td></td><td></td></thcy20a<></thcy21a<></thcy20a<>			•				-					
O.6xNAV7% PTi       3.11       Net income (A\$m)       (13.3)       (16.3)       (33.3)       (7.7)       12.6         Exit value: 1x/lAV/sh company @ 2024 first production (A\$, geared)^       6.50/h $5.50/h$ $5.50/h$ $5.50/h$ $5.50/h$ $5.50/h$ $5.50/h$ $5.50/h$ $5.50/h$ $5.57$ $4.57$ $5.57$ $6.57$ $5.57$ $6.57$ $6.57$ $5.57$ $6.57$ $5.57$ $6.57$ $5.57$ $6.57$ $5.57$ $6.57$					-		-					
Exit value:       1xNAV//sh $0 = 024$ first production (AS, geared)/       Cash flow statement       CY20A       CY21A       CY22E       CY22       CY24         1xNAV (A\$/sh)       14,325       16,530       18,734       20,938       23,142       Add share based (A\$m)       0.5       0.8       -       -       -       -       Net change wkg cap (A\$m)       0.5       0.8       -       -       -       -       Net change wkg cap (A\$m)       0.5       0.8       -       -       -       Net change wkg cap (A\$m)       0.5       0.8       -       -       -       Net change wkg cap (A\$m)       0.5       0.8       -       -       -       Net change wkg cap (A\$m)       0.5       0.8       -       -       -       Net change wkg cap (A\$m)       0.5       0.8       -       -       -       Net change wkg cap (A\$m)       0.5       0.8       - </td <td></td> <td></td> <td></td> <td></td> <td>5.50</td> <td>5.76</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>					5.50	5.76						
6.50/h7.50/h8.50/h9.50/h10.50/hEBITDA (A\$m)(11.5)(16.4)(34.3)(8.0)4.071xNAV (A\$/sh)14,32616,53018,73420,93823,142Add share based (A\$m)0.50.89.0% discount1.602.583.574.575.57Net change wkg cap (A\$m)(1.6)-(3.2)5.022.07.0% discount2.013.144.285.426.56PAE	P. 1											
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9.0% discount1.602.583.574.575.57Net change wkg cap (A\$m)(1.6)-(3.2)5.022.07.0% discount2.013.144.285.426.56 $Cash flow ops (A$m)$ (1.2)5.85.465.0319.1P2&E - expl'n (A\$m)												
7.0% discount1.792.853.904.976.046.04Gash flow ops (A\$m)(5.3)(15.5)(30.1)(12.7)(5.1)5.0% discount2.013.144.285.426.56PP&E - build + sust. (A\$m)(1.2)5.85.465.0319.11xNAV /sh company $@$ 2024 first production (A\$, geared)PP&E - build + sust. (A\$m)1.2(5.8)(5.4)(65.0)(319.1)9.0% discount2.583.574.575.576.57Share issue (A\$m)2.485.57.27191.9-9.0% discount2.853.904.976.047.10Debt draw (repay) (A\$m)249.45.0% discount3.144.285.426.567.71Debt draw (repay) (A\$m)249.45.0% discount3.144.285.426.567.71Debt draw (repay) (A\$m)249.41.0% discount3.144.285.426.567.71Debt draw (repay) (A\$m)249.41.0% discount3.144.285.426.567.71Debt draw (repay) (A\$m)249.41.0% discount2.914.221.421.120.7Cash flow fin. (A\$m)24.85.57.27191.924.41.0% discount2.914.221.421.120.7Accrec. invet. (A\$m)0.20.20		-					•		0.8			
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PP&E - expl'n (A\$m) <th< td=""><td>7.0% discount</td><td></td><td>2.85</td><td>3.90</td><td>4.97</td><td>6.04</td><td>Cash flow ops (A\$m)</td><td>(5.3)</td><td>(15.5)</td><td>(30.1)</td><td>(12.7)</td><td>(5.1)</td></th<>	7.0% discount		2.85	3.90	4.97	6.04	Cash flow ops (A\$m)	(5.3)	(15.5)	(30.1)	(12.7)	(5.1)
1xNAV (A\$/sh)16,53518,73420,93823,14225,346Cash flow inv. (A\$m)1.2(5.8)(5.4)(65.0)(319.7)9.0% discount2.853.904.976.047.105.0% discount3.144.285.426.567.715.0% discount3.144.285.426.567.71Production (Y1 from 3Q20)CY24CY25CY26CY27CY2812.0CY24CY25CY26CY27CY28C1 cost (US\$/t Ni)8.3968.0147.0657.1966.278AISC cost (US\$/t Ni)9.1228.7397.7887.9437.212AISC = C1 + sustaining capex + central G&A, C3 = AISC + depreciation19.97.77.710.24.5710kt0.000tNiCY25CY26CY27CY28CY24CY25CY26CY27CY28CY27CY24CY25CY26CY27CY28CY24CY25CY26CY27CY28CY24CY25CY26CY27CY28CY24CY25CY26CY27CY28CY24CY25CY26CY27CY28CY24CY25CY26CY27CY28CY24CY25CY26CY27CY28CY24CY25CY26CY27CY28CY24CY25CY26CY27CY28CY24CY25CY26CY27CY28CY24CY25CY26CY27 <t< td=""><td></td><td></td><td></td><td></td><td></td><td>6.56</td><td>PP&amp;E - build + sust. (A\$m)</td><td>(1.2)</td><td>5.8</td><td>5.4</td><td>65.0</td><td>319.1</td></t<>						6.56	PP&E - build + sust. (A\$m)	(1.2)	5.8	5.4	65.0	319.1
9.0% discount 2.88 3.57 4.57 5.57 6.57 7.0% discount 2.85 3.90 4.97 6.04 7.10 5.0% discount 3.14 4.28 5.42 6.56 7.71 Production (Y1 from 3Q20) CY24 CY25 CY26 CY27 CY28 Jaguar production (000kt Ni) 2.9 14.2 21.4 21.1 20.7 C1 cost (US\$/t Ni) 8,396 8,014 7.065 7,196 6,278 AISC cost (US\$/t Ni) 9,122 8,739 7,788 7,943 7,212 AISC cost (US\$/t Ni) 9,122 8,739 7,788 7,943 7,212 AISC cost (US\$/t Ni) 9,122 8,739 7,788 7,943 7,212 AISC cost (US\$/t Ni) 9,122 8,739 7,788 7,943 7,212 C1 cost (US\$/t Ni) 9,122 8,739 7,788 7,943 7,212 AISC (Afsm) 24.1 8.3 47.1 161.3 86.5 PAE & expl'n (A\$m) 0.2 0.2 0.7 0.0 33.5 PP&E & expl'n (A\$m) 9.5 15.3 16.4 81.4 396.2 Total assets (A\$m) 7.7 7,7 10.2 4.5 265.4 Shareholders' equity (A\$m) 1.9 1.9 5.7 - 11.5 Others (A\$m) 7.7 7,7 10.2 4.5 265.4 Shareholders' equity (A\$m) 15.5 162.2 236.3 428.2 428.2 Reserves (A\$m) (121.5) (137.8) (175.5) (183.2) (170.6 Habilities + equity (A\$m) 33.9 23.8 64.2 242.7 516.2 Total asset (A\$m) (121.5) (137.8) (175.5) (183.2) (170.6 CY24 CY25 CY26 CY28 CY28 CY28 CY28 CY28 CY28 CY28 CY28	Exit value: 1xNAV/sh company	/ @ 2024 f	first produ	iction (A\$,	geared)^		PP&E - expl'n (A\$m)	-	-	-	-	-
7.0% discount2.853.904.976.047.10Debt draw (repay) ( $A$ \$m)24.945.0% discount3.144.285.426.567.71Cash flow fin. ( $A$ \$m)24.85.572.7191.924.94Production (Y1 from 3Q20)CY24CY25CY26CY27CY28CY28CY28CY20CY200CY210CY212CY226CY226CY24Jaguar production (000kt Ni)2.914.221.421.120.7Balance sheetCY200CY210CY226CY226CY226CY24C1 cost (US\$/t Ni)9,1228,7397,7887,9437,212Acc rec. + invet. ( $A$ \$m)0.20.20.70.033.5A/SC = C1 + sustaining capex + central G& C3 = A/SC + depreciation12,0010.0008,0006,0003,0006,0003,0006,0004,0003,0008,0364.224.224.224.38.547.8161.3120.00SttOtherCY24CY25CY26CY27CY28CY28CY28CY28CY28CY28CY2819.95.7-11.5OtherCY24CY25CY26CY27CY28CY28CY28CY28CY28CY2824.38.346.224.224.38.547.8161.3120.00OtherCY24CY25CY26CY27CY28CY28CY28CY28CY28CY28CY28CY28 <td>1xNAV (A\$/sh)</td> <td>16,535</td> <td>18,734</td> <td>20,938</td> <td>23,142</td> <td>25,346</td> <td>Cash flow inv. (A\$m)</td> <td>1.2</td> <td>(5.8)</td> <td>(5.4)</td> <td>(65.0)</td> <td>(319.1)</td>	1xNAV (A\$/sh)	16,535	18,734	20,938	23,142	25,346	Cash flow inv. (A\$m)	1.2	(5.8)	(5.4)	(65.0)	(319.1)
5.0% discount3.144.285.426.567.71Cash flow fin. (A\$m)24.85.572.7191.924.9.4Production (Y1 from 3Q20)CY24CY25CY26CY27CY28CY28Net change in cash (A\$m)19.5(16.0)37.1114.2(74.8)Jaguar production (000kt Ni)2.914.221.421.120.724.85.572.7191.924.9.4C1 cost (US\$/t Ni)8,3968,0147,0657,1966,278Cash (A\$m)24.18.347.1161.386.5AlSC cost (US\$/t Ni)9,1228,7397,7887,9437,212Acc rec. + invet. (A\$m)0.20.20.70.033.5AlSC = C1 + sustaining capex + central G&A C3 = AlSC + depreciation12,00010,0008,00033.923.864.224.224.224.2Skt0.4CY24CY25CY26CY27CY28CY28CY24CY25265.4Okt0.40.20.20.70.033.923.864.224.224.2OktCY24CY25CY26CY27CY28	9.0% discount	2.58	3.57	4.57	5.57	6.57	Share issue (A\$m)	24.8	5.5	72.7	191.9	-
Production (Y1 from 3Q20)CY24CY25CY26CY27CY28Net change in cash (A\$m)19.5(16.0)37.1114.2(74.8)Jaguar production (000kt Ni)2.914.221.421.120.7Balance sheetCY20ACY21ACY22ECY22ECY23ECY24C1 cost (US\$/t Ni)8,3968,0147,0657,1966,278Cash (A\$m)24.18.347.1161.386.5AISC cost (US\$/t Ni)9,1228,7397,7887,9437,212Acc rec. + invet. (A\$m)0.20.20.70.033.5AISC = C1 + sustaining capex + central G&A, C3 = AISC + depreciation12,0008,0006,00033.923.864.2242.7516.225kt 10kt10kt5kt 0ktCY24CY25CY26CY27CY2811.510.0008,0000ktCY24CY25CY26CY27CY2811.510.0008,00015.9162.2236.3428.2428.20ktCY24CY25CY26CY27CY28249.410kt5kt 0ktCY24CY25CY26CY27CY28-11.510.0015.9162.2236.3428.2428.220ktCY24CY25CY26CY27CY28249.410kt5kt 0ktCY24CY25CY26CY27CY28	7.0% discount	2.85	3.90	4.97	6.04	7.10	Debt draw (repay) (A\$m)	-	-	-	-	249.4
Jaguar production (000kt Ni)2.914.221.421.120.7Balance sheetCY20ACY21ACY22ECY23ECY23ECY23EC1 cost (US\$/t Ni)8,3968,0147,0657,1966,278Cash (A\$m)24.18.347.1161.386.5AISC cost (US\$/t Ni)9,1228,7397,7887,9437,212Acc rec. + invet. (A\$m)0.20.20.70.033.5AISC = C1 + sustaining capex + central G&A, C3 = AISC + depreciation12,00010,0008,0006,00010,0008,0006,0004,00024.38.547.8161.3120.00Skt0,ctCY24CY25CY26CY27CY28CY27CY28CY28CY28No.0033.923.864.2242.7516.2OktCY24CY25CY26CY27CY28CY28CY28No.0033.923.864.2242.7516.2AISC C RHS, US\$/t NiCY24CY25CY26CY27CY28CY28No.0033.923.864.2242.7516.2CY24CY25CY25CY26CY27CY28CY28No.00155.9162.2236.3428.2428.2Retained earnings (A\$m)(121.5)(137.8)(175.5)(183.2)(170.6OktCY24CY25CY26CY27CY28No.00No.00No.00No.00No.00No.00No.00No.00No.00No.00No.00<	5.0% discount	3.14	4.28	5.42	6.56	7.71	Cash flow fin. (A\$m)	24.8	5.5	72.7	191.9	249.4
$\frac{1}{10 \text{ kt}} = \frac{1}{10 $	Production (Y1 from 3Q20)	CY24	CY25	CY26	CY27	CY28	Net change in cash (A\$m)	19.5	(16.0)	37.1	114.2	(74.8)
$\frac{1}{10 \text{ kt}} = \frac{1}{10 $	Jaguar production (000kt Ni)	2.9	14.2	21.4	21.1	20.7	Balance sheet	CY20A	CY21A	CY22E	CY23E	CY24E
AISC cost (US\$/t Ni)       9,122       8,739       7,788       7,943       7,212       Acc rec. + invet. (A\$m)       0.2       0.2       0.7       0.0       33.5         AISC cost (US\$/t Ni)       9,122       8,739       7,788       7,943       7,212       Acc rec. + invet. (A\$m)       0.2       0.2       0.7       0.0       33.5         AISC cost (US\$/t Ni)       9,122       8,739       7,788       7,943       7,212       Acc rec. + invet. (A\$m)       0.2       0.2       0.7       0.0       33.5         AISC cost (US\$/t Ni)       9,122       8,739       7,788       7,943       7,212       Acc rec. + invet. (A\$m)       0.2       0.2       0.7       0.0       33.5         25kt       0 <th< td=""><td>C1 cost (US\$/t Ni)</td><td>8,396</td><td>8,014</td><td>7,065</td><td>7,196</td><td>6,278</td><td>Cash (A\$m)</td><td>24.1</td><td>8.3</td><td>47.1</td><td>161.3</td><td>86.5</td></th<>	C1 cost (US\$/t Ni)	8,396	8,014	7,065	7,196	6,278	Cash (A\$m)	24.1	8.3	47.1	161.3	86.5
AISC = C1 + sustaining capex + central G&A, C3 = AISC + depreciation       PP&E & expl'n (A\$m)       9.5       15.3       16.4       81.4       396.2         25kt       10,000       10,000       8,000       10,000       8,000       -       -       -       -       249.4         10kt       10,kt       6,000       10,000       8,000       6,000       1.9       1.9       5.7       -       11.5         0kt       2,000       6,000       4,000       2,000       -       Total labilities (A\$m)       7.7       7.7       10.2       4.5       265.4         Shareholders' equity (A\$m)       15.9       162.2       236.3       428.2       428.2       428.2         Reserves (A\$m)       (8.3)       (6.8)       (6.8)       (6.8)       (6.8)       (6.8)         0kt       CY24       CY25       CY26       CY27       CY28       CY28       Ki       113.5       (137.8)       (175.5)       (183.2)       (170.6)         Liabilities + equity (A\$m)       33.9       23.8       64.2       242.7       516.2	AISC cost (US\$/t Ni)	9,122	8,739	7,788	7,943	7,212	Acc rec. + invet. (A\$m)	0.2	0.2	0.7	0.0	33.5
25kt       12,000       12,000       10,000       11,5       0       11,5       0       11,5       0       11,5       0       11,5       0       11,5       0       11,5 <td< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td>-</td><td></td><td></td><td></td><td></td><td>396.2</td></td<>							-					396.2
25Kt       12,000       12,000       10,000       11,5       11,5       0		1		,		42.000	1					516.2
20kt       10,000       10,000       10,000       10,000       1.9       1.9       5.7       -       11.5         15kt       10kt       6,000       6,000       0thers (A\$m)       24.3       8.5       47.8       161.3       120.0         5kt       0thers (A\$m)       7.7       7.7       10.2       4.5       265.4         0kt       2,000       5hareholders' equity (A\$m)       155.9       162.2       236.3       428.2       428.2         Reserves (A\$m)       (8.3)       (8.3)       (6.8)       (6.8)       (6.8)       (6.8)         CY24       CY25       CY26       CY27       CY28       CY28       Retained earnings (A\$m)       (121.5)       (137.8)       (175.5)       (183.2)       (170.6)         Liabilities + equity (A\$m)       33.9       23.8       64.2       242.7       516.2			_									
15kt       0thers (A\$m)       24.3       8.5       47.8       161.3       120.0         10kt       6,000       4,000       7.7       7.7       10.2       4.5       265.4         0kt       2,000       4,000       2,000       Total liabilities (A\$m)       7.7       7.7       10.2       4.5       265.4         0kt       2,000       Shareholders' equity (A\$m)       155.9       162.2       236.3       428.2       428.2         Reserves (A\$m)       (8.3)       (8.3)       (6.8)       (6.8)       (6.8)         CY24       CY25       CY26       CY27       CY28       Retained earnings (A\$m)       (121.5)       (137.8)       (175.5)       (183.2)       (170.6)         Liabilities + equity (A\$m)       33.9       23.8       64.2       242.7       516.2	20kt											
10kt       5kt       4,000       4,000         0kt       2,000       2,000         CY24       CY25       CY26       CY27       CY28         Also (RHS, US\$/t Ni)       Also (RHS, US\$/t Ni)       Retained earnings (A\$m)       135.9       162.2       236.3       428.2       428.2         Retained earnings (A\$m)       (121.5)       (137.8)       (175.5)       (183.2)       (170.6)         Liabilities + equity (A\$m)       33.9       23.8       64.2       242.7       516.2	15kt											
Skt       4,000       4,000       10tal fillabilities (4,511)       1.7       1.7       10.2       4.3       203.4         Okt       2,000       2,000       Shareholders' equity (A\$m)       155.9       162.2       236.3       428.2       428.2         Okt       -       -       -       -       Reserves (A\$m)       (8.3)       (6.8)       (6.8)       (6.8)         CY24       CY25       CY26       CY27       CY28       -       -       Retained earnings (A\$m)       (121.5)       (137.8)       (175.5)       (183.2)       (170.6)         Liabilities + equity (A\$m)       33.9       23.8       64.2       242.7       516.2	10kt											
Okt         -         Reserves (A\$m)         (8.3)         (8.3)         (6.8)         (6.8)         (6.8)           CY24         CY25         CY26         CY27         CY28         Reserves (A\$m)         (121.5)         (137.8)         (175.5)         (183.2)         (170.6)           Jaguar prod'n (LHS, 000t Ni)         -         -         AISC (RHS, US\$/t Ni)         Retained earnings (A\$m)         (121.5)         (137.8)         (175.5)         (183.2)         (170.6)           Liabilities + equity (A\$m)         33.9         23.8         64.2         242.7         516.2												
CY24         CY25         CY26         CY27         CY28         Retained earnings (A\$m)         (121.5)         (137.8)         (175.5)         (183.2)         (170.6)           Jaguar prod'n (LHS, 000t Ni)        AISC (RHS, US\$/t Ni)         Iabilities + equity (A\$m)         33.9         23.8         64.2         242.7         516.2						2,000						
□ Jaguar prod'n (LHS, 000t Ni) − AISC (RHS, US\$/t Ni) Liabilities + equity (A\$m) 33.9 23.8 64.2 242.7 516.2		~~~	6	דכעי	CV20	-						
Liabilities + equity (A\$m) 33.9 23.8 64.2 242.7 516.2						i)						(170.6)
	Source: SCD estimates	,			-,+,		Liabilities + equity (A\$m)	33.9	23.8	64.2	242.7	516.2

Source: SCP estimates

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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

**UNDER REVIEW:** The stock will be placed under review when there is a significant material event with further information pending; and/or when the research analyst determines it is necessary to await adequate information that could potentially lead to a reevaluation of the rating, target price or forecast; and/or when coverage of a particular security is transferred from one analyst to another to give the new analyst time to reconfirm the rating, target price or forecast.

NOT RATED ((N/R): The stock is not currently rated

Re	search Disclosure	Response
1	SCP and its affiliates collectively beneficially owns 1% or more of any class of the issuer's equity securities <sup>1</sup>	YES
2	The analyst or any associate of the analyst responsible for the report or recommendation or any individual directly involved in the preparation of the report holds or is short any of the issuer's securities directly or through derivatives	NO
3	An SCP partner, director, officer or analyst involved in the preparation of a report on the issuer, has during the preceding 12 months provided services to the issuer for remuneration other than normal course investment advisory or trading execution services	NO
4	SCP has provided investment banking services for the issuer during the 12 months preceding the date of issuance of the research report or recommendation	YES
5	Name of any director, officer, employee or agent of SCP who is an officer, director or employee of the issuer, or who serves in an advisory capacity to the issuer	NO
6	SCP is making a market in an equity or equity related security of the issuer	NO
7	The analyst preparing this report received compensation based upon SCP's investment banking revenue for the issuer	NO
8	The analyst has conducted a site visit and has viewed a major facility or operation of the issuer	YES
9	The analyst has been reimbursed for travel expenses for a site visit by the issuer	YES

#### Sprott Capital Partners Equity Research Ratings:

Summary of Recommendations as of November 2022					
BUY:	51				
HOLD:	1				
SELL:	0				
UNDER REVIEW:	1				
TENDER:	0				
NOT RATED:	0				
TOTAL	53				

<sup>&</sup>lt;sup>1</sup> 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

