AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT
AND MEDIA RELEASE

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CENTAURUS ACQUIRES OFFTAKE RIGHTS OVER THE JAGUAR NICKEL SULPHIDE PROJECT IN BRAZIL

Pivotal agreement opens up new opportunities for strategic funding and partnerships on unencumbered future volumes of low-carbon nickel sulphate for the rapidly growing battery materials sector

- **Centaurus acquires 100% of the offtake rights for all Jaguar nickel products from Vale in exchange for an increase in Vale's Net Operating Royalty (Royalty) over the Project.**
- **Royalty to be increased by 1.2% for nickel sulphate product and 1.25% for nickel concentrate and other products produced from Jaguar.**
- **Extinguishing Vale's offtake rights provides Centaurus with control and optionality over future marketing and sales of Jaguar's strategic, long life, low-greenhouse gas emission nickel sulphate product, which is expected to be strongly aligned with the rapidly growing Western battery market.**
- **Clean transaction structure allows the Company to preserve its cash reserves for ongoing DFS and project development activities and avoids any equity dilution of existing Centaurus shareholders while delivering enhanced funding and partnering flexibility.**
- **Significantly broadens the strategic pathways available to Centaurus to fund and further de-risk the development of Jaguar against the backdrop of robust demand growth for nickel sulphate products globally.**
- **With an increased life-of-mine royalty, Vale's alignment to the success of the Jaguar Project has been strengthened, benefiting all project stakeholders.**

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Centaurus Metals Limited (ASX Code: CTM, OTCQX: CTTZF; **Centaurus** or the **Company**) is pleased to announce that it has entered into a transaction agreement (**Transaction**) with Vale Base Metals, via its subsidiary Salobo Metais S.A (**Vale**), whereby Vale has agreed to extinguish its right to 100% of the nickel offtake (**Offtake Rights**) from the Jaguar Nickel Sulphide Project (**Jaguar** or the **Project**) in northern Brazil in exchange for an increase in their existing royalty from the Project.

The Offtake Rights stem from the original Jaguar Sale & Purchase Agreement (**SPA**) of 30 August 2019, when Centaurus acquired 100% of the Jaguar Project from Vale.

Vale has now agreed to extinguish the Offtake Rights in exchange for an additional royalty over Jaguar on the same terms as the royalty arrangements included as part of the original Jaguar SPA, which increases Vale's total Net Operating Revenue royalty over Jaguar to 1.75% for nickel sulphate and 2.00% for nickel concentrate and other products produced from the Jaguar Project.

The increase in the Net Operating Revenue royalty of 1.20% for nickel sulphate and 1.25% for nickel concentrate and other products produced from Jaguar is designed to compensate Vale for its previous contractual rights under the SPA, while at the same time allowing Centaurus to explore funding and offtake options with a wide array of potential end-users of the nickel sulphate product from Jaguar.

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Offtakes for battery raw materials are in increasingly high demand from OEMs, battery manufacturers and other groups, including traders, and it is this interest that is anticipated to open up a wide variety of new funding options for the Jaguar Project. There has been notable interest from these groups in securing physical offtake of nickel products with a low carbon footprint and strong ESG credentials, as is the case with Jaguar.

Following the transaction, Centaurus will have full control and optionality over the sale and marketing of Jaguar's strategic, long-life, low-greenhouse gas emission nickel sulphate product, which is expected to be strongly aligned with the rapidly growing Western battery market.

Centaurus' Managing Director, Mr Darren Gordon, said the Transaction represented a pivotal moment in the development pathway for the Jaguar Nickel Sulphide Project, one of the largest undeveloped and highest grade open pittable nickel sulphide projects globally.

"We are very pleased to have reached a mutually beneficial agreement with Vale on this transformational deal – which reflects the strong relationship we have built up with them over a number of years and delivers an outstanding outcome for all project stakeholders.

"Securing 100% control over the sale of our nickel sulphate product will significantly increase the suite of strategic pathways available to us to fund and de-risk the Jaguar development.

"We anticipate that our low-greenhouse gas emission nickel sulphate product will be highly sought after in the global market, particularly amongst end-users, with Centaurus now able to freely explore a range of strategic funding and offtake options to support the Project's development. The battery materials market is expanding exponentially, and we are increasingly seeing OEMs and other EV battery players moving further upstream as they seek to secure long-term supplies of key raw materials.

"The clean transaction structure allows the Company to retain its cash for ongoing DFS and project development activities at Jaguar and avoids any equity dilution of existing Centaurus shareholders while delivering enhanced funding and partnering flexibility.

"The doubling in Jaguar's Measured and Indicated Mineral Resource Estimate (MRE) late in 2022 and the recent production of a high-quality battery grade nickel sulphate product from the Company's refinery pilot plant test work program has cemented its position as a Tier-1 global nickel sulphide development Project with class-leading GHG emission credentials. With the unencumbering of the nickel units held within the Jaguar Project, the Company can now actively explore a much wider variety of funding options at both a corporate and project level."

Vale has been an important part of Centaurus' history, and the Company looks forward to continuing this positive track record of collaboration.

-ENDS-

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