

Centaurus Metals Limited

and its controlled entities

ABN 40 009 468 099

Condensed Interim Financial Report

30 June 2021

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Directors' Report

Your directors present their interim financial report for the Consolidated Entity ("Group") consisting of Centaurus Metals Limited ("Centaurus" or "the Company") and the entities it controlled at the end of, or during, the half-year ended 30 June 2021.

Directors

The following persons were directors of the Company during the half-year and up to the date of this report:

Mr D M Murcia
Mr D P Gordon
Mr M D Hancock
Mr B R Scarpelli
Mr C A Banasik

Review of Operations

Financial Position

The total comprehensive consolidated loss for the half-year was \$5,721,769 (2020: \$6,868,331). Included in the loss is exploration expenditure of \$4,682,835 (2020: \$3,276,182).

At the end of the half-year the Group had a net cash balance of \$20,367,784 (2020: \$24,089,281) and net assets of \$27,663,062 (2020: \$26,118,316).

Overview

The half year ending 30 June 2021 was a period of significant activity for the Company with the formal completion of Base Case and Value Add Scoping Studies for the Jaguar Nickel Project. Both studies demonstrate the outstanding potential of the Jaguar Project and showcase its credentials as a significant new global nickel sulphide project.

Jaguar Nickel Project

Scoping Studies

The Jaguar Nickel Sulphide Project was acquired from global mining giant, Vale S.A. (Vale) in August 2019. Formal completion of the acquisition occurred in April 2020 following receipt of approval from the Brazilian National Bank for Economic and Social Development (BNDES) for the assignment from Vale to Centaurus of BNDES' royalty interest in the Project.

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 sulphides 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.

Since completing the acquisition, Centaurus has defined a total Mineral Resource Estimate (MRE) for the Jaguar Project of 58.9Mt @ 0.96% Ni for 562,600t of contained nickel, with 40 per cent of the MRE in the higher-confidence Indicated Resource category (20.1Mt grading 1.12% Ni for 225,800 tonnes of contained nickel)¹.

The March 2021 MRE underpins both the Base Case and Value Add Scoping Studies which were announced on 29 March 2021 and 31 May 2021 respectively. The March 2021 MRE is detailed in Table 1 below.

¹ Refer ASX announcements dated 29 March 2021 and 31 May 2021. The Company confirms that the material assumptions detailed in the announcements continue to apply and have not materially changed.

Table 1: The Jaguar JORC Mineral Resource Estimate (MRE) – March 2021

Classification	Ore Type	Tonnes		Grade		Contained Metal Tonnes		
		Mt	Ni %	Cu %	Co ppm	Ni	Cu	Co
Indicated	Transition Sulphide	0.7	0.96	0.08	250	6,900	600	200
	Fresh Sulphide	19.4	1.13	0.07	326	218,900	14,200	6,300
	Total Indicated	20.1	1.12	0.07	323	225,800	14,800	6,500
Inferred	Transition Sulphide	0.9	0.79	0.07	239	6,800	600	200
	Fresh Sulphide	37.9	0.87	0.06	230	330,000	23,500	8,700
	Total Inferred	38.8	0.87	0.06	230	336,800	24,100	8,900
Total		58.9	0.96	0.07	262	562,600	38,900	15,400

* Within 200m of surface cut-off grade 0.3% Ni; more than 200m from surface cut-off grade 1.0% Ni; Totals are rounded to reflect acceptable precision, subtotals may not reflect global totals.

The Company delivered a positive Base Case Scoping Study in March 2021 that confirmed strong technical and economic outcomes from the development of a 10-year open pit and underground mining operation using a conventional nickel flotation plant to produce 20,000 tonne of nickel per annum in concentrate.

This was followed by the delivery of a Value-Added Scoping Study in May 2021 that confirmed the potential for outstanding financial returns from the production of nickel sulphate through the inclusion of a Pressure Oxidation circuit to further value-add the nickel concentrate produced in the flotation plant.

The key project outcomes are shown in Table 2 below.

Table 2: Key Metrics - Jaguar Base Case and Value-Add Scoping Studies

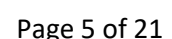
Key Physical Results	Units	Base Case	Value-Add Case
Production Target - Physicals			
Mining	Mt	32.8	45.0
Grade	%	0.84	0.80
Contained Nickel	t	275,600	361,700
Milling	Mt	24.0	33.7
Grade	%	1.08	1.01
Contained Nickel	t	260,300	341,300
Production			
Nickel Concentrate/Sulphate	t	1,285,000	1,175,500
Contained Nickel	t	203,300	262,100
Project Life	Years	10.0	12.9
Key Capital and Operating Cost Results			
Capital Costs			
Development Capital	US\$M	178	288
Sustaining and Deferred Capital	US\$M	138	213
Operating Costs (100% payable basis)			
Total Operating Costs	US\$/lb	2.66	3.57
All-in Sustaining Costs (AISC)	US\$/lb	2.97	3.94
All-in Costs	US\$/lb	3.37	4.43
Cash Operating Margin	US\$/lb	2.74	4.27
Key Financial Outcomes			
Total Revenue	US\$M	2,422	4,532
EBITDA	US\$M	1,230	2,443
Average Annual pre-tax Operating Cash Flow	US\$M	123	189
Project Cashflow - post Tax	US\$M	778	1,566
NPV ₈ - post Tax	US\$M	452	831
Project Cashflow - post Tax	A\$M	1,036	2,088
NPV ₈ - post Tax	A\$M	603	1,108
IRR - post Tax	%	54%	52%
Capital Payback Period – post Tax	Years	1.9	1.8

Centaurus is already well advanced on many of the key components of the proposed project development and is targeting completion of the DFS by Q4 2022.

Resource in-fill, extensional and step-out drilling continued at the Jaguar Project throughout the reporting period, with 65,000 metres of diamond and RC drilling underway aimed at delivering an updated MRE in Q4 of 2021.

In-fill drilling is being complemented by extensional drilling, testing extensions of the mineralisation along strike beyond current pit limits as well as new zones within the current pit limits that have been identified to the north and south of the main mineralised zones.

Figure 1: The Jaguar South Deposit: Cross-Sections 478040mE showing significant drill intersections in yellow and DHEM conductor plates in grey.



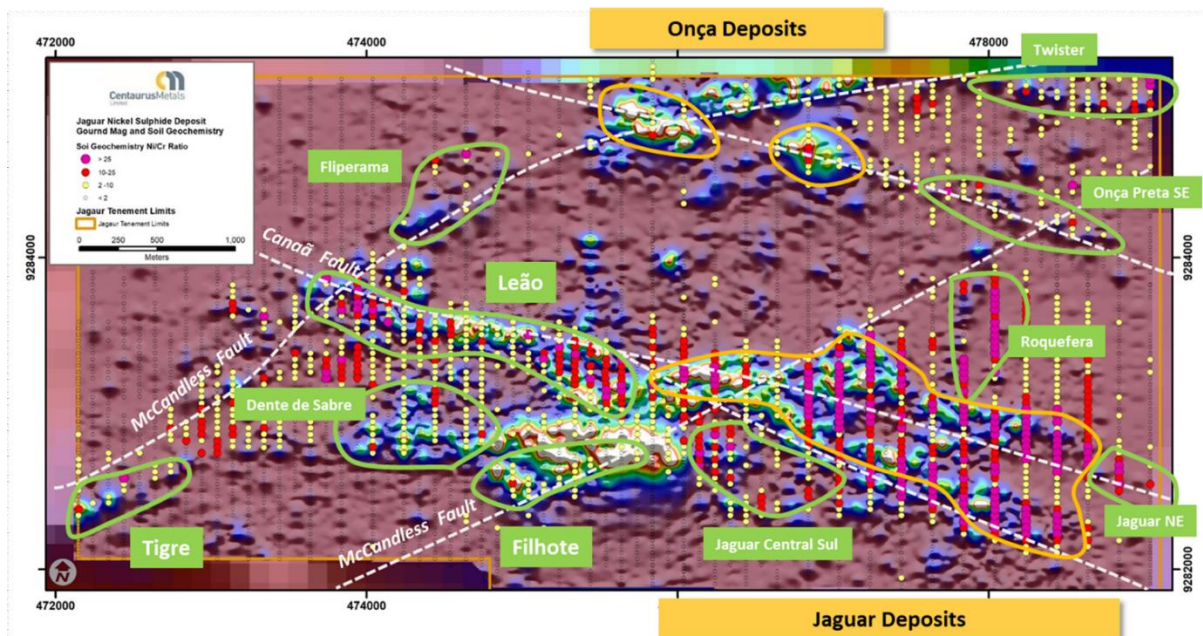
The Value-Add Scoping Study demonstrated that underground operations are viable at the Jaguar Central Deposit. Step-out drilling during the period consistently intersected thick zones of high-grade mineralisation, indicating the potential to either extend the planned open pit at depth and/or establish additional Resources for the future underground operations.

Greenfields Exploration

The Jaguar Project sits at the intersection of two of the most important mineralising structures in the Carajás Mineral Province, the Canãa and McCandless Faults. There are multiple prospects and targets that have yet to be drill-tested within the Jaguar Project, characterised by magnetic and/or electromagnetic (EM) anomalies coincident with significant soil geochemical support.

During the period, the Company commenced a 25,000m high-impact Reverse Circulation (RC) drilling program targeting new discoveries outside the known resources at Jaguar. The drilling program is testing 10 high-priority greenfields nickel sulphide and Platinum Group Element (PGE) exploration targets identified from airborne electromagnetic surveys (GeoTEM), detailed ground magnetics and soil geochemistry. The priority targets and the Jaguar and Onça deposits are shown in Figure 2 below.

Figure 2: Jaguar Exploration Prospects



Infrastructure & Project Development Initiatives

During the period activities were progressed in respect of key Project Development initiatives that focused on approvals and future infrastructure access.

Property Possession Agreement

Centaurus secured possession of a further key area of land that covers the Jaguar Project following the completion of a second Possession Agreement during the period. This agreement covers an area of approximately 550 hectares and provides further security of land possession for the long-term benefit of the Project.

This latest agreement follows the land possession agreement previously announced on 25 March 2021 and provides the Company with possession and access rights to approximately 1,500 hectares, representing approximately 85% of the area where project Mineral Resources are presently defined. Securing full possession rights to the property further de-risks the Company's development pathway at Jaguar.

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Environmental Approval Process

The Company progressed the Environmental Impact Assessment (EIA/RIMA) for the Jaguar Project during the period with the document being lodged with the Para State Environmental Agency (SEMAS) subsequent to the end of the period.

The EIA/RIMA should take approximately 12 months to be approved with a Preliminary Licence (LP) to be issued on approval of the EIA/RIMA. This is the key milestone in the Environmental Approval Process.

The Company will make application for the Installation Licence (LI) upon the grant of the LP. The LI is the approval which allows construction of the processing plant to proceed.

Public Private Partnership with São Félix do Xingu Municipality

The Company entered into a Public Private Partnership with the Sao Felix Do Xingu municipality during the period for the upgrade of the municipal roads from the project site to where the road joins the Tucumã municipality to the south.

Under the partnership the São Félix municipality have supplied most of the heavy earthmoving equipment necessary to upgrade the road whilst Centaurus will provide the borrowed material, culverts, fuel, labour for surface activities and water/fuel truck to complete the road upgrade work.

The upgraded road will have major benefits for the local community and the Centaurus team by creating a much easier and safer drive (particularly during the wet season) to access supplies in the nearby city of Tucumã. The road upgrade works will also provide ongoing long-term benefits and reduce the amount of upgrade work that may need to be undertaken in future years as the project progresses through the development path.

Jambreiro Iron Ore Project

The Company's 100%-owned Jambreiro Project, located in south-east Brazil represents a strategic asset in the Brazilian domestic iron ore and steel sector, particularly with the premium pricing that exists in the market for high-grade ore (+65% Fe) such as that which could be produced at Jambreiro.

Jambreiro retains significant value for Centaurus and the Company is working to realise that value, through offtake, financing and development or joint venture development of the Project through innovative non-dilutive funding and/or partnering options.

Preliminary discussions with interested third-parties in this regard have prompted the Company to refresh all environmental licenses and as such the Company 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) subsequent to the end of the period in July 2021.

Corporate

The Annual General Meeting of the Company's shareholders was held on 28 May 2021, with all resolutions passed unanimously by a poll.

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.

The Company has made important contributions to the local municipal health services of Tucumã and São Félix do Xingu to better equip them for the delivery of health services in these communities.

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An upgrade to the site camp was completed during the period and will assist in protecting workers and their families from the impacts of COVID-19. Having employees stay on site during the week and limiting contact with the broader local communities is proving to be effective in protecting workers from the virus.

Events Subsequent to Reporting Date

As noted above, subsequent to the end of the period, the Company lodged the Environmental Impact Assessment (EIA/RIMA), the key environmental approval documentation for the development of the Jaguar Project, with the State environmental authority SEMAS in the State of Pará.

Subsequent to year end, the Company announced that it had made 2 appointments to its senior leadership team. Highly-experienced international mining executive Mr Wayne Foote was appointed as General Manager – Operations and the Company's external legal counsel, Ms Júlia Oliveira, joined Centaurus' in-house team in Brazil as Legal and Commercial Manager.

Other than these events there has not arisen, in the interval between the end of the period and the date of this report an item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 for the half-year ended 30 June 2021 is set out on page 9.



Darren Gordon
Managing Director

9 September 2021



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Centaurus Metals Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Centaurus Metals Limited for the half-year ended 30 June 2021 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

GL + 177

Graham Hogg

Partner

Perth

9 September 2021

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Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 30 June 2021

	30 June 2021 \$	30 June 2020 \$
Other income	-	434,577
Exploration expenditure	(4,682,835)	(3,276,182)
Loss from financial liability at fair value through profit or loss	-	(1,367,190)
Impairment of other receivables	(242,844)	(100,526)
Employee benefits expense	(804,249)	(648,243)
Share based payment expense	(403,886)	(206,820)
Occupancy expenses	(23,673)	(19,222)
Listing and share registry fees	(65,801)	(51,521)
Professional fees	(170,322)	(124,353)
Depreciation	(51,447)	(9,266)
Other expenses	(119,167)	(220,303)
Results from operating activities	(6,564,224)	(5,589,049)
Finance income	94,898	57,109
Finance expense	(4,551)	(3,074)
Loss before income tax	(6,473,877)	(5,535,014)
Income tax benefit	-	-
Loss for the period	(6,473,877)	(5,535,014)
Other Comprehensive Income		
Items that may be reclassified subsequently to profit or loss		
Exchange differences arising on translation of foreign operations	752,108	(1,333,317)
Other comprehensive income/(loss) for the period	752,108	(1,333,317)
Total comprehensive loss for the period	(5,721,769)	(6,868,331)

The above Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

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Condensed Consolidated Statement of Financial Position

As at 30 June 2021

	Note	30 June 2021 \$	31 December 2020 \$
Current assets			
Cash and cash equivalents		20,367,784	24,089,281
Other receivables and prepayments		284,160	201,549
Total current assets		20,651,944	24,290,830
Non-current assets			
Other receivables and prepayments		9,598	12,765
Property, plant and equipment	4	5,166,830	784,994
Exploration and evaluation assets	5	10,949,965	8,764,153
Total non-current assets		16,126,393	9,561,912
Total assets		36,778,337	33,852,742
Current liabilities			
Trade and other payables		1,820,728	1,940,965
Financial Liability	6	5,086,840	2,400,000
Employee benefits		456,207	317,946
Lease Liability		117,436	88,599
Total current liabilities		7,481,211	4,747,510
Non-current liabilities			
Financial Liability	6	1,107,717	2,734,569
Lease Liability		313,854	65,510
Employee benefits		212,493	186,837
Total non-current liabilities		1,634,064	2,986,916
Total liabilities		9,115,275	7,734,426
Net assets		27,663,062	26,118,316
Equity			
Share capital	7	162,965,101	155,905,034
Reserves		(7,309,007)	(8,267,563)
Accumulated losses		(127,993,032)	(121,519,155)
Total equity		27,663,062	26,118,316

The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Changes in Equity

For the half-year ended 30 June 2021

	Issued Capital \$	Share-Based Payments Reserve \$	Foreign Currency Translation Reserve \$	Accumulated Losses \$	Total Equity \$
Balance at 1 January 2021	155,905,034	954,934	(9,222,497)	(121,519,155)	26,118,316
Loss for the period	-	-	-	(6,473,877)	(6,473,877)
Foreign currency translation difference for foreign operations	-	-	752,108	-	752,108
Total comprehensive loss for the period	-	-	752,108	(6,473,877)	(5,721,769)
Share-based payment transactions	-	403,886	-	-	403,886
Share options exercised	5,462,629	-	-	-	5,462,629
Issue of ordinary shares	1,400,000	-	-	-	1,400,000
Share issue costs	-	-	-	-	-
Transfer on exercise of options	197,438	(197,438)	-	-	-
Total transactions with owners	7,060,067	206,448	-	-	7,266,515
Balance at 30 June 2021	162,965,101	1,161,382	(8,470,389)	(127,993,032)	27,663,062

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Changes in Equity (Continued)

For the half-year ended 30 June 2021

	Issued Capital \$	Share-Based Payments Reserve \$	Foreign Currency Translation Reserve \$	Accumulated Losses \$	Total Equity \$
Balance at 1 January 2020	128,538,655	675,904	(7,294,658)	(110,123,540)	11,796,361
Loss for the period	-	-	-	(5,535,014)	(5,535,014)
Foreign currency translation difference for foreign operations	-	-	(1,333,317)	-	(1,333,317)
Total comprehensive loss for the period	-	-	(1,333,317)	(5,535,014)	(6,868,331)
Share-based payment transactions	-	206,820	-	-	206,820
Share options exercised	310,200	-	-	-	310,200
Issue of ordinary shares	1,000,000	-	-	-	1,000,000
Share issue costs	-	-	-	-	-
Transfer on exercise of options	144,440	(144,440)	-	-	-
Total transactions with owners	1,454,640	62,380	-	-	1,517,020
Balance at 30 June 2020	129,993,295	738,284	(8,627,975)	(115,658,554)	6,445,050

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Cash Flows

For the half-year ended 30 June 2021

	30 June 2021 \$	30 June 2020 \$
Cash flows from operating activities		
Exploration and evaluation expenditure	(4,821,163)	(3,641,397)
Payments to suppliers and employees (inclusive of indirect taxes)	(1,354,041)	(746,159)
Other receipts	-	55,177
Interest received	99,533	64,363
Net cash used in operating activities	(6,075,671)	(4,268,016)
Cash flows from investing activities		
Payments for property plant & equipment	(2,147,829)	(56,749)
Buy back of project royalty	(500,000)	-
Acquisition of exploration assets	(763,579)	(349,573)
Net cash used in investing activities	(3,411,408)	(404,322)
Cash flows from financing activities		
Proceeds from the exercise of options	5,462,629	310,200
Payment for lease liability	(55,263)	-
Net cash from financing activities	5,407,366	310,200
Net increase/(decrease) in cash and cash equivalents	(4,079,713)	(4,362,138)
Cash and cash equivalents at the beginning of the half-year	24,089,281	9,703,718
Effect of exchange rate fluctuations on cash held	358,216	(345,998)
Cash and cash equivalents at the end of the half-year	20,367,784	4,995,582

The above Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Condensed Consolidated Interim Financial Statements

For the half-year ended 30 June 2021

Note 1. Reporting Entity

Centaurus Metals Limited is a company domiciled in Australia. These condensed consolidated interim financial statements ('interim financial statements') as at and for the six months ended 30 June 2021 comprise the Company and its subsidiaries (together referred to as the 'Group'). The Group is primarily involved in the exploration for and evaluation and development of mineral resources.

Note 2. Basis of Preparation

Statement of Compliance

The condensed consolidated interim financial statements are general purpose financial statements prepared in accordance with AASB 134 *Interim Financial Reporting* and the Corporations Act 2001, and IAS 34 *Interim Financial Reporting*.

They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 December 2020.

These interim financial statements were authorised for issue by the Company's Board of Directors on 9 September 2021.

Judgements and Estimates

In preparing these interim financial statements, management make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty, other than the estimations required for asset acquisitions were the same as those applied to the consolidated financial statements as at and for the year ended 31 December 2020.

Going Concern

The interim financial statements for the period ended 30 June 2021 have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

Note 3. Significant Accounting Policies

Changes in Accounting Policy

The accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2020. A number of new standards are effective from 1 January 2021 but are not expected to have a material effect on the Group's financial statements.

Accounting Standards

The Group has adopted all of the new, revised or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period.

Any new, revised or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

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The adoption of the new and revised Standards and Interpretations has not resulted in any changes to the Group's accounting policies and has no effect on the amounts reported for current or prior periods.

Note 4. Property Plant and Equipment

	30 June 2021 \$	31 December 2020 \$
Opening net book value	784,994	604,595
Additions	3,962,706	468,473
Disposals	(3,945)	(14,053)
Depreciation	(94,763)	(98,035)
Effect of movements in exchange rate	517,838	(175,986)
	<u>5,166,830</u>	<u>784,994</u>

During the period the Group acquired possession rights over land at Jaguar.

Note 5. Exploration and Evaluation Assets

	30 June 2021 \$	31 December 2020 \$
Opening net book value	8,764,153	2,265,049
Additions	1,710,927	7,762,898
Disposals	-	(40,000)
Effect of movements in exchange rate	474,885	(1,223,794)
	<u>10,949,965</u>	<u>8,764,153</u>

The ultimate recoupment of exploration and evaluation expenditure carried forward is dependent on successful development and commercial exploitation or, alternatively, sale of the respective project areas.

Note 6. Financial Liability

	30 June 2021 \$	31 December 2020 \$
Financial Liability		
Current	5,086,840	2,400,000
Non Current	1,107,717	2,734,569
Total	<u>6,194,557</u>	<u>5,134,569</u>

Current Financial Liabilities includes the current portion of the cash consideration due to Terrativa for the Salobo West royalty extinguishment of \$1,000,000 (which forms part of the acquisition of the Jaguar Nickel Project), the current portion of land possession rights which were acquired during the period and the present value of the US\$1.75m deferred consideration payment due to Vale, which was a non current liability at 31 December 2020. The Vale payment is due on the commencement of a Bankable Feasibility Study, or construction funding being secured, or 3 years from execution of the sale and purchase agreement, whichever occurs first.

The Non-Current Financial Liability includes the non-current portion of the cash consideration due to Terrativa for the extinguishment of the Salobo West royalty, and the non-current portion of the land possession payments for the possession rights acquired during the period.

Note 7. Share Capital

	30 June 2021 Number of Shares	31 December 2020 Number of Shares
On issue at the start of the period	325,857,160	3,790,971,362
Issue of ordinary shares for Salobo West Royalty extinguishment at \$0.6108 per share	2,292,076	-
Issue of ordinary shares on exercise of listed options at \$0.18 per share	28,909,045	-
Issue of ordinary shares on exercise of unlisted options at \$0.21 per share	1,233,335	-
1 for 15 Share Consolidation	-	(3,538,238,970)
Issue of ordinary shares for Salobo West Royalty extinguishment at \$0.1425 per share	-	7,017,544
Issue of ordinary shares on exercise of unlisted options at \$0.123 per share	-	566,667
Issue of ordinary shares on exercise of unlisted options at \$0.195 per share	-	1,233,335
Issue of ordinary shares for placement at \$0.4200 per share	-	60,714,286
Issue of ordinary shares for Salobo West royalty buy back at \$0.4940 per share	-	2,834,008
Issue of ordinary shares as part of placement fee at \$0.4200 per share	-	758,928
On issue at the end of the period	358,291,616	325,857,160

Note 8. Operating Segments

The Group operates in the mineral exploration industry. For management purposes the Group is organised into one main operating segment which involves the exploration of minerals. All of the Group's activities are interrelated and financial information is reported to the Managing Director (Chief Operating Decision Maker) as a single segment. Accordingly, all significant operating decisions are based upon an analysis of the Group as one segment.

The financial results and financial position from this segment are largely equivalent to the financial statements of the Group as a whole.

	30 June 2021 Non-Current Assets \$	31 December 2020 Non-Current Assets \$
Geographical Segment Information		
Brazil	15,992,503	9,402,661
Australia	133,890	159,251
Total	16,126,393	9,561,912

Note 9. Contingent Liabilities

The terms of the Jaguar Sale and Purchase Agreement with Vale give rise to the following contingent liabilities related to the Jaguar Project Acquisition.

- US\$5.0 million on first commercial production from the project payable to Vale;
- a royalty of 0.75% on Net Operating Revenue generated from any future concentrate production from the project payable to Vale; and
- a royalty of 1.8% on Net Operating Revenue generated from any future concentrate production from the project payable to National Bank for Economic and Social Development (BNDES).

Note 10. Subsequent Events

Subsequent to the end of the period, the Company lodged the Environmental Impact Assessment (EIA/RIMA), the key environmental approval documentation for the development of the Jaguar Project, with the State environmental authority SEMAS in the State of Pará.

Other than these events there has not arisen, in the interval between the end of the period and the date of this report an item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

Directors' Declaration

For the half-year ended 30 June 2021

In the directors' opinion:

- (a) the condensed consolidated financial statements and notes set out on pages 10 to 18 are in accordance with the Corporations Act 2001, including:
 - i. complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - ii. giving a true and fair view of the consolidated entity's financial position as at 30 June 2021 and of its performance for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that Centaurus Metals Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



Darren Gordon
Managing Director

9 September 2021



Independent Auditor's Review Report

To the shareholders of Centaurus Metals Limited

Conclusion

We have reviewed the accompanying **Condensed Interim Financial Report** of Centaurus Metals Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of Centaurus Metals Limited is not in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the **Group's** financial position as at 30 June 2021 and of its performance for the half-year ended on that date; and
- Complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Condensed Interim Financial Report** comprises:

- Condensed consolidated statement of financial position as at 30 June 2021;
- Condensed consolidated statement of profit or loss and other comprehensive income, Condensed consolidated statement of changes in equity and Condensed consolidated statement of cash flows for the half-year ended on that date;
- Notes 1 to 10 comprising a summary of significant accounting policies and other explanatory information; and
- The Directors' Declaration.

The **Group** comprises Centaurus Metals Limited (the Company) and the entities it controlled at the half-year's end or from time to time during the half-year.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibilities of the Directors for the Condensed Interim Financial Report

The Directors of the Company are responsible for:

- The preparation of the Condensed Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*; and
- Such internal control as the Directors determine is necessary to enable the preparation of the Condensed Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.



Auditor's responsibilities for the review of the Condensed Interim Financial Report

Our responsibility is to express a conclusion on the Condensed Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Condensed Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 30 June 2021 and its performance for the half-year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a Half-year Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG

KPMG

GL + 177

Graham Hogg

Partner

Perth

9 September 2021