SCP EQUITY RESEARCH

13 June 2023

Ticker: CTM AU | **1Q23 Cash:** A$23m | **Project**: Jaguar

Market cap: A$333m | **Price:** A$0.78/sh | **Country:** Brazil

REC. (unc): BUY | *TARGET (-0.80): A$2.30/sh* | *RISK RATING (unc): HIGH*

- *SCPe NPV US$1.6bn with inventory/credits offsetting most capex/opex inflation ahead of DFS*
- *Pit inventory lifted from 36.6Mt to 55Mt for 16Y life attractive to M&A buyers who could upsize*
- *Circuit de-risked as ore-sorting removed, mill expanded from 2.7Mtpa to 3.6Mtpa, capex lifted*
- *Zn, Co and Cu credits could see +10% revenue, Class I premium lifted from US$1,102 to US$1,445/t*

Ahead of the year-end DFS we update our inputs from the 2Q21 scoping ahead. The key change is a lift in pit inventory from 36.6Mt to 55Mt (vs 108Mt MRE), plus an improved Class I nickel premium of ~US$1.5k/t Ni, and a lift in by-product credits to SCPe +10% revenue, after Zn and Co streams were successfully produced. Removing ore-sorting after recent results showed good recoveries, we lift mill throughput from 2.7Mtpa to 3.6Mtpa and capex with that, maintaining 20ktpa Ni production, with good capex comps from Oz Minerals West Musgrave nickel pox DFS. Even conservatively lifting opex 20%, our NPV only drops from A$1.7bn to A$1.6bn. Stepping back and as seen in Table 2 below, Jaguar is the largest and highest-grade pittable pre-revenue nickel sulphide name globally, benefitting all the more from low-taxes, cheap electricity and good infrastructure, ***we maintain our BUY rating but lower our A$3.10/sh PT to A$2.30/sh based on*** *dropping our NAV multiple from 0.6x to 0.5x$_{7\%\text{-}9.50}$ in reflection of weaker equity markets, diluted for options but not mine build. With DFS, permits and early-works / FEED coming in the next 12M, we see the cyclically low share price for a demonstrably world-class asset fully exposed to the EV thematic as top pick in our space. Australian peers trade up to 10x higher on EV/payable metal with recent Mincor bid potentially valuing that asset at >1.5xNAV despite challenges, while larger assets on ASX/TSX average just 0.18% NiEq payable recoverable, a questionably economic grade. This premium/grade disconnect is exemplified by our estimated 0.3% NiEq payable recoverable grade of Chalice Mining, which trades at over A$1.5bn, suggesting that post DFS/permitting Centaurus could be a prime M&A target.*

Table 1. 2021 Scoping study and old VS new SCP estimates summary

	CTM	SCP		
Jaguar (100%)	**Scoping**	**SCP old**	**SCP new**	***Δ (%)***
Pit inventory (Mt ore)	36.6	39.4	55.0	40%
Strip ratio (x)	6.5	6.1	7.5	23%
Grade (% Ni)	0.76%	0.70%	0.75%	6.7%
UG inventory (Mt ore)	8.5	8.5	--	--
Grade (% Ni)	1.01%	1.01%	--	--
Nickel mined (000t Ni)	**341**	**342**	**412**	**21%**
Peak ROM (000t pa)	2,700	2,700	3,580	33%
Recovery (LOM, %)	76.8%	76.7%	75.0%	-2%
Avg prod. (000t Ni metal pa)	**19.7**	**19.8**	**19.6**	**-1%**
Mine life (years)	13.3	13.3	15.8	19%
Nickel price (US$000/t)	19,395	20,944	20,944	0%
Payability (%)	-	98%	98%	0%
Logistics (US$/t milled)	2.61	2.61	3.00	15%

	CTM	SCP		
Jaguar (100%)	**Scoping**	**SCP old**	**SCP new**	***Δ (%)***
Pit mining cost (US$/t ROM)	2.60	2.60	3.12	20%
UG mining cost (US$/t ROM)	47.30	47.27	--	--
Processing cost (US$/t ROM)	28.00	28.02	33.62	20%
By-product credit (US$/t ROM)	-8.75	-8.75	-14.70	68%
G&A cost (US$/t ROM)	1.98	1.98	2.38	20%
C1 cost (US$/lb, LOM average)	3.29	3.24	4.27	32%
AISC (US$/lb, LOM average)	3.94	3.88	4.96	28%
Initial capex (US$m)	288	288	475	65%
LOM sustaining capex (US$m)	213	213	142	-34%
AUD / USD	0.75	0.77	0.75	-3%
Discount rate (%)	8.0%	7.0%	7.0%	0%
Project NPV (A$m)	**1409**	**1714**	**1568**	-9%
Asset IRR (%)*	52%	61%	35%	-43%

Source: Centaurus, SCP estimates; CTM IRR based on US$17.6k Ni px

Table 2. Resource and reserve grade on payable, recoverable net royalty basis, and EV/in-situ

	Mincor	Lunnon	Talon	Widgie	Archer	Centaur.	Magna	Posid.	Prem. Ni	SPC	Chalice	Bravo	FPX	Aston	Can. Ni
Project	Kambalda	KNP	Tamarack	Mt Edw.	Grasset	Jaguar	Shake./Den.	Black Sw.	Selb./Selk.	Locker. E.	Julimar	Luanga	Decar	Edleston	Crawford
Location	W.Aus.	W.Aus.	MN, USA	W.Aus.	QC, CA	Goias, BR	ON, CA	W.Aus.	Botsw.	ON, CA	W.Aus.	Brazil	BC, CA	ON, CA	ON, CA
OP/UG	UG	UG	UG	UG	UG	OP	OP/UG	OP/UG	OP/UG	OP	OP/UG	OP	OP	OP	OP
M&I&Inf (kt NiEq)	224	89	182	175	72	1,049	670	233	712	150	3,004	672	4,548	2,993	6,370
M&I&Inf grade (% NiEq)	3.78%	3.10%	1.78%	1.60%	1.26%	0.97%	1.21%	0.81%	0.65%	0.55%	0.54%	0.47%	0.21%	0.29%	0.30%
			Undergrounds							*Open pits*					
M&I&Inf (% NiEq pay'bl / recvb'l)	**2.42%**	**2.10%**	**1.20%**	**0.87%**	**0.75%**	**0.70%**	**0.66%**	**0.39%**	**0.36%**	**0.33%**	**0.31%**	**0.22%**	**0.17%**	**0.15%**	**0.10%**
P&P / inventory (kt Ni)	84	18	86	10		364	39	44					1,819		2,258
P&P / inventory (% Ni attri.)	2.83%	2.86%	1.34%	1.85%		0.81%	0.33%	0.90%					0.12%		0.25%
P&P / invnty (% Ni pay'bl / recvb'l)	**1.81%**	**1.94%**	**0.90%**	**1.01%**		**0.58%**	**0.18%**	**0.42%**					**0.10%**		**0.08%**
EV / P&P - inventory (%)	*45.1%*	*45.1%*	*14.6%*	*30.3%*		*3.9%*	*14.4%*	*19.3%*					*0.3%*		*0.8%*

Source: Company data, SCP; FD incl. ITM shares as at June 8, 2023. Notes: 60% TLO ownership; FPX reserve grade in % DTR Ni with davis tube recoveries; SCP, Premium Nickel and Bravo based on historic MRE; Magna MRE incl. Denison; Archer resources on Grasset only (excl. Sudbury Projects) with assumed rec. and pay.; CNC payability caclucated from PEA data; Lunnon rec. based on Mincor; Premium rec. based on Selkirk, peer avg. pay.; SPC rec and payable based on First Nickel Lockerby; Chalice rec. based on March 27 blended with 100% payability; Aston met rec. and peer avg. pay.; Bravo rec. and pay. assumed based on peers excl. FPX and CNC.

DFS preview: reserves lifted from 36.6Mt to 55Mt, mill upsized and Co/Zn credits added

Reserve tonnes lifted from 36.6Mt to 55Mt: The 'Value Add' scoping study (VAS) of May 2021 saw 36.6Mt @ 0.76% Ni pit inventory based on the 58.9Mt @ 0.96% global resource at the time, with 6.5:1 strip ratio. The current MRE now stands at 108Mt @ 0.87% Ni, so we lift our open-pit inventory to a nominal 55Mt, lifting our strip ratio to 7.5:1 given the ore bodies are largely sub-vertical shear-hosted (rather than lower strip 'big blob').

Table 3. 4Q22 MRE showing lift from 81Mt to 108Mt against 36.6Mt scoping-study inventory

Jaguar MRE			
Resource	**4Q21**	**4Q22**	**D (%)**
Tonnes (000t)	80.60	108.00	34%
Grade (% NiEq)	1.03%	0.99%	-4%
NiEq metal (000t)	**831**	**1,072**	**29%**
M&I (% total)	55%	78%	42%
M&I Grade (% NiEq)	1.05%	1.05%	0%
Tonnes added (000t)	*22.00*	*27.40*	*25%*
Grade of new tonnes (% NiEq)	*1.18%*	*0.88%*	*-26%*
High grade tonnes (000t)	22.40	28.60	28%
High-grade (% NiEq)	1.70%	1.60%	-6%
Ni metal (000t)	**380**	**459**	**21%**

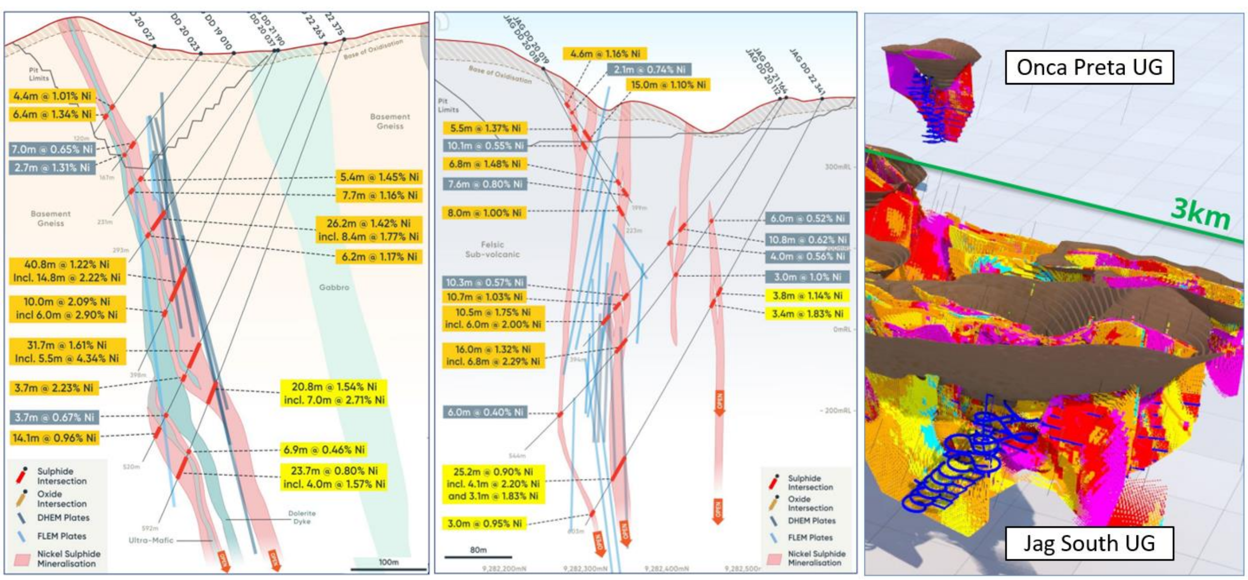
Source: Centaurus, SCP, high-grade resource at 1% cut-off

MRE modelling assumptions		
Jaguar MRE	**2021 MRE**	**2022 MRE**
Parent block (m)	10x2x10; 1m composites	10x2x10; 1m composites
Cut-off (% Ni)	0.3% in pit, 0.7% Ni below	0.3% in pit, 0.7% Ni below
Number of Holes	398 DD (104,509m)	699 DD (162,750m)
Number of Holes	46 RC (6,358m)	71 holes (10,020m)
Model method	OK	OK
Metal Prices ($US)	US$20,000/t Ni	US$22,000/t Ni
	US$40,000/t Co	US$44,092/t Co
		US$9,065/t Cu
Search elipse (m)	75m 1st 150m 2nd pass	75m 1st 150m 2nd pass
Top cut	None	Domain 121 Ni, other Cu and S

Source: Centaurus

UG removed: the scoping study saw 8.5Mt @ 1.01% Ni in an UG plan. We fully expect an underground here, but to drilling out to reserve pre-build would be expensive and dilutive for a long-term upside. Consequently, we remove the UG from our 'DFS-preview' model. By exclusion, the UG added A$288m within the A$1,409m prior NPV. For now, we add a nominal A$288m, but risk it at 50% compared to the soon to be DFS-backed open pit. This risking is based purely on timing, as in our view not only will an UG size of this size be mined, but with roots emerging at Jaguar South and Onca Preta (Figure 1) we expect far more than this to be mined in the long-term. However, drilling an UG to reserve at current pre-revenue market cap would likely be more dilutive than the value it adds given the large reserve base, hence we see it as sensible to keep the UG at inferred / scoping-level for now, as was previously published.

Figure 1. (A) Onca Preta and (B) Jag South sections showing deep drilling and (C) scoping UG design



Source: Centaurus Metals

Plant sizing: recent metallurgical work de-risked the flow sheet by removal of the ore-sorter. However, the downside of this is that a larger mill is required. Certain parts of the ore body, such as Jag North, could see 30-40% increased throughput. Nonetheless, we lift our mill from 2.7Mtpa to 3.6Mtpa, albeit given areas of soft ore, we would expect a 'nominal nameplate' of perhaps 3.3Mtpa with capex to reflect that.

Pit scheduling: With Jag Central and Onca Preta measured grades of 0.88% and 1.39%, there is potential for higher-grade in early years. However, the back-end POX plant constrains this, nor would Centaurus want to stockpile which risks oxidation, so we do not model higher grade in early years, maintaining the scoping study grade profile with flat back-end grade for additional tonnes to 55Mt mine plan. In fact, we conservatively lower the scoping study 0.76% LOM grade to 0.75% to reflect some additional dilution. However, scheduling can be improved by lower strip in early years, where we model 5:1 in Y1-2 and lift the remaining years for a 7.5:1 LOM.

Process circuit: Pre-DFS test work in May showed two big wins, (i) the ability to nearly match scoping study recoveries but without relying on ore sorting, and (ii) 'bonus' credits of zinc and cobalt sulphate streams. Notably, the 75% overall recovery achieved in that work (recovery of nickel to flotation concentrate, and recovery of nickel sulphate concentrate) is 2% under the 77% in the scoping study, but *not* reliant on ore sorting. Although the scoping study only envisaged 44% of ROM ore being sorted, the removal of sorting, while retaining net recoveries within two points of the scoping study, is an excellent result in our view.

By-products: by-product revenues from zinc and cobalt were not included in the scoping study, with copper credits captured as a US$8.75/t credit on processing costs, equivalent to a 6% revenue-credit. Pre-DFS metallurgical work showed zinc and cobalt not just recovered, but to a discrete zinc- and cobalt-hydroxide products rather than lower-payable MHP (mixed hydroxide precipitate), adding to previously expected copper cathode. Although relatively small volumes compare to the 90ktpa of nickel sulphate (containing 20kt nickel), we estimate that even 15kt zinc hydroxide (~10kt Zn metal), 1kt cobalt hydroxide (~1.5kt Co), and 1.5kt Cu cathode could add 13% to value of the recovered products. For now, we lift credits from scoping study 6% revenue-equivalent to 10% (by lifting by-product credits from US$8.75/t to US$14.70/t) assuming conservative 60% cobalt and 80% zinc payability.

Figure 2. Zinc hydroxide, nickel sulfate and cobalt hydroxide from Jaguar refinery pilot testwork

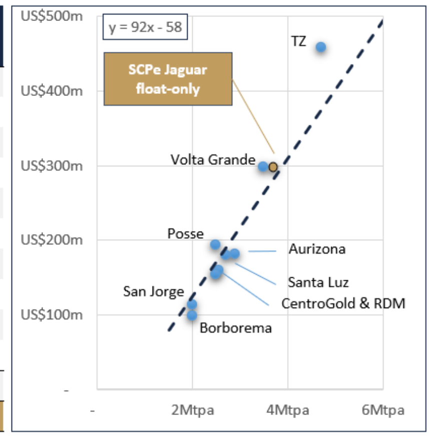
Source: Centaurus

Opex: we lift our mining, processing, G&A and transport costs by 20% across the board to capture inflation. As a sense check, we show peer capex and opex comparisons in LatAm where we see peer G Mining / TZ, also in Brazil, as the most sensible comparison, with our forecasted mining costs of US$3.12/t mined appearing conservative against US$2.40/t at TZ, while G&A of US$2.38/t comes in under TZ's US$3.10/t reflective of Jaguar's on-infrastructure location against more remote TZ. Net of the increased by-product credits, this lifts our AISC from US$3.88/lb to US$4.96/lb (US$8,557/t to US$10,943).

Capex: Table 4 shows an average capital intensity of LatAm peers, predominantly based on gold CIL projects where back end CIL/gold rooms have similar capital intensity to a floatation tanks and filter press. Taken a peer average puts Jaguar's float circuit at around US$300m. However, with Jaguar's location just 35km from mining towns of Tucuma and Ourilandia do Norte, and 15km from Vale's giant Onca-Puma ferronickel operation (including 230kVA sub-station), we do expect some savings, offset by inflation. A recent peer comparison is provided by OZ Minerals' West Mugrave 2022 DFS. That operation envisaged a similar POX plant for capex of A$325m / ~US$244m for a 250ktpa sulphide processing facility. At 76% concentrate recovery to a 10% concentrate grade (SCP worst-case estimates), Centaurus would be some 10% smaller at 220ktpa, albeit these facilities run on sulphur throughput rather than tonnes. Other differences including that Jaguar will have a crystalliser, offset by better infrastructure than very remote West Musgrave. Consequently, we model US$250m, adding to US$300m float plant above, plus US$25m of contingency for our US$475m forecast. Sustaining and deferred capex of A$295m in the scoping study included capitalized mining, and waste removal / cut-back costs. Our lifted mining cost captures waste stripping now, so with the UG removed we model a flat 2% of build capex per annum for LOM A$183m sustaining capex.

Table 4. Peer LatAm capex and opex costs for conventional gold plants similar to floatation front-end

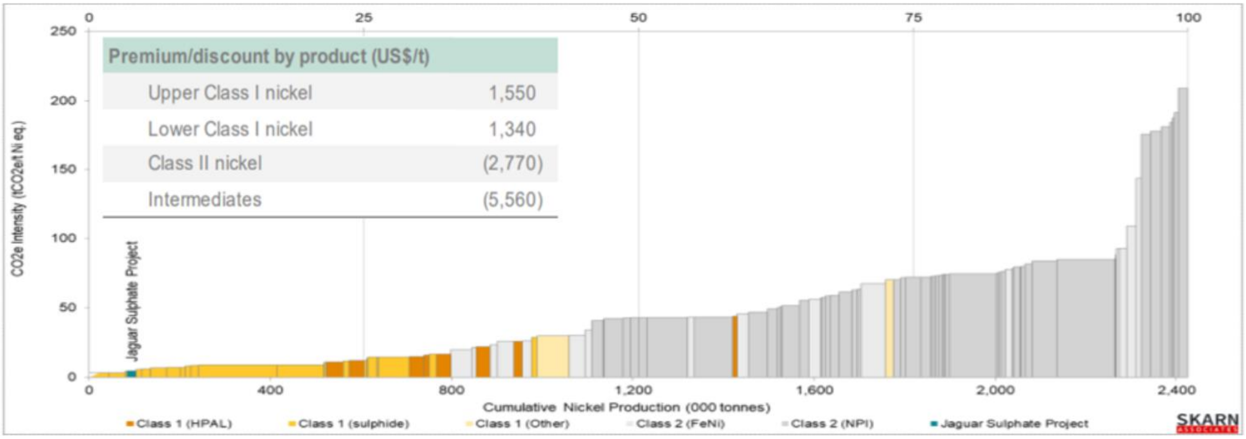
Company	Asset	Mill Mtpa	Capex US$m	Capex US$/t pa	Date	Stage	Mining US$/t	Proc. US$/t	G&A US$/t
G Mining	TZ	4.7	458	97	1Q22	Constr'n	2.4	8.8	3.1
Belo Sun	Volta Grande	3.5	298	85	4Q20	DFS	1.9	7.6	0.8
Lumina Gold	Cangrejos	11.0	925	84	2Q23	PFS	2.4	8.3	2.2
Hochschild	Posse	2.5	193	77	1Q22	Constr'n	1.9	10.9	1.2
Equinox	Santa Luz	2.7	181	67	1Q23	Prod'n	3.1	26.1	5.9
Equinox	Aurizona	2.9	182	63	1Q23	Prod'n	3.4	12.2	5.0
Equinox	RDM	2.6	160	63	1Q23	Prod'n	2.5	14.2	5.4
BHP	CentroGold	2.5	155	62	3Q19	PFS	3.1	7.8	2.4
GoldMining	Sao Jorge	2.0	114	57	3Q21	DFS	1.4	7.2	1.5
Aura Minerals	Borborema	2.0	99	50	4Q19	DFS	1.9	10.1	2.0
	LATAM average:	***3.6***	***276***	***71***			***2.4***	***10.5***	***2.8***
SCPe Centaurus	**Jaguar**	**3.7**	**297**	**80**	**SCPe**	**Scoping**	**3.1**	**-**	**3.3**



Source: Company data, SCP estimates

Premium pricing isn't specific to Centaurus, with Vale reporting a US$1,445/t Class I premium in 1Q23. Class I is typically high purity and LME deliverable, with Class 2 nickel being that contained in a lower-purity FeNi and pig iron and other products not able to be directly input into the battery making process. We adopt this premium for Jaguar. While more qualitative for now, rumours are swirling that recent modification of laterite RKEF facilities to produce matte may in fact be less suitable for batteries due to higher impurities. Separate to impurities and Class I premium is CO_2 intensity, which is materially higher for laterites. Although not hitting the bottom line of our DCF today, the CO_2 premium is something that we can see evolving. Simplistically we see all metals ultimately being sold at FOB carbon neutral, meaning a premium/discount would be applied, at perhaps US$10/t that may only be US$250/t today, but should carbon credits move to US$100/t for example, this would provide material upside.

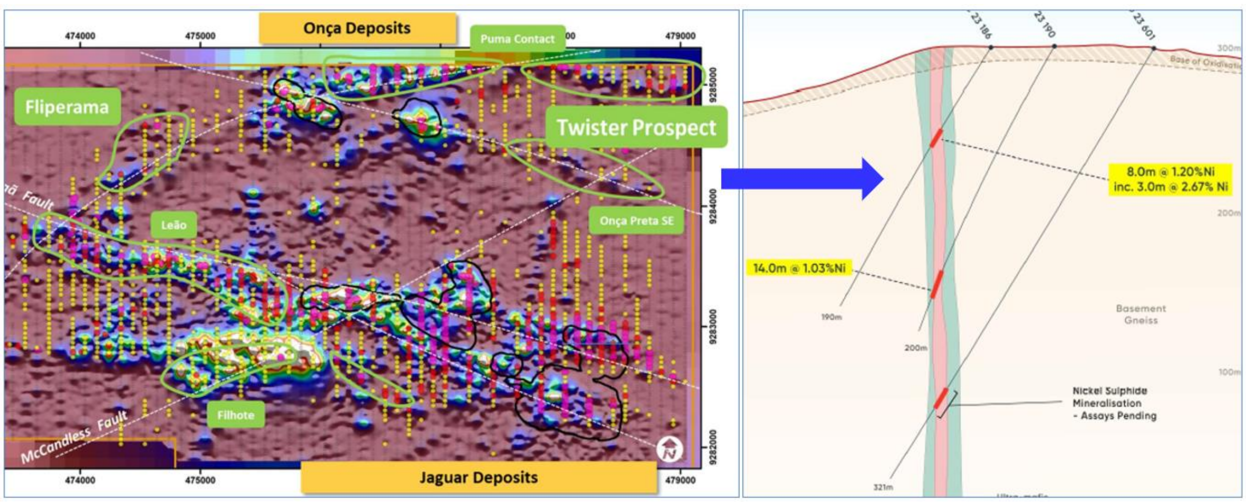
Figure 3. Global CO_2 emissions; Centaurus forecast a 4.7t CO_2 / t Ni vs. 33t industry average



Source: Centaurus

Regional exploration: With such a large resource base, regional exploration could be argued to have less materiality to the upcoming DFS. However, this could be a key driver for M&A. Greenfield exploration has identified targets at Filhote, Fliperama and Twisters prospects. The prospectivity is exemplified by the 2Q23 discovery at Twisters of **14m @ 1.1% NiEq** just 5km from the proposed mill. The two zones of ~150m and ~400m strike, taking simple maths to 200m below surface lead us to estimate ~2Mt @ ~0.75% Ni for perhaps ~15kt Ni metal. For reference, ASX peer Lunnon has an EV of ~A$150m based on a reserve of just 17kt nickel, presenting a clear value gap.

Figure 4. (A) Plan and (B) section showing Twister discover 5km from Jaguar proposed mill site



Source: Centaurus

Peers' comparison: To compare pre-revenue nickel equities globally we adopt a payable-recoverable net-royalty basis (Table 2 above) to better measure low payability of concentrate sellers (~75%), as well as low payability and recovery in polymetallic deposits (Chalice), and low recoveries in assets with high silicate nickel (typically Canadian low-grade). On a **grade** basis Centaurus is the highest-grade pittable sulphide globally at 0.7%, twice the group average of just 0.34% (noting the reserve grade for Centaurus excludes the ~10% revenue credits expected at DFS for by-products). On a **size** basis, the only assets that are larger (Chalice, FPX, Aston, Canada Nickel) average just 0.18% payable, recoverable, net royalty grade, just a quarter of Centaurus' grade, hence we argue Centaurus is the largest economic nickel sulphide globally. On a **valuation** basis, Centaurus trades at just 1/10th the value of ASX peers Mincor and Lunnon. In fact, if one assumes 25% in-situ equates to 1xNAV (50% margin, less tax, amortised capex and time-value discount), those names are trading at close to 2xNAV. *As such, Centaurus represents the most* *compelling equity investment in the nickel pre-revenue space on its combination of largest, highest margin and lowest value stock globally.*

Why we like Centaurus

1. Only >1Mt NiEq metal, <$500m capex, pittable nickel sulphide junior globally
2. Favourable macro as EV's see 24% Ni demand lift to 2024 against 2021 production numbers
3. CO2 / energy security value with <1/10th the CO_2 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

- Year end 2023: DFS
- 2023: step-out / extensional and Jaguar Deeps drilling
- 2023: greenfields regional exploration drilling
- 2024: Mining license granted

Research

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Ticker:	CTM AU	**Price / mkt cap:**	A78c/sh / A$333m	**P/NAV today:**	0.17x	**Country:**	Brazil
Author:	B Salier/E Magdzinski	**Rec/0.5xNAV7% PT:**	BUY, A230c/sh	**1xNAV$_{2Q23}$ FF FD:**	A$4.15c/sh	**Asset:**	Jaguar

Commodity price	**CY20A**	**CY21A**	**CY22E**	**CY23E**	**CY24E**
Ni price (US$/t)	20,944	20,944	20,944	20,944	20,944
Ni price (US$/t, payable)	20,546	20,546	20,546	20,546	20,546
1xNAV project valuation*	**A$m**	**o/ship**	**NAVx**	**A$/sh**	
Jaguar OP NPV (build start)	**1,693**	100%	1.0x	3.87	
Jaguar UG, 50% risked	**144**	100%	1.0x	0.33	
Expln & resources ex reserve @ 1% insitu	137	100%	1.0x	0.31	
Cash at 1Q23	23.0	100%	1.0x	0.05	
Cash from ITM options	1.5	100%	1.0x	0.00	
1XNAV A$ @ 1Q23	**1,998**			**4.57**	
**Build start, ex fin. cost + G&A, dil. for optns not build*			*P/NAV today:*	0.17x	

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	961	1,340	1,720	2,099	2,479
7.0% discount	1,135	1,567	**1,998**	2,430	2,861
5.0% discount	1,348	1,843	2,339	2,834	3,330
Ungeared project IRR:	0%	0%	0%	0%	0%
Group NAV (A$/sh)	16,535	18,739	20,944	23,149	25,353
9.0% discount	2.19	3.06	3.93	4.80	5.66
7.0% discount	2.59	3.58	**4.57**	5.55	6.54
5.0% discount	3.08	4.21	5.34	6.48	7.61

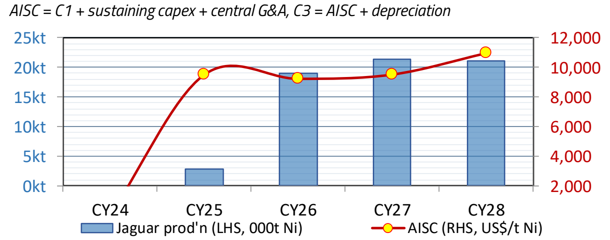
**Project level NPV, excl finance costs and central SGA, discounted to build start*

SOTP *company* valuation^	**Sep-23**	**Sep-24**	**Sep-25**	**Sep-26**	**Sep-27**
Jaguar NPV	1,599	1,778	2,264	2,667	2,562
Resources ex reserve + nom UG	281	281	281	281	281
Central G&A & fin costs	(80)	(79)	(75)	(46)	(14)
Net cash prior quarter	14.8	223.2	(109.9)	(379.0)	(150.1)
Cash from ITM options	1.5	1.5	1.5	1.5	1.5
NAV (A$m)	1,816	2,205	2,362	2,525	2,681
FD share count (m)	*438*	***699***	*699*	*699*	*699*
1xNAV7%/sh FF FD (A$/sh)	4.15	3.16	3.38	3.61	3.84

Exit value: 1xNAV/sh *company* @ 2024 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	1,248	1,677	2,106	2,535	2,964
7.0% discount	1,405	1,884	**2,362**	2,841	3,319
5.0% discount	1,594	2,133	2,672	3,211	3,750
Exit value: 1xNAV/sh *company* @ 2024 first production (A$, geared)^					
1xNAV (A$/sh)	16,535	18,739	20,944	23,149	25,353
9.0% discount	1.79	2.40	3.01	3.63	4.24
7.0% discount	2.01	2.70	**3.38**	4.07	4.75
5.0% discount	2.28	3.05	3.82	4.60	5.37

Production (Y1 from 3Q20)	**CY24**	**CY25**	**CY26**	**CY27**	**CY28**
Jaguar production (000kt Ni)	-	2.9	19.0	21.3	21.1
C1 cost (US$/t Ni)	-	6,269	7,655	7,998	9,440
AISC cost (US$/t Ni)	-	9,490	9,233	9,517	10,958

AISC = C1 + sustaining capex + central G&A, C3 = AISC + depreciation



Resource/Inventory	**Mt**	**NiEq %**		**Mt**	**Ni %**
	4Q22 JORC			SCP inventory	
M&I	85.7	1.05%	OP:	55.0	0.76%
Inferred	22.2	1.06%	UG:	-	-
	108.0	0.99%	Total	55.0	0.76%

Funding: uses		**Funding: sources**	
Capex (A$m)	633	1Q23 cash + pre FID equity (A$m)	23.0
Drilling/FS cost (A$m)	14.0	SCPe debt (A$m)	411.7
Working cap >DFS (A$m)	20.9	SCPe equity (A$m)	250.0
G&A and fin. cost (A$m)	37.7	Total sources (A$m)	684.7
Total uses: group (A$m)	705.9	*Drilling / buffer (A$m)*	*-21.2*

Share data (m)	**Basic**	**FD**	**FF FD**		
Shares (m)	427.1	437.7	698.7		
Ratio analysis	**CY20A**	**CY21A**	**CY22E**	**CY23E**	**CY24E**
Shares out (m)	325.9	329.5	427.1	698.7	698.7
EPS (Ac/sh)	-	-	-	-	-
CFPS before w/c (A$/sh)	-	-	-	-	-
EV (A$m)	230.1	248.7	299.1	515.2	474.1
FCF yield (%)	-	-	-	-	-
PER (x)	-	-	-	-	-
P/CF (x)	-	-	-	-	-
EV/EBITDA (x)	-	-	-	-	-
Income statement	**CY20A**	**CY21A**	**CY22E**	**CY23E**	**CY24E**
Revenue (A$m)	0.5	-	-	-	-
COGS (A$m)	-	-	-	-	-
Gross profit (A$m)	**0.5**	**-**	**-**	**-**	**-**
G&A (A$m)	2.9	2.7	4.1	6.1	5.6
Exploration (A$m)	7.3	12.9	37.6	19.2	3.5
Finance costs (A$m)	0.1	-	-	-	-
Tax (A$m)	-	-	(0.3)	-	-
Other (A$m)	3.6	0.7	(1.3)	(0.4)	(0.2)
Net income (A$m)	**(13.3)**	**(16.3)**	**(40.2)**	**(25.0)**	**(8.9)**
Cash flow statement	**CY20A**	**CY21A**	**CY22E**	**CY23E**	**CY24E**
EBITDA (A$m)	(11.5)	(16.4)	(41.7)	(25.4)	(9.1)
Add share based (A$m)	0.5	0.8	-	-	-
Net change wkg cap (A$m)	(1.6)	-	(1.5)	3.2	-
Cash flow ops (A$m)	**(5.3)**	**(15.5)**	**(38.7)**	**(28.2)**	**(8.9)**
PP&E - build + sust. (A$m)	(1.2)	5.8	6.1	1.0	200.0
PP&E - expl'n (A$m)	-	-	0.4	0.3	-
Cash flow inv. (A$m)	**1.2**	**(5.8)**	**(6.9)**	**(1.2)**	**(200.0)**
Share issue (A$m)	24.8	5.5	72.7	25.0	250.0
Debt draw (repay) (A$m)	-	-	-	-	-
Cash flow fin. (A$m)	**24.8**	**5.5**	**72.7**	**25.0**	**250.0**
Net change in cash (A$m)	19.5	(16.0)	27.3	(4.3)	41.1
Balance sheet	**CY20A**	**CY21A**	**CY22E**	**CY23E**	**CY24E**
Cash (A$m)	24.1	8.3	34.0	29.8	70.9
Acc rec. + invet. (A$m)	0.2	0.2	1.4	0.0	0.0
PP&E & expl'n (A$m)	9.5	15.3	21.9	23.0	223.0
Total assets (A$m)	**33.9**	**23.8**	**57.4**	**52.9**	**294.0**
Debt (A$m)	-	-	-	-	-
Accounts payable (A$m)	1.9	1.9	4.6	-	-
Others (A$m)	24.3	8.5	35.4	29.8	70.9
Total liabilities (A$m)	7.7	7.7	8.1	3.5	3.5
Shareholders' equity (A$m)	155.9	162.2	236.3	261.3	511.3
Reserves (A$m)	(8.3)	(8.3)	(5.8)	(5.8)	(5.8)
Retained earnings (A$m)	(121.5)	(137.8)	(181.1)	(206.1)	(215.0)
Liabilities + equity (A$m)	**33.9**	**23.8**	**57.4**	**52.9**	**294.0**

Source: SCP estimates

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Summary of Recommendations as of June 2023	
BUY:	55
HOLD:	1
SELL:	0
UNDER REVIEW:	1
TENDER:	1
NOT RATED:	0
TOTAL	58

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