



## DECEMBER 2021 QUARTERLY ACTIVITIES REPORT

*Jaguar Mineral Resource soars 30% to 730,700t of contained nickel, paving the way for a potential increase in the scoped nickel sulphate production rate; Eleven diamond rigs to be on-site from February 2022 targeting further growth; \$75M institutional share placement completed subsequent to Quarter-end*

25 January 2022

### JAGUAR NICKEL SULPHIDE PROJECT

- ▶ **Updated JORC 2012 Mineral Resource Estimate (MRE)** confirms Jaguar as the world's premier near-surface nickel sulphide development project, with the Jaguar Global MRE increasing by 30% to:
  - **GLOBAL: 80.6Mt @ 0.91% Ni for 730,700t of contained nickel**
- ▶ Importantly, the Indicated component of the Global MRE has increased to:
  - **INDICATED: 43.4Mt @ 0.92% Ni for 397,000t of contained nickel**
- ▶ Step-out and extensional drilling has expanded the Resource beyond the May 2021 Scoping Study open pit and underground designs limits, highlighting the opportunity to **increase the currently scoped production rate**.
- ▶ Updated **Mining Lease Application lodged**, meaning that all key statutory reports required for the development of the Jaguar Project have now been submitted.
- ▶ **Nickel Sulphate Definitive Feasibility Study (DFS) advancing on multiple fronts:**
  - Updated MRE to underpin an update of the open-pit and underground optimisations and a suite of production profile trade-off studies scheduled to commence in January 2022.
  - Flotation testwork on 21 Jaguar composites (representative of +95% of the known mineralisation) has confirmed the 95% nickel sulphide recovery established for the May 2021 Nickel Sulphate Scoping Study.
  - Power supply route from the Tucumã sub-station defined and discussions with land-owners underway.
  - All 2021 road upgrade work under the Public Private Partnership with the São Felix do Xingu Municipality has been completed, delivering a significantly upgraded road for the benefit of the local community.
- ▶ **Eight diamond rigs currently drilling double-shift and a further three new diamond rigs to arrive on site in February 2022**, with a dual focus on project development (including in-fill and geotechnical drilling) and Resource growth.

### CORPORATE

- ▶ \$75 million institutional placement completed subsequent to Quarter-end to drive continued growth and development of the Jaguar Project.
- ▶ Centaurus shares commenced trading in the US on the OTCQX platform under the ticker OTCQX: CTTZF on 30 December 2021.
- ▶ Third key property secured at Jaguar, providing further security of land possession. Centaurus now has possession rights and access to over 2,000 hectares of land at Jaguar.
- ▶ Cash at 31 December 2021 of \$8.3 million.

#### Australian Office

Centaurus Metals Limited  
Level 2, 1 Ord St  
West Perth WA 6005  
AUSTRALIA

#### Brazilian Office

Centaurus Brasil Mineração Ltda  
Avenida Barão Homem de Melo, 4391  
Salas 606 e 607 - Estoril  
CEP: 30.494.275, Belo Horizonte MG  
BRAZIL

#### ASX: CTM

ACN 009 468 099  
office@centaurus.com.au  
T: +61 8 6424 8420

## JAGUAR NICKEL PROJECT

The Jaguar Nickel Sulphide Project, located in the world-class Carajás Mineral Province of northern Brazil (Figure 1), was acquired from global mining giant, Vale S.A. ("Vale") in April 2020.

The Company delivered a positive Value-Added Scoping Study in May 2021 confirming strong technical parameters and outstanding financial returns from the production of nickel sulphate from a 13-year open pit and underground mining operation. The production of nickel sulphate is proposed to be delivered by a conventional nickel flotation plant, followed by a Pressure Oxidation circuit to further value-add the nickel concentrate produced in the flotation plant to produce +20,000 tonne of nickel per annum<sup>1</sup> over the initial 13-year mine life.

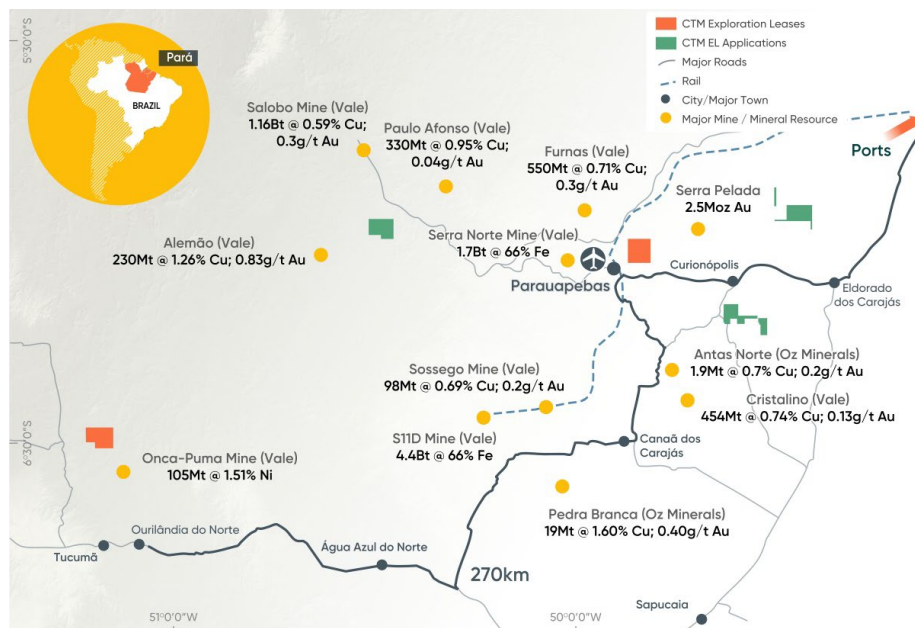
Following the robust and compelling economics seen in the Jaguar Value-Add Scoping Study, the Company has elected to move straight to a Definitive Feasibility Study (DFS) on the Project focused on the production of a nickel sulphate product.

Centaurus is already well advanced on many of the key components of the proposed project development, positioning the Company to complete the DFS by Q4 2022.

At the end of 2021, Centaurus updated its Mineral Resource Estimate (MRE) for the Jaguar Project to 80.6Mt @ 0.91% Ni for 730,700t of contained nickel, with 54 per cent of the MRE in the higher-confidence Indicated Resource category (43.4Mt grading 0.92% Ni for 397,000 tonnes of contained nickel). A further MRE update is planned for mid-2022 which will be the Resource used for completion of the DFS and the conversion of Resource to Reserve.

Through the development of the Jaguar Project, Centaurus' goal is to become a new-generation nickel sulphide mining company in Brazil, capable of delivering more than 20,000 tonne per annum of Class-1 nickel to global markets over the long term, and to do so in a sustainable and responsible manner that ensures the Company meets the highest possible ESG (Environmental, Social and Governance) standards.

Figure 1: Jaguar Nickel Sulphide Project Location Map



<sup>1</sup> Refer to the Value-Add Scoping Study released to the market on 31 May 2021 for full details of the Production Target and the material assumptions underlying the Study. All the material assumptions underpinning the Production Target continue to apply and have not materially changed.



## MINERAL RESOURCE UPDATE

Centaurus announced a further substantial increase in the Mineral Resource for the Jaguar Project during the December Quarter, confirming Jaguar's status as one of the largest nickel sulphide resources held by an ASX-listed company and the largest outside of the majors.

The updated **JORC 2012 Mineral Resource Estimate (MRE)**, comprising **80.6Mt @ 0.91% Ni for 730,700 tonnes** of contained nickel (Table 1), reflects the success of Centaurus' intensive resource in-fill, extensional and step-out drilling programs completed during 2021 and further reinforces the Tier-1 potential of the Jaguar Project.

**Table 1 – The Jaguar JORC Mineral Resource Estimate (MRE) – December 2021**

Classification*	Ore Type	Mt	Ni %	Grade			Ni	Contained Metal		
				Cu %	Co ppm	Zn %		Cu	Co	Zn
Indicated	Transition Sulphide	0.9	0.86	0.07	225	0.45	8,000	600	200	4,200
	Fresh Sulphide	42.4	0.92	0.06	260	0.41	389,000	23,400	11,000	174,000
	<b>Total Indicated</b>	<b>43.4</b>	<b>0.92</b>	<b>0.06</b>	<b>259</b>	<b>0.41</b>	<b>397,000</b>	<b>24,000</b>	<b>11,300</b>	<b>178,200</b>
Inferred	Transition Sulphide	1.0	0.77	0.08	251	0.24	7,500	800	200	2,300
	Fresh Sulphide	36.3	0.90	0.07	252	0.31	326,100	25,300	9,100	113,400
	<b>Total Inferred</b>	<b>37.2</b>	<b>0.90</b>	<b>0.07</b>	<b>251</b>	<b>0.31</b>	<b>333,700</b>	<b>26,100</b>	<b>9,400</b>	<b>115,700</b>
<b>Total</b>		<b>80.6</b>	<b>0.91</b>	<b>0.06</b>	<b>256</b>	<b>0.36</b>	<b>730,700</b>	<b>50,100</b>	<b>20,600</b>	<b>293,900</b>

\* Within pit limits cut-off grade 0.3% Ni; below pit limits cut-off grade 0.7% Ni; Totals are rounded to reflect acceptable precision, subtotals may not reflect global totals. All oxide material is considered as waste and therefore not reported as Resources.

The success of the in-fill resource development program has also resulted in an increase in the Indicated component of the Resource to **43.4Mt @ 0.92% Ni for 397,000t of contained nickel, representing 54% of the Global MRE**.

It is expected that the Indicated component of the MRE, which will be available for conversion to Ore Reserves as part of the Definitive Feasibility Study (DFS) due for completion next year, will continue to grow as further in-fill drilling is undertaken over the next six months. The Indicated Resource commences from surface and is predominantly located within the open pit limits of the May 2021 Nickel Sulphate Scoping Study.

**More than 500,000 tonnes of the contained nickel of the Global MRE lies within 200m of surface, representing +70% of the total contained metal.** The mineralisation remains open down-dip at all deposits and locally along strike, with outstanding potential to continue strong resource growth driven by step-out and extensional drilling targeting DHEM conductor plates and greenfields drilling of the extensive regional exploration pipeline.

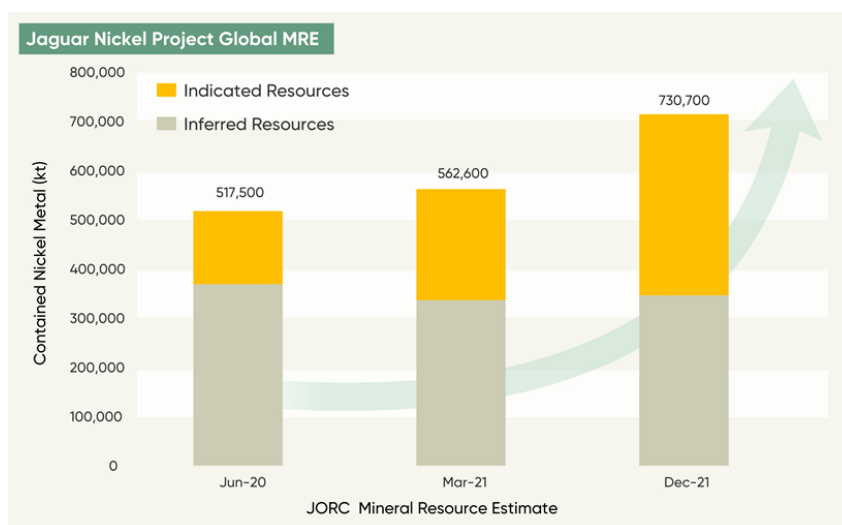
The total MRE at Jaguar has **increased by 30%** since the Scoping Study Resource Estimate was announced in March 2021 and **more than 40%** since the Company's maiden Resource was announced in June 2020.

Successful step-out and extensional drilling, together with recent exploration success, has delivered an exceptional 168,000 tonnes of additional contained nickel metal since the previous estimate in March 2021. In addition, Centaurus has added 213,000 tonnes of contained nickel since the Company's maiden Resource in June 2020 (see Figure 2 below), reflecting an impressive track record of defining new resources at the rate of ~140,000 tonnes of contained nickel per annum with sustained and focused drilling at Jaguar.

The new, larger resource will underpin mine optimisation and production profile studies set to start in Q1 2022 that will determine the optimal mine capacity for the development of the Project. Any expansion of the processing plant capacity and/or production profile is likely to have a material positive impact on the project economics and delivery of nickel-in-sulphate, which currently stands at 20,000ktpa for 13 years.

The success of the Company's in-fill drilling strategy has further de-risked the Project by increasing confidence in the shallow open pit mineralisation that will underpin early payback in any future mining operation at Jaguar.

Figure 2 – The Jaguar JORC Mineral Resource Estimate (MRE) Growth – December 2021



Full details of the updated MRE were provided in the Company's ASX Announcement dated 13 December 2021.

## DRILLING & EXPLORATION PROGRAMS

Resource in-fill, extensional and step-out drilling continued at the Jaguar Project throughout the reporting period, with drilling completed up to early November 2022 feeding into the MRE update outlined above, and subsequent drilling set to feed into the next MRE update scheduled for early Q3 2022.

Highlights from the drilling results reported during the December Quarter were provided in the Company's ASX Announcements dated 10 November and 13 December 2021. Eight diamond rigs are currently on-site drilling double-shift, with a further three new diamond rigs set to arrive before the end of February 2022.

## PROJECT DEVELOPMENT AND INFRASTRUCTURE INITIATIVES

During the Quarter, the following activities were undertaken and advanced in respect to project development initiatives and future infrastructure access.

### MINING

#### Mine Production Planning

The updated Mineral Resource Estimate (MRE) announced on 13 December 2021 will underpin an update of the open-pit and underground optimisations and a suite of production profile trade-off studies that will commence in January 2022. These studies will investigate what the new MRE can deliver in terms of production scalability, given that the current plant production capacity stands at 2.7Mtpa<sup>1</sup>. Any expansion of the processing plant capacity and/or production profile is likely to have a materially positive impact on the project economics set out in the Nickel Sulphate Scoping Study delivered to the market at the end of May 2021.

A number of studies have commenced to improve production planning and cost estimation for use in the DFS mine planning program. These include:

- Blasting studies to improve drill pattern design parameters and explosives selection to achieve the desired rock fragmentation;
- Location and layout of explosives magazine and emulsion storage facilities to facilitate permitting; and
- Updated productivity, fleet selection and costing for open pit mining contractors for open pit optimisation.



### Geotechnical

An update to the project geotechnical model is well advanced with a comprehensive geotechnical core logging program and correlation to updated geological lithological modelling completed. This work has defined a number of geotechnical domains for both open pit and underground mine planning. Drilling of an 8-hole, 2,000m geotechnical diamond drilling program has commenced.

This program will provide core for mechanical strength testwork in Q1 2022 and will assist in the quantification of geotechnical design parameters for open pit and underground mining, as well as dilution modelling for underground production planning.

In addition, drilling, test pitting and auger drilling commenced in October to provide information for infrastructure foundation design and to define clay sources for construction materials. The program, which is almost 50 per cent completed, has defined several potential construction material sources, with samples sent to a geotechnical laboratory for mechanical testing.

### PROCESSING

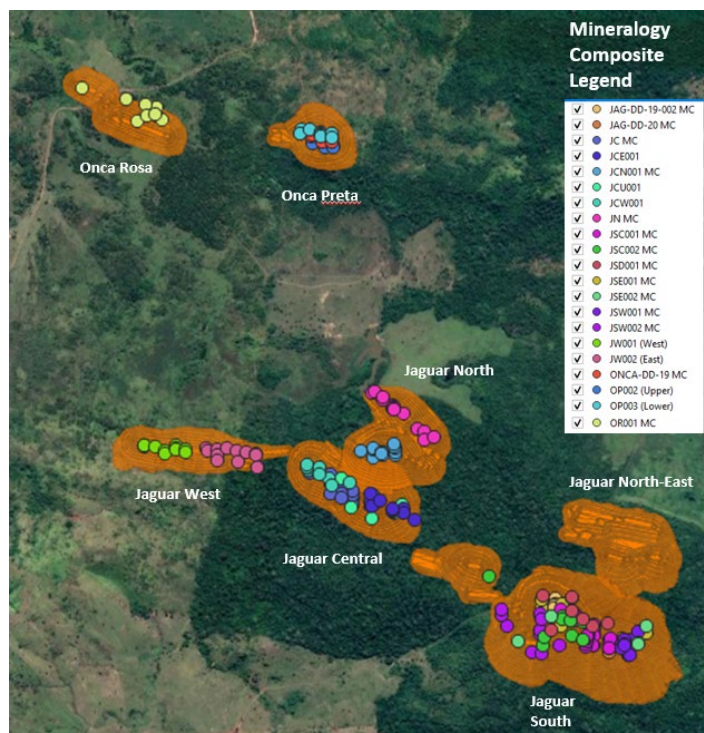
Significant work has been completed subsequent to the release of the Nickel Sulphate Scoping Study to increase the understanding of key project value drivers. A summary of these drivers (Mineralogy, Comminution, Ore Sorting, Flotation Response and Pressure Leaching Conditions) is outlined below.

### Mineralogy

Extensive mineralogical investigations are in their final stages. A total of 228 individual mineralogy composites have been selected from across the known sources of mineralisation at Jaguar. In total over 2,700m of drilling has provided the material for the mineralogical investigations, representing more than 95% of the mineralisation, with additional sample density given to ore anticipated to be mined during first three years and zones of high nickel concentrations (Figure 3).

In addition to comprehensive assaying, 128 of these samples have had x-ray diffraction (XRD) and optical mineralogy investigations completed, which have provided important information on the variability within these ore zones.

Figure 3: Mineralogy Sample Locations

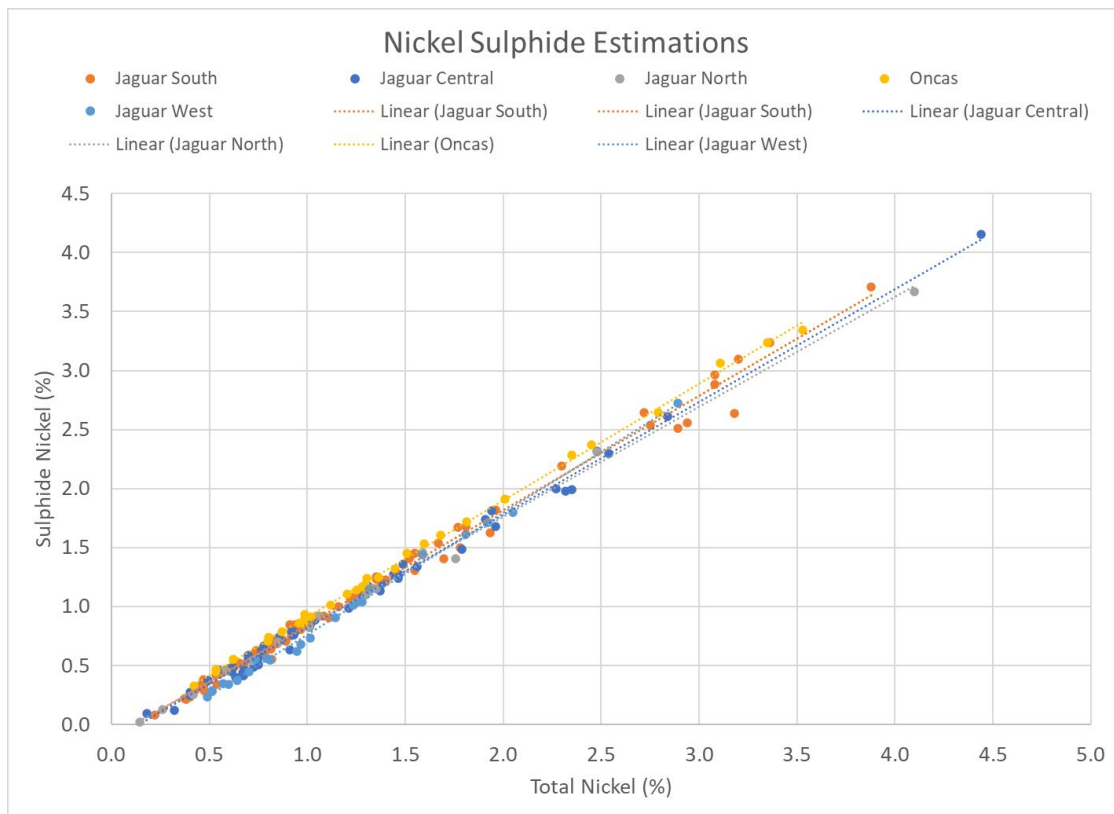




These studies have allowed detailed geo-metallurgical models to be developed representing +95% of the known mineralisation. Models include the determination of non-sulphide nickel grades of ore, recoveries of target minerals, flotation mass recovery to concentrate, ore hardness, ore work index and abrasion levels to be estimated and included within future mine scheduling activities.

This work has provided Centaurus with significant comfort in estimating the metal recovery from specific deposits and building accurate production schedules and cost structures for the DFS. Robust relationships between total nickel (as reported in drilling and resources) and nickel-in-sulphides (recoverable nickel) across the different deposits support the geo-metallurgical models as illustrated in Figure 4 below.

Figure 4: Nickel Sulphide Model



### Comminution

Material from the mineralogical investigations was subsequently composited into 24 spatially discrete comminution/flotation master composites for further comminution testwork to understand the expected power intensity range of the ore zones. The testing has identified that ore and waste possess similar characteristics and, at the primary grind selected ( $P_{80}$  75 $\mu$ m), the power intensities of the ore zones expected are moderate, with ball work indexes ranging from 13 to 18 kWh/t.

To finalise the testing required for the DFS, additional samples of PQ diamond drill core, which arrived in Perth from Brazil just before the end of December 2021, are planned to be tested in January 2022. With the completion of this testing, the detailed comminution modelling, design and subsequent mill sizing scope of works will be undertaken.

### Ore Sorting

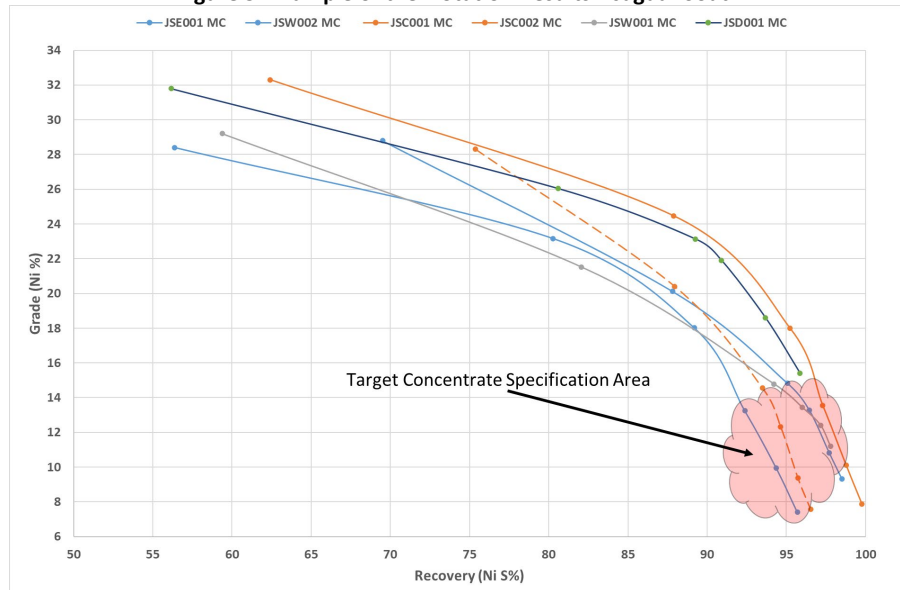
As noted above, the Company has shipped 3 tonnes of PQ drill core to Perth for testwork with 1.3 tonnes of the core earmarked for bulk tonnage detailed ore sorter testing. The samples are representative of the principal ore types identified in the Scoping Study as suitable for ore sorting, with physical testing planned to be completed by the end of March 2022.

### Flotation

As with the comminution compositing, 21 flotation composites (nine from Jaguar South, five from Jaguar Central, one from Jaguar North, two from Jaguar West, three from Onça Preta and one from Onça Rosa) have been created from the mineralogical studies and tested based on a conventional bulk concentrate nickel sulphide flowsheet to determine and model flotation recoveries and grades.

Testing continues to demonstrate that nickel sulphide recoveries between 90-99% can be expected across the various deposits at Jaguar. Overall, the 95% average sulphide recovery to target concentrate used in the Scoping Study has been confirmed. Figure 5 demonstrates the nickel sulphide recovery reproduced in flotation testing.

**Figure 5: Example of the Flotation Results – Jaguar South**



### Pressure Leaching

Batch pressure oxidation testwork has been completed to define autoclave operating conditions for the Pressure Oxidation circuit as part of the planned nickel sulphate process flow sheet at Jaguar. Seven 50kg flotation tests were completed to produce 30kg of concentrate required for this phase of pressure leach testwork. The ore used to create the concentrate was a blend of the Jaguar South, Jaguar Central and Jaguar North ore zones, which are expected to be main source of processed ore in the first three years of operation.

A total of 19 batch pressure leach tests have been completed at various temperatures, pressures, oxidation conditions, solids concentrations and oxygen addition rates. Testing has demonstrated that nickel extractions used in the Scoping Study can be achieved at significantly lower and more favourable pressure (10bar v 30bar) and temperature (165°C v 220°C) conditions. These conditions have the potential to deliver significant capital and operating cost savings as a result of lower material specifications to be adopted in the design of the autoclave and a reduced requirement for oxygen and limestone quantities during operations.

Reduced consumption of oxygen and limestone will also positively affect the Project's Green House Gas (GHG) emissions, which are already estimated to be a class-leading at 4.69 tonnes of CO<sub>2</sub>/tonne of nickel equivalent.

The batch pressure leach testing (Phase 1) has produced samples of leachate, containing nickel in solution, and residues. This testing has identified that 97-98% nickel extraction from concentrate into solution is reproducible.

Future leaching testing includes:

- Phase 2: Batch Continuous testing, to be completed in January 2022 to validate the batch testing results, conditions and autoclave leach times and allow preliminary neutralisation, solvent extraction and crystallisation development to commence; and
- Phase 3: Continuous leach testing to be completed after the results of Phase 2 is complete. Currently ~250kg of concentrate is being created for this phase from PQ core. This testing will determine the long-term stability of the operating conditions, select appropriate materials of construction, understand the effect of concentrate variability on performance and produce sufficient solutions for downstream processes (solvent extraction, crystallisation, etc). This phase is expected to start in February 2022 and will take four weeks to complete.

These tests will produce adequate volumes of the high-quality battery-grade Jaguar Nickel Sulphate product that will be used for product marketing and advancing off-take discussions.

## INFRASTRUCTURE

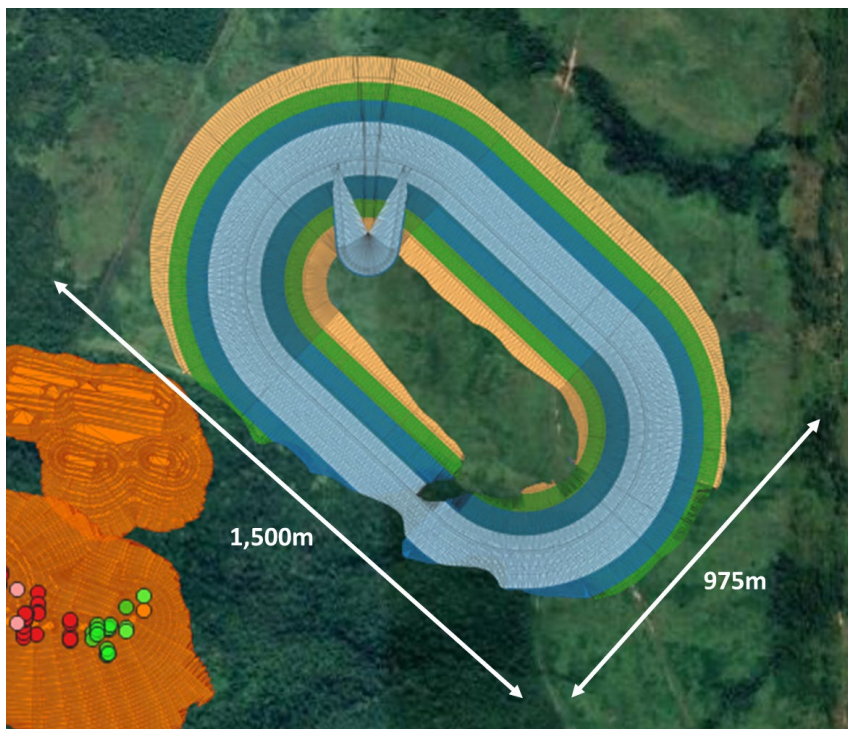
### Tailings Storage Facility

The conceptual design of the Tailings Storage Facility has been reviewed and adjusted to meet the current project requirements. The Integrated Waste Landform (IWL) tailings facility has been selected as it offers the highest level of safety which is suitable for the local climatic conditions.

The design has been developed in conjunction with tailings expert, Mr Chris Lane of Land & Marine Geological Services, and allowance has been made to store an additional 20% more tailings than what is currently expected from the Project to allow for future exploration success and production growth.

Figure 6 depicts the final tailings storage structure which is constructed in stages over the duration of the project under the industry best practice downstream methodology.

Figure 6: Tailings Storage Facility Design





### Site Road Access

The public road infrastructure between site and Tucumã is being upgraded by the Company. For the portion of the road in the São Felix do Xingu Municipality, the work undertaken by the Company is part of a Public Private partnership with the Municipality and this partnership has worked extremely well to deliver a significantly better road for the residents in the local community.

The 2021 upgrade program on the road in the São Felix do Xingu and Tucumã municipalities has now been completed and is performing well as planned with the onset of the wet season.

A selection of before and after photos (Figure 7) show the improvements made which will greatly improve public safety and site access for the Centaurus field teams and contractors.

Figure 7 – Road Upgrade Work completed as a result of the Public Private Partnership with the Sao Felix do Xingu Municipality



### Power Supply

The generation of power for the national power grid in north-eastern Brazil consists of hydro, solar, wind and thermal power generation facilities supplying the national network through a fully interconnected distribution system. The Tucumã substation, located 40km south of the Project, is serviced by a 138kV power line.

Electrical power will be provided to site from the national power grid sourced from the Tucumã 138kV sub-station via a new, dedicated line to the processing facilities. This new line will broadly follow the existing access road, however, will require separate right of use tenure.

A study to finalise the power line alignment is nearing completion and discussions with landowners and stakeholders has commenced.

## APPROVALS

### Mining Lease Application

Centaurus lodged an updated Mining Lease Application (MLA) with the ANM (*Agência Nacional de Mineração*/National Mining Agency), revising the original MLA lodged by Vale in 2013.

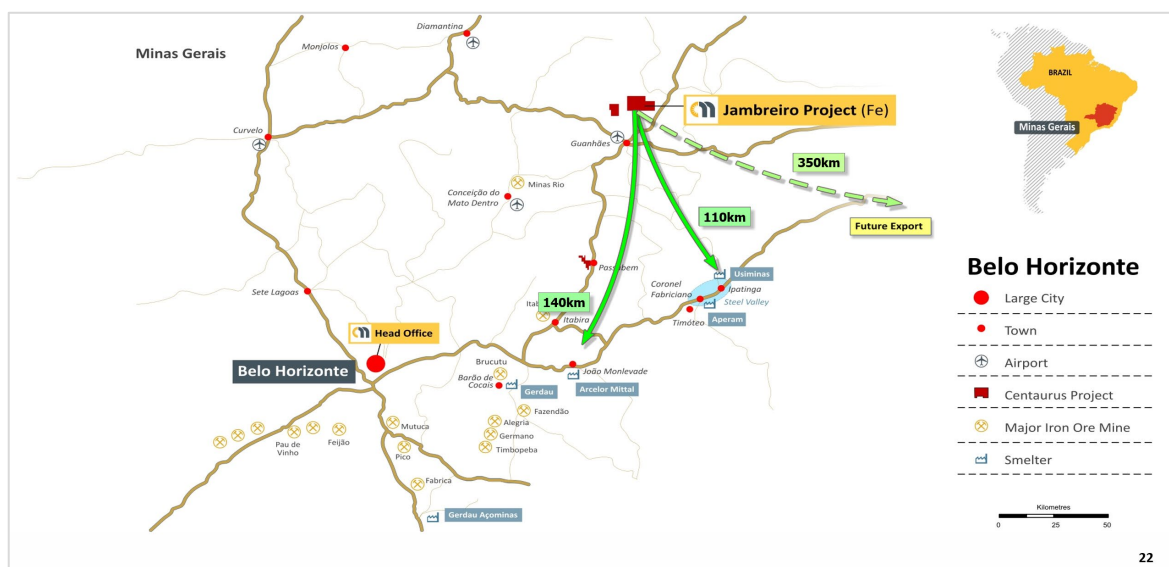
The MLA update accounts for the revision of the scale and scope of the mining and processing activities based on the Jaguar Nickel Sulphate Project outlined in the Scoping Study released in May 2021. The primary document in the MLA process is the PAE (*Plano de Aproveitamento Econômico*/Economic Utilization Plan), which demonstrates both the commercial viability of the Project as well as the Company's capacity to implement it.

The Company presented the detail of the PAE and Mining Lease Application to the ANM in Belem with the presentation being very well received.

## JAMBREIRO IRON ORE PROJECT

The Company's 100%-owned Jambreiro Project is located in south-east Brazil (Figure 8) close to the Company's head office in the city of Belo Horizonte.

Figure 8: Jambreiro Iron Ore Project Location



Centaurus completed the Pre-Feasibility Study (PFS) in July 2019, with the key financial and technical outcomes announced to the market on 5 July 2019.

The PFS was based on the JORC 2012 Proven and Probable Ore Reserves estimate of 43.3Mt grading 29.1% Fe, which was also released to the market on 5 July 2019. The Ore Reserve delivers 17.9Mt of high-grade (65% Fe), low-impurity (4.3% SiO<sub>2</sub>, 0.8% Al<sub>2</sub>O<sub>3</sub> & 0.01% P) sinter product to support the initial 18-year mine life once operations commence.



The Jambreiro Project's potential economics have continued to improve since the July 2019 PFS was completed. Revised PFS project economics were released to the market in the June 2020 Quarterly on 29 July 2020 using domestic iron ore pricing based on a 62% Fe CFR China Price of only US\$75/tonne, updated capital costs for the modularised plant from CDE Global and prevailing foreign exchange rates. This work delivered a post-tax NPV<sub>8</sub> of A\$147.2 million and an IRR of 37% over an 18-year mine life.

Jambreiro retains significant value for Centaurus and the Company continues to explore avenues to realise that value.

The Company has commenced the process to refresh all environmental licenses required to develop the project and as part of this process has applied for the renewal of the original Jambreiro Installation Licence (LI). The Agency has agreed to issue a joint LP/LI for the project and Centaurus has updated and lodged the EIA/RIMA (required for the LP) and the PCA (required for the LI) in July 2021.

The main changes to the project design that was originally approved in 2012 are:

- Elimination of the tailings dam through the inclusion of centrifuges at the back end of the process flowsheet to dewater the tailings and stockpile them on the waste dumps;
- Transforming the original tailings dam into a water storage dam, with a much smaller footprint;
- Development of two additional small open pits that are feasible due to current iron ore prices; and
- Reducing the project's overall project footprint by ~50% via the removal of the tailings dam.

The Company has also lodged the documentation to re-apply for all water permits necessary to operate the project. All water permits and environmental licences to build the Project were previously granted and should be granted again after the applications have been dually considered by the relevant agencies.

## CORPORATE

### **\$75M Institutional Share Placement**

Subsequent to the end of the Quarter, Centaurus received firm commitments from over 20 high-quality Australian and international institutional investors to raise \$75 million as part of an institutional placement (Placement) to underpin the next phase of growth and development of the Jaguar Project.

Specifically, the funds will be used to complete a Definitive Feasibility Study (DFS) for Jaguar and maintain the Company's very strong existing drilling momentum. A 90,000m drill program planned for 2022 will include significant ongoing diamond drilling designed to maximise the Measured and Indicated components of the extensive Resource inventory ready for Reserve conversion. Funds will also be used for pre-development and financing activities ahead of a planned Final Investment Decision (FID) on the Project.

There was very strong demand for the Placement from over 20 Australian and international institutional investors as well as existing substantial shareholders, including affiliates of the Sprott Group, McCusker Holdings, Dundee Goodman Merchant Partners and Harmanis Holdings. Institutional bidding under the placement significantly exceeded the \$75 million Placement amount and bids were scaled to accommodate the strong demand.

The proceeds of the Placement will increase the Company's cash balance to approximately A\$83 million, significantly strengthening its balance sheet as it completes DFS activities and advances the Project through to FID.



## Commencement of trading on OTCQX Market

Centaurus' shares commenced trading in the US on the OTCQX platform under the ticker OTCQX: CTTZF on 30 December 2021.

The OTCQX Best Market is the highest tier of OTC Markets Group's market platforms, on which 11,000 US and global securities trade. In order to be eligible for the OTCQX, companies must meet high financial standards, follow best practice corporate governance and demonstrate compliance with applicable US securities law.

Trading on the OTCQX will enhance the visibility and accessibility of Centaurus to the extensive market of North American retail, high net worth and institutional investors. The primary advantages to North American investors of Centaurus' inclusion on the OTCQX platform include:

- It allows trading of Centaurus' securities in the local timezone;
- Trades and settlements are conducted in US Dollars with no exchange rate risk or additional FX fees; and
- The OTCQX share is the same class of Ordinary Share to ASX traded stock (ASX: CTM).

Centaurus' primary listing will continue to be the Australian Securities Exchange ("ASX") with its shares now also tradeable on the OTCQX market ([www.otcmkt.com](http://www.otcmkt.com)).

## Property Acquisition

Centaurus secured possession of a further key piece of land covering the Jaguar Project during the Quarter following the completion of a new Possession Agreement.

This latest agreement, which follows the first two properties secured in March and April this year, covers an area of approximately 533 hectares of pasture land (see images below) and provides further security of land possession for the long-term benefit of the Jaguar Project. Importantly, the new agreement covers the land where the proposed Jaguar flotation and nickel sulphate production facility is to be located.

Together with the land secured earlier in the year (see ASX releases of 25 March and 23 April 2021), the Company now has possession rights and access to over 2,000 hectares of land at Jaguar. Securing full possession rights to the key properties de-risks the Company's development pathway at Jaguar.

The possession rights under this latest agreement have been secured for total consideration of R\$10.4 million (~A\$2.5 million), with the consideration to be paid in instalments over the next two years. An upfront consideration of R\$5.0 million (~A\$1.2 million) has now been paid. The land payments have been budgeted for as part of planned Feasibility Study activities.

During the Quarter, the second instalment (in the amount of R\$2.25m (~A\$0.6m)) for one of the properties secured earlier in 2021, was paid to the vendor.

## Cash Position

At 31 December 2021, the Company held cash reserves of A\$8.3 million.

## COVID-19 Response

Centaurus continues to maintain stringent health and safety protocols to protect its workers, their families and the wider community while at the same time maintaining business continuity.

These protocols include retaining a dedicated nurse to conduct regular COVID-19 testing, revised working arrangements, supply of suitable PPE and social distancing practices.

At the end of the quarter, 100% of all employees and contractors working on site had had their second vaccination to protect against Covid-19.





## Shareholder Information

The Company's capital structure as at 31 December 2021 is as follows:

### Quoted Securities

Capital Structure	Number
Fully paid ordinary shares (CTM)	358,291,616
Top 20 Shareholders	64.8%
Directors and Management Shareholding of Listed Securities	4.5%

### Unquoted Options

The following table shows a summary of the unquoted options on issue at Quarter end.

Expiry Date	Exercise Price	Vested	Unvested
31/05/22	\$0.180	116,667	-
31/05/22	\$0.225	2,233,335	-
31/05/22	\$0.378	1,400,000	-
31/05/23	\$0.180	116,667	-
31/05/23	\$0.392	-	1,400,000
31/12/23	-	-	3,952,402
31/05/24	\$0.180	-	233,334
31/05/24	\$0.405	-	1,400,000
31/12/24	-	-	1,134,372
		<b>3,866,669</b>	<b>8,120,108</b>

### Listing Rule 5.3 Information

1. ASX Listing Rule 5.3.1: Exploration and Evaluation Expenditure during the Quarter was \$4.537 million. Details of the exploration activities to which this expenditure relates are set out above.
2. ASX Listing Rule 5.3.2: There were no mining production and development activities during the Quarter.
3. ASX Listing Rule 5.3.5: Payments to related parties of the Company and their associates during the Quarter totalled \$210,000. These payments relate to non-executive directors' fees, executive directors' salaries and entitlements and payments to MPH Lawyers, a director related entity, for the provision of legal services.



**Additional Information Required by Listing Rule 5.3.3**

**Brazilian Tenements**

Tenement	Project Name	Location	Interest
831.638/2004	Canavial	Minas Gerais	100%
831.639/2004	Canavial	Minas Gerais	100%
831.649/2004	Jambreiro (Mining Lease)	Minas Gerais	100%
833.409/2007	Jambreiro (Mining Lease)	Minas Gerais	100%
834.106/2010	Jambreiro (Mining Lease)	Minas Gerais	100%
831.645/2006	Passabém	Minas Gerais	100%
830.588/2008	Passabém	Minas Gerais	100%
833.410/2007	Regional Guanhães	Minas Gerais	100%
856.392/1996	Jaguar (Mining Lease Application)	Pará	100%
850.130/2013	Pebas	Pará	100%
850.475/2016	Itapitanga	Pará	100%
851.571/2021	<No name>	Pará	100%

**Australian Tenements**

Tenement	Project Name	Location	Interest
EPM14233	Mt Isa	Queensland	10% <sup>(1)</sup>

1. Subject to a Farm-Out and Joint Venture Exploration Agreement with Summit Resources (Aust) Pty Ltd. Summit has earned a 90% interest in the Project. Aeon Metals Limited has acquired 80% of Summit's Interest giving them a total interest of 72% of the tenement.

This Quarterly Activities Report is authorised for release by the Managing Director, Mr Darren Gordon.

**DARREN GORDON**  
**MANAGING DIRECTOR**



## Competent Person's Statements

*The information in this report that relates to Exploration Results is based on information compiled by Mr Roger Fitzhardinge who is a Member of the Australasia Institute of Mining and Metallurgy. Mr Fitzhardinge is a permanent employee and shareholder of Centaurus Metals Limited. Mr 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'. Mr Fitzhardinge consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

*The information in this report that relates to the December 2021 Jaguar Mineral Resources is based on information compiled by Mr Lauritz Barnes (consultant with Trepanier Pty Ltd) and Mr Roger Fitzhardinge (a permanent employee and shareholder of Centaurus Metals Limited). Mr Barnes and Mr Fitzhardinge are both members of the Australasian Institute of Mining and Metallurgy. Mr Barnes and Mr Fitzhardinge have sufficient experience of relevance to the styles of mineralisation and types of deposits under consideration, and to the activities undertaken to qualify as Competent Persons as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Specifically, Mr Fitzhardinge is the Competent Person for the database (including all drilling information), the geological and mineralisation models plus completed the site visits. Mr Barnes is the Competent Person for the construction of the 3-D geology / mineralisation model plus the estimation. Mr Barnes and Mr Fitzhardinge consent to the inclusion in this report of the matters based on their information in the form and context in which they appear.*

*The information in this report that relates to Jambreiro Mineral Resources is based on information compiled by Roger Fitzhardinge who is a Member of the Australasian Institute of Mining and Metallurgy and Volodymyr Myadzel who is a Member of Australian Institute of Geoscientists. Roger Fitzhardinge is a permanent employee of Centaurus Metals Limited and Volodymyr Myadzel was the Senior Resource Geologist of BNA Mining Solutions, independent resource consultants engaged by Centaurus Metals, at the time when the Mineral Resource estimate was first completed. Roger Fitzhardinge and Volodymyr Myadzel have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are 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 and Volodymyr Myadzel consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.*

*The information in this report that relates to Ore Reserves is based on information compiled by Beck Nader who is a professional Mining Engineer and a Member of the Australian Institute of Geoscientists. Beck Nader is the Managing Director of BNA Mining Solutions and is a consultant to Centaurus. Beck Nader 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'. Beck Nader consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Centaurus Metals Limited

ABN

40 009 468 099

Quarter ended ("current quarter")

31 December 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(4,537)	(12,895)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(583)	(2,674)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	61	241
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(5,059)</b>	<b>(15,328)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	(500)	(1,000)
(c) property, plant and equipment	(1,031)	(3,323)
(d) exploration & evaluation	(721)	(1,485)
(e) investments	-	-
(f) other non-current assets	-	-



## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(2,252)</b>	<b>(5,808)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	5,463
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(3)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>5,460</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	15,805	24,089
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(5,059)	(15,328)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,252)	(5,808)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	5,460

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(234)	(153)
4.6	Cash and cash equivalents at end of period	8,260	8,260

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	7	23
5.2	Call deposits	8,253	15,782
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	8,260	15,805

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	210
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<p><i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i></p> <p>Remuneration paid to Executive Directors \$171,000 Fees paid to Non-Executive Directors \$39,000</p>		

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7.	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	-	-
7.5	<b>Unused financing facilities available at quarter end</b>		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(5,059)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(5,059)
8.4	Cash and cash equivalents at quarter end (item 4.6)	8,260
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	8,260
8.7	<b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	1.6
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>		
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: Yes		
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: The Company announced a \$75m institutional placement on 21 January 2022.		

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes

*Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.*

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 25 January 2022

Authorised by: Darren Gordon – Managing Director  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.