CentaurusMetals
Limited

Centaurus Metals Limited

and its controlled entities

ABN 40 009 468 099

Condensed Interim Financial Report
30 June 2022

CentaurusMetals Limited

Contents

Directors' Report..3
Auditor's Independence Declaration..12
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income 13
Condensed Consolidated Statement of Financial Position..14
Condensed Consolidated Statement of Changes in Equity..15
Condensed Consolidated Statement of Cash Flows 17
Notes to the Condensed Consolidated Interim Financial Statements..18
Directors' Declaration..24
Independent Auditor's Review Report 25

Directors' Report

The 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 2022.

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
Dr N Streltsova (appointed 15 August 2022)

Review of Operations

Financial Position

The total comprehensive consolidated loss for the half-year was $19,435,991 (2021: $6,473,877). Included in the loss is exploration expenditure of $15,912,401 (2021: $4,682,835).

At the end of the half-year the Group had a net cash balance of $60,132,379 (2021: $8,259,389) and net assets of $71,579,748 (2021: $16,750,646).

Overview

The Company continued to advance the Definitive Feasibility Study (DFS) for the Jaguar Nickel Sulphide Project during the half year ending 30 June 2022. Open pit optimisations and designs have added significantly to the scale of the Project with exploration activity focussing on infill drilling in advance of an updated Mineral Resource Estimate in Q3 2022.

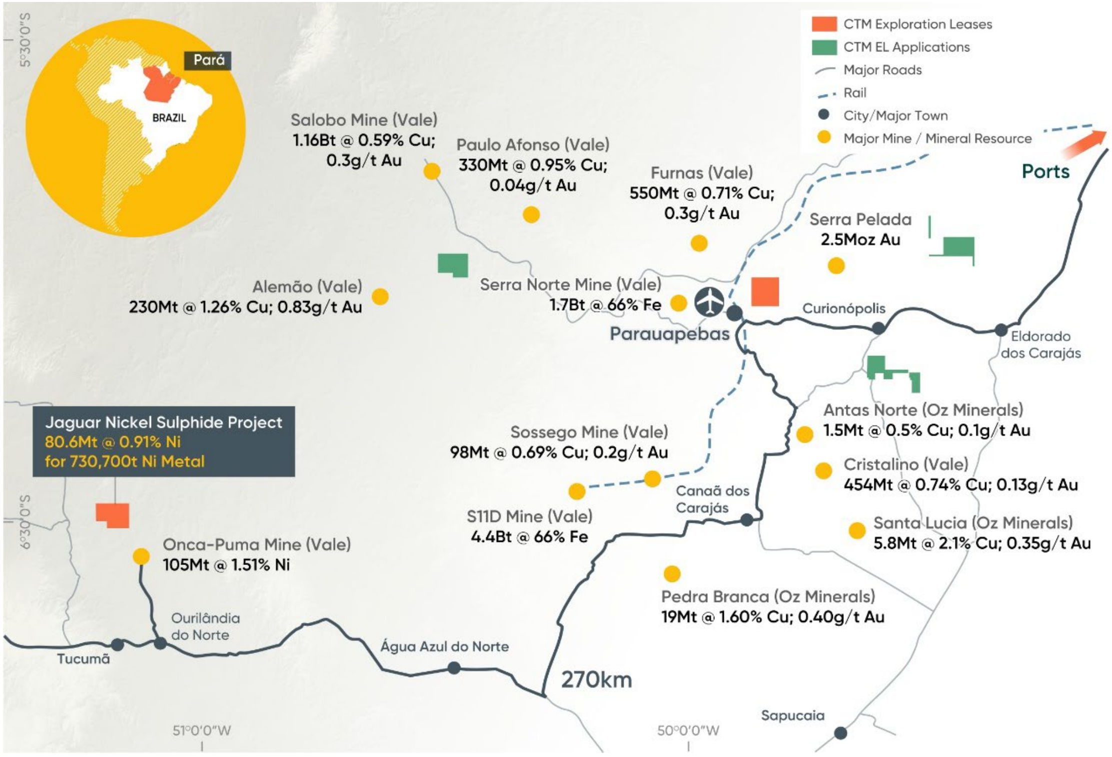
Comminution and flotation testwork programs were completed and preparation for the pressure oxidisation circuit testwork program was advanced. Environmental approvals for the Project were progressed and Scope 2 GHG emissions began to be tracked by the Company at the commencement of the period.

Activity was underpinned by a strongly supported institutional capital raise of A$75 million which was completed in February 2022.

Jaguar Nickel Sulphide Project

The Jaguar Nickel Sulphide Project was acquired from global mining giant, Vale S.A. (Vale) in August 2019. The Project hosts multiple nickel sulphide deposits and exploration targets within a 30km2 land package in the western portion of the world-class Carajás Mineral Province. Jaguar is ideally located close to existing infrastructure, just 35km north of the regional centre of Tucumã (population +35,000) with access to hydroelectrical grid power (138kV sub-station) 35km south of the project in the Tucumã township (refer Figure 1).

Figure 1: The Jaguar Nickel Sulphide Project location in the Carajás Mineral Province, Brazil



Drilling & Exploration Programs

Mineral Resource Estimate

In December 2021, the Company updated the JORC 2012 Mineral Resource Estimate (MRE) to 80.6Mt at 0.91% Ni for 730,700 tonnes of nickel metal with 54% of the MRE in the higher confidence Indicated Resource Category. 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 and confirms Jaguar as one of the largest nickel sulphide resources held by an ASX-listed company and the largest outside of the majors.

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

			Grade				Contained Metal			
Classification*	Ore Type	Mt	Ni %	Cu %	Co ppm	Zn %	Ni	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
	Total Indicated	**43.4**	**0.92**	**0.06**	**259**	**0.41**	**397,000**	**24,000**	**11,300**	**178,200**
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
	Total Inferred	**37.2**	**0.90**	**0.07**	**251**	**0.31**	**333,700**	**26,100**	**9,400**	**115,700**
Total		**80.6**	**0.91**	**0.06**	**256**	**0.36**	**730,700**	**50,100**	**20,600**	**293,900**

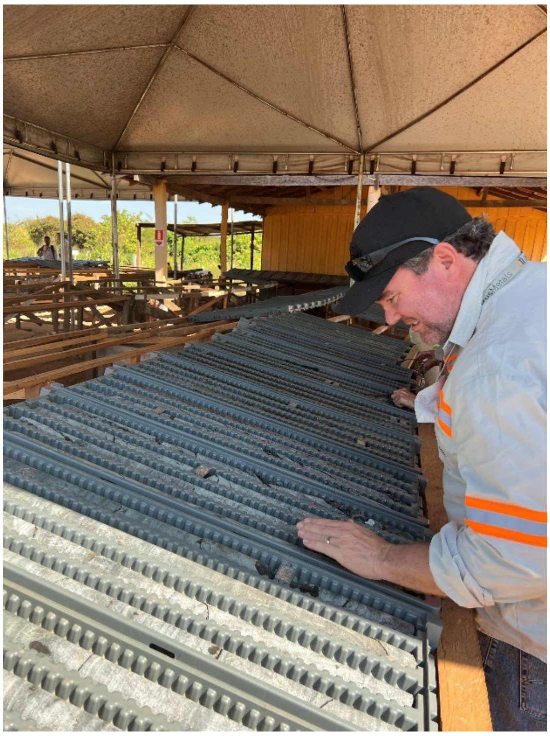
** Within pit limits cut off grade 0.3% Ni; below pit limits cut off grade 0.7% Ni; Totals are rounded to reflect acceptable precision, subtotals may not reflect global totals. All oxide material is considered as waste and therefore not reported as Resources.*

The focus of drilling during the first half of calendar 2022 was resource development in-fill drilling at all the Jaguar Deposits. In-fill drilling is designed to upgrade all resources within a constrained US$22,000/t nickel price pit shell limit into the Measured and Indicated categories. The Company is targeting more than 500,000t of contained nickel in the Measured and Indicated categories of the next MRE based on the extensive in-fill drill currently being undertaken and the MRE already in place.

The MRE planned for the end of Q3 2022 will underpin the Jaguar DFS and maiden Ore Reserve estimate. The resource definition in-fill drilling carried out during the period will ensure that as much of the in-pit Resource as possible will be upgraded to the higher-confidence Indicated category, which in turn increases the potential production target and anticipated conversion of Resource to Ore Reserves.

Figure 2: Jaguar Drill Core

Figure 3: Core Layout Facility Jaguar Project Site



Step Out Drilling

Two diamond rigs were focused on step-out drilling at the Jaguar South and Onça Preta Deposits. Step-out drilling is part of the strategy to extend the high-grade underground Resources at depth with the support of the down hole electromagnetic (DHEM) probe, which has the capacity to survey down to a depth of 750m down-hole.

RC Drilling

Reverse circulation (RC) drill rigs carried out sterilisation drilling programs over the Jaguar processing plant area and proposed mine infrastructure areas (tailings dam sites, waste deposit, processing plant location) during the period. Sterilisation drilling is critical for the delivery of the DFS as well as for project licensing.

The sterilisation programs were completed prior to the end of the period with the RC rigs moving to resource development in-fill drilling at the Onça Preta and Onça Rosa Deposits. Once the in-fill drilling at Onça Preta and Onça Rosa is complete, the RC rigs will return to greenfields exploration drilling.

New Core Shed

The Company commenced the construction of a new core shed on site at Jaguar (Figure 4) prior to the end of the period. The existing core shed in the town of Tucumã can hold approximately 140,000 metres of core and is fast approaching the limits of its capacity. The new shed is 50m long x 20m wide and will be able to hold more than 280,000 metres of drill core as well as storing other exploration samples generated from the project.

Figure 4: New Core Shed

Project Development

During the period, the Company appointed leading global engineering group Ausenco as lead engineer for the completion and delivery of the Jaguar DFS. Ausenco possesses strong experience in the processing methods planned for the Jaguar Project as well as experience in project studies and construction in South America through its offices in Belo Horizonte (Brazil), Santiago (Chile) and Lima (Peru). Ausenco has assembled a study team with both strong technical skills and detailed local knowledge of construction in Brazil, and importantly, the Carajás mineral province.

Mine Design and Scheduling

Open pit optimisations, designs and strategic schedules have been undertaken on the current MRE using a range of nickel prices from US$17,500 per tonne to US$22,000 per tonne.

The largest shells based on the US$22,000 per tonne nickel price were used for infrastructure layout to limit the potential for interference between infrastructure and potential future mine expansions. These shells were also used to design the MRE in-fill drill-out program. A conservative pit shell based on a US$17,500/t nickel price was selected for mine planning work.

The open pits designed on the current MRE now extend over a continuous strike length of 3km along the strike extent of the Jaguar Deposits. The separate pits identified in the Scoping Study have coalesced into a single pit (Figure 5) up to 1km wide and with depths that extend to over 300m. The Onça pits remain as two separate pits over a 1.5km strike length, with Onça Preta now up to 245m deep. The overall project strip ratio remains low at approximately 7.5 to 1.

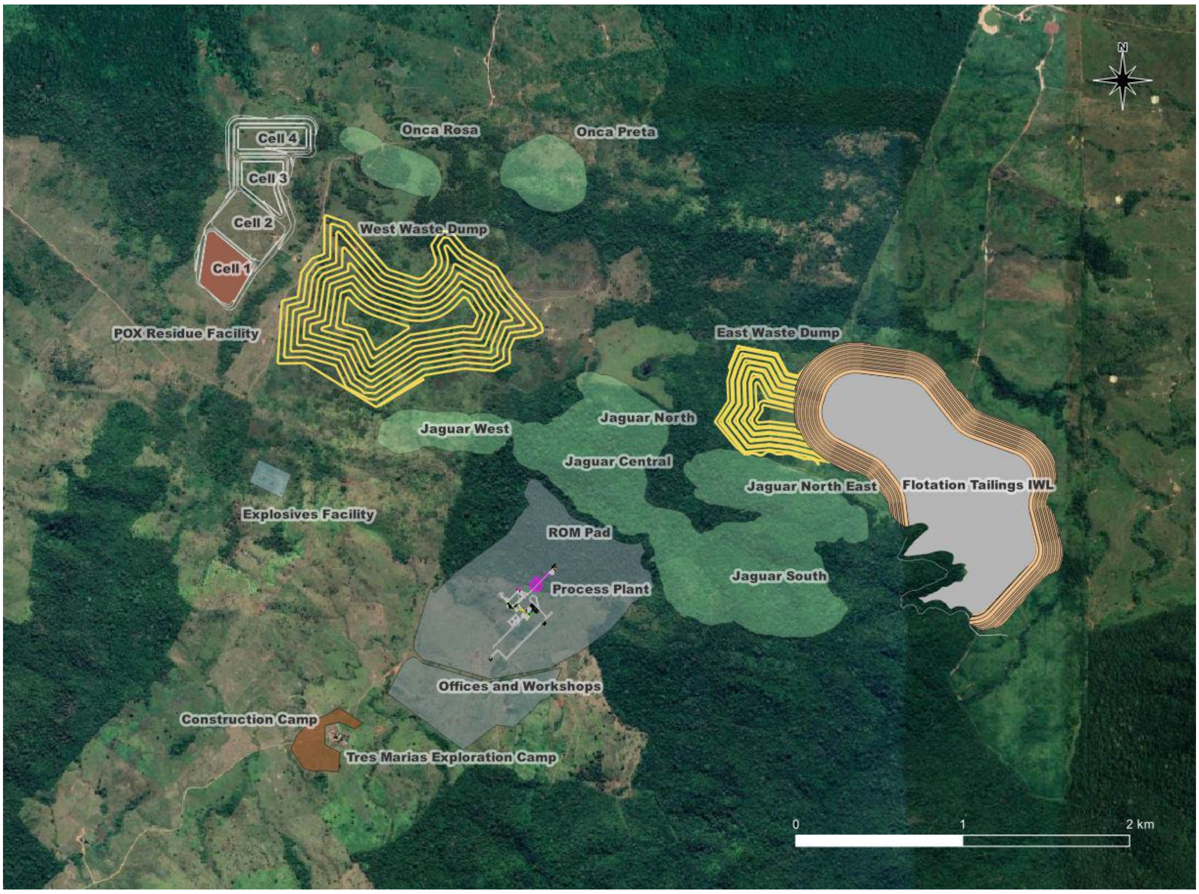
Geotechnical Investigations

Geotechnical logging of selected exploration drill core, subsequent modelling of major geotechnical domains and a geotechnical drill program were completed to support open pit mine wall design. Results have shown the rock conditions for the pits to be generally good to very good.

Project Layout

The Project layout for Jaguar has been evolving during the DFS work carried out during the period with the current planned layout shown Figure 5.

Figure 5: Project Layout at Jaguar



Comminution

Comminution testwork and modelling was carried out during the period and shows a wide range of grinding power requirements for different parts of the deposits. A minimum design throughput of 2.7Mtpa on the hardest ore has been set for the comminution plant design in the DFS. This throughput is consistent with the Scoping Study[1] released in May 2021 though it is expected that the softer (lower BWI) ore will be able to feed through the plant at higher throughput rates once in operations.

Flotation

Test work required for the design of the flotation flowsheet was completed with over 50 bulk flotation tests producing more than 400kg of concentrate ready for pilot plant testing of the planned pressure oxidation circuit.

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[1] 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.

METSIM Process Modelling

Development of the METSIM process model, which models reaction chemistry through the hydrometallurgical circuit, was progressed during the period. The model is being used to define the autoclave operating conditions for the pilot stage test program and will simulate hydrometallurgical conditions with minor variations in feed characteristics and operating conditions.

Ore Sorting

Composites of Jaguar South and Jaguar Central ore, the open pits containing the majority of the mineralisation at Jaguar, were tested at Steinert Australia's facilities in Perth. Results using a combination of induction and x-ray sensors were very encouraging with very low nickel losses and good separation of ore from non-mineralised material.

The successful separation of waste from mineralisation through the ore sorter continues to support the use of this technology in the Project's processing flowsheet to both upgrade ore and to reject waste dilution from feed to the processing plant. Further work will be required to quantify the benefits to a DFS level of confidence.

Infrastructure

Tailings Storage Facility Designs

Two tailings storage facilities will be built on site to contain processing tailings. Flotation tailings, comprising approximately 90% of the process tailings stream, will be stored in an integrated waste landform (IWL) style facility. Residue from the pressure oxidation circuit, which accounts for approximately 10% of the process waste stream and which will contain elevated levels of some metals and sulphates, will be stored in a separate POX residue facility. The detailed design of the IWL was provided to the Company in late June.

On Site Accommodation

Following the purchase of the possession rights for the third land parcel in 2021, the Company is now using the farmhouse that came as part of the acquisition as a base for new on-site accommodation (Figure 6). This work has increased the on-site housing capacity at Jaguar (over two locations) to over 160 people.

Figure 6: **New On-site Accommodation at Jaguar**

Environmental, Social & Governance

The Company adopted its formal environmental, social and governance (ESG) policy framework late in 2021. The framework is based on the recommendations and principles of two key ESG authorities:

- Towards Sustainable Mining (TSM) Principles developed by the Mining Association of Canada; and
- Principles of Responsible Investment (PRI), a global organisation that promotes responsible investment practices in the investment industry.

Centaurus' ESG program combines the TSM and PRI principles with actions to be implemented during the exploration , development and operations phases of its projects. A foundational aspect of the ESG framework is the commitment to local communities. Employees reside in the local town with their families and 90% of the current project workforce, including employees and outsourced labour, are from the south-eastern region of the State of Pará.

Road and Bridge Upgrade Work

During 2021, Centaurus repaired bridges, installed culverts, and upgraded the road between the town of Tucumã and the Jaguar site. The program will be continued during the second half of 2022. The improved roads make travel for local residents significantly safer and less time consuming, particularly during the annual wet season.

GHG Emissions

Since January 2022, the Company has been monitoring Scope 2 greenhouse gas (GHG) emissions and sinks associated with the Jaguar Project. The main carbon sink is the standing forest. The main source of carbon from the Project at present is the combustion of diesel to run drill rigs.

Once in operation, the Jaguar Project is expected to have GHG emissions less than 97% of global nickel production.

Construction Training Programs

During the period, the Company commenced the registration process for construction training. Up to 1,500 local personnel are expected to participate in the programs which will be run by local industry training colleges.

Interest by local residents was confirmed by the substantial volume of applications for the various courses that will be offered by the Company for construction of the Jaguar Project. The courses are expected to be 3 months long on average and local residents will be preferenced in the selection process.

Plant Nursery

The Company established a plant nursery on site (Figure 7) during the half year reporting period to facilitate the revegetation of previously cleared farmland. This will allow new forest corridors to be established around the site to assist with the movement, protection and biodiversity of fauna.

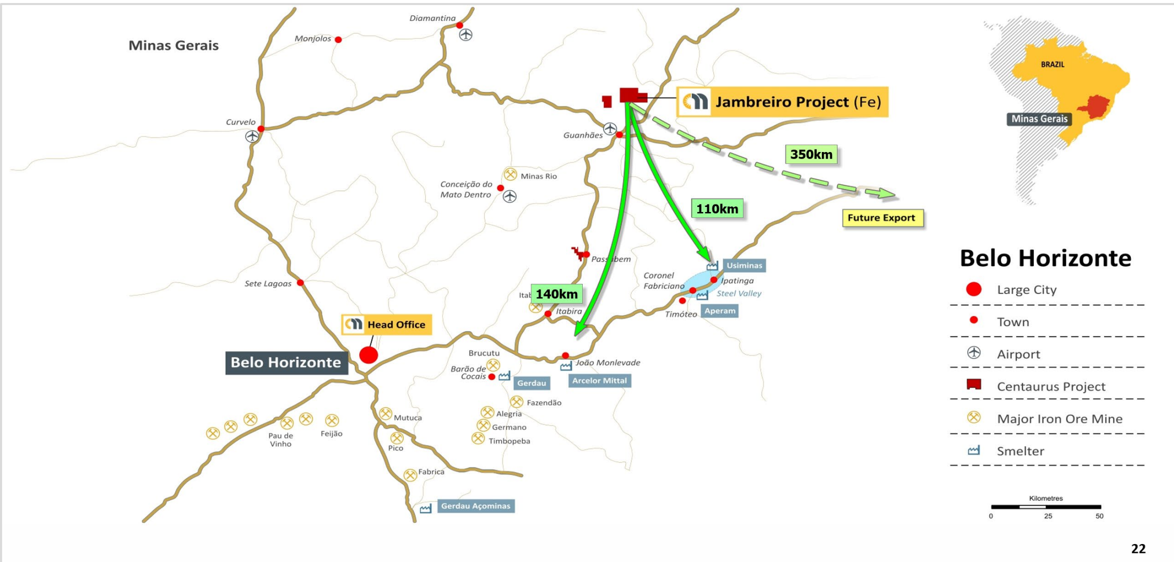
Figure 7: Recently established Plant Nursery on site at Jaguar

Jambreiro Iron Ore Project

The Company's 100%-owned Jambreiro Project is located in south-east Brazil in the State of Minas Gerais (Figure 8).

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 regulator has agreed to issue a joint LP/LI for the project and the Company updated and lodged the EIA/RIMA (required for the LP) and the PCA (required for the LI) in 2021.

Figure 8: Jambreiro Iron Ore Project Location



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 are expected to be re-approved after the applications have been duly considered by the relevant agencies.

The licence and permit renewals are expected to be granted before the end of the calendar year.

Corporate

The Company completed an institutional share placement in January 2022 which raised $75 million to fund the growth and development of the Jaguar Project including progressing the DFS for Jaguar and continuing the significant drilling program for the Project 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.

During the period, the Jaguar Nickel Sulphide Project was selected as a Strategic Minerals Project by the Brazilian Federal Government. The Strategic Minerals Policy is part of the Investment Partnership Program – PPI (Programa de Parcerias de Investimento), a new Brazil governmental initiative designed to support companies while developing their projects across the country. The PPI program supports projects that are identified as strategic mineral projects for Brazil and provides the titleholder with specialised governmental support for the development of their projects.

Events Subsequent to Reporting Date

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 2022 is set out on page 12.

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Darren Gordon
Managing Director

7 September 2022

KPMG

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 2022 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

Graham Hogg
Partner
Perth
7 September 2022

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 30 June 2022

	Note	**30 June 2022 $**	30 June 2021 $
Other income		**3,254**	-
Exploration expenditure		**(15,912,401)**	(4,682,835)
Impairment of other receivables	5	**(1,161,420)**	(242,844)
Employee benefits expense		**(1,101,129)**	(804,249)
Share based payment expense	4	**(585,406)**	(403,886)
Occupancy expenses		**(22,225)**	(23,673)
Listing and share registry fees		**(98,659)**	(65,801)
Professional fees		**(345,339)**	(170,322)
Depreciation		**(125,288)**	(51,447)
Other expenses		**(354,962)**	(119,167)
Results from operating activities		**(19,703,575)**	(6,564,224)
Finance income		**273,576**	94,898
Finance expense		**(5,992)**	(4,551)
Loss before income tax		**(19,435,991)**	(6,473,877)
Income tax benefit		**-**	-
Loss for the period		**(19,435,991)**	(6,473,877)
Other Comprehensive Income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences arising on translation of foreign operations		**767,611**	752,108
Other comprehensive income/(loss) for the period		**767,611**	752,108
Total comprehensive loss for the period		**(18,668,380)**	(5,721,769)

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

Condensed Consolidated Statement of Financial Position

As at 30 June 2022

	Note	**30 June 2022 $**	31 December 2021 $
Current assets			
Cash and cash equivalents		**60,132,379**	8,259,389
Other receivables and prepayments	5	**724,374**	529,725
Total current assets		**60,856,753**	8,789,114
Non-current assets			
Other receivables and prepayments	5	**9,119**	8,156
Property, plant and equipment	6	**8,109,466**	6,004,233
Exploration and evaluation assets	7	**12,772,834**	12,048,261
Total non-current assets		**20,891,419**	18,060,650
Total assets		**81,748,172**	26,849,764
Current liabilities			
Trade and other payables		**5,677,367**	2,893,287
Financial Liability	8	**1,880,566**	5,161,448
Employee benefits		**601,947**	379,516
Lease Liability	9	**401,381**	86,576
Total current liabilities		**8,561,261**	8,520,827
Non-current liabilities			
Financial Liability	8	**865,991**	1,325,267
Lease Liability	9	**471,471**	29,334
Employee benefits		**269,701**	223,690
Total non-current liabilities		**1,607,163**	1,578,291
Total liabilities		**10,168,424**	10,099,118
Net assets		**71,579,748**	16,750,646
Equity			
Share capital	10	**236,289,294**	162,962,306
Reserves		**(6,759,685)**	(7,697,790)
Accumulated losses		**(157,949,861)**	(138,513,870)
Total equity		**71,579,748**	16,750,646

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 2022

	Issued Capital $	Share-Based Payments Reserve $	Foreign Currency Translation Reserve $	Accumulated Losses $	Total Equity $
Balance at 1 January 2022	**162,962,306**	**1,538,603**	**(9,236,393)**	**(138,513,870)**	**16,750,646**
Loss for the period	-	-	-	(19,435,991)	(19,435,991)
Foreign currency translation difference for foreign operations	-	-	767,611	-	767,611
Total comprehensive loss for the period	**-**	**-**	**767,611**	**(19,435,991)**	**(18,668,380)**
Share-based payment transactions		585,406	-	-	585,406
Share options exercised	1,052,700	-	-	-	1,052,700
Issue of ordinary shares	75,475,000	-	-	-	75,475,000
Share issue costs	(3,615,624)	-	-	-	(3,615,624)
Transfer on exercise of options	414,912	(414,912)	-	-	-
Total transactions with owners	**73,326,988**	**170,494**	**-**	**-**	**73,497,482**
Balance at 30 June 2022	**236,289,294**	**1,709,097**	**(8,468,782)**	**(157,949,861)**	**71,579,748**

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 2022

	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 Cash Flows

For the half-year ended 30 June 2022

	30 June 2022 $	30 June 2021 $
Cash flows from operating activities		
Exploration and evaluation expenditure	**(14,650,880)**	(4,821,163)
Payments to suppliers and employees (inclusive of indirect taxes)	**(1,562,872)**	(1,354,041)
Other receipts	**265,863**	-
Interest received	**251,888**	99,533
Net cash used in operating activities	**(15,696,000)**	(6,075,671)
Cash flows from investing activities		
Payments for property plant & equipment	**(1,944,982)**	(2,147,829)
Buy back of project royalty	**(500,000)**	(500,000)
Acquisition of exploration assets	**(2,367,239)**	(763,579)
Net cash used in investing activities	**(4,812,221)**	(3,411,408)
Cash flows from financing activities		
Proceeds from share capital raising	**75,000,000**	-
Capital raising costs	**(3,329,802)**	-
Proceeds from the exercise of options	**1,052,700**	5,462,629
Payment for lease liability	**(72,006)**	(55,263)
Net cash from financing activities	**72,650,892**	5,407,366
Net increase/(decrease) in cash and cash equivalents	**52,142,670**	(4,079,713)
Cash and cash equivalents at the beginning of the half-year	**8,259,389**	24,089,281
Effect of exchange rate fluctuations on cash held	**(269,680)**	358,216
Cash and cash equivalents at the end of the half-year	**60,132,379**	20,367,784

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 2022

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 2022 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 2021.

These interim financial statements were authorised for issue by the Company's Board of Directors on 7 September 2022.

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 2021.

Going Concern

The interim financial statements for the period ended 30 June 2022 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 2021. A number of new standards are effective from 1 January 2022 have not had 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.

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. Share Based Payments

From time to time the Group may make share-based payments in connection with its activities. These payments may comprise the issue of options under various terms and conditions. Options granted carry no dividend or voting rights. When exercisable, each option is converted into one ordinary share of the Company with full dividend and voting rights.

During the reporting period 1,225,220 options were issued to employees and directors (2021: 1,134,372). Options issued to employees were issued under the Employee Share Option Plan approved by shareholders at the Annual General Meeting on 27 May 2022. Options issued to directors and executive directors were approved by shareholders under ASX Listing Rule 10.11.

Reconciliation of Outstanding Share Options

The number and weighted average exercise prices of share options issued are as follows:

	Weighted Average Exercise Price 2022	**Number of Options 2022**	Weighted Average Exercise Price 30 June 2021	Number of Options 30 June 2021
Outstanding at start of period	**$0.2172**	**12,247,857**	$0.2172	12,085,733
Exercised during the period	**$0.2807**	**(3,750,002)**	$0.2100	(1,233,335)
Lapsed during the period	**-**	**-**	-	-
Issued during the period	**$0.0000**	**1,225,220**	$0.0000	1,134,372
Outstanding at balance date	**$0.1212**	**9,723,075**	$0.1862	11,986,770
Exercisable at balance date	**$0.1800**	**350,001**	$0.2207	2,466,669

The options outstanding at 30 June 2022 have exercise prices ranging from $0.000 to $0.405 (2021: $0.000-$0.405) and the weighted average remaining contractual life is 1.88 years (2021: 2.09 years).

There were 3,750,002 options exercised during the year (2021: 1,233,335). There were 1,225,220 options issued during the year (2021: 1,134,372). Details of the options issued during the period are as follows:

Grant Date	Number of Options	Vesting Period[(1)]	Option Term
Directors			
23/03/22	300,700	36 months[(2)]	48 months
23/03/22	300,698	36 months[(3)]	48 months
Total	601,398		
Employees			
23/03/22	311,912	36 months[(2)]	48 months
23/03/22	311,910	36 months[(3)]	48 months
	623,822		

(1) From 1 January 2022 subject to continued employment.

(2) Options will vest in the future subject to performance and services based vesting conditions being met. The Company's share price performance is measured via relative Total Shareholder Return (TSR). The Company's TSR is measured against a peer group of companies. Vesting will occur subject to meeting a three-year service condition to 31 December 2024 and the performance condition tested against the relative TSR measure for the period 1 January 2022 to 31 December 2024.

(3) Vesting will occur subject to meeting a three-year service condition to 31 December 2023 and the performance condition tested against the absolute TSR measure for the period 1 January 2022 to 31 December 2024.

The following table sets out the vesting outcome based on the Company's relative TSR performance.

TSR percentile compared to peer group	Percentage Options that vest
<50th percentile	0%
Between 50th and 75th percentile	Pro-rata between 50% and 100%
>75th percentile	100%

No options will vest unless the percentile ranking of the Company's TSR for the relevant performance year, as compared to the TSRs for the Peer Group companies, is at or above the 50th percentile.

The following table sets out the vesting outcome base on the Company's Absolute TSR performance

Assessment Table	
Threshold TSR Level over Assessment Period	**Amount of ZEPOs which will vest and become exercisable**
Less than 30%	Zero
B/t 30% and 40%	50%
B/t 40% and 50%	75%
50% or greater	100%

Inputs for Measurement of Grant Date Fair Values

The fair value at grant date of the share-based payments is charged to the income statement over the period which the benefits of the employee services are expected to be derived. The fair values of awards granted were estimated using a either a Monte Carlo simulation or a Black-Scholes option pricing technique taking into account the following inputs:

Grant Date	Expiry Date	Exercise Price	Life of option	Share price at grant date	Expected share price volatility	Risk-free interest rate	Fair Value at grant date
23/03/22	31/12/25	$0.000	4 years	$1.30	90%	2.173%	$1.1485
23/03/22	31/12/25	$0.000	4 years	$1.30	90%	2.173%	$1.0496

Expenses Arising from Share Based Payment Transactions

	30 June 2022 $	30 June 2021 $
Total expense recognised as share-based payment – share options	**585,406**	403,886

Note 5. Other Receivables and Prepayments

	30 June 2022 $	31 December 2021 $
Current		
R&D tax refund	-	265,862
Other Receivables	**142,969**	67,446
Security deposits	**33,648**	33,648
Prepayments	**547,757**	162,769
	724,374	**529,725**
Non – Current		
Other Receivables	**2,141,852**	1,008,755
Provision for impairment	**(2,132,733)**	(1,000,599)
	9,119	**8,156**

Non-current Other Receivables include Brazilian federal VAT ("PIS-Cofins") levied on the Group's purchases. Recoverability of PIS-Cofins assets is dependent upon the Group generating a federal company tax liability, which may be offset against the Group's PIS-Cofins assets if the Group elects to do so.

The current practice of the Group is to impair PIS-COFINS assets given the pre-development status of the Jaguar Project.

An impairment expense of $1,161,420 was recognised in profit and loss during the period (2021: $242,844).

Note 6. Property Plant and Equipment

	30 June 2022 $	31 December 2021 $
Opening net book value	**6,004,233**	784,994
Additions	**1,658,991**	5,503,780
Disposals	-	(4,105)
Depreciation	**(187,021)**	(222,394)
Effect of movements in exchange rate	**633,263**	(58,042)
	8,109,466	6,004,233

Note 7. Exploration and Evaluation Assets

	30 June 2022 $	31 December 2021 $
Opening net book value	**12,048,261**	8,764,153
Additions	**102,057**	3,402,083
Effect of movements in exchange rate	**622,516**	(117,975)
	12,772,834	12,048,261

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 8. Financial Liability

	30 June 2022 $	31 December 2021 $
Current		
Consideration due to Vale for Jaguar acquisition	**-**	2,400,840
Up- front consideration due to Terrativa for Salobo West buy back	**482,630**	933,534
Land possession	**1,397,936**	1,827,074
	1,880,566	5,161,448
Non- Current		
Land possession	**865,991**	1,325,267

Note 9. Lease Liability

	30 June 2022 $	31 December 2021 $
Current		
Lease Liability	**401,381**	86,576
Non- Current		
Lease Liability	**471,471**	29,334

Note 10. Share Capital

	Issue Price	30 June 2022 Number of Shares	31 December 2021 Number of Shares
On issue at the start of the period		**358,291,616**	325,857,160
Placement	$1.1600	**64,655,172**	-
Placement fee	$1.1600	**409,483**	-
Exercise of unlisted options	$0.2250	**2,233,335**	-
Exercise of unlisted options	$0.3780	**1,400,000**	-
Exercise of unlisted options	$0.1800	**116,667**	-
Salobo West Royalty buy back	$0.6108	**-**	2,292,076
Exercise of unlisted options	$0.1800	**-**	28,909,045
Exercise of unlisted options	$0.2100	**-**	1,233,335
On issue at the end of the period		**427,106,273**	358,291,616

Note 11. 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.

Geographical Segment Information	**30 June 2022 Non-Current Assets $**	31 December 2021 Non-Current Assets $
Brazil	**20,759,935**	17,968,727
Australia	**131,484**	91,923
Total	**20,891,419**	18,060,650

Note 12. 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 0.55% on Net Operating Revenue for nickle sulphate or 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 13. Subsequent 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 2022

In the directors' opinion:

(a) the condensed consolidated financial statements and notes set out on pages 13 to 23 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 2022 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

7 September 2022

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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 Condensed Interim Financial Report of Centaurus Metals Limited does not comply with the *Corporations Act 2001*, including:

- Giving a true and fair view of the ***Group****'s* financial position as at 30 June 2022 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 2022;
- 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 13 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 these requirements.

KPMG

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 Group's financial position as at 30 June 2022 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 an Interim 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

Graham Hogg
Partner
Perth
7 September 2022