Centaurus Metals Limited

ACN 009 468 099

Annual Report
31 December 2017

CentaurusMetals Limited

Centaurus Metals Limited ABN 40 009 468 099

And its controlled entities

Contents

Corporate Directory

Directors
Mr D M Murcia AM, B. Juris, LL.B
Non-Executive Chairman

Mr D P Gordon B.Bus, FCA, AGIA, ACIS
Managing Director

Mr B R Scarpelli M.Sc, PMP
Executive Director

Mr M D Hancock B.Bus, CA, FFin
Non-Executive Director

Mr S A Parsons B.Sc(Hons) Geology, AusIMM
Non-Executive Director

Company Secretary
Mr P A Bridson B.Com, CA, AGIA, ACIS

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150 Stirling Highway
Nedlands WA 6009
Telephone: (08) 9389 8033

Auditors
KPMG
Chartered Accountants
235 St Georges Terrace
Perth WA 6000

Bankers
Australia
National Australia Bank
1232 Hay Street
West Perth WA 6005

Brazil
Banco Inter
Rua da Bahia, 951 – 5º andar
Belo Horizonte – MG - CEP: 30.130.008
BRAZIL

Stock Exchange Listing
Centaurus Metals Limited shares are
listed on the Australian Securities Exchange
Ordinary fully paid shares (ASX code: CTM)
Listed options (ASX code: CTMOA & CTMOB)

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Directors' Report

Your directors present their report on 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 year ended 31 December 2017 together with the consolidated financial report and audit report thereon.

1 Directors

The directors of the Company at any time during or since the end of the year are:

D M Murcia	Independent Non-Executive Chairman
D P Gordon	Managing Director
B R Scarpelli	Executive Director
M D Hancock	Non-Executive Director
S A Parsons	Non-Executive Director (Appointed 31 March 2017)

Unless otherwise disclosed, all directors held their office from 1 January 2017 until the date of this report.

2 Directors and Officers

Mr Didier M Murcia, AM, B.Juris, LL.B
Non-Executive Chairman, Age 55

Experience and Expertise
Independent non-executive director appointed 16 April 2009 and appointed Chairman 28 January 2010. Lawyer with over 30 years legal and corporate experience in the mining industry. Mr Murcia is currently Honorary Australian Consul for the United Republic of Tanzania. He is Chairman and founding director of Perth-based legal group MPH Lawyers. He is Chairman of Strandline Resources Limited and Alicanto Minerals Ltd.

Other Directorships
During the last three years Mr Murcia has held directorships in the following ASX listed companies:
- Alicanto Minerals Limited (appointed 30 May 2012) - Non Executive Chairman
- Strandline Resources Limited (appointed 23 October 2014) - Non Executive Chairman
- Gryphon Minerals Limited (appointed 28 July 2006, resigned 13 October 2016)
- Cradle Resources Limited (appointed 13 August 2013, resigned 8 May 2016)

Special Responsibilities
- Chairman of the Board

Mr Darren P Gordon, B.Bus, FCA, AGIA, ACIS
Managing Director, Age 46

Experience and Expertise
Managing Director appointed 4 May 2009. Chartered Accountant with over 25 years resource sector experience as a senior finance and resources executive. Mr Gordon was formerly Chief Financial Officer for Gindalbie Metals Limited (1999-2008).

Special Responsibilities
- Managing Director

Other Directorships
During the last three years Mr Gordon has held directorships in the following ASX listed companies:
- Genesis Minerals Limited (appointed 23 March 2016) – Non Executive Director

Mr Bruno R Scarpelli, M.Sc., PMP
Executive Director, Age 40

Experience and Expertise
Executive Director appointed 3 September 2015. Mr Scarpelli is an engineer with over 15 years' experience in the mining sector, specifically in the environmental approvals, health and safety and human resources fields. He was formerly environmental manager for Vale's world class S11D Project.

Special Responsibilities

- Administrator of Centaurus' Brazilian subsidiaries
- Country Manager - Brazil

Mr Mark D Hancock, B.Bus, CA, FFin
Non-Executive Director, Age 49

Experience and Expertise

Non-executive director appointed 23 September 2011. Mr Hancock is currently Chief Commercial Officer at Atlas Iron Limited. He has over 20 years' experience in senior financial roles across a number of leading companies in Australia and South East Asia, including Lend Lease Corporation Ltd, Woodside Petroleum Ltd and Premier Oil Plc.

Other Directorships

During the last three years Mr Hancock held directorships in the following ASX listed companies:

- Atlas Iron Limited (appointed 25 May 2012, resigned 2 December 2014)

Mr Steven A Parsons, B.Sc(Hons) Geology, AusIMM
Non-Executive Director, Age 45

Experience and Expertise

Non-executive director appointed 31 March 2017. Mr Parsons is a geologist with over 20 years' experience in the mining sector. He was formerly the Managing Director of Gryphon Minerals Ltd, which he founded and listed on the Australian Stock Exchange. He is currently Managing Director of ASX Listed, Draig Resources Ltd

Other Directorships

During the last three years Mr Parsons held directorships in the following ASX listed companies:

- Gryphon Minerals Limited (appointed 1 April 2004, resigned 2 December 2014) – Executive Director.
- Draig Resources Limited (appointed 31 March 2017) - Executive Director
- Blackstone Minerals Ltd (appointed 30 October 2017) – Non Executive Director

Mr Paul A Bridson, B.Com, CA, AGIA , ACIS
Company Secretary, Age 50

Experience and Expertise

Mr Bridson was appointed as Company Secretary on 3 May 2016. Mr Bridson is a member of the Institute of Chartered Accountants and the Governance Institute of Australia. He has over 25 years' experience in the resources sector.

Special Responsibilities

- Company Secretary

3 Directors Meetings

The number of meetings of the Company's Board of Directors and of each Board Committee held during the year ended 31 December 2017 and the number of meetings attended by each director were:

	Meetings of Directors	
	Held*	**Attended**
Mr D M Murcia	5	5
Mr D P Gordon	5	5
Mr B R Scarpelli	5	4
Mr M D Hancock	5	5
Mr S A Parsons	3	2

*Denotes the number of meetings held during the time the director held office.

The Company does not have a formal Nomination Committee, Audit & Risk Committee or Remuneration Committee. The functions of the Audit & Risk Committee and the Remuneration Committee are performed by the full Board.

4 Corporate Governance Statement

A copy of Centaurus' 2017 Corporate Governance Statement, which provides detailed information about governance, and a copy of Centaurus' Appendix 4G which sets out the Company's compliance with the recommendations in the third edition of the ASX Corporate Governance Council's Principles and Recommendations is available on the corporate governance section of the Company's website at www.centaurus.com.au/corporate-governance.

5 Remuneration Report – Audited

5.1 Principles of Remuneration

The primary objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders. The Board ensures that executive reward satisfies the following key criteria for good reward and governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linked executive compensation;
- transparency; and
- capital management.

The Group has structured an executive remuneration framework that is market competitive and complimentary to the reward strategy of the organisation to ensure:

(i) Alignment to shareholders' interests:
- focuses on the creation of shareholder value and returns; and
- attracts and retains high calibre executives with an inherent knowledge of the Company's ongoing business and activities.

(ii) Alignment to program participants' interests:
- rewards capability and experience;
- reflects competitive reward for contribution to growth in shareholder wealth;
- provides a clear structure for earning rewards;
- provides recognition for contribution; and
- seeks to retain experienced and competent individuals in key executives roles.

The remuneration framework currently consists of base pay and long-term incentives through participation in the Employee Share Option Plan.

The overall level of executive reward takes into account the performance of the Group over a number of years, with greater emphasis given to the current and prior year. Over the past 5 years, the Group was involved in mineral exploration and pre-development activities and therefore growth in earnings is not considered particularly relevant. Shareholder wealth is dependent upon exploration success and has fluctuated accordingly in addition to being influenced by broader market factors.

The performance of the Group in respect of the current period and the previous four financial years is set out below:

	2017 $	2016 $	2015 $	2014 $	2013 $
Net Loss	(3,632,809)	(2,560,899)	(3,700,866)	(10,460,299)	(32,714,987)
Change in share price	$0.00	$0.002	($0.046)	($0.15)	($0.13)

During the financial year ended 31 December 2017, no salary or fee increases were awarded to non-executive directors, executive directors or executives of the Company.

The executive pay and reward framework currently has three components:

- base pay and benefits;
- long term incentives through participation in the Employee Share Option Plan; and
- other remuneration such as superannuation and insurances.

The combination of these components comprises the executive's total remuneration.

Base Pay

Base pay is structured as a total employment cost package which may be delivered as a combination of cash and prescribed non-financial benefits at the executive's discretion. Executives are offered a competitive base pay that is reflective of current market conditions, comprising a fixed component of pay and rewards. Base pay for senior executives is reviewed annually to ensure the executive's remuneration is competitive with the market. An executive's base pay is also reviewed on promotion. There are no guaranteed base pay increases included in any senior executive contracts.

Retirement Benefits

In accordance with regulatory requirements, Directors and employees are permitted to nominate a superannuation fund of their choice to receive superannuation contributions.

Long Term Incentives – Options

Long term incentive share options are granted from time to time to encourage exceptional performance in the realisation of strategic outcomes and growth in shareholder wealth. Options are granted for no consideration and do not carry voting or dividend entitlements. Information on share options granted during the year is set out in section 5.3.

Short Term Incentive Plan

No short-term incentives were offered in the year ended 31 December 2017 and there are no short term incentives in place as at the date of this report.

Employment Agreements

Remuneration and other terms of employment for executives are formalised in employment agreements. The agreements provide for the provision of other benefits and participation, when eligible, in the Employee Share Option Plan.

Other major provisions of the agreements relating to remuneration are set out below:

D P Gordon – Managing Director

- Term of agreement – commenced on 4 May 2009. Mr Gordon may terminate the agreement by giving 6 months' notice. The Company may terminate the agreement by giving 12 months' notice.
- Base cash salary, exclusive of superannuation at 31 December 2017 was $300,000. Provision of four weeks annual leave.
- Long Term Incentive Options – subject to shareholder approval, options may be issued under the Company's Employee Share Option Plan with vesting conditions. Refer to section 5.3 for options issued during 2017.

B R Scarpelli – Country Manager - Brazil

- Term of agreement – commenced on 6 December 2010 with no set term. Mr Scarpelli or the Company may terminate the agreement by giving 2 months' notice. Entitled to 6 months' salary if position is made redundant.
- Base cash salary exclusive of superannuation at 31 December 2017 was $165,000 reviewed annually. Provision of four weeks annual leave.
- Provision of a company-maintained motor vehicle.
- Long Term Incentive Options – subject to shareholder approval, options may be issued under the Company's Employee Share Option Plan with vesting conditions. Refer to section 5.3 for options issued during 2017.

Non- Executive Directors

Fees and payments to Non-Executive directors reflect the demands which are made on, and the responsibilities of, the directors. Non-Executive directors' fees and payments are reviewed at least annually by the Board. The Chairman's fees are determined independently to the fees of non-executives based on comparative roles in the external market and prevailing market conditions.

Non-Executive directors' remuneration consists of set fee amounts and statutory superannuation. The level of fees for Non-Executive directors remained unchanged during the year at $30,000 per annum. The Non-Executive Chairman's fees remained unchanged during the year at $45,000 per annum. Directors do not receive additional committee fees. Non-Executive directors' fees are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders. The total maximum currently stands at $400,000. There is no provision for retirement allowances for Non-Executive directors.

Non-Executives are eligible to be granted options to provide a material additional incentive for their ongoing commitment and dedication to the continued growth of the Group. Refer to section 5.3 for options issued during the period. Prior to issuing incentives the Board considers whether the issue is reasonable in the circumstances. The incentives have been offered to assist the Company in attracting and retaining the highest calibre of Non-Executive, whilst maintaining the Group's cash reserves.

5.2 Directors' and Executive Officers' Remuneration

Details of the nature and amount of each major element of remuneration of each director of the Company, each of the named Company executives and other key management personnel of the Group are:

	Short Term Benefits			Post-employment Benefits	Long Term Benefits	Share- based Payments			
	Salary & Fees $	Other Benefits[1] $	Shares issued in lieu of remuneration $	Super-annuation $	Long Service Leave[2] $	Options[3] $	Total $	S300A(1)(e)(i) Proportion of Remuneration Performance Related %	S300A(1)(e)(vi) Value of Options as Proportion of Remuneration %
Non- Executive Directors									
Mr D M Murcia									
2017	**45,000**	**-**	**-**	**-**	**-**	**39,358**	**84,358**	**-**	**46.7%**
2016	45,000	-	-	-	-	3,347	48,347	6.9%	6.9%
Mr M D Hancock									
2017	**30,000**	**-**	**-**	**-**	**-**	**27,685**	**57,685**	**-**	**48.0%**
2016	30,000	-	-	-	-	2,766	32,766	8.4%	8.4%
Mr S A Parsons (appointed 31 March 2017)									
2017	**22,500**	**-**	**-**	**-**	**-**	**25,667**	**48,167**	**-**	**53.3%**
Executive Directors									
Mr D P Gordon									
2017	**300,692**	**8,560**	**-**	**19,308**	**7,306**	**81,406**	**417,272**	**-**	**19.5%**
2016	272,692	16,188	28,000	19,308	7,326	11,065	354,579	3.1%	3.1%
Mr B R Scarpelli									
2017	**164,551**	**11,912**	**-**	**-**	**-**	**63,858**	**240,321**	**-**	**26.6%**
2016	163,357	(3,234)	-	-	-	14,115	174,238	8.1%	8.1%
Total									
2017	**562,743**	**20,472**	**-**	**19,308**	**7,306**	**237,974**	**847,803**		
2016	511,049	12,954	28,000	19,308	7,326	31,293	609,930		

(1) Other benefits include the movement in annual leave entitlements over the 12 month period, measured on an accruals basis, and other minor benefits for executives located in Brazil.

(2) Relates to pro rata long service leave measured on an accruals basis.

(3) The fair value of the options is calculated at the date of grant using the Black Scholes option-pricing model and allocated to each reporting period evenly over the period from grant date to vesting date. The value disclosed is the portion of the fair value of the options recognised in this reporting period.

5.3 Equity Instruments

Options are granted under the Employee Share Option Plan (ESOP) which was approved by shareholders at the 2016 Annual General Meeting. Eligibility to participate in the ESOP (including participation by Executive and Non-Executive directors) is determined by the Board in its absolute discretion. Where provided, options granted under the ESOP are for no consideration and are granted for a period of up to 5 years. The vesting and exercise conditions of options granted are also determined by the Board in its absolute discretion. Employees must remain in employment during the vesting period. Options may also be granted by the Company outside of the ESOP, but under similar terms and conditions.

A Performance Share Plan (PSP) was adopted by the Board on 23 July 2012 and was approved by shareholders on 31 August 2012. Under the PSP, the Board may from time to time in its absolute discretion grant performance rights to eligible persons including executives and employees, subject to such terms and conditions as the Board determines. Performance rights are, in effect, options to acquire unissued shares in the Company, the exercise of which is subject to certain performance milestones and remaining in employment during the vesting period. Performance rights are granted under the PSP for no consideration and are granted for a period not exceeding 5 years. There were no performance rights issued during the year or on issue as at year end.

The Group has a policy that prohibits directors and employees who are granted share options and performance rights as part of their remuneration from entering into arrangements that limit their exposure to losses that would result from share price decreases.

Analysis of Options over Equity Instruments Granted as Compensation

Details of vesting profiles of the options granted as remuneration to key management personnel of the Group are detailed below. There were no options which expired or were forfeited during the year:

	Number of Options Issued	Grant Date	Expiry Date	Exercise Price	Fair value per option at grant date	% Vest in Year	Financial Year in Which Grant Vests (1)
Mr D M Murcia	500,000	10/06/16	10/06/18	$0.0082	$0.0020		2016
	1,000,000	10/06/16	10/06/19	$0.0082	$0.0026	100%	2017
	1,000,000	10/06/16	10/06/20	$0.0082	$0.0031	-	2018
	2,500,000	31/05/17	31/05/20	$0.0130	$0.0064	100%	2017
	2,500,000	31/05/17	31/05/21	$0.0140	$0.0069	-	2018
	5,000,000	31/05/17	31/05/22	$0.0150	$0.0072	-	2019
Mr D P Gordon	2,000,000	10/06/16	10/06/18	$0.0082	$0.0020	-	2016
	3,000,000	10/06/16	10/06/19	$0.0082	$0.0026	100%	2017
	3,000,000	10/06/16	10/06/20	$0.0082	$0.0031	-	2018
	5,000,000	31/05/17	31/05/20	$0.0130	$0.0064	100%	2017
	5,000,000	31/05/17	31/05/21	$0.0140	$0.0069	-	2018
	10,000,000	31/05/17	31/05/22	$0.0150	$0.0072	-	2019
Mr B R Scarpelli	250,000	25/08/14	31/08/18	$0.1250	$0.0446	-	2014
	250,000	25/08/14	31/08/18	$0.1250	$0.0446	-	2016
	500,000	25/08/14	31/08/18	$0.1250	$0.0446	100%	2017
	1,000,000	10/06/16	10/06/18	$0.0082	$0.0020	-	2016
	1,500,000	10/06/16	10/06/19	$0.0082	$0.0026	100%	2017
	1,500,000	10/06/16	10/06/20	$0.0082	$0.0031	-	2018
	3,750,000	31/05/17	31/05/20	$0.0130	$0.0064	100%	2017
	3,750,000	31/05/17	31/05/21	$0.0140	$0.0069	-	2018
	7,500,000	31/05/17	31/05/22	$0.0150	$0.0072	-	2019
Mr M D Hancock	500,000	10/06/16	10/06/18	$0.0082	$0.0020	-	2016
	750,000	10/06/16	10/06/19	$0.0082	$0.0026	100%	2017
	750,000	10/06/16	10/06/20	$0.0082	$0.0031	-	2018
	1,750,000	31/05/17	31/05/20	$0.0130	$0.0064	100%	2017
	1,750,000	31/05/17	31/05/21	$0.0140	$0.0069	-	2018
	3,500,000	31/05/17	31/05/22	$0.0150	$0.0072	-	2019
Mr S A Parsons	1,750,000	31/05/17	31/05/20	$0.0130	$0.0064	100%	2017
	1,750,000	31/05/17	31/05/21	$0.0140	$0.0069	-	2018
	3,500,000	31/05/17	31/05/22	$0.0150	$0.0072	-	2019

(1) The options which vest in 2018 and 2019 are subject to the satisfaction of service conditions.

Exercise of Options Granted as Compensation

There were no shares issued on exercise of options which were previously granted as compensation to key management personnel.

Options Over Equity Instruments Granted as Compensation

The movement during the reporting period, by *number* of options over ordinary shares in Centaurus Metals Limited held, directly, indirectly and beneficially, by each key management person, including their related parties, is as follows:

	Held 1 January 2017	Granted as Compensation	Exercised	Held 31 December 2017	Vested During the Period	Vested and Exercisable 31 December 2017
Directors						
Mr D M Murcia	2,500,000	10,000,000	-	12,500,000	3,500,000	4,000,000
Mr D P Gordon	8,000,000	20,000,000	-	28,000,000	8,000,000	10,000,000
Mr B R Scarpelli	5,000,000	15,000,000	-	20,000,000	5,750,000	7,250,000
Mr M D Hancock	2,000,000	7,000,000	-	9,000,000	2,500,000	3,000,000
Mr S A Parsons	-	7,000,000		7,000,000	1,750,000	1,750,000

Analysis of Movements in Options

The movement during the reporting period, by *value*, of options over ordinary shares in the Company held by each director, key management person and each of the Company executives and relevant Group executives is detailed below:

	Value of Options Granted $(A)	Value of Options Exercised in Year $(B)	Value of Options Lapsed in Year $(C)
Director			
Mr D M Murcia	69,250	-	-
Mr D P Gordon	138,500	-	-
Mr B R Scarpelli	103,875	-	-
Mr M D Hancock	48,475	-	-
Mr S A Parsons	48,475	-	-

(A) The value of options granted in the year is the fair value of the options calculated at grant date using the Black Scholes option-pricing model. The total value of the options granted is included in the table above. This amount is allocated to remuneration over the vesting period.

(B) The value of options exercised during the year is calculated as the market price of shares of the Company as at close of trading on the date the options were exercised after deducting the price paid to exercise the option.

(C) The value of unvested options that lapsed during the year represents the benefit forgone and is calculated at the date the options lapsed using the Black Scholes option-pricing model assuming the performance criteria had been achieved. To the extent that the options are out of the money upon lapsing, the value is nil.

5.4 Key Management Personnel Transactions

Loans to Key Management Personnel and Their Related Parties

No loans have been made to directors or other key management personnel of Centaurus Metals Limited or the Group.

Key Management Personnel and Director Transactions

One of the key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of these entities.

One of these entities transacted with the Group in the reporting period. The terms and conditions of the transactions with key management personnel and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis.

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows:

		Transaction Value		Balance Outstanding As At	
		2017	2016	**31 Dec 2017**	31 Dec 2016
Key Management Person	**Transaction**	**$**	$	**$**	$
Mr D M Murcia[1]	Legal fees	**56,300**	77,917	-	17,174
Total and current liabilities				-	17,174

(1) Payable to MPH Lawyers, a firm in which Mr Murcia is a partner.

Shareholdings of Key Management Personnel

The movement during the reporting period of ordinary shares in Centaurus Metals Limited held, directly, indirectly and beneficially, by each key management person, including their related parties, is as follows:

	Held 1 January 2017	Purchases	Sales	Other	Held at 31 December 2017
Mr D M Murcia	8,487,968	2,500,000	-	-	10,987,968
Mr D P Gordon	37,908,416	18,766,877	-	-	56,675,293
Mr B R Scarpelli	-	-	-	-	-
Mr M D Hancock	2,363,930	1,313,294	-	-	3,677,224
Mr S A Parsons	-	1,111,111	-	2,000,000[1]	3,111,111

(1) Balance on appointment on 31 March 2017.

All equity transactions with Key Management Personnel other than those arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the Group would have adopted if dealing at arms-length.

Listed Option Holdings of Key Management Personnel

On 12 July 2017 the Company announced a 5-for-9 Renounceable Rights Issue that included an issue of 1 free attaching listed option for every new share subscribed for. The listed options (ASX: CTMOB) have an exercise price of $0.01 and an expiry date of 31 August 2019.

The movement during the reporting period of the listed options in Centaurus Metals Limited held, directly, indirectly and beneficially, by each key management person, including their related parties, is as follows:

	Held 1 January 2017	Purchases	Sales	Expired	Held at 31 December 2017
Director					
Mr D M Murcia	1,934,561	2,500,000	-	(343,067)	4,091,494
Mr D P Gordon	9,224,494	18,766,877	-	(2,116,666)	25,874,705
Mr B R Scarpelli	-	-	-	-	-
Mr M D Hancock	602,124	1,313,294	-	(158,888)	1,756,530
Mr S A Parsons	-	1,111,111	-	-	1,111,111

6 Principal Activities

During the period the principal activities of the Group consisted of exploration and evaluation activities related to mineral resources in Brazil. There were no significant changes in the nature of the activities of the Group during the year.

7 Operating and Financial Review

A summary of consolidated results is set out below

	31 December 2017 $	31 December 2016 $
Interest Income	**52,240**	43,076
Other Income	**122,559**	142,093
	174,799	185,169
Loss before income tax	**(3,632,809)**	(3,318,902)
Income tax benefit	**-**	758,003
Loss attributable to members of Centaurus Metals Limited	**(3,632,809)**	(2,560,899)

Financial Performance

During the year ended 31 December 2017 the Group expensed Exploration and Evaluation costs totalling $2,120,845 (2016: $1,478,842) in accordance with the Group's accounting policy. The Exploration and Evaluation costs primarily comprise costs in relation to exploration at the Serra Misteriosa Gold and the Salobo West Copper – Gold Projects in Brazil.

Financial Position

At the end of the year the Group had a cash balance of $822,132 (2016: $1,891,367) and net assets of $3,482,197 (2016: $4,751,289). Total liabilities amounted to $579,917 (2016: $767,920) and consisted of trade and other payables and employee benefits.

Strategy

The key focus for the Group is currently to explore and develop mineral resource projects which the Company believes are capable of delivering acceptable returns to its shareholders within a reasonable timeframe.

The 2017 calendar year saw the acquisition of the Pará Exploration Package ("Pará EP") in Northern Brazil from the Company's strategic alliance partner Terrativa Minerais SA ("Terrativa"). The acquisition was made to open up mineral rich resource opportunities outside of the iron ore sector as the Company continued to seek value from its existing iron ore assets through either outright sale or joint development.

Project Activities

Overview

The 2017 year was a positive and productive period for Centaurus which saw the company significantly enhance its asset portfolio with the acquisition of a number of properties in the world class Carajás Mineral Province (Carajás) of northern Brazil. By completing a significant exploration program at the Serra Misteriosa Gold Project (which was part of the Pará EP tenement package acquisition), the Company was able to satisfy its earn in commitment over the highly prospective package of ground from strategic alliance partner Terrativa. Upon meeting the earn in requirement in mid-2017, Centaurus exercised its option, via the issue of 30 million CTM shares and a 2% production royalty over future production from any of the project tenements.

Whilst the initial phase of exploration at Serra Misteriosa did not result in an economic discovery, the spend on the project did allow the Company to perfect ownership to a 100% interest in the highly prospective Salobo West and Pebas Copper Gold Projects in the Carajás.

The Salobo West Copper-Gold Project

The Salobo West Copper-Gold Project consists of two tenements, SW1 and SW2. SW1 was granted to the Company in June 2017 and SW2 in November 2017. The combined total area covers 120km^2 of highly prospective ground only 12km along strike from Vale's giant Salobo Copper-Gold Mine. Towards the end of the year, Centaurus commenced non-ground disturbing field exploration activities over the SW1 tenement to assist in validating an extensive historical database collected by the Company, while waiting for the approval of necessary environmental licensing for drilling, which is anticipated in 2018.

The SW-1 tenement hosts at least three quality Cu-Au prospects – SW1-B, SW1-A and Serendipidade.

SW1-B

The SW1-B Prospect hosts an extensive +6.5km long Cu-Au(-Co) anomaly that is up to 600m wide. The soil signature for the SW1-B Prospect, which is located in the Itacaiúnas Supergroup, is comparable to a number of known IOCG deposits in the region.

Within the broader SW1-B Prospect, the Company has identified three distinct target zones – all of which have multiple walk-up drill targets for copper-gold mineralisation, namely:

Cruzamento Zone

- Located exactly where the east-west Banded Iron Formation (BIF) is intersected by the north-west trending BIF unit of the SW1-A Prospect;
- The Cu-Au(-Co) geochem signature is continuous across the Cruzamento Zone, where convergent structural trends are clear; and
- The highest gold and sulphur values are located at the convergence point, representing an excellent target for future drilling.

Central Zone

- A continuous +2.5km distinct magnetic signature that is coincident with the strongest and most consistent Cu-Au(-Co) geochemical signature of the SW1-B Prospect.

Western Zone

- This zone is delineated by the continuation of the Cu-Au(-Co) geochemical signature beyond the western end of the magnetic signature;
- The magnetic low response is likely due to the demagnetisation of the BIF host, either via the formation of hematite or sulphides; and
- The Western Zone hosts the highest grade copper and cobalt soil sampling values from the SW1-B Prospect.

During the course of the Company's exploration program at SW1-B, Centaurus' field team identified a number of tracks in the forest and two drill holes along the SW1-B trend. The first hole was identified just east of the Cruzamento Zone and the other was located to the east, well outside of the copper-gold soil anomaly. The Company was able to retrieve the data for these historical drill-holes. In addition, Centaurus was also able to retrieve and review additional historical exploration data for the SW1-B Prospect including a detailed VTEM (Airborne Electromagnetics) survey and multiple Induced Polarisation (IP) survey lines. This geophysical dataset, which was re-processed by Southern Geoscience, significantly enhances the prospectivity of the three target zones.

The results and location of historical drill hole DRI10-FD0010 are considered to be extremely encouraging for the Company's future exploration efforts at the Salobo West Project. Of particular relevance is not only the fact that the hole encountered strong copper-gold and iron ore mineralisation at the end-of-hole, but also that is was stopped 50 metres short of an outstanding IP chargeability anomaly.

SW1-A

The SW1-A Prospect is an extensive +3.2km long Cu-Au(-Co) anomaly that is locally up to 800m wide and which represents an outstanding IOCG target. The extensive soil anomaly at SW1-A is hosted in the same stratigraphic sequence and just 12km along strike from Vale's giant Salobo Copper-Gold Mine.

Analysis completed by Southern Geoscience on regional magnetic data secured over the Salobo West area demonstrates that the SW1-A Prospect has a magnetic susceptibility of 0.65 SI, which compares very favourably with the Salobo Cu-Au Mine (0.66 SI).

Given that the SW1-A Prospect is hosted in the same stratigraphic sequence as the Salobo mine, it is reasonable to consider that the SW1-A Prospect features the same host rocks and potentially similar mineralisation, although this will need to be tested with drilling.

The SW1-A Prospect is situated in a favourable structural corridor and associated with a number of oblique regional structures.

Serendipidade

A comprehensive review of the DNPM (Brazilian Mines Department) archives resulted in the identification of a new large-scale copper-cobalt exploration target at the Serendipidade Prospect.

The review work uncovered historical exploration data including the discovery of archived documents from early stage exploration work undertaken on the SW1 tenement area in 2005-2009 by leading global mining company Anglo American. The identification of the data was unexpected but was a significant boost to the Company's upcoming exploration plans.

The historical Anglo American soil samples were collected in two campaigns, initially along SW-NE regional lines and then N-S lines that were spaced 400m apart and with samples collected every 100m. The Serendipidade copper-in-soils anomaly is more than 2.5km long and up to 700m wide and has the highest copper and gold soil anomalies collected by Anglo from the SW1 project area.

SW-2

During the last quarter of 2017, the Company secured the grant of the southern tenement (SW2) at Salobo West with the Brazilian Mines Department (DNPM) gazetting the grant of this second key exploration licence. The grant of the SW2 tenement will open up additional new fronts for the Company's exploration activities alongside the existing SW1 tenement.

For the SW2 tenement, Centaurus has re-processed CPRM airborne geophysical data and has already identified multiple targets which require further ground based follow up exploration work. The re-processing and analysis of the regional geophysical data was completed by highly regarded geophysical consulting group, Southern Geoscience and Mr Alan King, former Chief Geophysicist for Global Exploration at Vale and Inco.

The Pebas Copper-Gold Project

The Pebas Project is located approximately 100km east of the Company's large and highly prospective Salobo West Copper Gold Project, ~20km north of the operating Antas Norte copper-gold mine, operated by ASX listed copper miner Avanco Resources (ASX:AVB), and just 5km outside of the regional city of Parauapebas.

The Project is hosted within the highly prospective Itacaiúnas Supergroup, which hosts all IOCG deposits within the Carajás Mineral Province. The Pebas Project is wedged between the regionally important Cigano and Estrela Granite Complexes.

Soil sampling undertaken during the year confirmed the quality and consistency of a 2km long, +500ppm copper-in-soils anomaly which is up to 400m wide and is coincident with a 1km long discrete magnetic signature. New rock chip results from samples collected at Pebas include assays of up to 0.51% copper and 0.75% cobalt.

Diamond drilling carried out by a previous TSX-listed explorer in 2010 returned intersections of up to 3.74% Cu within broad zones of lower grade mineralisation (146.9m at 0.21% Cu and 0.08 g/t Au from surface). The drilling did not test a potential high-grade fault-related IOCG target and this work is planned to be undertaken by the Company.

Given the favourable location and ease of access to the regional centre of Parauapebas, any drill program is likely to be undertaken during the regional wet season, when work at the Salobo West Project may be restricted.

Itapitanga Nickel-Cobalt Project

Subsequent to year end, Centaurus entered into an agreement to acquire a 100% interest in the Itapitanga nickel-cobalt tenement from a private Brazilian vendor.

The Project is located only 10km along strike from Anglo American's large and high grade Jacaré Nickel Cobalt Project which has a Resource of 307Mt at 1.3% Ni and 0.13% Co that includes a high-grade cobalt resource of 185Mt at 1.2% Ni and 0.18% Co[1]. The high grade nature of the Jacare project provides significant encouragement as to what Centaurus may be able to define on its own tenure.

The Itapitanga Project is expected to be a major focus of exploration activity over the first half of 2018 until exploration at Salobo West can commence.

Under the terms of the Acquisition Agreement for Itapitanga, Centaurus will pay up to R$150,000 (~A$60,000) over a six-month period and commit to undertake R$150,000 of exploration work on the ground over the same six-month period. At the end of this period and on the basis that Centaurus wishes to continue with the project it will pay the vendor R$500,000 (~A$200,000). Further, should Centaurus elect to continue with the project it will make milestone payments to the vendor of R$1 million (~A$400,000) on definition of a JORC Resource and R$1.5 million (~A$600,000) on the grant of a Mining Lease by the Brazilian Mines Department.

Serra Misteriosa Gold Project

As referred to above, during the year a maiden diamond drill program was completed at Serra Misteriosa with 9 holes drilled for a total of 2,450m. Drilling indicated the presence of a large, shear-hosted hydrothermal system where multiple zones of weak gold mineralisation were intersected along a strike length of some 1.6km. The decision was made to suspend exploration activities while the Company undertakes a detailed review of the results before moving on with any further exploration.

Jambreiro Iron Ore Project

The Company's 100%-owned Jambreiro Project, located in south-east Brazil, is a shovel-ready development project that is licenced for 3Mtpa of wet production and which 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) like that which could be produced at Jambreiro.

During the year, Centaurus delivered a new product sample from the Jambreiro Project to potential steel mill customers in Brazil for testing. The delivered product graded 64.6% Fe with very low impurities (4.7% SiO_2, 0.7% Al_2O_3 and 0.02% P). The Company understands that this is recognised as a very high-quality product that is being strongly sought after in the domestic market and is looking forward to receiving the results of testing from the mills.

Centaurus intends to pursue all value realisation opportunities at Jambreiro whilst it continues exploration in the Carajás Mineral Province.

Conquista DSO Iron Ore Project

The Conquista Project comprises a portfolio of highly prospective tenements with extensive Direct Ship Ore (DSO) mineralisation located just 8km along well-maintained gravel roads from the Company's previously divested Candonga DSO Iron Ore Project.

During the year, Centaurus granted a 12-month exclusive option over the Conquista Project to R3M Mineração Ltda (R3M), a privately-owned Brazilian mining group, paving the way for the next phase of exploration and potential future development of the Conquista Project. The structure of the Agreement provides Centaurus with the ability, at no cost, to undertake the required drilling to advance the Conquista Project before potentially generating a strong revenue stream from a 12% production royalty on any production from the project tenements.

Under the terms of the Agreement, R3M has paid R$200,000 (~A$85,000) for a 12-month exclusive option over the Conquista Project, will undertake a specified exploration program which has been designed in conjunction with Centaurus' technical team ("Qualifying Program") and will keep the tenements in good standing. All exploration work undertaken in connection with the Qualifying Program will be managed by Centaurus during the option period.

[1] Resource data sourced from Anglo American Presentations "O Depósito de Níquel Laterítico do Jacaré (PA), Brasil" – Simexmin 2010 and Ore Reserves and Mineral Resources Report 2016

If R3M elects to exercise the option, it will grant a 12% gross production royalty to Centaurus on future production from the Conquista Project tenements ("Royalty"), with an amount of R$3 million (~A$1.25 million) being immediately payable on exercise by way of non-refundable Royalty pre-payment.

The option may be extended for a further 6 months at the end of the original option period if R3M has met the Qualifying Program requirements.

Corporate

Board Appointment

In March 2017 the Company appointed senior mining executive Steve Parsons as a non- executive Director. Mr Parsons was the founding Managing Director of Gryphon Minerals, which he listed on the Australian Securities Exchange in 2004 and grew into an ASX-200 company before being taken over in 2016. Mr Parsons is currently Managing Director of ASX Listed Draig Resources Limited.

Capital Raisings

In August the Company completed a 5-for-9 renounceable rights issue. Under the offer, eligible shareholders could subscribe for 5 new shares for every 9 existing shares held at an issue price of $0.004 per share, together with one free attaching option for every new share subscribed for with an exercise price of $0.01 and an expiry date of 31 August 2019. The Company issued 624,025,798 New Shares and 624,025,798 New Options under the Rights Issue, raising a total of $2.5 million before costs.

The proceeds of the Rights Issue were predominately used to continue the drilling program at Serra Misteriosa as well as to commence a maiden exploration program at the recently acquired Salobo West Copper-Gold Project which is also located within the Pará Exploration Package.

Competent Person's Statement

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Roger Fitzhardinge, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy and Volodymyr Myadzel, a Competent Person who is a Member of the Australian Institute of Geoscientists. Roger Fitzhardinge is a permanent employee of Centaurus Metals Limited and Volodymyr Myadzel is the Senior Resource Geologist of BNA Consultoria e Sistemas Limited, independent resource consultants engaged by Centaurus Metals Limited.

Roger Fitzhardinge and Volodymyr Myadzel have sufficient experience that 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.

Factors and Business Risks Affecting Future Business Performance

The following factors and business risks could have a material impact on the Company's success in delivering its strategy:

Access to Funding

The Company's ability to successfully develop future projects is contingent on the ability to fund those projects from operating cash flows or through affordable debt and equity raisings. Ongoing exploration of the Company's Projects is contingent on developing appropriate funding solutions.

Commodity Prices

Commodity prices fluctuate according to changes in demand and supply. The Company is exposed to changes in the price of a number of commodities, which could affect the future profitability of the Company's projects. Significant adverse movements in commodity prices could also affect the ability to raise debt and equity to fund future exploration and development of projects.

Exchange Rates

The Company is exposed to changes in the US Dollar and the Brazilian Real. Sales of most commodities are denominated in US Dollars. The Company's CAPEX and OPEX costs will be primarily denominated in Brazilian Real.

Sale of Iron Ore Projects

The Company's strategy in relation to its remaining iron ore assets is to maximise value from these assets with preference for a joint development scenario. Whilst iron ore projects with high grade, low impurity product remain profitable in the domestic market, broader market conditions may impact on the Company's ability to deliver value that is reflective of the historical cost of the projects and there is no definitive certainty that the Company will be able to enter into suitable project joint venture arrangements in line with the timetable established by the Company.

Emphasis of Matter

The audit opinion for the year ended 31 December 2017 contains an emphasis of matter in relation to potential uncertainty regarding continuation as a going concern. The Financial Statements have been prepared on the basis of going concern. The Group will require funding in order to continue its exploration activities and iron ore value realisation process. Refer to Note 2 of the Financial Report for further details.

Significant Changes in the State of Affairs

In the opinion of directors, other than as outlined in this report, there were no significant changes in the state of affairs of the Group that occurred during the financial year under review.

8 Dividends

No dividend was declared or paid by the Company during the current or previous year.

9 Events Subsequent to Reporting Date

Subsequent to year end Centaurus completed a share placement, to sophisticated and professional investors, and issued 295 million shares at $0.009 per share and 147.5 million free attaching unlisted options to raise $2.65 million before costs. The unlisted options have an exercise price of $0.015 and an expiry date of 31 January 2020.

Subsequent to year end Centaurus entered into an agreement to acquire a 100% interest in the title of the Itapitanga nickel-cobalt tenement from a private Brazilian vendor. Under the terms of the agreement Centaurus will pay up to R$150,000 (~A$60,000) over a six-month period and commit to undertake R$150,000 of exploration work on the ground over the same six month period. At the end of this period and on the basis that Centaurus wishes to continue with the project it will pay the vendor R$500,000 (~A$200,000). Further, should Centaurus elect to continue with the project it will make milestone payments to the vendor of R$1 million (~A$400,000) on definition of a JORC Resource and R$1.5 million (~A$600,000) on the grant of a Mining Lease by the Brazilian Mines Department.

Other than the above there has not arisen in the interval between the end of the financial year 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.

10 Likely Developments

Other than likely developments contained in the "Operating and Financial Review" and events subsequent, further information on likely developments in the operations of the Group and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the Group.

11 Environmental Regulation

The Group is subject to environmental laws and regulations under Brazilian (State and Federal) legislation depending on the activities undertaken. Compliance with these laws and regulations is regarded as a minimum standard for the Group to achieve. There were no known significant breaches of these regulations during the year.

12 Directors' Interests

The relevant interest of each director in the shares and options over such shares issued by the companies within the Group and other related bodies corporate, as notified by the directors to the ASX in accordance with S205G(1) of the Corporations Act 2001, at the date of this report is as follows:

	Ordinary Shares	Employee Options	Listed Options
Directors			
Mr D M Murcia	10,987,968	12,500,000	4,091,494
Mr D P Gordon	56,675,293	28,000,000	25,874,705
Mr B R Scarpelli	-	20,000,000	-
Mr M D Hancock	3,677,224	9,000,000	1,756,530
Mr S A Parsons	3,111,111	7,000,000	1,111,111

13 Share Options

At the date of this report unissued ordinary shares of the Company under unlisted option are:

Expiry Date	Exercise Price	Employee Options		Options	Total Number Of Shares Under Option
		Vested	Unvested		
10/06/2018	$0.0082	5,500,000	-	-	5,500,000
31/08/2018	$0.1250	2,000,000	-	-	2,000,000
10/06/2019	$0.0082	8,500,000	-	-	8,500,000
10/06/2020	$0.0082	-	8,500,000	-	8,500,000
31/05/2020	$0.0130	18,500,000	-	-	18,500,000
31/05/2021	$0.0140	-	18,500,000	-	18,500,000
31/05/2022	$0.0150	-	37,000,000	-	37,000,000
31/01/2020	$0.0150	-	-	147,500,000	147,500,000
		34,500,000	**64,000,000**	**147,500,000**	**246,000,000**

The unlisted options expiring on 31 January 2020 were issued as a 1 for 2 free attaching option as part of the share placement announced on 2 February 2018.

At the date of this report unissued ordinary shares of the Company under listed option are:

Expiry Date	Exercise Price	Total Number Of Shares Under Option
30/04/2018	$0.010	224,874,914
31/08/2019	$0.010	623,757,741
		848,632,655

The listed options expiring on 30 April 2018 were issued as a 1 for 2 free attaching option as part of the rights issue announced on 12 October 2016. The full terms of the options are set out in the Prospectus lodged with the ASX on 14 October 2016.

The listed options expiring on 31 August 2019 were issued as a 1 for 1 free attaching option as part of the rights issue announced on 12 July 2017. The full terms of the options are set out in the Prospectus lodged with the ASX on 13 July 2017.

14 Performance Rights

ASX Waivers in regard to Issue of Shares and Performance Rights - Pará Exploration Package

In February and March 2017, the Company obtained ASX waivers under Listing Rule 7.3.2 in connection with the issue of 30,000,000 Shares and 90,000,000 Performance Rights to Terrativa Minerais SA for the right to acquire 100% of the Pará Exploration Package (Pará EP) in Brazil, so as to permit the relevant securities to be issued up until 2 December 2018.

The issue of the future Shares and Performance Rights were approved by shareholders at the Company's 2017 AGM held on 24 May 2017 and on 6 September 2017, the Company announced that it had met the earn-in obligation of R$2.5 million in expenditure on the tenements and issued the 30 million Shares and 90 million Performance Rights to Terrativa.

There are no Shares or Performance Rights that remain to be issued. No Performance Rights were converted during the period as the vesting conditions have yet to be met. No Performance Rights have been cancelled.

The Performance Rights on issue as at the date of this report comprise three tranches of 30 million Performance Rights each, and each will be converted into one Ordinary Share upon the achievement in full of the following milestones:

- Tranche A – 30,000,000 Performance Rights will be converted into Ordinary Shares if, within a period of 5 years after the date of issue of the Performance Rights (5 September 2017), a JORC-compliant Inferred Resource of 500,000oz of gold or gold equivalent is defined on the Para EP Project tenements;
- Tranche B – 30,000,000 Performance Rights will be converted into Ordinary Shares if, within a period of 5 years after the date of issue of the Performance Rights, a JORC-compliant Inferred Resource of 1,000,000oz of gold or gold equivalent is defined on the Para EP Project tenements;
- Tranche C – 30,000,000 Performance Rights will be converted into Ordinary Shares if, within a period of 5 years after the date of issue of the Performance Rights, a JORC-compliant Inferred Resource of 1,500,000oz of gold or gold equivalent is defined on the Para EP Project tenements.

15 Indemnification and Insurance of Officers and Auditors

During the period, the Company paid insurance premiums to insure the directors, executive officers and Company Secretary of the Group. The amount of premiums paid has not been disclosed due to confidentiality requirements under the contract of insurance.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Consolidated Entity, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Group.

16 Non- Audit Services

During the period KPMG, the Company's auditor, has performed certain other services in addition to their statutory duties.

The Board has considered the non-audit services provided during the year by the auditor and in accordance with written advice provided by resolution of the Board, is satisfied that the provision of those non-audit services during the year by the auditor, did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by the Company and have been reviewed by the Board to ensure they do not impact the integrity and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

Details of the amounts paid to the auditor of the Company, KPMG, and its related practices for audit and non-audit services provided during the year are set out below.

	31 December 2017 $	31 December 2016 $
Audit Services		
Auditors of the Company		
Audit and review of financial reports – KPMG	**37,059**	45,066
Services other than statutory audit		
Taxation compliance services – KPMG	**6,150**	25,385

17 Lead Auditor's Independence Declaration

The lead auditor's independence declaration is set out on page 22 and forms part of the directors' report for the period ended 31 December 2017.

This report is signed in accordance with a resolution of the directors.

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D P Gordon
Managing Director
Perth
21 March 2018

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 audit of Centaurus Metals Limited for the financial year ended 31 December 2017 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Trevor Hart

Partner

Perth

21 March 2018

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2017

	Note	**31 December 2017 $**	31 December 2016 $
Profit or Loss			
Other income	7	**122,559**	142,093
Exploration expenditure		**(2,120,845)**	(1,478,842)
Impairment of exploration and evaluation	18	**(40,000)**	(464,646)
Impairment of other receivables	16	**(55,525)**	(21,160)
Employee benefits expense	8	**(641,268)**	(711,354)
Share based payments expense	11	**(303,848)**	(48,176)
Occupancy expenses		**(49,038)**	(96,638)
Listing and share registry fees		**(77,051)**	(44,740)
Professional fees		**(285,391)**	(342,550)
Depreciation	9	**(15,062)**	(30,688)
Loss on investments		**(20,609)**	(69,243)
Other expenses		**(198,971)**	(195,542)
Results from operating activities		**(3,685,049)**	(3,361,486)
Finance income		**52,240**	43,076
Finance expenses		**-**	(492)
Net finance income	10	**52,240**	42,584
Loss before income tax		**(3,632,809)**	(3,318,902)
Income tax benefit	12	**-**	758,003
Loss for the period		**(3,632,809)**	(2,560,899)
Other Comprehensive Income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences arising on translation of foreign operations		**(297,101)**	636,217
Other comprehensive income/(loss) for the period		**(297,101)**	636,217
Total comprehensive loss for the period		**(3,929,910)**	(1,924,682)
Earnings per Share		**Cents**	Cents
Basic loss per share	14	**(0.26)**	(0.39)
Diluted loss per share	14	**(0.26)**	(0.39)

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

Consolidated Statement of Financial Position

As at 31 December 2017

	Note	**2017** **$**	2016 $
Current assets			
Cash and cash equivalents	15(a)	**822,132**	1,891,367
Other receivables and prepayments	16	**170,165**	269,865
Total current assets		**992,297**	2,161,232
Non-current assets			
Other receivables and prepayments	16	**148,119**	210,080
Other investments including derivatives		**-**	20,609
Property, plant and equipment	17	**361,473**	425,928
Exploration and evaluation assets	18	**2,560,225**	2,701,360
Total non-current assets		**3,069,817**	3,357,977
Total assets		**4,062,114**	5,519,209
Current liabilities			
Trade and other payables	19	**314,169**	409,767
Employee benefits – annual leave		**163,548**	139,066
Total current liabilities		**477,717**	548,833
Non-current liabilities			
Trade and other payables	19	**7,298**	136,057
Employee benefits – long service leave		**94,902**	83,030
Total non-current liabilities		**102,200**	219,087
Total liabilities		**579,917**	767,920
Net assets		**3,482,197**	4,751,289
Equity			
Share capital		**111,776,626**	109,419,656
Reserves		**(6,554,464)**	(6,561,211)
Accumulated losses		**(101,739,965)**	(98,107,156)
Total equity		**3,482,197**	4,751,289

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

Consolidated Statement of Changes in Equity

For the year ended 31 December 2017

	Issued Capital $	Share-Based Payments Reserve $	Foreign Currency Translation Reserve $	Accumulated Losses $	Total Equity $
Balance at 1 January 2017	109,419,656	110,551	(6,671,762)	(98,107,156)	4,751,289
Loss for the period	-	-	-	(3,632,809)	(3,632,809)
Foreign currency translation difference for foreign operation	-	-	(297,101)	-	(297,101)
Total comprehensive loss for the period	**-**	**-**	**(297,101)**	**(3,632,809)**	**(3,929,910)**
Share-based payment transactions	-	303,848	-	-	303,848
Issues of ordinary shares	2,616,103	-	-	-	2,616,103
Share issue costs	(259,133)	-	-	-	(259,133)
Total transactions with owners	**2,356,970**	**303,848**	**-**	**-**	**2,660,818**
Balance at 31 December 2017	**111,776,626**	**414,399**	**(6,968,863)**	**(101,739,965)**	**3,482,197**
Balance at 1 January 2016	106,666,191	62,375	(7,307,979)	(95,546,257)	3,874,330
Loss for the period	-	-	-	(2,560,899)	(2,560,899)
Foreign currency translation difference for foreign operation	-	-	636,217	-	636,217
Total comprehensive loss for the period	**-**	**-**	**636,217**	**(2,560,899)**	**(1,924,682)**
Share-based payment transactions	-	48,176	-	-	48,176
Issues of ordinary shares	3,010,089	-	-	-	3,010,089
Share issue costs	(256,624)	-	-	-	(256,624)
Total transactions with owners	**2,753,465**	**48,176**	**-**	**-**	**2,801,641**
Balance at 31 December 2016	**109,419,656**	**110,551**	**(6,671,762)**	**(98,107,156)**	**4,751,289**

The amounts recognised directly in equity are disclosed net of tax.

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

Consolidated Statement of Cash Flows

For the year ended 31 December 2017

	Note	31 December 2017 $	31 December 2016 $
Cash flows from operating activities			
Exploration and evaluation expenditure		**(2,382,926)**	(1,264,846)
Payments to suppliers and employees (inclusive of GST)		**(1,053,737)**	(979,427)
Cash receipts from project partners		**84,902**	98,238
Interest received		**50,466**	32,565
Net cash used in operating activities	15(b)	**(3,301,295)**	(2,113,470)
Cash flows from investing activities			
Payments for plant & equipment		**(13,854)**	(3,947)
Proceeds from grant of option over tenement		**84,390**	-
Proceeds from grant of future lease of mining rights		**-**	736,782
Proceeds from sale of plant & equipment		**21,820**	23,660
Net cash from investing activities		**92,356**	756,495
Cash flows from financing activities			
Proceeds from issue of equity securities		**2,496,102**	2,912,338
Capital raising costs		**(292,930)**	(222,826)
Net cash from financing activities		**2,203,172**	2,689,512
Net increase/(decrease) in cash and cash equivalents		**(1,005,767)**	1,332,537
Cash and cash equivalents at the beginning of the period		**1,891,367**	541,871
Effect of exchange rate fluctuations on cash held		**(63,468)**	16,959
Cash and cash equivalents at 31 December	15(a)	**822,132**	1,891,367

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2017

Note 1. Reporting Entity

Centaurus Metals Limited ("the Company") is a company domiciled in Australia. The Company's registered office is at Level 3, 10 Outram Street, West Perth WA 6005. The consolidated financial statements of the Company as at and for the year ended 31 December 2017 comprise the Company and its subsidiaries (collectively the "Group" and individually "Group entities"). The Group is a for-profit entity and is primarily involved in exploration for and evaluation of mineral resources.

Note 2. Basis of Preparation

Statement of Compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Accounting Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial statements comply with International Financial Reporting Standards (IFRS's) adopted by the International Accounting Standards Board (IASB).

The consolidated financial statements were authorised for issue by the Board of Directors on 21 March 2018.

Basis of Measurement

The consolidated financial statements have been prepared on the historical cost basis, except for the following material items in the statement of financial position:

- Derivative financial instruments are measured at fair value;
- Available-for-sale financial assets are measured at fair value; and
- Share based payments are measured at fair value.

Going Concern

The financial statements for the year ended 31 December 2017 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.

During the year, the Group incurred a loss after tax of $3,632,809 with net cash outflows of $1,005,767. The Group has a working capital surplus of $514,580.

The Group's strategy is to realise maximum value for its remaining iron ore projects in south-eastern Brazil which may include some form of joint development or outright divestment.

The Group plans to continue exploration work on its other gold and copper projects during 2018 to the extent that funding is available. The Group has the ability to accelerate its work programs or to reduce or defer expenditure.

The Group will require further funding in order to continue its exploration plans and meet planned ongoing costs of the business. The Group intends to fund further exploration with new equity issues or via the joint venture or divestment of the Company's remaining iron ore assets. The Directors believe that the Group will be able to secure funding sufficient to meet requirements to continue as a going concern due to the following:

- The Group has successfully raised equity capital in the past and did raise $2.65 million in a share placement subsequent to year end;
- The Group has the potential to raise additional funds, up to $2.25 million, from the exercise of listed options which are in-the-money at this date of this report and due to expire or be exercised at the end of April 2018;
- Commodity prices relevant to all of the Company's projects (gold, copper and iron ore) have improved over the course of the last 12 months, making raising equity for future exploration more appealing to investors; and

- The Group has an ongoing value realisation process in place in respect to its remaining iron ore assets and is engaged in discussions with interested parties and potential customers of the high-grade Jambreiro product.

The form, value and timing of any future transactions that may provide funding – including the exercise of in the money listed options - is yet to be determined and will depend amongst other things, on capital markets, commodity prices and the outcome of planned exploration and evaluation activities.

The Directors consider the going concern basis of preparation to be appropriate based on forecast cash flows for the next 12 months, which includes the equity raise completed subsequent to year end to meet forecast minimum expenditure required to maintain tenements and meet ongoing costs. The ability of the Company to achieve its forecast cash flows, represents material uncertainty that may cast significant doubt about whether the Company can continue as a going concern in which case it may not be able to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Note 3. Functional and Presentation Currency

These consolidated financial statements are presented in Australian Dollars, which is the Company's functional currency. The functional currency of the Brazilian subsidiaries is the Brazilian Real.

Note 4. Use of Judgements and Estimates

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

(a) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included below and also in the following notes:

- Note 16 - Other Receivables and Prepayments;
- Note 18 - Exploration and Evaluation Assets. The application of the Group's accounting policy for exploration and evaluation expenditure requires judgement to determine whether future economic benefits are likely, from either future exploitation or sale, or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves; and
- Note 24 - Financial Instruments – Fair Values and Risk Management.

(b) Assumptions and Estimation Uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 December 2017 is included in Note 18 – Exploration and Evaluation Assets. In addition to applying judgement to determine whether future economic benefits are likely to arise from the Group's Exploration and Evaluation assets or whether activities have not reached a stage that permits a reasonable assessment of the existence of Reserves, the Group has to apply a number of estimates and assumptions. The Group is required to make estimates and assumptions as to future events and circumstances, in particular, whether successful development and commercial exploitation, or alternatively sale, of the respective areas of interest will be achieved. Critical to this assessment are estimates and assumptions as to Ore Reserves, the timing of expected cash flows, exchange rates, commodity prices and future capital requirements. Changes in these estimates and assumptions as new information about the recoverability of Ore Reserves becomes available, may impact the assessment of the recoverable amount of exploration and evaluation assets. If, after the expenditure is capitalised, information becomes available suggesting that the recovery of expenditure is unlikely, the relevant capitalised amount is written off to profit or loss in the period when that information becomes available.

(c) Measurement of Fair Values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values have been determined for measurement and/or disclosure purposes based on the methods described below. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Trade and Other Receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

(ii) Share-based Payment Transactions

The fair value of the employee share options is estimated using the applicable valuation methodology. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and performance conditions attached to vesting are not taken into account in determining fair value. Where the service period commences prior to grant date the fair value is provisionally calculated and subsequently revised upon grant date.

Note 5. Significant Accounting Policies

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements.

(a) Basis of Consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with policies adopted by the Group.

(ii) Transactions Eliminated on Consolidation

Inter-Group balances and transactions and any unrealised income and expenses arising from intra-Group transactions, are eliminated in preparing the consolidated financial statements.

(b) Foreign Currency

(i) Foreign Currency Transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are retranslated to the functional currency at the foreign exchange rate at the reporting date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments, a financial liability designated as a hedge of the net investment in a foreign operation, or qualifying cash flow hedges, which are recognised in other comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

(ii) Foreign Operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Australian dollars at exchange rates at reporting date. The income and expenses of foreign operations are translated to Australian dollars at average exchange rates for the period.

Foreign currency differences are recognised in other comprehensive income and presented in the foreign currency translation reserve (translation reserve, or FCTR) within equity. When a foreign operation is disposed of, in part or in full, the relevant amount in the FCTR is transferred to profit or loss as part of the profit or loss on disposal.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income and are presented within equity in the FCTR.

(c) Financial Instruments

The Group classifies non-derivative financial assets into the following categories at fair value through profit and loss, held-to-maturity financials assets, loans and receivables and available-for-sale financial assets.

The Group classifies non-derivative financial liabilities into the other financial liabilities category.

(i) Non- derivative Financial Assets and Financial Liabilities – Recognition and Derecognition

The Group initially recognises loans, receivables and deposits on the date when they are originated. All other financial assets and financial liabilities are recognised initially on the trade date.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has the following non-derivative financial assets: receivables, cash and cash equivalents and available-for-sale financial assets.

Receivables

Receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less.

(ii) Non derivative Financial Liabilities – Measurement

Non-derivative financial liabilities are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

(iii) Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares or share options are recognised as a deduction from equity, net of any tax effect.

(d) Property, Plant and Equipment

(i) Recognition and Measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gains or loss on disposal of an item of property, plant and equipment are recognised in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

(ii) Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in profit or loss. Land is not depreciated.

The estimated useful lives of property, plant and equipment are 3 to 15 years.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(e) Exploration and Evaluation Expenditure

Exploration and evaluation costs are expensed in the year they are incurred. Acquisition costs are carried forward where right of tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest, or, where exploration and evaluation activities in the area of interest have not reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Where an area of interest is abandoned, or the directors decide that it is not commercial, any accumulated acquisition costs in respect of that area are written off in the financial period the decision is made. Each area of interest is also reviewed at the end of each accounting period and accumulated costs written off to the extent that they will not be recoverable in the future.

Amortisation is not charged on costs carried forward in respect of areas of interest in the development phase until production commences.

Exploration and evaluation assets are transferred to Development Assets once technical feasibility and commercial viability of an area of interest is demonstrable. Exploration and evaluation assets are assessed for impairment and any impairment loss is recognised prior to being reclassified.

The carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective area of interest.

Exploration and evaluation assets are assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability or facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Exploration and evaluation assets are tested for impairment when any of the following facts and circumstances exist:

- The term of exploration license in the specific area of interest has expired during the reporting period or will expire in the near future and is not expected to be renewed;
- Substantive expenditures on further exploration for and evaluation of mineral resources in the specific area are not budgeted nor planned;

- Exploration for and evaluation of mineral resources in the specific area has not led to the discovery of commercially viable quantities of mineral resources and the decision was made to discontinue such activities in the specified area; or
- Sufficient data exists to indicate that although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Where a potential impairment is indicated, an assessment is performed for each cash-generating unit which is no larger than the area of interest. The Group performs impairment testing in accordance with Accounting Policy 5(g)(ii).

Farm-out Arrangements

Arrangements whereby an external party earns an ownership interest in an exploration or development property via the sole-funding of a specified exploration, evaluation or development program or by injection of funds to be utilised for such a program will be accounted so that the Group recognises its share of assets, liabilities and equity associated with the property. Any gain or loss upon initial recognition of these items will be recognised in the statement of profit or loss and other comprehensive income.

(f) Leases

(i) Determining Whether an Arrangement Contains a Lease

At inception of an arrangement, the Group determines whether the arrangement is or contains a lease.

(ii) Operating Lease Payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

(g) Impairment

(i) Non- derivative Financial Assets

Financial assets not classified at fair value through profit or loss are assessed at each reporting date to determine whether there is objective evidence of impairment. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

For Financial Assets measured at amortised cost the Group considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(ii) Non- financial Assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. The group of assets is referred to as the Cash Generating Unit or CGU.

The Group's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

In respect of assets, other than goodwill, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(h) Employee Benefits

(i) Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

(ii) Other Long-term Employee Benefits

The Group's net obligation in respect of long-term employee benefits other than defined benefit plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted.

(iii) Short-term Benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(iv) Share-based Payment Transactions

The fair value of share-based payment awards granted to employees is recognised as an expense at grant date with a corresponding increase in equity, over the period that employees become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Share-based payment arrangements in which the Group receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the Group.

When the Company grants options over its shares to employees of subsidiaries, the fair value at grant date is recognised as an increase in the investments in subsidiaries, with a corresponding increase in equity over the vesting period of the grant.

(i) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

(j) Revenue

Revenue is measured at the fair value of the consideration received or receivable, net of returns, trade allowances and duties and taxes paid. Interest revenue is recognised using the effective interest method.

Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of the sold item can be estimated reliably, there is no continuing management involvement with the sold item, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

(k) Finance Income and Finance Costs

Finance income comprises interest income on funds invested (including available-for-sale financial assets), dividend income, gains on the disposal of available-for-sale financial assets, changes in the fair value of financial assets at fair value through profit or loss, and gains on hedging instruments that are recognised in profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Finance costs comprise interest expense on borrowings, changes in the fair value of financial assets at fair value through profit or loss and losses on hedging instruments that are recognised in profit or loss. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis.

(l) Income Tax

Income tax expense comprises current and deferred tax. Current and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(m) Goods and Services Tax and Equivalent Indirect Taxes

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST) and equivalent indirect taxes, except where the amount of tax incurred is not recoverable from the taxation authority. In these circumstances, the tax is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated with the amount of tax included. The net amount of tax recoverable from, or payable to, the taxation authority is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The tax components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the tax authority are classified as operating cash flows.

(n) Earnings per Share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise listed options and share options granted to employees.

(o) Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are regularly reviewed by the Group's Managing Director ('MD') to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the MD include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise minimal, not material corporate assets (primarily the Group's headquarters), head office expenses, and income tax assets and liabilities. Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

(p) Changes in accounting policies

The Group has adopted the following amendment to standards, including any consequential amendments to other standards, with a date of initial application of 1 January 2016. AASB 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations , 2014-4 Clarification of Acceptable Methods of Depreciation and Amortisation and 2014-9 Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements. The adoption of these amendments has had no material impact on the Group's financial statements.

(q) New Standards and Interpretations Not Yet Adopted

The following standards, amendments to standards and interpretations have been identified as those which may impact the entity in the period of initial application. They may be available for early adoption at 31 December 2017 but have not been applied in preparing this financial report.

AASB 15 Revenue from Contracts with Customers

AASB 15 establishes a comprehensive framework for determining whether, how much, and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 Revenue and IAS 11 Construction Contracts. AASB 15 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. The Group has not yet determined the extent of the impact of this standard.

AASB 16 Leases

AASB 16 removes the classification of leases as either operating or financing leases – for the lessee – effectively treating all leases as financial leases. Short term leases (less than 12 months) and leases of low value assets are exempt from the lease accounting requirements. Furthermore, there are changes in accounting over the life of the lease as a front-loaded pattern of expense will be recognised for most leases, even when a constant annual rental is paid. Lessor accounting remains similar to current practice. AASB 16 is effective for periods commencing 1 July 2019, with early adoption permitted. The Group has not yet determined the extent of the impact of this standard.

AASB 9 Financial Instruments

AASB 9, published in July 2014, replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. AASB 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and de-recognition of financial instruments from IAS 39. AASB 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. The Group has not yet determined the extent of the impact of this standard.

Note 6. 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 on 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	**2017 Non-current Assets $**	2016 Non-current Assets $
Brazil	**3,065,314**	3,331,346
Australia	**4,503**	26,631
Total	**3,069,817**	3,357,977

Note 7. Other Income

	31 December 2017 $	31 December 2016 $
Cost reimbursement from project partners	**26,895**	129,914
Profit on sale of property plant and equipment	**11,274**	12,179
Proceeds from grant of option over tenement	**84,390**	-
Total	**122,559**	142,093

The proceeds from grant of option over tenement relates to the option fee paid for 12 months of exclusivity to review the prospectivity of the Conquista Project tenements.

Note 8. Employee Benefits Expense

	31 December 2017 $	31 December 2016 $
Salaries, fees and other benefits	**1,388,072**	1,100,494
Superannuation	**67,832**	44,697
Recognised in exploration expenditure expense	**(814,636)**	(433,837)
Total	**641,268**	711,354

Note 9. Depreciation

	31 December 2017 $	31 December 2016 $
Depreciation	**36,844**	52,659
Recognised in exploration expenditure expense	**(21,782)**	(21,971)
Total	**15,062**	30,688

Note 10. Finance Income and Expense

	31 December 2017 $	31 December 2016 $
Finance income		
Interest income on bank deposits	**52,240**	43,076
	52,240	43,076
Finance expense		
Net foreign exchange loss	**-**	(451)
Interest expense	**-**	(41)
	-	(492)
Net finance income recognised in profit or loss	**52,240**	42,584

Note 11. Share-based Payments

Employee Share Option Plan

The Employee Share Option Plan ("ESOP") was approved by shareholders at the 2016 Annual General Meeting. All employees (including directors) are eligible to participate in the ESOP. 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 there were 74,000,000 options issued to Employees under the ESOP (2016: 22,500,000).

Reconciliation of Outstanding Share Options

The number and weighted average exercise prices of share options issued under the employee share option plan are as follows:

	Weighted Average Exercise Price 2017	Number of Options 2017	Weighted Average Exercise Price 2016	Number of Options 2016
Outstanding at start of period	**$0.0177**	**24,500,000**	$0.1250	2,000,000
Issued during the period	**$0.0143**	**74,000,000**	$0.0082	22,500,000
Outstanding at balance date	**$0.0151**	**98,500,000**	$0.0177	24,500,000
Exercisable at balance date	**$0.0175**	**34,500,000**	$0.0262	6,500,000

The options outstanding at 31 December 2017 have exercise prices ranging from $0.0082-$0.125 (2016: either $0.082 or $0.125) and the weighted average remaining contractual life is 3.13 years (2016: 2.5 years).

Note 11. Share-based Payments (continued)

There were no ESOP options exercised during the year (2016: nil). There were 74,000,000 options issued during the year (2016: 22,500,000). Details of the ESOP options issued during the year are as follows:

Grant Date	Number of Options	Vesting Conditions	Option Term
Directors			
31/05/17	14,750,000	Immediately	36 months
31/05/17	14,750,000	12 months[1]	48 months
31/05/17	29,500,000	24 months[1]	60 months
Sub total	59,000,000		
Employees			
31/05/17	3,750,000	Immediately	36 months
31/05/17	3,750,000	12 months[1]	48 months
31/05/17	7,500,000	24 months[1]	60 months
Sub total	15,000,000		
Total	74,000,000		

Note 1: From the date of issue subject to continued employment.

Inputs for Measurement of Grant Date Fair Values

The model inputs for options issued in 2017 include:

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
31/05/17	31/05/20	$0.013	3 years	$0.008	160%	1.65%	$0.0064
31/05/17	31/05/21	$0.014	4 years	$0.008	160%	1.90%	$0.0069
31/05/17	31/05/22	$0.015	5 years	$0.008	160%	1.90%	$0.0072

Expenses Arising From Share Based Payment Transactions

	2017 **$**	2016 $
Total expense recognised as share based payment – share options	**303,848**	48,176

Performance Rights

The following Performance Rights were issued on 5 September 2017 and are held by Terrativa Minerais SA under the terms of the Company's Agreement with Terrativa signed in December 2016 in relation to the acquisition of 100% of the Para Exploration Package in Brazil.

Each tranche of Performance Rights will be converted into Ordinary Shares upon the achievement in full of the following vesting conditions:

- Tranche A – 30,000,000 Performance Rights will be converted into 30,000,000 Ordinary Shares if, within a period of 5 years after the date of issue of the Performance Rights, a JORC-compliant Inferred Resource of 500,000oz of gold or gold equivalent is defined on the Pará Exploration Package Project tenements;
- Tranche B – 30,000,000 Performance Rights will be converted into 30,000,000 Ordinary Shares if, within a period of 5 years after the date of issue of the Performance Rights, a JORC-compliant Inferred Resource of 1,000,000oz of gold or gold equivalent is defined on the Pará Exploration Package Project tenements;
- Tranche C – 30,000,000 Performance Rights will be converted into 30,000,000 Ordinary Shares if, within a period of 5 years after the date of issue of the Performance Rights, a JORC-compliant Inferred Resource of 1,500,000oz of gold or gold equivalent is defined on the Pará Exploration Package Project tenements.

During the year none of the Performance Rights were converted or cancelled and no vesting conditions were met.

Note 12. Income Tax

(a) Numerical Reconciliation of Income Tax Expense to Prima Facie Tax Payable

	2017 **$**	2016 $
Loss from continuing operations before income tax expense	**(3,632,809)**	(3,318,902)
Tax at the Australian tax rate of 27.5% (2016: 30%)	**(999,023)**	(995,671)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Overseas project generation and review costs	**141,378**	89,746
Share-based payments	**83,558**	14,453
Sundry items	**6,927**	148,906
	(767,160)	(742,566)
Effect of tax rates in foreign jurisdictions	**(22,882)**	(308,391)
Effect of change in tax rate	**909,315**	-
Under provision from prior year	**326,291**	260,833
Utilisation of carry forward losses - Note 12 (a)(i)	**-**	758,003
Deferred tax assets not recognised	**(445,564)**	790,124
Income tax benefit, being deferred tax	**-**	758,003

(i) During 2016 the Company was able to clarify its position in relation to a potential employment tax liability in Brazil which was previously recorded as a Provision. The gazettal of an administrative tax relief program in Brazil has resulted in the Company forming a more definitive view of its position in respect of this potential liability which in turn has seen the Company able to utilise some of its existing tax losses to offset the assessed liability. This has resulted in the Group recognising an income tax benefit through the Consolidated Statement of Profit or Loss.

(b) Tax Losses

	2017 **$**	2016 $
Tax losses	**61,023,016**	62,657,152
Potential tax benefit (between 27.5-34%)	**18,336,210**	19,769,836

The tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of remaining tax losses because it is not probable that future taxable profit will be available against which the Group can utilise the benefit.

(c) Deferred Tax Assets

The following deferred tax balances have not been recognised:

	2017 **$**	2016 $
Deferred Tax Assets		
Exploration expenditure	**8,497,893**	8,773,191
Accrued expenses/provisions	**4,983,933**	3,571,814
Transaction costs relating to issue of capital	**33,541**	150,991
Tax losses carried forward (net of tax losses utilised) – Note 12 (b)	**18,336,210**	19,769,836
	31,851,577	32,265,832

The tax benefits of the above deferred tax assets will only be obtained if:

a) The Company derives future assessable income of a nature and of an amount sufficient to enable the benefit to be utilized;
b) The Company continues to comply with the conditions for the deductibility imposed by law; and
c) No changes in income tax legislation adversely affect the Company in utilising the benefits.

Note 12. Income Tax (continued)

Income Tax Recognised Directly in Equity

Recovery of net tax assets is not considered probable. Accordingly, net deferred tax credited directly to other comprehensive income for changes in the fair value of available-for-sale financial assets is nil: (2016: $nil).

Note 13. Dividends

There were no dividends paid or declared during the period (2016: nil).

Note 14. Earnings/(Loss) Per Share

Basic Loss per Share

The calculation of basic and diluted earnings per share at 31 December 2017 was based on the loss attributable to ordinary shareholders of $3,632,809 (2016: $2,560,899) and a weighted average number of ordinary shares outstanding of 1,377,344,215 (2016: 658,312,429), calculated as follows:

Loss Attributable to Ordinary Shareholders

	2017 **$**	2016 $
Loss attributable to the shareholders	**(3,632,809)**	(2,560,899)

Weighted Average Number of Ordinary Shares

	2017 **Number**	2016 Number
Issued ordinary shares at beginning of the period	**1,123,246,437**	521,463,429
Effect of shares issued	**254,097,778**	136,849,000
Weighted average number of ordinary shares at the end of the period	**1,377,344,215**	658,312,429

Diluted Earnings per Share

Potential ordinary shares were not considered to be dilutive as the Group made a loss for the year ended 31 December 2017 and the exercise of potential shares would not increase that loss.

Note 15 (a). Cash and Cash Equivalents

	2017 **$**	2016 $
Cash at bank and on hand	**59,725**	105,816
Deposits - short term	**762,407**	1,785,551
	822,132	1,891,367

Deposits

The deposits are bearing floating and fixed interest rates between 2.47% and 6.64% (2016: between 2.35% and 13.2%).

Note 15 (b). Reconciliation of Cash Flows from Operating Activities

	2017 $	2016 $
Loss for the period	**(3,632,809)**	(2,560,899)
Adjustments for:		
Depreciation	**36,844**	52,659
Non-cash employee benefits expense– share based payments	**303,848**	48,176
Impairment losses		
Exploration and evaluation assets	**40,000**	464,646
Other receivables	**55,525**	21,160
Shares issued in lieu of remuneration	**-**	46,085
Change in fair value of derivative instruments	**20,609**	69,243
Profit on sale of plant and equipment	**(11,274)**	(12,179)
Income tax expense/(benefit)	**-**	(758,003)
Operating loss before changes in working capital and provisions	**(3,187,257)**	(2,629,112)
Change in other receivables	**156,281**	(114,506)
Change in trade creditors and provisions	**(270,319)**	630,148
Net cash used in operating activities	**(3,301,295)**	(2,113,470)

Note 16. Other Receivables and Prepayments

	2017 $	2016 $
Current		
Other Receivables	**62,555**	176,936
Security deposits	**30,133**	30,133
Prepayments	**77,477**	62,796
	170,165	269,865
Non – Current		
Prepayments	**148,119**	210,080
Other Receivables	**945,376**	964,934
Provision for impairment	**(945,376)**	(964,934)
	148,119	210,080

Non-current other receivables include Brazilian federal VAT (“PIS-Cofins”) levied on the Groups purchases. Recoverability of PIS-Cofins assets is dependent upon the Group generating a federal company tax liability, which may be offset against the Groups PIS-Cofins assets if the Group elects to do so. As at balance date taxable profits in the ordinary course of business are not considered probable though one off taxable profits may be generated on specific transactions. As at 31 December 2017 no such transactions have been entered into. As such the Group has determined to fully impair the value of its PIS-Cofins tax asset. An impairment expense of $55,525 was recognised in profit and loss in 2017 (2016: $21,160). Information about the Group’s exposure to credit and market risk and impairment losses for other receivables is included in Note 24.

Note 17. Property, Plant and Equipment

		2017 $	2016 $
At Cost		**1,020,959**	1,103,666
Accumulated depreciation	**17(a)**	**(659,486)**	(677,738)
		361,473	425,928

(a) Movements in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between beginning and end of the current financial year.

	2017 $	2016 $
Plant and Equipment		
Carrying amount at beginning	**125,277**	206,355
Additions	**10,218**	4,386
Disposals	**(3,537)**	(63,794)
Depreciation	**(36,844)**	(52,659)
Effect of movements in exchange rates	**(6,552)**	30,989
Carrying amount at end	**88,562**	125,277
Land		
Carrying amount at beginning	**300,651**	244,012
Effect of movements in exchange rates	**(27,740)**	56,639
Carrying amount at end	**272,911**	300,651
Total	**361,473**	425,928

Note 18. Exploration and Evaluation Assets

	2017 $	2016 $
Opening net book value	**2,701,360**	2,662,349
Additions	**120,000**	-
Impairment of capitalised exploration expenditure	**(40,000)**	(464,646)
Effect of movements in exchange rate	**(221,135)**	503,657
	2,560,225	2,701,360

During the reporting period the Group acquired the Para exploration tenements via the issue of 30 million Centaurus shares at $0.004 per share and 90 million Performance Rights. During the period an impairment loss on the carrying value of the Company's Serra Misteriosa project was recognised. The project was assessed for impairment following results of the drilling program during the year. Whilst the Group retain tenure to the areas, no further evaluation work is currently planned and accordingly the recoverable amount under AASB 6 has been assessed as nil.

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 19. Trade and Other Payables

	2017 $	2016 $
Current		
Trade and other creditors	**254,877**	273,457
Accrued expenses	**59,292**	136,310
	314,169	409,767
Non Current		
Trade and other creditors	**7,298**	136,057
	321,467	545,824

Note 20. Capital and Reserves

	2017 Number of Shares	2016 Number of Shares
On issue at beginning of period	**1,123,246,437**	521,463,429
Issue of ordinary shares for entitlements issue at $0.004 per share	**624,025,798**	-
Issue of ordinary shares for mineral asset acquisition $0.004 per share	**30,000,000**	-
Issue of ordinary shares for share placements $0.005 per share	**-**	180,000,000
Issue of ordinary shares for entitlements issue at $0.005 per share	**-**	402,467,414
Issue of ordinary shares for share placement fee at $0.005 per share	**-**	10,000,000
Issue of ordinary shares in lieu of remuneration at various prices	**-**	9,315,594
On issue at the end of the period – Fully paid	**1,777,272,235**	1,123,246,437

Ordinary Shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Employee Share Options

Information relating to the Employee Share Option Plan, including details of options issued, exercised or lapsed during the financial year and outstanding at the end of the financial year are set out in Note 11.

Listed Options

In addition to the unissued shares under options disclosed in Note 11, the Company issued 624,025,798 listed options (ASX: CTMOB) (2016: 226,233,707 – ASX: CTMOA) with an exercise price of $0.01 (2016: $0.01) and an expiry date of 31 August 2019 (2016: 30 April 2018). As at 31 December 2017, 850,259,505 (2016: 246,534,373) listed options remain unexercised.

	Weighted average exercise price	**2017 Number of Listed Options**	Weighted average exercise price	2016 Number of Listed Options
On issue at beginning of period	**$0.013**	**246,534,373**	$0.050	20,300,666
Options granted	**$0.010**	**624,025,798**	$0.010	226,233,707
Options expired	**$0.050**	**(20,300,666)**	-	-
On issue at the end of the period	**$0.010**	**850,259,505**	$0.013	246,534,373

Nature and purpose of reserves

Share-based Payments Reserve
The share-based payments reserve is used to recognise the fair value of options issued but not exercised.

Translation Reserve
The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations, as well as from the translation of liabilities that hedge the Group's net investment in a foreign subsidiary.

Note 21. Contingent Liabilities

Guarantees
Guarantees given in respect of bank security bonds amounting to $30,133 (2016: $30,133), secured by cash deposits lodged as security with the bank.

No material losses are anticipated in respect of any of the above contingent liabilities.

There are no other contingent liabilities that require disclosure.

Note 22. Capital Commitments

The group has no capital commitments as at the year ended 31 December 2017.

Note 23. Related Parties

(a) Key Management Personnel

(i) Key management personnel compensation is comprised of the following:

	31 December 2017 $	31 December 2016 $
Short term employee-benefits	**583,215**	524,003
Shares issued in lieu of remuneration	**-**	28,000
Long term employee benefits	**7,306**	7,326
Post–employment benefits	**19,308**	19,308
Share-based payments expense	**237,974**	31,293
	847,803	609,930

Individual Directors and Executives Compensation Disclosures

Information regarding individual directors' and executives' compensation and equity instruments disclosures as required by Corporations Regulation 2M.3.03 is provided in the Remuneration Report section of the Directors' Report.

Key Management Personnel and Director Transactions

One of the key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of these entities.

One of these entities transacted with the Group in the reporting period. The terms and conditions of the transactions with key management personnel and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis.

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows:

		Transaction Value		**Balance Outstanding As At**	
		2017	2016	**31 Dec 2017**	31 Dec 2016
Key Management Person	**Transaction**	**$**	$	**$**	$
Mr D M Murcia[1]	Legal fees	**56,300**	77,917	**-**	17,174
Total and current liabilities				**-**	17,174

(1) Payable to MPH Lawyers, a firm in which Mr Murcia is a partner

(b) Transactions with Related Parties

Transactions between the parent company and its subsidiaries which are related parties of that company are eliminated on consolidation and are not disclosed in this note.

Note 24. Financial Instruments – Fair Values and Risk Management

Financial Risk Management

The Group has exposure to the following risks arising from the use of financial instruments:

- Credit Risk (see (ii))
- Liquidity Risk (see (iii))
- Market Risk (see (iv))
- Currency Risk (see (v)).

This note presents information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and their management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

(i) Risk Management Framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their role and obligations.

(ii) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's other receivables and investment securities.

Other Receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each counterparty. However, management also considers the default risk of the industry and country in which counterparties operate, as these factors may have an influence on credit risk.

The other receivables also include refundable deposits and tax credits which include Brazilian federal VAT ("PIS-Cofins"). The recoverability of PIS-Cofins assets is dependent upon the Group generating a federal company tax liability, which may be offset against the Groups PIS-Cofins assets. As at 31 December 2017, the PIS-Cofins tax asset has been fully impaired as taxable profits in the ordinary course of business are not considered probable though one off taxable profits may be generated on specific transactions. As at 31 December 2017 no such transactions have been entered into.

Exposure to Credit Risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

	2017 **$**	2016 $
Cash and cash equivalents (i)	**822,132**	1,891,367
Other receivables	**89,461**	198,277
	911,593	2,089,644

(i) The cash and cash equivalents are held with bank and financial institution counterparties, which are rated BBB to AA based on rating agency Standard and Poor's rating.

Note 24. Financial Instruments – Fair Values and Risk Management (continued)

The Group's maximum exposure to credit risk for other receivables at the reporting date by geographic region was:

	Carrying Amount	
	2017	2016
	$	$
Australia	**32,763**	77,320
Brazil	**56,698**	120,957
	89,461	198,277

These balances are net of provision for impairment (refer to Note 16).

(iii) Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with the financial liabilities that are settled by delivering cash or another financial asset.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

As at 31 December 2017, the Group has current trade and other payables of $314,169 (31 December 2016: $409,767). The Group believes it will have sufficient cash resources to meet its financial liabilities when due. Refer to Note 2 Going Concern.

The following table shows the contractual maturities of financial liabilities, excluding the impact of netting agreements. It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

	Carrying amount	Contractual cash flows	6 mths or less	6-12 mths	1-2 years
31 December 2017					
Non- derivative financial liabilities					
Trade and other payables	321,467	(321,467)	(256,189)	(57,980)	(7,298)
31 December 2016					
Non- derivative financial liabilities					
Trade and other payables	545,824	(545,824)	(346,971)	(62,796)	(136,057)

(iv) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(v) Currency Risk

The Group is exposed to currency risk on purchases that are denominated in currency other than the respective functional currencies of the Group entities, primarily the Australian dollar (AUD) and Brazilian Real (BRL). The currencies in which these transactions are primarily denominated are AUD and BRL.

The Group's investments in its Brazilian subsidiaries are denominated in AUD and are not hedged as those currency positions are considered to be long term in nature.

Note 24. Financial Instruments – Fair Values and Risk Management (continued)

Interest Rate Risk Profile

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

	2017 $	2016 $
Fixed rate instruments		
Financial assets	**700,000**	1,785,551
Variable rate instruments		
Financial assets	**131,573**	105,816
Trade and other payables	**(123,286)**	(251,198)
	708,287	1,640,169

Fair Value Sensitivity Analysis For Fixed Rate Instruments

The Group does not account for any fixed rate financial assets at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss or equity.

Cash Flow Sensitivity Analysis For Variable Rate Instruments

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2016.

	Profit or Loss		Equity	
	100bp Increase	100bp Decrease	100bp Increase	100bp Decrease
31 December 2017				
Variable rate instruments	**(708)**	**708**	-	-
Cash flow sensitivity (net)	**(708)**	**708**	-	-
31 December 2016				
Variable rate instruments	**(1,453)**	**1,453**	-	-
Cash flow sensitivity (net)	**(1,453)**	**1,453**	-	-

Capital Management

The objectives for managing capital are to safeguard the Group's ability to continue as a going concern and to provide funding for the Group's planned exploration activities. Centaurus Metals Limited is an exploration company and it is dependent on its ability to raise capital from the issue of new shares and its ability to realise value from its exploration and evaluation assets. The Board is responsible for capital management. This involves the use of cash flow forecasts to determine future capital management requirements.

There were no changes in the Group's approach to capital management during the period.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

Note 25. Group Entities

	Country of Incorporation	Ownership interest 2017	2016
Parent Entity			
Centaurus Metals Limited			
Subsidiaries			
Centaurus Resources Pty Ltd	Australia	**100%**	100%
San Greal Resources Pty Ltd	Australia	**100%**	100%
Centaurus Brasil Mineração Ltda	Brazil	**100%**	100%
Centaurus Pesquisa Mineral Ltda	Brazil	**100%**	100%
Centaurus Gerenciamento Ltda	Brazil	**100%**	100%
Aliança Mineração Ltda	Brazil	**100%**	100%
Associates			
Nova Potash Pty Ltd	Australia	**-**	50%

Note 26. Subsequent Events

Subsequent to year end Centaurus completed a share placement, to sophisticated and professional investors, and issued 295 million shares at $0.009 per share and 147.5 million free attaching unlisted options to raise $2.65 million before costs. The unlisted options have an exercise price of $0.015 and an expiry date of 31 January 2020.

Subsequent to year end Centaurus entered into an agreement to acquire a 100% interest in the title of the Itapitanga copper gold tenement from a private Brazilian vendor. Under the terms of the agreement Centaurus will pay up to R$150,000 (~A$60,000) over a six-month period and commit to undertake R$150,000 of exploration work on the ground over the same six month period. At the end of this period and on the basis that Centaurus wishes to continue with the project it will pay the vendor R$500,000 (~A$200,000). Further, should Centaurus elect to continue with the project it will make milestone payments to the vendor of R$1 million (~A$400,000) on definition of a JORC Resource and R$1.5million (~A$600,000) on the grant of a Mining Lease by the Brazilian Mines Department.

Other than the above there has not arisen in the interval between the end of the financial year 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.

Note 27. Remuneration of Auditors

	31 December 2017 $	31 December 2016 $
Audit Services		
Auditors of the Company		
Audit and review of financial reports – KPMG	**37,059**	45,066
Services other than statutory audit		
Taxation compliance services - KPMG	**6,150**	25,385

Note 28. Parent Entity Disclosures

As at, and throughout, the financial year ended 31 December 2017 the parent entity of the Group was Centaurus Metals Limited.

	31 December 2017 $	31 December 2016 $
Results of the Parent Entity		
Loss for the period [1]	**(3,027,641)**	(1,900,796)
Total comprehensive loss for the period	**(3,027,641)**	(1,900,796)

(1) During the year ended 31 December 2017 the parent entity provided for an impairment of $1,250,000 (2016:$ 700,000) relating to loans to subsidiaries based on an assessment of recoverability.

Note 28. Parent Entity Disclosures (continued)

	2017 $	2016 $
Financial Position of the Parent Entity at Year End		
Current assets	**811,255**	1,287,757
Non-current assets[(1)]	**3,865,099**	3,771,817
Total assets	**4,676,354**	5,059,574
Current liabilities	**240,200**	268,469
Non-current liabilities	**94,902**	83,030
Total liabilities	**335,102**	351,499
Net assets	**4,341,252**	4,708,075
Share capital	**111,776,626**	109,419,656
Reserves	**414,399**	110,551
Accumulated losses	**(107,849,773)**	(104,822,132)
Total equity	**4,341,252**	4,708,075

(1) Included within non-current assets are investments in and loans to subsidiaries net of provision for impairment. Ultimate recoupment is dependent on successful development and commercial exploitation or, alternatively, sale of the respective project areas.

Parent Entity Contingencies

The parent entity had no contingent liabilities as at 31 December 2017 (2016: nil).

Parent Entity Capital Commitments

The parent entity had no capital commitments as at 31 December 2017 (2016: nil).

Parent Entity Lease Commitments

The parent entity has the following lease commitments:

Leases as Lessee

	2017 $	2016 $
Non-cancellable operating lease rentals are payable as follows:		
Less than one year	**38,267**	50,681
Between one and five years	**4,352**	35,996
More than five years	**-**	-
	42,619	86,677

Directors' Declaration

1. In the opinion of the directors of Centaurus Metals Limited (the "Company"):

   (a) The consolidated financial statements and notes, and the Remuneration Report in the Directors' Report are in accordance with the Corporations Act 2001, including:

      (i) Giving a true and fair view of the Group's financial position as at 31 December 2017 and of its performance, for the financial year ended on that date; and

      (ii) Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;

   (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

2. The directors have been given the declarations required by section 295A of the Corporations Act 2001 from the Managing Director and the Chief Financial Officer for the financial year ended 31 December 2017.

3. The financial report also complies with International Financial Reporting Standards as disclosed in Note 2.

Signed in accordance with a resolution of the directors.

____

D P Gordon
Managing Director
Perth
21 March 2018

KPMG

Independent Auditor's Report

To the shareholders of Centaurus Metals Limited

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of Centaurus Metals Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Group's*** financial position as at 31 December 2017 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Consolidated statement of financial position as at 31 December 2017
- Consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the year then ended
- Notes including a summary of significant accounting policies and
- Directors' Declaration.

The ***Group*** consists of the Company and the entities it controlled at the year end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with 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* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty related to going concern

We draw attention to Note 2, "Going Concern" in the financial report. The conditions disclosed in Note 2, indicate a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, whether it will realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report. Our opinion is not modified in respect of this matter.

In concluding there is a material uncertainty related to going concern we evaluated the extent of uncertainty regarding events or conditions casting significant doubt in the Group's assessment of going concern. Our approach to this involved:

- Evaluating the feasibility, quantum and timing of the Group's plans to raise additional shareholder funds to address going concern;
- Assessing the Group's cash flow forecasts for incorporation of the Group's operations and plans to address going concern;
- Determining the completeness of the Group's going concern disclosures for the principle matters casting significant doubt on the Group's ability to continue as a going concern, the Group's plans to address these matters, and the material uncertainty.

Key Audit Matters

The ***Key Audit Matter*** we identified is:

- *Capitalised exploration and evaluation assets*

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Capitalised Exploration and Evaluation ("E&E") assets $2,560,225

Refer to Note 18 to the financial report

The key audit matter

The Company's accounting policy in respect of Exploration and evaluation expenditure capitalised (E&E) is set out in Note 5(e) to the financial report. Principally, only acquisition costs in relation to an area of interest are capitalised less any impairment charges recognised. E&E is a key audit matter due to:

- the significance of the balance (being 63% of total assets); and
- the greater level of audit effort to evaluate management's application of the requirements of the industry specific accounting standard AASB 6 *Exploration for and Evaluation of Mineral Resources*, in particular the presence of impairment indicators. The presence of impairment indicators would necessitate a detailed analysis by management of the value of E&E, therefore given the criticality of this to the scope and depth of our work, we involved senior team members to challenge management's determination that no such indicators existed.

How the matter was addressed in our audit

Our audit procedures included, amongst others:

- Evaluating the Group's accounting policy to recognise exploration and evaluation assets to the criteria in the accounting standard;
- We assessed management's determination of its areas of interest for consistency with the definition in the accounting standard.
- For each area of interest, we assessed the Group's current rights to tenure by corroborating the ownership of the relevant license for mineral resources or reserves to government registries and evaluating agreements in place with other parties. We also tested for compliance with conditions, such as minimum expenditure requirements, on a sample of licenses;
- We tested the Group's additions to E&E for the year by evaluating a statistical sample of recorded expenditure for consistency to underlying records, the capitalisation requirements of the Group's accounting policy and the requirements of the accounting standard;

The key audit matter	How the matter was addressed in our audit
In assessing the presence of impairment indicators, we focused on those that may draw into question the commercial continuation of E&E activities for Jambreiro where significant carrying value of E&E exists. We paid particular attention to: • documentation available regarding rights to tenure, via licensing, and compliance with relevant conditions, to maintain current rights to an area of interest and management's intention and capacity to continue the relevant E&E activities • The ability of the Group to fund the continuation of activities • Results from latest activities regarding the existence or otherwise of mineral resources or reserves.	• We evaluated Group documents for consistency with their stated intentions for continuing E&E in certain areas. We corroborated this through interviews with key operational and finance personnel. The Group documents we evaluated included: • internal management plans and budgets • minutes of board and internal management meetings • announcements made by the Group to the Australian Securities Exchange • we obtained project and corporate budgets identifying areas with existing funding and those requiring alternate funding sources. We compared this for consistency with areas with E&E, for evidence of the ability to fund continued activities. We identified those areas relying on alternate funding sources and evaluated the capacity of the Group to secure such funding.

Other Information

Other Information is financial and non-financial information in Centaurus Metals Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our Auditor's Report.

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Centaurus Metals Limited for the year ended 31 December 2017, complies with Section 300A of the *Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with Section 300A of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in section 5 of the Directors' report for the year ended 31 December 2017.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

KPMG

Trevor Hart

Partner

Perth

21 March 2018

Shareholder Information

The shareholder information set out below was applicable as at 12 March 2018.

Substantial Shareholders

The Company has no substantial shareholders.

Class of Shares and Voting Rights

There were 2,553 holders of ordinary shares in the Company as at the above date. The voting rights attaching to the ordinary shares, set out in Clause 41 of the Company's Constitution, are:

(a) On a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and

(b) On a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the share, but in respect of partly paid shares, shall have a fraction of a vote for each partly paid share. The fraction shall be equivalent to the proportion which the amount paid is of the total amounts paid and payable, excluding amounts credited, provided that the amounts paid in advance of a call are ignored when calculating a true portion.

As at the above date the Company had 654 holders of listed options over 225,041,789 unissued ordinary shares with an exercise price of $0.01 and expiry date of 30 April 2018 and 544 holders of listed options over 623,813,296 unissued ordinary shares with an exercise price of $0.01 and an expiry date of 31 August 2019. There are no voting rights attached to the unissued ordinary shares. Voting rights will attach to the unissued ordinary shares when the options have been exercised.

There were 2 holders of unlisted options over 2,000,000 unissued ordinary shares. The options have an exercise price of $0.125 and expire on 31 August 2018. There were 7 holders of unlisted options over 96,500,000 unissued ordinary shares. 22,500,000 options have an exercise price of $0.0082 and expire on 10 June 2018 (5,500,000 options), 10 June 2019 (8,500,000 options) and 10 June 2020 (8,500,000 options). 18,500,000 options have an exercise price of $0.013 and expire on 31 May 2020. 18,500,000 options have an exercise price of $0.014 and expire on 31 May 2021. 37,000,000 options have an exercise price of $0.015 and expire on 31 May 2022. There were 81 holders of unlisted options over 147,500,000 unissued ordinary shares. These options have an exercise price of $0.015 and expire on 31 January 2020. There are no voting rights attached to the unissued ordinary shares. Voting rights will attach to the unissued ordinary shares when the options have been exercised.

Restricted Securities

There are currently no restricted securities on issue.

On-market Buy Back

There is no current on-market buy back.

Distribution of Equity Securities

The distribution of numbers of equity security holders by size of holding is shown in the table below. There were 459 holders of less than a marketable parcel (being a minimum $500 parcel at $0.012 per share) of ordinary shares.

	Class of Equity Security				
	Ordinary Shares	Listed Options (CTMOA)	Listed Options (CTMOB)	Unlisted Options	Unlisted Options (ESOP)
1 - 1,000	117	48	11		-
1,001 - 5,000	95	92	17		-
5,001 - 10,000	56	53	20		-
10,001 - 100,000	753	278	149		-
100,001 and over	1,532	183	347	81	7
	2,553	654	544	81	7

Shareholders

The names of the twenty largest shareholders are listed below:

	Name	Ordinary Shares (CTM) Number Held	Ordinary Shares (CTM) Percentage of Issued Shares (%)
1	Mr Bradley Bolin	90,738,899	4.38
2	Terrativa Minerais SA	76,501,476	3.69
3	Atlas Iron Limited	60,320,264	2.91
4	Mr Darren Gordon	56,675,293	2.73
5	Mr Roger Fitzhardinge	47,013,109	2.27
6	Tavarua International Inc	33,898,305	1.63
7	Equity Trustees Limited	33,333,333	1.61
8	Citicorp Nominees Pty Limited	23,063,596	1.11
9	J P Morgan Nominees Australia Limited	22,420,620	1.08
10	HSBC Custody Nominees (Australia) Limited	22,360,732	1.08
11	Mr Craig Graham	19,000,000	0.92
12	BNP Paribas Nominees Pty Ltd	18,964,635	0.91
13	Mr Malcolm Thom	16,388,698	0.79
14	Ms Tracey Marshall	16,222,111	0.78
15	Strategic Corp Investments Ltd	15,295,500	0.74
16	Jeff Towler Building Pty Ltd	15,000,000	0.72
17	Mr T & Mrs B A McMahon	12,983,330	0.63
18	Mr Janaki Semerdziev	12,750,000	0.61
19	Mrs Hema Naga Iyothi Danda	12,043,650	0.58
20	Loxden Pty Ltd	12,000,000	0.58
	Total Top 20 Shareholders	616,973,551	29.75
	Other Shareholders	1,456,703,104	70.25
	Total Number of Issued Shares	2,073,676,655	100.00

Listed Option Holders

The names of the twenty largest holders of listed options (CTMOA) are listed below:

	Name	Listed Options (CTMOA) Number Held	Listed Options (CTMOA) Percentage of Listed Options (%)
1	Mr Kevin Press	20,000,000	8.89
2	Mr Bradley Bolin	18,000,000	8.00
3	Mrs Elisa Brunacci	9,000,000	4.00
4	Bainpro Nominees Pty Limited	8,237,997	3.66
5	Mr Ashley William Robin Parker	8,000,000	3.55
6	Mr Darren Gordon	7,107,828	3.16
7	Lehav Pty Ltd	6,000,000	2.67
8	Mr Roger Fitzhardinge	5,999,994	2.67
9	Mr Daniel Baker	5,662,500	2.52
10	Stolen Hours Enterprises Pty Ltd	5,500,000	2.44
11	Mr Matthew Smithyman	5,000,000	2.22
12	Mr John Jenkins	4,500,000	2.00
13	Mrs Brooke Cohen	4,480,003	1.99
14	Mr Christopher Girling & Ms Yvette Clark	4,000,000	1.78
15	CSNA Pty Ltd	3,500,000	1.56
16	Mr Joseph Alexander	3,300,000	1.47
17	Mr Gopi Krishna Haran	3,000,000	1.33
18	Mr Tyran Preece	2,986,771	1.33
19	Sandbelt Investments Pty Ltd	2,500,000	1.11
20	Mr A & Mrs W Couper	2,000,000	0.89
	Total Top 20 Optionholders	128,775,093	57.22
	Other Optionholders	96,266,696	42.78
	Total Number of Listed Options	225,041,789	100.00

The names of the twenty largest holders of listed options (CTMOB) are listed below:

	Name	Listed Options (CTMOB) Number Held	Listed Options (CTMOB) Percentage of Listed Options (%)
1	Mr Bradley Bolin	80,000,000	12.82
2	Equity Trustees Limited	25,000,000	4.01
3	Mr Darren Gordon	18,766,877	3.01
4	Mr Peter Thorpe	15,500,000	2.48
5	Mr Simon Sein Kwang Niak	15,050,000	2.41
6	Mr Roger Fitzhardinge	15,000,000	2.40
7	Mr Scott Malone	14,000,000	2.24
8	Scintilla Strategic Investments Limited	12,500,000	2.00
9	Mrs Hema Naga Jyothi Danda	12,043,650	1.93
10	Mr Steven Mitter	11,670,921	1.87
11	Mr James Laird	10,941,795	1.75
12	Prof Paul O'Brien	10,000,000	1.60
13	Munrose Investments Pty Ltd	9,200,000	1.47
14	Mr Leon Jahn	9,000,000	1.44
15	Mr Nicholas Hughes-Jones	7,500,000	1.20
16	Vindin Investments Pty Ltd	7,277,776	1.17
17	Comsec Nominees Pty Limited	7,107,610	1.14
18	Mrs Elisa Brunacci	7,000,000	1.12
19	Mr T & Mrs B A McMahon	6,833,330	1.10
20	Mr D W & Mr R S Fox	6,600,000	1.06
	Total Top 20 Optionholders	300,991,959	48.25
	Other Optionholders	322,821,337	51.75
	Total Number of Listed Options	623,813,296	100.00

Tenement Information

Brazilian Tenements

Tenement	Project Name	Location	Interest
800.444/2011	Aurora	Ceará	100%
800.442/2011	Aurora	Ceará	100%
800.480/2011	Aurora	Ceará	100%
800.471/2011	Aurora	Ceará	100%
800.469/2011	Aurora	Ceará	100%
800.338/2016	Aurora	Ceará	100%
800.487/2011	Parambu	Ceará	100%
800.474/2011	Parambu	Ceará	100%
800.468/2011	Parambu	Ceará	100%
800.470/2011	Parambu	Ceará	100%
831.638/2004	Canavial	Minas Gerais	100%
831.639/2004	Canavial	Minas Gerais	100%
831.629/2004	Candonga	Minas Gerais	100%(1)
832.183/2014	Conquista	Minas Gerais	100%(2)
832.776/2006	Conquista	Minas Gerais	100%(2)
833.185/2006	Conquista	Minas Gerais	100%(2)
831.002/2007	Candonga South	Minas Gerais	100%(2)
833.795/2013	Guanhães East	Minas Gerais	100%(2)
832.316/2005	Itambé	Minas Gerais	100%
833.133/2014	Mombuca	Minas Gerais	100%
830.668/2015	Mombuca	Minas Gerais	100%
831.879/2015	Mombuca	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%
850.197/2017	Serra Misteriosa	Pará	100%
851.548/2011	Serra Misteriosa	Pará	100%
850.258/2013	Serra Misteriosa	Pará	100%
850.560/2016	Serra Vermelho	Pará	100%
850.735/2016	Serra Vermelho	Pará	100%
851.022/2016	Serra Vermelho	Pará	100%
850.999/2016	Serra da Fumaça	Pará	100%
850.286/2017	Serra da Fumaça	Pará	100%
850.429/2016	Salobo West II	Pará	100%
850.430/2013	Salobo West I	Pará	100%
850.130/2013	Pebas	Pará	100%

(1) Tenement is held 100% however a Commitment to Lease is in place with Ecosinter – Industria de Beneficiamento de Residuos Ltda.
(2) Option granted over tenement to R3M Mineração Ltda

Australian Tenements

Tenement	Project Name	Location	Interest
EPM14233	Mt Guide	Queensland	10%(1)

(1) (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 Summits Interest giving them a total interest of 72% of the tenement.

Mineral Resources & Ore Reserves Information

Total Mineral Resources & Ore Reserves Statement

The Company's Ore Reserves and Mineral Resource holdings are shown in the following tables.

Ore Reserves

Project	Ore Reserves as at 31 December 2017						Ore Reserves as at 31 December 2016					
	Million Tonnes	Fe %	SiO_2 %	Al_2O_3 %	P %	LOI %	Million Tonnes	Fe %	SiO_2 %	Al_2O_3 %	P %	LOI %
Jambreiro Project *												
Proved	35.4	28.5	49.6	4.3	0.04	1.7	35.4	28.5	49.6	4.3	0.04	1.7
Probable	13.1	27.2	49.0	5.3	0.04	2.4	13.1	27.2	49.0	5.3	0.04	2.4
TOTAL	**48.5**	**28.1**	**49.4**	**4.6**	**0.04**	**1.9**	**48.5**	**28.1**	**49.4**	**4.6**	**0.04**	**1.9**

**20% Fe cut-off grade applied; Mine Dilution - 2%; Mine Recovery - 98%;*

Mineral Resources

Project	Mineral Resources as at 31 December 2017						Mineral Resources as at 31 December 2016					
	Million Tonnes	Fe %	SiO_2 %	Al_2O_3 %	P %	LOI %	Million Tonnes	Fe %	SiO_2 %	Al_2O_3 %	P %	LOI %
Jambreiro Project*												
Measured	44.3	29.2	50.5	3.9	0.04	1.6	44.3	29.2	50.5	3.9	0.04	1.6
Indicated	37.7	27.5	51.1	3.7	0.04	1.7	37.7	27.5	51.1	3.7	0.04	1.7
Inferred	45.1	27.3	52.7	3.3	0.05	1.3	45.1	27.3	52.7	3.3	0.05	1.3
TOTAL	**127.2**	**28.0**	**51.4**	**3.7**	**0.05**	**1.5**	**127.2**	**28.0**	**51.4**	**3.7**	**0.05**	**1.5**
Canavial Project*												
Indicated	6.5	33.6	33.6	7.1	0.10	7.9	6.5	33.6	33.6	7.1	0.10	7.9
Inferred	21.1	29.6	38.0	5.7	0.07	5.9	21.1	29.6	38.0	5.7	0.07	5.9
TOTAL	**27.6**	**30.5**	**37.0**	**6.0**	**0.07**	**6.4**	**27.6**	**30.5**	**37.0**	**6.0**	**0.07**	**6.4**
Passabém Project**												
Indicated	2.8	33.0	48.8	1.9	0.03	0.6	2.8	33.0	48.8	1.9	0.03	0.6
Inferred	36.2	30.9	54.0	0.7	0.07	0.1	36.2	30.9	54.0	0.7	0.07	0.1
TOTAL	**39.0**	**31.0**	**53.6**	**0.8**	**0.07**	**0.1**	**39.0**	**31.0**	**53.6**	**0.8**	**0.07**	**0.1**
Itambé Project***												
Indicated	4.7	37.1	37.0	4.5	0.06	2.7	4.7	37.1	37.0	4.5	0.06	2.7
Inferred	5.3	36.2	40.9	3.5	0.04	2.1	5.3	36.2	40.9	3.5	0.04	2.1
TOTAL	**10.0**	**36.6**	**39.1**	**4.0**	**0.05**	**2.4**	**10.0**	**36.6**	**39.1**	**4.0**	**0.05**	**2.4**
TOTAL COMBINED	**203.8**	**29.4**	**49.3**	**3.5**	**0.05**	**2.0**	**203.8**	**29.4**	**49.3**	**3.5**	**0.05**	**2.0**

** 20% Fe cut-off grade applied; ** 27% Fe cut-off grade applied; *** 25% Fe cut-off grade applied*

(a) Mineral Resources are reported inclusive of Ore Reserves.
(b) Rounding may generate differences in last decimal place.

Mineral Resources and Ore Reserves Annual Statement and Review

The Company carries out an annual review of its Mineral Resources and Ore Reserves as required by the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code) 2012 edition and the ASX Listing Rules. The review was carried out as at 31 December 2017. The Jambreiro Resources estimate has been reported in accordance with the JORC Code 2012 edition and the ASX Listing Rules. The remaining Ore Reserve and Mineral Resource estimates were prepared and disclosed under the JORC Code 2004 edition.

The information prepared for the Jambreiro Reserve and Canavial, Itambé and Passabém Resource estimates have not been updated to comply with the JORC Code 2012 edition on the basis that the information has not materially changed since it was last reported.

The Jambreiro Ore Reserve was completed in November 2012 using highly conservative iron ore price and exchange rate assumptions to determine the mine gate price. As of 31 December 2017, the mine gate price remained appropriate. There were no further changes to the modifying factors for the Jambreiro Ore Reserve. Given there was no material change in the Mineral Resource estimate or to the modifying factors for the Ore Reserve, the Ore Reserve has not been updated to comply with the JORC Code 2012 edition.

The Company is not aware of any new information or data that materially affects the information included in this Annual Statement and confirms that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

Estimation Governance Statement

The Company ensures that all Mineral Resource and Ore Reserve calculations are subject to appropriate levels of governance and internal controls. Exploration Results are collected and managed by competent qualified staff geologists and overseen by the Exploration General Manager. All data collection activities are conducted to industry standards based on a framework of quality assurance and quality control protocols covering all aspects of sample collection, topographical and geophysical surveys, drilling, sample preparation, physical and chemical analysis and data and sample management.

Mineral Resource and Ore Reserve estimates are prepared by qualified independent Competent Persons and further verified by the Company's technical staff. If there is a material change in the estimate of a Mineral Resource, the modifying factors for the preparation of Ore Reserves, or reporting an inaugural Mineral Resource or Ore Reserve, the estimate and supporting documentation in question is reviewed by a suitably qualified independent Competent Person.

Approval of Mineral Resources and Ore Reserve Statement

The Company reports its Mineral Resources and Ore Reserves on an annual basis in accordance with the JORC Code 2012 Edition.

The Ore Reserves and Mineral Resources Statement is based on and fairly represents information and supporting documentation prepared by competent and qualified independent external professionals and reviewed by the Company's technical staff. The Ore Reserves and Mineral Resources Statement has been approved by Roger Fitzhardinge, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Roger Fitzhardinge is a permanent employee of Centaurus Metals Limited. Mr Fitzhardinge has consented to the inclusion of the Statement in the form and context in which it appears in this Annual Report.

Competent Person's Statement

The information in this Annual Report that relates to Exploration Results and Mineral Resources is based on information compiled by Roger Fitzhardinge, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy and Volodymyr Myadzel, a Competent Person who is a Member of Australian Institute of Geoscientists. Roger Fitzhardinge is a permanent employee of Centaurus Metals Limited and Volodymyr Myadzel is the Senior Resource Geologist of Micromine BNA Consultoria e Sistemas Limited, independent resource consultants engaged by Centaurus Metals.

Roger Fitzhardinge and Volodymyr Myadzel have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as Competent Persons 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 Annual Report that relates to Ore Reserves is based on information compiled by Beck Nader, a Competent Person who is a professional Mining Engineer and a Member of Australian Institute of Geoscientists. Beck Nader is the Managing Director of Micromine BNA Consultoria e Sistemas Ltda and is a consultant to Centaurus.

Beck Nader has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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.