Centaurus Metals Limited

ACN 009 468 099

Annual Report
31 December 2019

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, MAICD
Managing Director

Mr B R Scarpelli M.Sc, PMP
Executive Director

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

Mr C A Banasik B.App.Sc (Physics), M.Sc (Geology), Dip Ed, GAICD
Non-Executive Director

Company Secretary
Mr J W Westdorp B.Bus, CPA, MAICD
Chief Financial Officer/ Company Secretary

Share Registry
Advanced Share Registry Limited
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
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Perth WA 6000

Brazil
Banco Inter
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Belo Horizonte - MG – CEP: 30190-924
BRAZIL
Telephone: +55 31 2101 7006

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: 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 2019 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:

Mr D M Murcia	Independent Non-Executive Chairman
Mr D P Gordon	Managing Director
Mr B R Scarpelli	Executive Director
Mr M D Hancock	Independent Non-Executive Director
Mr C A Banasik	Independent Non-Executive Director (appointed 28 February 2019)
Mr S A Parsons	Independent Non-Executive Director (resigned 28 February 2019)

Unless otherwise disclosed, all directors held their office from 1 January 2019 until the date of this report.

2 Directors and Officers

Mr Didier M Murcia, AM, B.Juris, LL.B
Non-Executive Chairman, Age 57

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, MAICD
Managing Director, Age 48

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).

Other Directorships
During the last three years Mr Gordon has held directorships in the following ASX listed company:
- Genesis Minerals Limited (appointed 23 March 2016, resigned 10 May 2018) – Non-Executive Director

Special Responsibilities
- Managing Director

Mr Bruno R Scarpelli, M.Sc., PMP
Executive Director, Age 42

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 Iron Ore Project.

Special Responsibilities
- Administrator of Centaurus' Brazilian subsidiaries
- Country Manager – Brazil

Mr Mark D Hancock, B.Bus, CA, FFin
Non-Executive Director, Age 51

Experience and Expertise
Independent non-executive director appointed 23 September 2011. Mr Hancock is a Company Director and consultant to the resource industry with a focus on commercial advisory and commodity marketing. He has over 30 years' experience in senior commercial and financial roles across a number of leading companies in Australia and South East Asia, including most recently spending 13 years with Atlas Iron as CFO and CCO and prior to that with oil and gas industry participants Woodside Petroleum Ltd and Premier Oil Plc.

Other Directorships
- Cape Lambert Resources Ltd (Appointed 11 February 2020)
- Fe Ltd (Appointed 1 September 2019)

Special Responsibilities
- Chairman of the Audit & Risk Committee

Mr Chris A Banasik, B.App.Sc (Physics), M.Sc (Geology), Dip Ed, GAICD
Non-Executive Director, Age 58

Experience and Expertise
Independent non-executive director appointed 28 February 2019. Mr Banasik is a geologist with more than 30 years' experience across multiple disciplines and commodities. He was a founding Director of WA gold producer Silver Lake Resources (ASX: SLR), where he held the key role of Director of Exploration and Geology from 2007 to 2014. Prior to that, he held a range of senior geological and executive roles for companies including Consolidated Minerals, Reliance Nickel and Western Mining Corporation. He has extensive experience in nickel exploration, project development and operations, having held several geological and management positions with WMC (1986-2001). He was also Senior Mine Geologist with Goldfields Mine Management (2001-2004) and Chief Geologist at the Beta Hunt nickel operations (2004-2007).

Other Directorships
During the last three years Mr Banasik held directorships in the following ASX listed company:
- First Graphene Ltd (appointed 20 May 2015, resigned 12 February 2018)

Special Responsibilities
- Chairman of the Remuneration Committee

Mr Steven A Parsons, B.Sc(Hons) Geology, AusIMM
Non-Executive Director, Age 47

Experience and Expertise
Non-executive director appointed 31 March 2017 resigned 28 February 2019. 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, Bellevue Gold Ltd.

Other Directorships
During the last three years Mr Parsons held directorships in the following ASX listed companies:
- Bellevue Gold Ltd (appointed 31 March 2017) - Executive Director
- Blackstone Minerals Ltd (appointed 30 October 2017) – Non-Executive Director
- African Gold Limited (appointed 1 February 2018) – Executive Director

Mr John W Westdorp, B.Bus, CPA, MAICD, GradDip App Sc
Chief Financial Officer & Company Secretary, Age 56

Experience and Expertise

Mr Westdorp was appointed as Chief Financial Officer on 11 November 2019 and Company Secretary on 15 January 2020. Mr Westdorp is a Certified Practicing Accountant. He was previously Chief Financial Officer and Company Secretary of Centaurus between 2012 and 2015. He has over 30 years' experience in the resources sector and has most recently held the roles of Chief Financial Officer and Interim Chief Executive Officer of mineral sands producer, MZI Resources Ltd. Mr Westdorp has held senior roles with Murchison Metals Ltd and Burrup Fertilisers Pty td and has financial, commercial and operations experience across a number of commodities including iron ore, gold base metals and mineral sands.

Special Responsibilities

- Chief Financial Officer
- Company Secretary

3 Directors Meetings

The number of meetings of the Company's Board of Directors held during the year ended 31 December 2019 and the number of meetings attended by each director were:

	Meetings of Directors		Meetings of Committees			
			Audit & Risk Committee		Remuneration	
	Held*	Attended	Held	Attended	Held	Attended
Mr D M Murcia	7	7	-	-	1	1
Mr D P Gordon	7	7	n/a	n/a	n/a	n/a
Mr B R Scarpelli	7	6	n/a	n/a	n/a	n/a
Mr M D Hancock	7	7	-	-	1	1
Mr C A Banasik	7	6	-	-	1	1
Mr S A Parsons	-	-	n/a	n/a	n/a	n/a

*Denotes the number of meetings held during the time the director held office (excluding circular resolutions)

The Company re-formed Audit & Risk and Remuneration Committees during the year.

The Company does not have a formal Nomination Committee. The function is performed by the full Board. There is no additional remuneration for committee members.

The Company's remuneration policy consists of:

- a clear structure that distinguishes remuneration of non-executive directors from that of executive directors and senior management;
- balancing the Company's desire to attract and retain personnel with the need to manage financial resources.
- providing an appropriate balance between fixed and incentive pay to reflect short and long term performance objectives appropriate to the Company's circumstances and goals;
- motivating personnel to pursue the long-term growth and success of the Company; and
- demonstrating a clear relationship between employee performance and remuneration.

Further information on directors' and executives' remuneration is set out in the Remuneration Report. Details of the qualifications of directors of the Remuneration Committee and their attendance at Committee meetings

4 Corporate Governance Statement

A copy of Centaurus' 2019 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:

- 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 executive roles.

The remuneration framework consists of base pay and short and long-term incentives. Whilst intended to be settled in cash, the Board retains the discretion to settle short term incentives with equity. An Employee Share Option Plan was approved by shareholder at the AGM in May 2019 and incentives settled in equity may be offered under this 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:

	2019 $	2018 $	2017 $	2016 $	2015 $
Net Loss	(4,275,397)	(4,197,361)	(3,632,809)	(2,560,899)	(3,700,866)
Change in share price	$0.006	$0.00	$0.001	$0.002	($0.046)
Change in share price	86%	-	10%	64%	(90%)

During the financial year ended 31 December 2019, fee increases were awarded to both non-executive directors, executive directors and executives of the Company. These increases reflected the increased complexity of the business and the increase in activity with the acquisition of the Jaguar Project during the period.

The executive pay and reward framework currently has four components:

- base pay and benefits;
- short term incentives
- long term incentives; and
- other remuneration such as superannuation and insurances.

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

Base Pay and Benefits

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.

Short Term Incentives

The Board may offer short term performance-based incentives, where employees are paid pre-determined bonuses on achievement of milestones based on the Company's short-term objectives. For further details refer to section 5.5.

Long Term Incentives – Options

Long term incentives may be granted from time to time to reward exceptional performance in the realisation of strategic outcomes and growth in shareholder wealth. Options or performance rights may be utilised to deliver long term incentive awards. The Board has discretion to grant options or performance rights for no consideration. Options or performance rights do not carry voting or dividend entitlements. Information on share options granted during the year is set out in section 5.3.

Employment Agreements

Remuneration and other terms of employment for executives are formalised in employment agreements which are reviewed annually. The agreements provide for the provision of other benefits and participation, at the discretion of the Board in Short and Long-Term Incentive Plans (refer to section 5.5).

Other major provisions of the agreements as at 31 December 2019 relating to remuneration are set out below:

Name	Salary Incl of Superannuation	Notice Period Company	Notice Period Employee	Redundancy
D P Gordon	$396,000 pa	12 months	6 months	12 months
J W Westdorp (1)	$300,000 pa	<18 months - 2 months 18 months to 3 years - 4 months > 3 Years - 6 months	2 months	6 months
B R Scarpelli	$240,000 pa	2 months	2 months	6 months
R J Fitzhardinge (2)	$261,000 pa	2 months	2 months	6 months

(1) J W Westdorp commenced employment on 11 November 2019.

(2) (2) R J Fitzhardinge was promoted to Operations Manager – Nickel on 1 November 2019 and has been included as Key Management Personnel from this date.

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. The level of fees for Non-Executive directors increased during the year to $43,200 per annum. The Non-Executive Chairman's fees increased during the year to $64,800 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 may from time to time 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 current and prior periods. 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		S300A(1)(e)(i) Proportion of Remuneration Performance Related	S300A(1)(e)(vi) Value of Options as Proportion of Remuneration
	Salary & Fees $	Other Benefits[(1)] $	Super-annuation $	Long Service Leave[(2)] $	Options[(3)] $	Total $	%	%
Non- Executive Directors								
Mr D M Murcia								
2019	**48,300**	**-**	**-**	**-**	**4,820**	**53,120**	**-**	**9.1%**
2018	45,000	-	-	-	25,812	70,812	-	36.5%
Mr M D Hancock							-	
2019	**32,200**	**-**	**-**	**-**	**3,243**	**35,443**	**-**	**9.1%**
2018	30,000	-	-	-	18,102	48,102	-	37.6%
Mr C A Banasik (Appointed 1 March 2019)								
2019	**27,500**	**-**	**-**	**-**	**19,615**	**47,115**	**-**	**41.6%**
Mr S A Parsons (Resigned 28 February 2019)								
2019	**5,000**	**-**	**-**	**-**	**(19,987)**	**(14,987)**	**-**	**-**
2018	30,000	-	-	-	17,595	47,595	-	37.0%
Executive Directors								
Mr D P Gordon								
2019	**334,333**	**24,152**	**25,000**	**19,537**	**7,013**	**410,035**	**-**	**1.7%**
2018	310,680	29,152	25,320	15,413	52,300	432,865	-	12.1%
Mr B R Scarpelli								
2019	**194,144**	**13,922**	**-**	**-**	**7,230**	**215,296**	**-**	**3.4%**
2018	173,806	18,643	-	-	38,718	231,167	-	16.7%
Executives								
Mr R J Fitzhardinge (Appointed 1 November 2019)	**39,726**	**2,993**	**3,774**	**9,666**	**-**	**56,159**	**-**	**-**
Mr J W Westdorp (Appointed 11 November 2019)	**36,666**	**2,821**	**3,483**	**-**	**-**	**42,970**	**-**	**-**
Total								
2019	**717,869**	**43,888**	**32,257**	**29,203**	**21,934**	**845,151**		
2018	589,486	47,795	25,320	15,413	152,527	830,541		

(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 2019 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.

The Group has a policy that prohibits directors and employees who are granted share options 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 both during the current and in prior years to key management personnel of the Group are detailed below. There were 3,500,000 options forfeited during the year. A total of 6,250,000 options with an exercise price of $0.0082 were exercised in June 2019 raising $51,250.

	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)
Directors							
Mr D M Murcia	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	-	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	100%	2019
Mr D P Gordon	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	-	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	100%	2019
Mr B R Scarpelli	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	-	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	100%	2019
Mr M D Hancock	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	-	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	100%	2019
Mr C A Banasik	1,750,000	31/05/19	31/05/22	$0.0120	$0.0041	100%	2019
	1,750,000	31/05/19	31/05/23	$0.0120	$0.0058	-	2020
	3,500,000	31/05/19	31/05/24	$0.0120	$0.0063	-	2021
Mr S A Parsons	1,750,000	31/05/17	31/05/20	$0.0130	$0.0064	-	2017
	1,750,000	31/05/17	31/05/21	$0.0140	$0.0069	-	2018

(1) The options which vest in 2020 and 2021 are subject to the satisfaction of service conditions.

Exercise of Options Granted as Compensation

There were 6,250,000 shares issued on exercise of options which were previously granted as compensation to key management personnel. There are no amounts unpaid on the shares issued on the exercise of options previously granted as compensation.

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 2019	Exercised	Granted/ (Forfeited)	Held 31 December 2019	Vested During the Period	Vested and Exercisable 31 December 2019
Directors						
Mr D M Murcia	12,000,000	(1,000,000)	-	11,000,000	5,000,000	11,000,000
Mr D P Gordon	26,000,000	(3,000,000)	-	23,000,000	10,000,000	23,000,000
Mr B R Scarpelli	18,000,000	(1,500,000)	-	16,500,000	7,500,000	16,500,000
Mr M D Hancock	8,500,000	(750,000)	-	7,750,000	3,500,000	7,750,000
Mr C A Banasik	-	-	7,000,000	7,000,000	1,750,000	1,750,000
Mr S A Parsons	7,000,000	-	(3,500,000)	3,500,000	-	3,500,000
Executives						
Mr R J Fitzhardinge (1)	-	-	-	16,500,000	-	16,500,000
Mr J W Westdorp	-	-	-	-	-	-

(1) Represents balance held on commencement of becoming key management personnel

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	-	(200)	-
Mr D P Gordon	-	(600)	-
Mr B R Scarpelli	-	(300)	-
Mr M D Hancock	-	(150)	-
Mr C A Banasik	39,534	-	-
Mr S A Parsons	-	-	-
Executives			
Mr R J Fitzhardinge	-	-	-
Mr J W Westdorp	-	-	-

(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

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.

Two 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	
		2019	2018	**31 Dec 2019**	31 Dec 2018
Key Management Person	**Transaction**	**$**	$	**$**	$
Mr D M Murcia [(1)]	Legal fees	**34,740**	19,392	-	10,651
Mr C A Banasik [(2)]	Consulting Fees	**7,000**	-	-	-
Total and current liabilities				-	10,651

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

(2) Mr C A Banasik was paid consulting fees for geological consulting services provided.

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 2019	Received on exercise of options[(1)]	Purchases	Other[(2)]	Held at 31 December 2019
Directors					
Mr D M Murcia	13,079,462	2,000,000	-	-	15,079,462
Mr D P Gordon	65,783,121	13,000,000	-	-	78,783,121
Mr B R Scarpelli	1,000,000	1,500,000	-	-	2,500,000
Mr M D Hancock	4,620,460	2,063,294	-	-	6,683,754
Mr C A Banasik	-		4,000,000	750,000	4,750,000
Mr S A Parsons	3,111,111	-	-	(3,111,111)	-
Executives					
Mr R J Fitzhardinge	-	-	-	79,513,103	79,513,103
Mr J W Westdorp	-	-	-	-	-

(1) Exercise of listed and unlisted options.

(2) Represents balance on commencement/ resignation.

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

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 2019	Purchases	Exercised	Expired	Other(1)	Held at 31 December 2019
Directors						
Mr D M Murcia	2,500,000	-	(1,000,000)	(1,500,000)	-	-
Mr D P Gordon	18,766,877	-	(10,000,000)	(8,766,877)	-	-
Mr B R Scarpelli	-	-	-	-		-
Mr C A Banasik		4,000,000	-	-	-	4,000,000
Mr M D Hancock	1,313,294	-	(1,313,294)	-	-	-
Mr S A Parsons	1,111,111	-	-	-	(1,111,111)	-
Executives						
Mr R J Fitzhardinge	-	-	-	-	9,000,000	9,000,000
Mr J W Westdorp	-	-	-	-	-	-

(1) Represents balance on commencement/ resignation

5.5 2020 Incentive Plans

As part of the annual remuneration review, the Board introduced a Short-Term Incentive (STI) and a Long-Term Incentive (LTI) Plan to apply from 1 January 2020. The Plans were introduced to incentivise and reward employees for the achievement of specific milestones linked to the Groups short and long-term objectives.

Short Term Incentive Plan

The short-term incentive plan was introduced for KMP and other Managers of the Group to incentivise and reward performance for the 12 months to 31 December 2020 based on a number of key deliverables being achieved. Key Management Personnel, other than the Managing Director, can earn up to 30% of their Total Fixed Remuneration under the STI Plan whilst the Managing Director can earn up to 50% of his TFR. Other Managers of the Group can earn up to 15-22.5% of their TFR under Plan.

The following lists the Groups key STI performance measures for the year ending 31 December 2020.

- Effective management of environmental conditions, safety performance and community and land owner engagement in Brazil.
- Achievement of defined targets for the Jaguar Project with respect exploration activity performance, Mineral Resource definition and new target definition.
- Achievement of a number of key deliverables in relation to the licencing, feasibility study and other development activities of the Jaguar Nickel Project
- Achievement of value adding outcome for fully licensed Jambreiro Iron Ore project as well as a number of other
- market capitalisation growth targets.

Assessment as to whether the above key deliverables have been met will be made by the Board after the end of financial year ended 31 December 2020.

Long Term Incentive Plans

The Board has initiated an LTI Plan for 2020 for Key Management Personnel and Executive Directors. The LTI's will take the form of Options with no exercise price and will be issued under the Company's Employee Share Option Plan. Key Management Personnel, other than the Managing Director, will be issued with options up to the value of 50% of their Total Fixed Remuneration whilst the Managing Director will be issued with options up to the value of 75% of his TFR. The options will have a 3-year assessment period from 1 January 2020 to 31 December 2022. The options are subject to the following vesting criteria prior to exercise

- 50% based on Total Shareholder Return relative to a peer group of companies determined by the Board; and
- 50% Based upon entry by the Company into the ASX300 Index.

Both milestones will be assessed at the end of the 3-year assessment period and the options will not vest or be capable of being exercised until after this assessment period has closed, other than in the case of a successful change of control transaction in which case the options will immediately vest. Participants in the LTI plan must remain in employment during the assessment period.

Information Regarding Relative TSR Measure

To achieve the relative TSR performance measure, the Company must outperform, on a TSR basis, at least 49.9% of the established peer group. The Peer Group has been established by the Board.

The achievement of relative TSR performance measure will be made at the end of the assessment period and vesting will be in line with the table below;

Assessment Table	
Percentile Ranking compared to Peers	**Amount of ZEPOs to Vest and become exercisable**
<50th Percentile	Zero
B/t 50th and 75th Percentile	Pro Rata B/t 50% and 100%
>75th percentile	100%

Total shareholder return has been defined as the financial gain that results from a change in the stock's price plus any dividends paid by the Company during the assessment period divided by the share price at the start of the assessment period.

Vested options can be exercised any time between vesting and the expiry date.

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 2019 $	31 December 2018 $
Interest Income	**155,131**	67,097
Other Income	**96,952**	19,712
	252,083	86,809
Loss before income tax	**(4,275,397)**	(4,197,361)
Loss attributable to members of Centaurus Metals Limited	**(4,275,397)**	(4,197,361)

Financial Performance

During the year ended 31 December 2019 the Group expensed Exploration and Evaluation costs totalling $2,689,925 (2018: $2,463,216) in accordance with the Group's accounting policy. The Exploration and Evaluation costs primarily comprise costs in relation to exploration at the Jaguar Nickel Sulphide Project, the Itapitanga Nickel-Cobalt Project and the Salobo West and Pebas Copper – Gold Projects in Brazil.

Financial Position

At the end of the year the Group had a cash balance of $9,703,718 (2018: $1,399,910) and net assets of $11,796,361 (2018: $3,967,189). Total liabilities amounted to $1,089,563 (2018: $492,930) and consisted of trade and other payables, lease liabilities and employee benefits.

Strategy

The key focus for the Group is 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 key highlight of the 2019 calendar year was the acquisition of the Jaguar Nickel Sulphide Project, located in the Carajás Mineral Province in Northern Brazil, from global mining giant, Vale S.A. ("Vale). This transformational acquisition represents an attractive exploration, growth and development opportunity in the international nickel sulphide sector, repositioning Centaurus as a nickel development company at a time when the demand for nickel sulphides is forecast to increase over the next decade due to growing demand from the lithium-ion battery sector.

The Company also progressed strategies to realise value from its other mineral assets in Brazil, including the completion of an updated Feasibility Study on the advanced Jambreiro Iron Ore Project, located in Minas Gerais, and the completion of a Scoping Study on the Itapitanga Nickel Project in the Carajás Mineral Province.

Project Activities

Overview

In August 2019, Centaurus secured a significant new exploration, growth and development opportunity in the international nickel sulphide sector after executing a formal Sale & Purchase Agreement with global mining giant, Vale S.A. ("Vale") to acquire the advanced, large-scale Jaguar Nickel Sulphide Project in the Carajás Mineral Province of northern Brazil (see Corporate Section for acquisition details).

The settlement of the acquisition remains subject to approval by the Brazilian National Bank for Economic and Social Development ("BNDES") for the assignment of BNDES' royalty interest in the Project. BNDES has confirmed that all is in order with the process and that they continue to work through the internal procedures necessary to finalise the approval.

The transformational acquisition, secured through an innovative agreement with Vale that includes a key asset-swap of Centaurus' greenfields Salobo West Copper-Gold Project, will give the Company an opportunity to pursue the development of an advanced and well-located nickel sulphide project in northern Brazil which offers outstanding high-grade open pit development potential.

The Jaguar Project will give the Company further exposure to a metal with exceptional supply-demand fundamentals and a robust outlook given its use in the stainless-steel industry (which currently accounts for 70% of global consumption) and growing consumption by the EV (Electric Vehicle) battery sector.

During the first half of the reporting period, Centaurus also completed a new Pre-Feasibility Study (PFS) targeting a potential 1Mtpa domestic iron operation at its advanced Jambreiro Iron Ore Project, located in the State of Minas Gerais. This followed the completion of a strategic review of the 2013 Jambreiro Iron Ore Project Feasibility Study work, an ongoing assessment of the significant changes and marked improvement in the Brazilian domestic and global iron ore market during the reporting period, and the limited scope changes required to allow for the timely development of the Project to proceed.

The Company also continued with early stage Scoping Study work on the Itapitanga Nickel Project, located in the Carajás Mineral Province, during the first half of the reporting period as part of its joint venture with Simulus Group. The continuation of the joint venture is currently under review given the limited work completed by Simulus during the second half of the reporting period.

Carajás Base Metal Projects

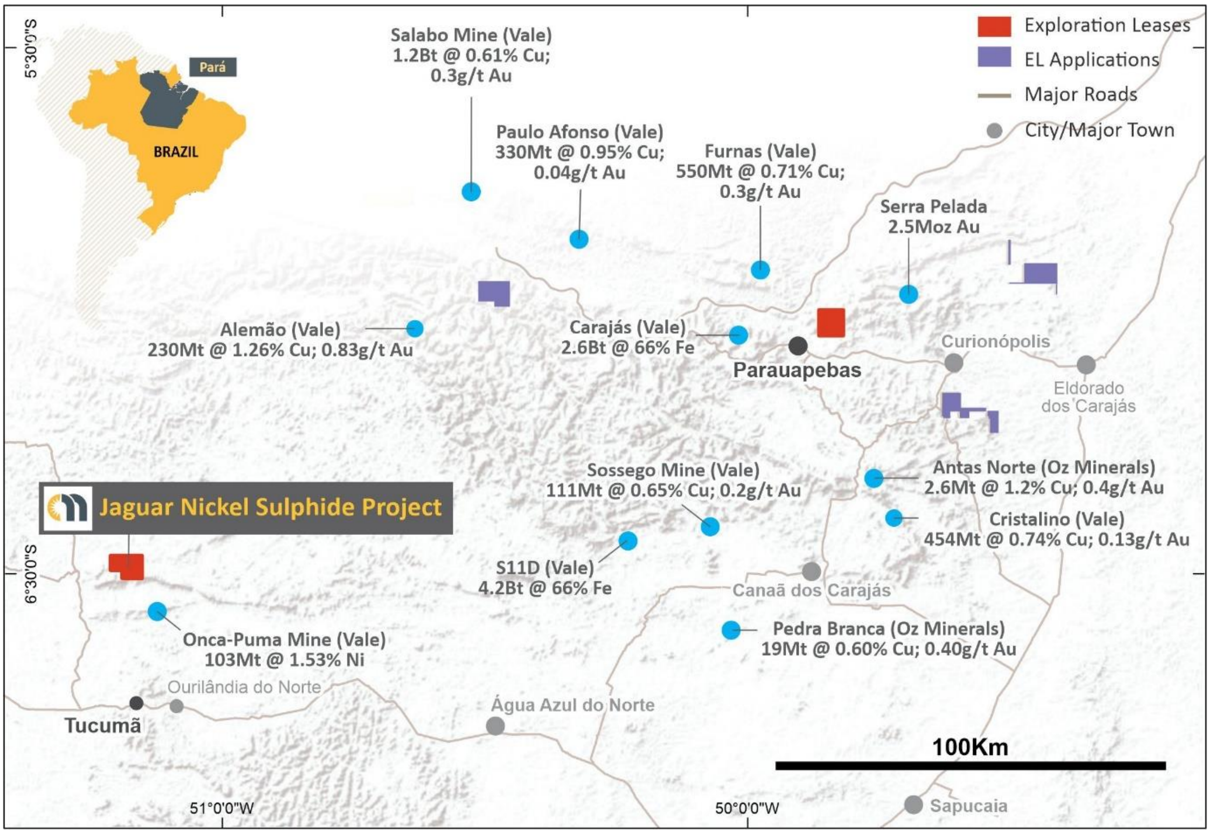
Jaguar Nickel Sulphide Project

Overview

The Jaguar Nickel Sulphide Project is located in the globally significant Carajás Mineral Province, just 35km north of the regional centre of Tucumã (population +50,000) in the northern Brazilian state of Para (Figure 1). The Project is only 15km from Vale's Onça-Puma Nickel Mine which has a 230kVA sub-station located at the site.

More than 55,000m of diamond core was drilled into the main deposits from 2006 to 2010 by Vale. The drilling is wide-spaced (+100m between sections) and targeted bulk tonnage, low-to-medium grade nickel mineralisation. The extent of the drilling and the exceptional prospectivity of the Project for high-grade nickel can be seen in the large number of significant drill intersections reported to the ASX in the Company's ASX Announcement dated 6 August 2019, which also detailed the terms of the acquisition of the Project from Vale.

Figure 1 – Location of the Jaguar Nickel Sulphide Project in the State of Para, northern Brazil.



Jaguar is an at-surface nickel sulphide project with a non-JORC compliant resource of 40.4Mt at 0.78% Ni[1] (at a 0.5% Ni cut-off) for a total of 315,000 tonnes of contained nickel metal. This non-JORC compliant resource was based on the 55,000m of diamond drilling completed by Vale, as well as an extensive geological and geophysical database.

Within the historical resource drilling, multiple shallow massive to semi-massive sulphide zones have been identified with outstanding high-grade intersections such as 34.0m at 3.31% Ni from 56m in PKS-JAGU-DH00065.

Re-processing of Historical EM Data

After executing the sale & purchase agreement of the Jaguar Project, Centaurus engaged leading Perth-based geophysical consulting group Southern Geoscience to re-process historical Fixed Loop Electromagnetic (FLEM) and down-hole electromagnetic (DHEM) survey data from the Project. Vale completed 72 EM survey lines over 68 fixed-loops and a further 34 DHEM surveys across the project area, assembling an extensive and high-quality geophysical dataset.

This program of re-processing historical EM data delivered encouraging results, demonstrating clearly that the EM conductors identified in the FLEM and DHEM surveys correlate extremely well with the high-grade nickel sulphide zones. Across all the Jaguar Deposits, the FLEM plates from the higher frequency (30Hz) survey modelled by Vale correlate with the broad, disseminated mineralised zones.

In order to concentrate on the massive and semi-massive sulphide zones, Southern Geoscience focused on re-modelling the low frequency (3Hz) DHEM survey data. The initial results stemming from this DHEM work over the Jaguar South Deposit were encouraging, with 14 strong EM plates identified which will greatly assist with the targeting of the Company's own drilling programs.

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[1] Centaurus cautions that the mineral resources for the Jaguar Project are not reported in accordance with the JORC Code. A Competent Person has not yet done sufficient work to classify the resources as mineral resources in accordance with the JORC code. It is uncertain that, following evaluation or further work, the foreign estimate will be able to be reported as Mineral Resources in accordance with the JORC Code. Refer to ASX Announcement 6 August 2019 for detail on foreign resource.

In the northern part of the Project area, Southern Geoscience completed re-processing work over the Onça-Preta Deposit and Onça-Rosa Prospect. At the Onça-Preta Deposit, a strong 400m long FLEM conductor was modelled that correlates very well with existing nickel sulphide intersections from multiple drill holes within the deposit. At Onça Rosa, a 600m long conductor plate was modelled that correlates very well with a very high-grade intersection drilled by Vale of 7.9m at 5.23% Ni in drill hole PKS- JAGU-DH 00158.

Towards the end of the reporting period, several new priority walk-up high-grade nickel sulphide drill targets at the Jaguar Project were identified after receiving more encouraging results from ongoing re-processing of historical geophysical survey data.

A further thirty-one (31) new conductor plates have now been modelled from DHEM surveys that correlate with existing high-grade semi-massive to massive nickel sulphide intersections at the Jaguar North-east, Jaguar North, Jaguar Central and Jaguar Central South Deposits.

All DHEM and FLEM conductor plates will now be used to assist with drill planning and the targeting of the massive to semi massive sulphides across the entire project area.

The Company also received and processed Vale's airborne GeoTEM survey data for the Jaguar Project. GeoTEM is an airborne Electromagnetic survey technique that collects high data density per line and is a very effective first- pass exploration tool – as demonstrated by the presence of strong GeoTEM anomalies over the known high-grade nickel occurrences at the Jaguar Deposits.

Airborne GeoTEM Processing

The first results from the re-processing of the high-frequency airborne GeoTEM survey data (400m line spacing) showed good correlation between the GeoTEM results and the high-frequency (30Hz) FLEM, as well as the low-frequency (3Hz) DHEM conductor plates where there is known high-grade nickel sulphide mineralisation.

The GeoTEM results confirmed the prospectivity of the Jaguar and Onça-Preta Deposits but more importantly identified multiple new greenfields prospects along with confirming the scale of known Prospects (Onça-Rosa).

Historical Drilling

Historical drilling by Vale focused on the broad, bulk tonnage, medium grade mineralisation at the Jaguar Project and, as such, no follow-up targeted drilling of the high-grade zones of mineralisation was undertaken, creating a significant opportunity for Centaurus.

Vale drilled 167 diamond holes for over 55,000 metres of drilling. Better drill intersections over the entire Project included

- **34.0m at 3.31% Ni** from 56m in PKS-JAGU-DH00065;
- **42.4m at 2.20% Ni** from 76m in PKS-JAGU-DH00132;
- **9.85m at 3.05% Ni** from 99.4m in PKS-JAGU-DH00054;
- **11.8m @ 2.56% Ni** from 55.0m in PKS-JAGU-DH00112;
- **30.6m @ 1.46% Ni** from 65.0m in PKS-JAGU-DH00048;
- **19.0m @ 1.73% Ni** from 183.0m in PKS-JAGU-DH00048;
- **31.4m at 2.47% Ni** from 15.3m in PKS-JAGU-DH00030;
- **26.0m at 2.13% Ni** from 66.0m in PKS-JAGU-DH00033;
- **32.3m at 1.40% Ni** from 55.5m in PKS-JAGU-DH00024;
- **17.4m at 2.38% Ni** from 23.8m in PKS-JAGU-DH00121;
- **31.5m at 1.27% Ni** from 115.0m in PKS-JAGU-DH00115;
- **16.6m at 1.98% Ni** from 99.4m in PKS-JAGU-DH00054; and
- **31.8m at 1.13% Ni** from 66.2m in in PKS-JAGU-DH00127.

Landowner Access Arrangements

Following completion of the acquisition, Centaurus entered into land access arrangements with the four key landowners that own properties where the main target areas are on the Jaguar tenement. The arrangements provide the Company with access to the landowner's properties to undertake all exploration activities (including drilling and clearing) to advance the Project.

Field Office and Core Shed Set Up

To support the Company's planned accelerated exploration campaign at the Jaguar Project, a new site office and core yard was set up. The core shed was prepared to receive the 55,000m of historical core as well as all drill core generated from Centaurus own diamond drill program. Construction of a core logging area and core cutting facility was also completed.

The Company had contracted local professionals in preparation for the upcoming program including Geologists, Mine Technicians, Field Labourers and a Site Admin coordinator.

Maiden Diamond Drilling Program

Centaurus commenced its maiden drilling program at the Jaguar Project in early November, initially comprising 55 planned drill-holes for a total of 10,000m. The Company has two clear objectives with this campaign – firstly to extend the known high-grade nickel sulphide intersections and, secondly, to identify new high-grade nickel sulphide zones.

The first holes targeted extensions to known high-grade nickel sulphide zones and the identification of new high-grade zones within the Onça-Preta and Jaguar South Deposits. Assay results were received from the first three diamond drill holes during the reporting period, all of which returned thick intersections of high-grade nickel sulphide mineralisation.

The zones of mineralisation intersected at both the Jaguar South and Onça-Preta deposits have correlated particularly well with historical high-grade intersections and, importantly, with the Down-hole Electromagnetic (DHEM) and Fixed Loop Electromagnetic (FLEM) conductor plates. This bodes well for all current and future in-fill and extensional drilling of the high-grade nickel sulphide targets at Jaguar.

Historical drilling by Vale S.A. at Jaguar targeted a bulk tonnage, medium-low grade nickel sulphide resource and, as such, the project had been pattern drilled on broad 100m x 50m spacing, with little or no follow-up drilling of the historical high-grade intersections.

Jaguar South Deposit

Highlights of the assay results received during the reporting period from the Jaguar South Deposit include the following intersections. A full list of significant assay results was provided in the Company's ASX Announcement dated 3 December 2019:

- **12.4m at 1.95% Ni, 0.10% Cu and 0.03% Co** from 71.0m, including**:**
    - **5.1m at 2.86% Ni, 0.16% Cu and 0.05% Co** from 71.9m**;**
- **9.0m at 1.38% Ni, 0.04% Cu and 0.02% Co** from 112.0m, including**:**
    - **2.5m at 3.38% Ni, 0.11% Cu and 0.06% Co** from 113.3m**;**
- **40.9m at 1.41% Ni, 0.04% Cu and 0.03% Co** from 131.5m, including:
    - **6.0m at 3.19% Ni, 0.08% Cu and 0.06% Co** from 152.0m; and
    - **4.4m at 2.21% Ni, 0.06% Cu and 0.04% Co** from 161.1m.

By the end of the reporting period, a further five diamond drill holes had been completed at Jaguar South, with the core from the zones of mineralisation sent for assay.

Onça-Preta Deposit

Highlights of the assay results received during the reporting period from the Onça-Preta Deposit include the following intersections. A full list of significant assay results was provided in the Company's ASX Announcement dated 3 December 2019:

- **6.2m at 1.90% Ni, 0.10% Cu and 0.07% Co** from 107.0m in JAG-DD-19-001;
- **7.9m at 1.58% Ni, 0.11% Cu and 0.11% Co** from 126.1m in JAG-DD-19-001, including**:**
    - **2.9m at 3.80% Ni, 0.27% Cu and 0.26% Co** from 126.1m**;**
- **5.0m at 1.88% Ni, 0.18% Cu and 0.14% Co** from 141.5m in JAG-DD-19-001, including:
    - **3.8m at 2.28% Ni, 0.22% Cu and 0.12% Co** from 142.1m;
- **10.2m at 1.20% Ni, 0.06% Cu and 0.04% Co** from 83.7m in JAG-DD-19-003, including:
    - **3.5m at 2.44% Ni, 0.10% Cu and 0.09% Co** from 90.3m**;**
- **2.5m at 1.44% Ni, 0.04% Cu and 0.21% Co** from 100.0m in JAG-DD-19-003;

Drilling completed prior to the end of the reporting period indicates that at Onça-Preta, the grade and width of the mineralisation is increasing with depth. The deepest drill hole, PKS-JAGU-DH00014, returned the best intersection of 18.0m @ 2.19% Ni including 9.4m @ 2.96% Ni from 318m depth as well as 7.9m @ 2.18% Ni including 5.7m @ 2.72% Ni from 352m depth. In a significant positive for the potential to extend the Deposit at depth, the DHEM conductor plates continue down-dip below these intersections.

New Ground Magnetics and Electromagnetic (EM) Surveys

An in-fill ground magnetics survey commenced towards the end of the reporting period.

The survey is being completed by a local geophysical consultancy with Southern Geoscience completing QA/QC of the survey data and undertaking all of the required processing work. Around 90km of lines were completed with the results of the survey work expected in Q1 2020.

Metallurgy & Engineering

The Company has completed a comprehensive review of historical metallurgical data and identified several value-adding processing and project risk reduction opportunities that are now to be investigated.

Historically, the testwork was completed based on consideration of a bulk tonnage, low-grade project with the testwork starting with a coarse primary grind followed by a rougher concentrate fine regrind. This process is more like a copper-gold flotation circuit not a conventional nickel flotation circuit. Consequently, the Company now believes that there are a number of value-adding process optimisation opportunities immediately available to enhance nickel recoveries and reduce operating costs.

Process Mineralogy

Centaurus commenced process mineralogy studies that amalgamate geological and metallurgical studies to create a “Geomet” understanding of how each respective ore type will treat and what is metallurgically significant in the ore in order to guide geological assessment and analysis. This work will be carried out by McArthur Ore Deposit Assessments Pty Ltd (MODA) in Tasmania. MODA is an industry leader and exceptionally experienced in base metal flotation performance. The Geomet studies are key to efficiently carrying out the metallurgical testwork.

Metallurgical Testwork

More than 75kg of sample was shipped to Perth and composites of the Jaguar South and Onça-Preta were being collected for the process mineralogy assessment and metallurgical testwork. Metallurgical testwork will be ongoing throughout 2020.

Project Engineering

Project engineering work considering a conventional nickel flotation processing plant project commenced during the period with the preliminary water balance, waste storage requirements and project layout studies well advanced by year end.

Licensing

The terms of reference for the EIA/RIMA, which is the main study required to apply for the key project environmental licence (Preliminary Licence or LP), was issued by the Pará Environmental Agency (SEMAS). The scope issued by SEMAS is in line with the Company’s expectations for the Jaguar Project.

A considerable amount of baseline data is already at hand for use in the EIA/RIMA given the historical work completed by Vale, and this has given the Company a strong head-start on the licensing process.

During 2020, the Company will, however, collect further wet and dry season data for the purpose of completing the EIA/RIMA. Wet season data will be collected prior to April 2020 with dry season data to be collected from June 2020.

Forward Program

Subsequent to the end of the reporting period, Centaurus announced the commencement of major exploration, resource definition and project development programs for 2020 (see ASX announcement, 15 January 2020). The Company has embarked on a multi-pronged strategy aimed at delivering a maiden high-grade JORC Mineral Resource at Jaguar by mid-2020, making new massive sulphide nickel discoveries and putting in place the foundations for a rapid pathway to project development and licensing.

Diamond drilling is ongoing at the Jaguar South and Onça-Preta Deposits focused on extending known mineralisation and identifying new high-grade zones. Drilling on the other Jaguar Deposits as well as the Onça-Rosa Prospect will start in the March 2020 quarter once the drill accesses and pads have been prepared and in conjunction with the results coming from the Company's first Down-hole (DHEM) and Fixed Loop (FLEM) Electromagnetic (EM) survey work.

Itapitanga Nickel-Cobalt Project

Last year, Centaurus secured a 100% interest in the Itapitanga Nickel-Cobalt Project, a highly prospective nickel-cobalt exploration project in the Carajás Mineral Province of northern Brazil located immediately along strike from world-class nickel-cobalt deposits owned by global majors Anglo American and Vale. The Itapitanga Project is located primarily on farm land, covers an area of approximately 50km^2 and is located 50km north-east of the regional centre of São Felix de Xingu and 110km west of Vale's operating nickel mine, Onça-Puma.

The Project covers the southern extension of the same ultramafic-mafic intrusive complex that hosts both the Jacaré Nickel-Cobalt Project and several unpublished nickel-cobalt resources held by Vale.

In November 2018, Centaurus executed a binding earn-in joint venture term sheet with Australian-based battery metals process leader, the Simulus Group ("Simulus"), covering the development of the Itapitanga Project. Simulus can earn up to an 80% interest in the project with Centaurus being free-carried through to a decision to mine.

Whilst Simulus completed some initial scoping study activities in the first half of 2019, work slowed in the second half of the year due to Simulus' need to source further funding for the Project. The Company is presently reviewing the status of the joint venture.

Minas Gerais Iron Ore Projects

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 premium pricing that exists in the market for high grade ore (+65% Fe) such as that which could be produced at Jambreiro.

Centaurus originally completed a positive Feasibility Study for the Jambreiro Project in November 2012 for a 2Mtpa Project which was subsequently revised during 2013 to a 1Mtpa iron ore production scenario. This Study demonstrated low operating costs and strong economics.

The Company updated the Feasibility Study based on significant changes and marked improvements in a number of key parameters since the 2013 Feasibility Study was completed, including:

- Higher prices in the international market for premium 62% Fe ore;
- Lower availability of high-grade iron ore in the Brazilian domestic market compared with 2013;
- Improved domestic market pricing relative to 2013 as a result of the currency impact of a weaker Brazilian Real against the US Dollar;
- Significant premiums being realised for higher grade 65% Fe product, in light of tighter environmental conditions for steel mills across the globe, which did not present in the domestic market in 2013;
- Improved access to open-access ports, logistics and infrastructure compared with 2013, which should provide a greater opportunity for the Company to consider supply into the export market;
- A number of new potential customers and partners in the domestic market which were not available to the Company in 2013; and
- A new pro-development government in Brazil which should provide strength for the domestic steel industry in Brazil over the coming years.

Pre-Feasibility Study Outcomes

Centaurus completed the Pre-Feasibility Study (PFS) in the June Quarter of 2019, with the key financial and technical outcomes announced to the market on 5 July 2019. The PFS outlined a robust 1Mtpa start-up project capable of generating life-of-mine revenues of A$1.05 billion and EBITDA of A$533 million over its initial 18-year life.

The strong economics of the proposed A$59.8 million development – including a A$114.9 million post-tax NPV$_8$ and IRR of 32% for a 1Mtpa operation provide a strong foundation for the Company to re-open off-take arrangements in the Brazilian domestic market.

The PFS has been based on the new JORC 2012 Proven and Probable Ore Reserves estimate of 43.3Mt grading 29.1% Fe, which was also released to the market on 5 July 2019. The Ore Reserve estimate focuses only on the friable component of the JORC 2012 Mineral Resource estimate (Measured, Indicated and Inferred) and utilises current operating costs and conservative revenue assumptions.

With tailings management being such a strong focus point for all stakeholders in Brazil at the present time, the Company has proactively made the decision that it will dry stack all tailings from the operations of the Project. This approach has the benefit of facilitating an easier future expansion pathway for the Project (no tails dam capacity constraints) and minimising the potential impact of government and/or non-government organisation intervention as the Project advances towards production.

The full Pre-Feasibility Study was reported in the ASX Announcement of 5 July 2019 ("Jambreiro Pre-Feasibility Study Confirms Low Costs, Strong Economics for 1Mtpa Iron Ore Operation") and is available on the ASX Platform and on the Company's website.

The Company has re-opened off-take discussions for the high quality Jambreiro product with a number of end user and trading groups in Brazil. The completion of a suitable offtake is required in order for the Company to advance financing discussions for the Project. Consequently, until off-take is advanced to a satisfactory stage to support financing, any development decision in respect to the Project will continue to be deferred.

CDE Global continued to progress engineering and detailed design work on a modular turn key plant solution for the Project. This work is expected to be completed in the first quarter of 2020.

Conquista Iron Ore Project

The Conquista Iron Ore Project was divested to R3M Mineração Ltda during 2018. The Company retains a 12% royalty over any production from this asset. R3M is currently licencing the project to undertake further exploration and future mining activities. As at the end of 2019, Centaurus has no clarity on whether income will flow from the Royalty it holds over the Conquista Project

Corporate

Acquisition of Jaguar Nickel Project

In August 2019, Centaurus executed a formal Sale & Purchase Agreement to acquire the Jaguar Nickel Project from Vale S.A. The consideration payable for 100% acquisition of the Jaguar Project requires a US$250,000 cash payment on Closing, with the main component of the future cash consideration contingent on successful production from the Project. This significantly de-risks the acquisition for the Company and allows the Company to focus on advancing the development aspects of the Project over the next 18 months.

Up-Front Consideration on Closing (Closing of the Formal Agreement to occur upon BNDES approval of the transfer of royalty obligation in the project from Vale to Centaurus)

- US$250,000 cash; and
- The transfer of all Salobo West Exploration Licences and Exploration Licence Applications to Vale.

Deferred Consideration

- US$1.75 million on the commencement of a Bankable Feasibility Study, or construction funding being secured, or 3 years from agreement signing, whichever occurs first;
- US$5.0 million on First Commercial Production;
- A Net Operating Revenue royalty of 0.75% on all concentrate production from the project; and
- Centaurus to take on Vale's obligation to Brazil's National Bank for Economic and Social Development (BNDES) for 1.8% Net Operating Revenue royalty.

Off-take

Vale and Centaurus agreed to enter into a future Off-take Agreement whereby Vale can purchase 100% of the production from the Project (with the product or products from the project to be determined during future Feasibility Study work). Under the proposed key off-take terms, Vale would acquire all production from any future operation at Jaguar on standard arm's length prevailing market prices and they may consider a pre-purchase of product to support Centaurus' funding of the project.

Cooperation

Vale and Centaurus also agreed to explore opportunities to optimise costs of the Project as well as to generate potential synergies between the Project and the nearby Projects of Vale.

Salobo West Divestment

A key component of the purchase consideration for the Jaguar Project acquisition is the transfer of Centaurus' Salobo West Copper-Gold Project to Vale. Salobo West is a highly prospective and strategically located exploration project with the potential to deliver Tier-1 IOCG-style discoveries in proximity to one of Vale's cornerstone copper-gold operations.

Centaurus has pursued a systematic and diligent exploration program over the past two years to advance Salobo West to a drill-ready stage, while at the same time progressing the permitting process.

The Salobo West Project tenements were originally acquired from the privately-owned Brazilian resource development group, Terrativa Minerais SA, which retained a 2% production royalty over the tenements or right to elect to receive a 25% share of sale proceeds in the event Centaurus divested the Project to a third party.

Conditional on the completion of the transaction with Vale, Terrativa elected to convert its royalty interest to a share of Project sale proceeds.

In that regard, Centaurus agreed to pay Terrativa up to A$3.5 million over a period of 2.5 years, with the first payment of A$1.0 million to be paid through the issue of ordinary shares in Centaurus concurrent with completion of the acquisition of the Jaguar Nickel Sulphide Project from Vale ("Closing"). The shares will be issued at the 10-day VWAP price of Centaurus shares immediately prior to the date of the announcement regarding the acquisition of the Jaguar Nickel Sulphide Project (6 August 2019).

Centaurus will then pay Terrativa A$500k in cash every six months over the following 30 months, with the first instalment payable on the date which is six months after Closing. Alternatively, at Centaurus' election, the Company may pay a lump sum cash amount of A$2.0 million at any time prior to the first of the above instalments falling due.

Further, Terrativa will be entitled to two bonus payments contingent on the following milestones being met:

a) If during the 36-month period after Closing, Centaurus' market capitalisation exceeds A$50 million for 90 days in any 6-month period, Centaurus will pay Terrativa $1.25 million in cash (or A$1.4 million in Centaurus shares should Terrativa elect). If Terrativa elects to take the payment in shares, the shares will be issued as soon as the milestone is achieved and shareholder approval for the issue of shares has been obtained. The issue price of the shares will be the 15-day VWAP immediately prior to the achievement of the milestone. If Terrativa elects to take the payment in cash, the payment will be made 60 days after the milestone is achieved but no earlier than 12 months after Closing.

b) If during the 36-month period after Closing, Centaurus' market capitalisation exceeds A$100 million for 90 days in any 6-month period, Centaurus will pay Terrativa a further $1.25 million in cash (or A$1.4 million in Centaurus shares should Terrativa elect). If Terrativa elects to take the payment in shares, the shares will be issued as soon as the milestone is achieved and shareholder approval for the issue. The issue price of the shares will be the 15-day VWAP immediately prior to the achievement of the milestone. If Terrativa elects to take the payment in cash, the payment will be made 60 days after the milestone is achieved but no earlier than 12 months after Closing.

Capital Raisings

In the March 2019 Quarter, Centaurus completed a share placement to raise $2.20 million, before costs.

The capital raising provided funding for the update to the Jambreiro Feasibility Study, to advance permitting for the Salobo West Copper-Gold Project, to evaluate new project opportunities in the Carajás Mineral Province and for general working capital.

Under the placement, the Company issued 400 million shares at $0.0055, together with 400 million free attaching options having an exercise price of $0.012 and an expiry date of 31 May 2021, to sophisticated and professional investors. The options were subject to shareholder approval, which was subsequently obtained at the Company's 2019 Annual General meeting in May 2019.

Melbourne-based Pinnacle Equities were the Lead Manager and received 30 million options having the same exercise price and expiry date as the options issued as part of the placement.

During the December 2019 Quarter, following the execution of the agreement to acquire the Jaguar Nickel Sulphide Project from Vale, Centaurus raised $10.0 million to underpin an aggressive exploration and development program at Jaguar. The share placement received strong support from a number of small-cap institutional investors in Australia and overseas, including clients and affiliates of the Sprott Group, as well as new and existing sophisticated high net worth investors.

The funds raised via the placement will be predominantly used on the Jaguar Nickel Sulphide Project, including:

- Resource drilling activities & JORC Resource definition
- Exploration drilling on new high priority targets
- Environmental studies and preparation of an EIA (Environmental Impact Assessment)
- Metallurgical testwork and process flow sheet definition
- Vendor payments

Under the placement, the Company issued a total of 1 billion shares at $0.01 under two Tranches. Tranche 1 comprised 592,379,682 shares under the Company's placement capacity under ASX Listing Rule 7.1 and 7.1A. Tranche 1 shares were allotted on 16 September 2019.

Tranche 2 comprised 407,620,318 shares with the issue of shares under this Tranche approved by shareholders at a General Meeting held on 21 October 2019.

Bell Potter Securities Ltd were the Lead Manager and Bookrunner to the Placement and Orimco Pty Ltd were Co-Lead Manager.

Board Change

During the reporting period, highly experienced geologist and Australian mining executive Mr Chris Banasik was appointed to the Centaurus board as a non-executive Director. Mr Banasik filled a board vacancy created by the departure of Mr Steve Parsons, who stepped down from the Centaurus Board due to his growing work-load and commitments as Managing Director of ASX-listed gold company, Bellevue Gold Limited. Details of Mr Banasik's strong nickel and resource industry experience is set out above under the Directors and Officers Section of the Directors Report.

Senior Management Appointments

During the reporting period, Centaurus announced a series of new senior appointments to lead the Company's nickel exploration and development strategy centred on the Jaguar Nickel Sulphide Project.

Experienced senior executive John Westdorp was appointed as Chief Financial Officer (CFO) and also transitioned to the role of Company Secretary in January 2020. Mr Westdorp has deep experience in project financing, development and operations, as well as commercial transactions, including significant international experience.

Roger Fitzhardinge was appointed as Operations Manager – Nickel having worked for Centaurus for the last 10 years, where he was originally appointed as Senior Geologist and subsequently as Exploration Manager. Mr Fitzhardinge has extensive nickel sulphide experience in Brazil, having previously worked on the exploration, implementation and operation of Mirabela Nickel's Santa Rita nickel sulphide mine.

Mr John Knoblauch was engaged as Principal Metallurgist and Mr Grant "Rocky" Osborne as Principal Geoscientist. Mr Knoblauch has considerable experience in the management of metallurgical test work programs and process flow sheet development, including most recently almost 10 years with mid-tier copper producer Sandfire Resources. Mr Osborne is a highly respected mining professional with over 40 years' experience in international mineral exploration and underground mining, with particular expertise in nickel and gold.

Competent Person's Statement

The information in this report that relates to new Exploration Results is based on information compiled by Roger Fitzhardinge who is a Member of the Australasia Institute of Mining and Metallurgy. Mr Roger Fitzhardinge confirms that the historical information in this report that relates to the Exploration Results and Mineral Resource provided under ASX Listing Rules 5.12.2 to 5.12.7 for the Jaguar Nickel Sulphide Project is an accurate representation of the available data and studies supplied to Centaurus as a foreign estimate.

The information in this report that relates to Jambreiro Mineral Resources is based on information compiled by Roger Fitzhardinge who is a Member of the Australasian Institute of Mining and Metallurgy and Volodymyr Myadzel who is a Member of Australian Institute of Geoscientists.

Roger Fitzhardinge is a permanent employee of Centaurus Metals Limited and Volodymyr Myadzel was the Senior Resource Geologist of BNA Mining Solutions, independent resource consultants engaged by Centaurus Metals, at the time when the Mineral Resource estimate was first completed.

Roger Fitzhardinge and Volodymyr Myadzel have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Roger Fitzhardinge and Volodymyr Myadzel consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

The information in this report that relates to Jambreiro Ore Reserves is based on information compiled by Beck Nader who is a professional Mining Engineer and a Member of the Australian Institute of Geoscientists. Beck Nader is the Managing Director of BNA Mining Solutions and is a consultant to Centaurus.

Beck Nader has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Beck Nader consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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.

Iron Ore Project Offtake

The Company's strategy in relation to its iron ore assets is dependent on the ability to secure acceptable offtake arrangements. 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 offtake arrangements.

Emphasis of Matter

The audit opinion for the year ended 31 December 2019 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

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 to Reporting Date", 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 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	15,079,462	11,000,000	-
Mr D P Gordon	78,783,121	23,000,000	-
Mr B R Scarpelli	2,500,000	16,500,000	-
Mr M D Hancock	6,683,754	7,750,000	-
Mr C A Banasik	4,750,000	7,000,000	4,000,000

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		Total Number of Shares Under Option
		Vested	Unvested	
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	33,500,000	-	33,500,000
31/01/2022	$0.0120	1,750,000	-	1,750,000
31/05/2023	$0.0120	-	1,750,000	1,750,000
31/05/2024	$0.0120	-	3,500,000	3,500,000
		80,750,000	**5,250,000**	**86,000,000**

A total of 167,500,000 unlisted options exercisable at $0.015 expired on 31 January 2020.

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
31/05/2021	$0.012	434,100,000

The listed options expiring on 31 May 2021 were issued as 1 for 1 free attaching options as part of the placement announced on 21 March 2019. The full terms of the options are set out in the Prospectus lodged with the ASX on 4 June 2019.

14 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:

- <u>Tranche A – 30,000,000 Performance Rights</u> 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;
- <u>Tranche B – 30,000,000 Performance Rights</u> 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;
- <u>Tranche C – 30,000,000 Performance Rights</u> 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.

There are no 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.

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 Group, 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, and 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 2019 $	31 December 2018 $
Audit Services		
Auditors of the Company		
Audit and review of financial reports – KPMG	**37,471**	36,182
Services other than statutory audit		
Taxation compliance services – KPMG	**8,907**	6,150

17 Lead Auditor's Independence Declaration

The lead auditor's independence declaration is set out on page 28 and forms part of the directors' report for the period ended 31 December 2019.

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

D P Gordon
Managing Director
Perth
24 March 2020

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 2019 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

24 March 2020

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2019

	Note	31 December 2019 $	31 December 2018 $
Profit or Loss			
Other income		**96,952**	19,712
Exploration expenditure		**(2,689,925)**	(2,463,216)
Impairment of exploration and evaluation	15	**(150,000)**	-
Impairment of other receivables	13	**(6,690)**	(64,874)
Loss on sale of mineral asset		**-**	(66,522)
Employee benefits expense	7	**(840,932)**	(723,936)
Share based payments expense	8	**(49,519)**	(191,753)
Occupancy expenses		**(44,428)**	(46,030)
Listing and share registry fees		**(74,265)**	(92,695)
Professional fees		**(249,268)**	(325,276)
Depreciation		**(8,704)**	(9,120)
Other expenses		**(401,039)**	(300,748)
Results from operating activities		**(4,417,818)**	(4,264,458)
Interest income		**155,131**	67,097
Finance expense		**(12,710)**	-
Net finance income		**142,421**	67,097
Loss before income tax		**(4,275,397)**	(4,197,361)
Loss for the period		**(4,275,397)**	(4,197,361)
Other Comprehensive Income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences arising on translation of foreign operations		**(148,442)**	(177,353)
Other comprehensive loss for the period		**(148,442)**	(177,353)
Total comprehensive loss for the period		**(4,423,839)**	(4,374,714)
Earnings per Share		**Cents**	Cents
Basic loss per share	11	**(0.15)**	(0.19)
Diluted loss per share	11	**(0.15)**	(0.19)

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 2019

	Note	2019 $	2018 $
Current assets			
Cash and cash equivalents	12(a)	**9,703,718**	1,399,910
Other receivables and prepayments	13	**253,446**	149,934
Total current assets		**9,957,164**	1,549,844
Non-current assets			
Other receivables and prepayments	13	**59,116**	97,956
Property, plant and equipment	14	**604,595**	324,461
Exploration and evaluation assets	15	**2,265,049**	2,487,858
Total non-current assets		**2,928,760**	2,910,275
Total assets		**12,885,924**	4,460,119
Current liabilities			
Trade and other payables	16	**557,572**	181,921
Lease Liability	17	**45,273**	-
Employee benefits – annual leave		**249,734**	180,939
Total current liabilities		**852,579**	362,860
Non-current liabilities			
Lease Liability	17	**70,906**	-
Employee benefits – long service leave		**166,078**	130,070
Total non-current liabilities		**236,984**	130,070
Total liabilities		**1,089,563**	492,930
Net assets		**11,796,361**	3,967,189
Equity			
Share capital		**128,538,655**	116,382,624
Reserves		**(6,618,754)**	(6,388,926)
Accumulated losses		**(110,123,540)**	(106,026,509)
Total equity		**11,796,361**	3,967,189

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 2019

	Issued Capital $	Share-Based Payments Reserve $	Foreign Currency Translation Reserve $	Accumulated Losses $	Total Equity $
Balance at 1 January 2019	116,382,624	757,290	(7,146,216)	(106,026,509)	3,967,189
Loss for the period	-	-	-	(4,275,397)	(4,275,397)
Foreign currency translation difference for foreign operation	-	-	(148,442)	-	(148,442)
Total comprehensive loss for the period	**-**	**-**	**(148,442)**	**(4,275,397)**	**(4,423,839)**
Share-based payment transactions	-	119,307	-	-	119,307
Issues of ordinary shares	12,222,000	-	-	-	12,222,000
Share options exercised	804,592	-	-	-	804,592
Share issue costs	(892,888)	-	-	-	(892,888)
Transfer on exercise of options	22,327	(22,327)	-	-	-
Transfer of options lapsed	-	(178,366)	-	178,366	-
Total transactions with owners	**12,156,031**	**(81,386)**	**-**	**178,366**	**12,253,011**
Balance at 31 December 2019	**128,538,655**	**675,904**	**(7,294,658)**	**(110,123,540)**	**11,796,361**
Balance at 1 January 2018	111,776,626	414,399	(6,968,863)	(101,739,965)	3,482,197
Loss for the period	-	-	-	(4,197,361)	(4,197,361)
Foreign currency translation difference for foreign operation	-	-	(177,353)	-	(177,353)
Total comprehensive loss for the period	**-**	**-**	**(177,353)**	**(4,197,361)**	**(4,374,714)**
Share-based payment transactions	-	264,963	-	-	264,963
Issues of ordinary shares	2,655,000	-	-	-	2,655,000
Share options exercised	2,317,199	-	-	-	2,317,199
Share issue costs	(377,456)	-	-	-	(377,456)
Transfer on exercise of options	11,255	(11,255)	-	-	-
Transfer of options lapsed	-	89,183	-	(89,183)	-
Total transactions with owners	**4,605,998**	**342,891**	**-**	**(89,183)**	**4,859,706**
Balance at 31 December 2018	**116,382,624**	**757,290**	**(7,146,216)**	**(106,026,509)**	**3,967,189**

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 2019

	Note	31 December 2019 $	31 December 2018 $
Cash flows from operating activities			
Exploration and evaluation expenditure		**(2,724,062)**	(2,887,884)
Payments to suppliers and employees (inclusive of GST)		**(1,315,250)**	(1,281,868)
Cash receipts from project partners		**221,647**	21,638
Court settlement proceeds		**31,182**	-
Interest received		**149,496**	66,549
Interest paid		**(900)**	-
Net cash used in operating activities	12(b)	**(3,637,887)**	(4,081,565)
Cash flows from investing activities			
Payments for plant & equipment		**(180,177)**	(17,671)
Payment for project acquisitions		**-**	(221,963)
Buy back of project royalty		**(40,979)**	-
Proceeds from sale of mineral assets		**-**	181,927
Proceeds from sale of plant & equipment		**690**	52,600
Net cash from /(used in) investing activities		**(220,466)**	(5,107)
Cash flows from financing activities			
Proceeds from issue of equity securities		**12,222,000**	2,655,000
Proceeds from the exercise of options		**804,592**	2,317,199
Capital raising costs		**(817,850)**	(304,247)
Lease Liability		**(10,760)**	
Net cash from financing activities		**12,197,982**	4,667,952
Net increase/(decrease) in cash and cash equivalents		**8,339,629**	581,280
Cash and cash equivalents at the beginning of the period		**1,399,910**	822,132
Effect of exchange rate fluctuations on cash held		**(35,821)**	(3,502)
Cash and cash equivalents at 31 December	12(a)	**9,703,718**	1,399,910

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 2019

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 2019 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 24 March 2020.

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; and
- Share based payments are measured at fair value.

Going Concern

The financial statements for the year ended 31 December 2019 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 $4,275,397 with net cash inflows of $8,339,629. The Group has a working capital surplus of $9,104,585.

While the Group had cash on hand of $9,703,718 as at 31 December 2019, the Group's future cashflow forecast for the period ended 31 December 2020 indicates the need for additional working capital in order to meet the Group's stated strategic objectives. Whilst there is no certainty that additional funding will be available to provide adequate working capital for the Group to achieve its planned objectives, the Directors believe that the Group will be able to secure funding sufficient to meet requirements to continue as a going concern based on the Company's historical success of raising capital. The form, value and timing of any future transactions that may provide funding 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.

Prevailing market conditions are particularly volatile as a result of the global impact from the Covid-19 declared pandemic. The extent and the duration of the impact remains uncertain. The ability of the Company to raise future funding in this environment in order to continue its plans represents a material uncertainty. In the event that further funding is not available the Company 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.

The Directors are, however, confident that further funding will be obtained to meet the Group's objectives. In addition, the Directors have considered the minimum expenditure requirements necessary in order to maintain tenements in good standing and to meet committed expenditures for the 12-month period from the date of this report and consider the going concern basis of preparation to be appropriate.

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 13 - Other Receivables and Prepayments;
- Note 15 - 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
- Note22 - 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 2019 is included in Note 15 – 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 financial 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, at fair value through other comprehensive income and measured at amortised cost.

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 and cash and cash equivalents.

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).

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

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset recognised by the Group is initially measured at cost, comprised of the initial measurement of the related lease liability, any lease payments made at or before the commencement of the contract, less any lease incentives received, any initial direct costs and any restoration costs. Subsequently the asset is measured at cost less any accumulated depreciation and impairment losses and adjusted for certain re-measurements of the lease liability. Right-of-use assets are depreciated over the shorter period of either the useful life of the underlying asset or the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be determined the lessee's incremental borrowing rate is used, being the rate the lessee would have to pay to borrow funds necessary to obtain and asset of similar value in a similar economic environment with similar terms and conditions.

The lease liability is subsequently increased by the interest costs on the lease liability and decreased by lease payments made. It is re-measured where there is a change in future lease payments arising from a change in an index rate, or as appropriate, changes in the assessment of whether an extension options is reasonably certain to be exercised.

The group applies the low-value assets and the short term lease exemption to leases that are considered of low value. Lease payments on short term leases and leases of low-value assets are recognised as an expense on a straight line basis over the lease term.

(g) Impairment

(i) Non-derivative Financial Assets

A loss allowance for expected credit loss (ECL) is recognised on financial assets measured at amortised cost.

The loss allowances are measured at an amount equal to lifetime ECLs, except for, bank balances which are measured at 12-month ECLs, for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls. ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised costs are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised costs are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

(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 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 recognised when the goods are delivered and have been accepted by customers at their premises. For contracts that permit the customer to return an item, revenue is recognised to the extent that it is highly probably that a significant reversal in the amount of cumulative revenue recognised will not occur.

Therefore, the amount of revenue recognised is adjusted for expected returns, which are estimated based on the historical data. In these circumstances, a refund liability and a right to recover returned goods asset are recognised.

(k) Finance Income and Finance Costs

Finance income comprises interest income on funds invested, dividend income, gains on the disposal of debt securities measured at fair value through other comprehensive income, changes in the fair value of financial assets at fair value through profit and 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, losses on the disposal of debt securities measured at fair value through other comprehensive income, 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 AASB 16 *Leases* from 1 January 2019. A number of other new standards are also effective from 1 January 2019 but they do not have a material affect on the Group's financial statements.

AASB 16 *Leases* became effective for periods beginning on or after 1 January 2019. The standard which replaces AASB 117 *"Leases"* removes the concept of operating and finance leases for lessees and replaces it with a single accounting model under which lessees are required to recognise most leases on balance sheet as lease liabilities, with the corresponding right to use assets being recognised. Lessees have the option not to recognise certain types of leases such as 'short-term' leases and leases of low value assets.

The Group has applied the 'modified retrospective' method in adopting AASB 16 without restating the comparative information for 2018 as permitted by the transitional provisions of the standard. On transition to AASB 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied AASB 16 only to contracts that were previously identified as leases.

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance costs. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The right-of-use-asset, initially measured at cost, comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset, reduced by any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate or if the Group changes its assessment of whether it will exercise an extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use-asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low value assets, including office equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(q) New Standards and Interpretations Not Yet Adopted

A number of new standards are effective for annual periods beginning after 1 January 2020 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these financial statements.

The following amended standards and interpretations are not expected to have a significant impact on the Group's financial statements.

Standards	Effective Date	Key Requirements
AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material	1 Jan 2020	Clarifies the definition of "material" and its application across AASB Standards and other pronouncements. The principal amendments are to AASB 101 Presentation of Financial Statements.

AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business	1 Jan 2020	Clarifies the definition of a business to assist entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition. The new business definition is narrower There is a new optional asset concentration test New considerations have been incorporated to help identify when an acquired process is substantive
AASB 2014-10 Amendments to Australian Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture AASB 2015-10 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 AASB 2017-5 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections	1 Jan 2022	The amendments require the full gain or loss to be recognised when the assets transferred meet the definition of a "business" under AASB 3 (whether housed in a subsidiary or not).

All other pending standards and interpretations issued are either not applicable or have no material effect to the Group.

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	**2019 Non-current Assets $**	2018 Non-current Assets $
Brazil	**2,850,050**	2,905,394
Australia	**78,710**	4,881
Total	**2,928,760**	2,910,275

Note 7. Employee Benefits Expense

	31 December 2019 $	31 December 2018 $
Salaries, fees and other benefits	**1,805,772**	1,678,986
Superannuation	**87,816**	82,577
Recognised in exploration expenditure expense	**(1,052,656)**	(1,037,627)
Total	**840,932**	723,936

Note 8. Share-based Payments

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

During the reporting period 7,000,000 options were issued to a non-executive director and approved by shareholders at the 2019 AGM.

An Employee Share Option Plan ("ESOP") was approved by shareholders at the 2019 AGM. The Board may nominate Eligible Persons to participate in an award of options under the ESOP. Eligible Persons may include employees, directors and contractors. No options were issued to Employees under the ESOP during the reporting period (2018: nil).

Reconciliation of Outstanding Share Options

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

	Weighted Average Exercise Price 2019	Number of Options 2019	Weighted Average Exercise Price 2018	Number of Options 2018
Outstanding at start of period	**$0.0133**	**91,000,000**	$0.0151	98,500,000
Exercised during the period	**$0.0082**	**(8,500,000)**	$0.0082	(5,500,000)
Lapsed during the period	**$0.0015**	**(3,500,000)**	-	-
Expired during the period	**-**	**-**	$0.1250	(2,000,000)
Issued during the period	**$0.0120**	**7,000,000**	-	-
Outstanding at balance date	**$0.0134**	**86,000,000**	$0.0133	91,000,000
Exercisable at balance date	**$0.0135**	**80,750,000**	$0.0118	54,000,000

The options outstanding at 31 December 2019 have exercise prices ranging from $0.0082 to $0.0150 (2018: between $0.0082-$0.150) and the weighted average remaining contractual life is 1.43 years (2018: 2.34 years).

There were 8,500,000 options exercised during the year (2018: 5,500,000). There were 7,000,000 options issued during the year (2018: nil). Details of the options issued during the year are as follows:

Grant Date	Number of Options	Vesting Period	Option Term
Directors			
31/05/19	1,750,000	Immediately	36 months
31/05/19	1,750,000	12 months[1]	48 months
31/05/19	3,500,000	24 months[1]	60 months
Total	7,000,000		

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

Note 8. Share-based Payments (continued)

Inputs for Measurement of Grant Date Fair Values

The model inputs for options issued in 2019 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
31/05/19	31/05/22	$0.012	3 years	$0.009	100%	1.20%	$0.0041
31/05/19	31/05/23	$0.012	4 years	$0.009	100%	1.10%	$0.0058
31/05/19	31/05/24	$0.012	5 years	$0.009	100%	1.17%	$0.0063

Expenses Arising from Share Based Payment Transactions

	2019 $	2018 $
Total expense recognised as share-based payment – share options	**49,519**	191,753

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 9. Income Tax

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

	2019 $	2018 $
Loss from continuing operations before income tax expense	**(4,275,397)**	(4,197,361)
Tax at the Australian tax rate of 27.5% (2018: 27.5%)	**(1,175,734)**	(1,154,274)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Overseas project generation and review costs	**237,183**	153,405
Share-based payments	**13,618**	52,732
Sundry items	**6,885**	(1,803)
	(918,048)	(949,940)
Effect of tax rates in foreign jurisdictions	**(416,999)**	(84,607)
Under provision from prior year	**2,898**	329,397
Deferred tax assets not recognised	**1,332,149**	705,150
Income tax benefit, being deferred tax	**-**	-

(b) Tax Losses

	2019 $	2018 $
Tax losses	**67,316,146**	60,730,448
Potential tax benefit (between 27.5-34%)	**20,460,785**	18,224,348

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:

	2019 $	2018 $
Deferred Tax Assets		
Exploration expenditure	**8,403,682**	8,295,797
Accrued expenses/provisions	**3,528,278**	4,571,886
Transaction costs relating to issue of capital	**68,475**	37,040
Tax losses carried forward (net of tax losses utilised) – Note 9 (b)	**20,460,785**	18,224,348
	32,461,220	31,129,071

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 10. Dividends

There were no dividends paid or declared during the period (2018: nil).

Note 11. Earnings/(Loss) Per Share

Basic Loss per Share

The calculation of basic and diluted earnings per share at 31 December 2019 was based on the loss attributable to ordinary shareholders of $4,275,397 (2018: $4,197,361) and a weighted average number of ordinary shares outstanding of 2,894,138,337 (2018: 2,197,258,184), calculated as follows:

Loss Attributable to Ordinary Shareholders

	2019 $	2018 $
Loss attributable to the shareholders	**(4,275,397)**	(4,197,361)

Weighted Average Number of Ordinary Shares

	2019 Number	2018 Number
Issued ordinary shares at beginning of the period	**2,197,258,184**	1,777,272,235
Effect of shares issued	**696,880,153**	419,985,949
Weighted average number of ordinary shares at the end of the period	**2,894,138,337**	2,197,258,184

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 2019 and the exercise of potential shares would not increase that loss.

Note 12 (a). Cash and Cash Equivalents

	2019 $	2018 $
Cash at bank and on hand	**11,243**	60,151
Deposits - short term	**9,692,475**	1,339,759
	9,703,718	1,399,910

The deposits are bearing floating and fixed interest rates between 1.58% and 4.59% (2018: between 2.38% and 6.55%).

Note 12 (b). Reconciliation of Cash Flows from Operating Activities

	2019 $	2018 $
Loss for the period	**(4,275,397)**	(4,197,361)
Adjustments for:		
Depreciation	**29,627**	19,200
Non-cash employee benefits expense– share based payments	**49,519**	191,753
Impairment of exploration and evaluation assets	**150,000**	-
Impairment of other receivables	**6,690**	64,874
Loss on sale of mineral asset	**-**	66,522
(Profit)/Loss on sale of plant and equipment	**(690)**	1,574
Operating loss before changes in working capital and provisions	**(4,040,251)**	(3,853,438)
Change in other receivables	**(62,186)**	25,102
Change in trade creditors and provisions	**464,550**	(253,229)
Net cash used in operating activities	**(3,637,887)**	(4,081,565)

Note 13. Other Receivables and Prepayments

	2019 $	2018 $
Current		
Other Receivables	**57,144**	37,551
Security deposits	**30,133**	30,133
Prepayments	**166,169**	82,250
	253,446	149,934
Non – Current		
Prepayments	**59,116**	97,956
Other Receivables	**179,433**	944,058
Provision for impairment	**(179,433)**	(944,058)
	59,116	97,956

Non-current other receivables include Brazilian federal VAT ("PIS-Cofins") levied on the Group's purchases. Recoverability of PIS-Cofins assets is dependent upon the Group generating a federal company tax liability, which may be offset against the 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. During the year the Company did utilise the PIS-Cofins asset to compensate for the PIS-Cofins liability on the sale of the Conquista project. Taxable profits in the ordinary course of business are not, however, considered probable and therefore the Group has determined to fully impair the value of its PIS-Cofins tax asset. During the period the entity wrote off $781,862 which was previously provided for due to the credits expiring. An impairment expense of $6,690 was recognised in profit and loss in 2019 (2018: $64,874). Information about the Group's exposure to credit and market risk and impairment losses for other receivables is included in Note 23.

Note 14. Property, Plant and Equipment

		2019 $	2018 $
At Cost		**915,598**	703,201
Accumulated depreciation		**(311,003)**	(378,740)
	14 (a)	**604,595**	324,461

(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.

	2019 $	2018 $
Plant and Equipment		
Carrying amount at beginning	**66,439**	88,562
Additions	**198,156**	17,099
Disposals	**(1,118)**	(14,832)
Depreciation	**(18,891)**	(19,200)
Effect of movements in exchange rates	**(5,694)**	(5,190)
Carrying amount at end	**238,892**	66,439

Land and buildings		
Carrying amount at beginning	**258,022**	272,911
Depreciation	**-**	-
Effect of movements in exchange rates	**(8,675)**	(14,889)
Carrying amount at end	**249,347**	258,022
Right-of-use assets		
Carrying amount at beginning	**-**	-
Additions	**131,350**	-
Depreciation	**(10,736)**	-
Effect of movements in exchange rates	**(4,258)**	-
Carrying amount at end	**116,356**	-
Total	**604,595**	324,461

Note 15. Exploration and Evaluation Assets

	2019 **$**	2018 $
Opening net book value	**2,487,858**	2,560,225
Additions	**-**	226,596
Disposals	**-**	(191,092)
Impairment of capitalised exploration expenditure	**(150,000)**	-
Effect of movements in exchange rate	**(72,809)**	(107,871)
	2,265,049	2,487,858

During the reporting period the Group relinquished its Aurora tenement resulting in an impairment of capitalised exploration costs.

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.

Acquisition of Jaguar Nickel Project

In August 2019, Centaurus executed a formal Sale & Purchase Agreement to acquire the Jaguar Nickel Project from Vale S.A. Final completion of the transaction is subject to Brazil's National Bank for Economic and Social Development "BNDES" approval.

Total consideration will be as follows:

1) *Up-Front Consideration on Closing (Closing of the Formal Agreement to occur upon BNDES approval of the transfer of royalty interest in the Project from Vale to Centaurus)*
   - US$250,000 cash; and
   - The transfer of all Salobo West Exploration Licenses and Exploration License Applications to Vale.

2) *Deferred Consideration*
   - US$1.75 million on the commencement of a Bankable Feasibility Study, or construction funding being secured, or 3 years from agreement signing, whichever occurs first;
   - US$5.0 million on First Commercial Production;
   - A Net Operating Revenue royalty of 0.75% on all concentrate production from the project; and
   - Centaurus to take on Vale's obligation to BNDES for 1.8% Net Operating Revenue royalty.

Vale and Centaurus agreed to enter into a future Off-take Agreement whereby Vale can purchase 100% of the production from the Project (with the product or products from the project to be determined during future Feasibility Study work). Under the proposed key off-take terms, Vale would acquire all production from any future operation at Jaguar on standard arm's length prevailing market prices and they may consider a pre-purchase of product to support Centaurus' funding of the project.

Note 15. Exploration and Evaluation Assets (continued)

A key component of the purchase consideration for the Jaguar Project acquisition is the transfer of Centaurus' Salobo West Copper-Gold Project to Vale.

The Salobo West Project tenements were originally acquired from the privately-owned Brazilian resource development group, Terrativa Minerais SA, which retained a 2% production royalty over the tenements or the right to elect to receive a 25% share of sale proceeds in the event Centaurus divested the Project to a third party.

Conditional on the completion of the transaction with Vale, Terrativa has elected to convert its royalty interest to a share of sale proceeds such that Centaurus can transfer the Salobo West title to Vale unencumbered at the time of settlement.

Therefore, in order to extinguish the Terrativa royalty and allow the unencumbered transfer of the Salobo West title to Vale, Centaurus has agreed to pay Terrativa up to A$3.5 million over a period of 2.5 years, with the first payment of A$1.0 million to be paid through the issue of ordinary shares in Centaurus concurrent with completion of the acquisition of the Jaguar Nickel Sulphide Project from Vale ("Closing"). The shares will be issued at the 10-day VWAP price of Centaurus shares immediately prior to the date of the announcement regarding the acquisition of the Jaguar Nickel Sulphide Project (6 August 2019).

Centaurus will then pay Terrativa A$500k in cash every six months over the following 30 months, with the first instalment payable on the date which is six months after Closing. Alternatively, at Centaurus' election, the Company may pay a lump sum cash amount of A$2.0 million at any time prior to the first of the above instalments falling due.

Further, Terrativa will be entitled to two bonus payments contingent on the following milestones being met:

a) If during the 36-month period after Closing, Centaurus' market capitalisation exceeds A$50 million for 90 days in any 6-month period, Centaurus will pay Terrativa $1.25 million in cash (or A$1.4 million in Centaurus shares should Terrativa elect). If Terrativa elects to take the payment in shares, the shares will be issued as soon as the milestone is achieved and shareholder approval for the issue of shares has been obtained. The issue price of the shares will be the 15-day VWAP immediately prior to the achievement of the milestone. If Terrativa elects to take the payment in cash, the payment will be made 60 days after the milestone is achieved but no earlier than 12 months after Closing.

b) If during the 36-month period after Closing, Centaurus' market capitalisation exceeds A$100 million for 90 days in any 6-month period, Centaurus will pay Terrativa a further $1.25 million in cash (or A$1.4 million in Centaurus shares should Terrativa elect). If Terrativa elects to take the payment in shares, the shares will be issued as soon as the milestone is achieved and shareholder approval for the issue. The issue price of the shares will be the 15-day VWAP immediately prior to the achievement of the milestone. If Terrativa elects to take the payment in cash, the payment will be made 60 days after the milestone is achieved but no earlier than 12 months after Closing.

Since entering into the transaction with Vale, Centaurus has had full access to the Jaguar Project to undertake exploration and environmental approval work. Consistent with the Company's accounting policy noted in Note 5, all expenditure on the project has been expensed to the profit and loss account as incurred.

At the time Closing occurs (when final BNDES approval is received), all acquisition costs related to the Jaguar Nickel Project including the extinguishment of the Salobo West Royalty interest of Terrativa, will be capitalised as acquisition costs under the Company's existing accounting policy as set out in Note 5.

Note 16. Trade and Other Payables

	2019 **$**	2018 $
Current		
Trade and other creditors	**309,580**	162,820
Accrued expenses	**247,992**	19,101
	557,572	181,921

Note 17. Leases

The Group leases offices and warehouse facilities. The leases are typically for a period of 1 to 3 years. Previously, these leases were classified as operating leases under AASB 17. The Group has applied the exemptions available under AASB 16 for short term leases and leases of low value.

	2019 $	2018 $
Current	**45,273**	**-**
Non-Current	**70,906**	-
	116,179	-

Lease payments are payable as follows

	2019 $	2018 $
Less than one year	**45,273**	**-**
Between one to three years	**70,906**	-
	116,179	-

Note 18. Capital and Reserves

	2019 Number of Shares	2018 Number of Shares
On issue at beginning of period	**2,304,982,165**	1,777,272,235
Issue of ordinary shares for placement at $0.0055	**404,000,000**	-
Issue of ordinary shares for placement at $0.01	**1,000,000,000**	295,000,000
Issue of ordinary shares on exercise of listed options at $0.01 per share	**73,489,197**	227,209,930
Issue of ordinary shares on exercise of unlisted options at $0.0082 per share	**8,500,000**	5,500,000
On issue at the end of the period – Fully paid	**3,790,971,362**	2,304,982,165

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 8.

Listed Options

During the year 73,489,197 listed options (ASX: CTMOB) issued in 2017 were exercised at a price of $0.01. During the year 434,100,000 listed options were issued as part of the share placement in March 2019. As at 31 December 2019, 434,100,000 (2018: 623,049,575) listed options (ASX: CTMOC) remain unexercised with an expiry date of 31 May 2021.

Note 18. Capital and Reserves (continued)

	Weighted average exercise price	2019 Number of Listed Options	Weighted average exercise price	2018 Number of Listed Options
On issue at beginning of period	**$0.010**	**623,049,575**	$0.010	850,259,505
Options exercised - CTMOA	**$0.010**	**-**	$0.010	(226,233,707)
Options exercised - CTMOB	**$0.010**	**(73,489,197)**	$0.010	(976,223)
Options granted - CTMOC	**$0.012**	**434,100,000**	-	-
Options expired	**$0.010**	**(549,560,378)**	-	-
On issue at the end of the period	**$0.012**	**434,100,000**	$0.010	623,049,575

Unlisted Options

In addition to the options disclosed in Note 8, the Company has 167,500,000 (2018: 167,500,000) unlisted options with an exercise price of $0.015 and an expiry date of 31 January 2020. As at 31 December 2019, all of these unlisted options remained unexercised. Subsequent to the end of the reporting period, on 31 January 2020, all of these unlisted options lapsed.

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 19. Contingent Liabilities

Guarantees

The Company has given guarantees in respect of bank security bonds amounting to $30,133 (2018: $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. Refer to Note 15 for details of the Jaguar Project acquisition.

Note 20. Capital Commitments

The Group has no capital commitments as at the year ended 31 December 2019. Refer to Note 15 for details of the Jaguar Project acquisition.

Note 21. Related Parties

(a) Key Management Personnel

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

	31 December 2019 $	31 December 2018 $
Short term employee-benefits	**761,757**	637,281
Long term employee benefits	**29,203**	15,413
Post–employment benefits	**32,257**	25,320
Share-based payments expense	**21,934**	152,527
	845,151	830,541

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.

Note 21. Related Parties (continued)

Key Management Personnel and Director Transactions

Two of the key management personnel, or their related parties, held positions in other entities that resulted 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**	
		2019	2018	**31 Dec 2019**	31 Dec 2018
Key Management Person	**Transaction**	**$**	$	**$**	$
Mr D M Murcia [(1)]	Legal fees	**34,740**	19,392	-	10,651
Mr C A Banasik [(2)]	Consulting Fees	**7,000**	-	-	-
Total and current liabilities				-	10,651

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

(2) Mr C A Banasik was paid consulting fees for geological consulting services..

(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 22. Financial Instruments – Fair Values and Risk Management

The effect of initially applying AASB 9 on the Group's financial instruments is described in Note 5.

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.

Note 22. Financial Instruments – Fair Values and Risk Management (continued)

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 2019, 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. During the year the Company did utilise the PIS-Cofins asset to compensate for the PIS-Cofins liability on the sale of the Conquista project.

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:

	2019 **$**	2018 $
Cash and cash equivalents (i)	**9,703,718**	1,399,910
Other receivables	**98,935**	70,392
	9,802,653	1,470,302

(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.

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

	Carrying Amount	
	2019 **$**	2018 $
Australia	**43,871**	32,959
Brazil	**55,064**	37,433
	98,935	70,392

These balances are net of provision for impairment (refer to Note 13).

(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 2019, the Group has current trade and other payables of $557,572 (31 December 2018: $181,921). 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.

Note 22. Financial Instruments – Fair Values and Risk Management (continued)

	Carrying amount	Contractual cash flows	6 mths or less	6-12 mths	1-2 years
31 December 2019					
Non- derivative financial liabilities					
Trade and other payables	557,572	(557,572)	(557,572)	-	-
31 December 2018					
Non- derivative financial liabilities					
Trade and other payables	181,921	(181,921)	(181,921)	-	-

(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.

Interest Rate Risk Profile

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

	2019 $	2018 $
Fixed rate instruments		
Financial assets	**4,900,000**	800,000
Variable rate instruments		
Financial assets	**4,814,533**	605,773
	9,714,533	1,405,773

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 2018.

	Profit or Loss		Equity	
	100bp Increase	100bp Decrease	100bp Increase	100bp Decrease
31 December 2019				
Variable rate instruments	**(9,714)**	**9,714**	-	-
Cash flow sensitivity (net)	**(9,714)**	**9,714**	-	-
31 December 2018				
Variable rate instruments	(1,405)	1,405	-	-
Cash flow sensitivity (net)	(1,405)	1,405	-	-

Note 22. Financial Instruments – Fair Values and Risk Management (continued)

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 23. Group Entities

	Country of Incorporation	Ownership interest 2019	2018
Parent Entity			
Centaurus Metals Limited			
Subsidiaries			
Centaurus Resources Pty Ltd	Australia	**100%**	100%
San Greal Resources Pty Ltd	Australia	**100%**	100%
Itapitanga Holdings 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%
Itapitanga Mineração Ltda	Brazil	**100%**	100%

Note 24. Subsequent Events

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 25. Remuneration of Auditors

	31 December 2019 $	31 December 2018 $
Audit Services		
Auditors of the Company		
Audit and review of financial reports – KPMG	**37,471**	36,182
Services other than statutory audit		
Taxation compliance services - KPMG	**8,907**	6,150

Note 26. Parent Entity Disclosures

As at, and throughout, the financial year ended 31 December 2019 the parent entity of the Group was Centaurus Metals Limited.

	31 December 2019 $	31 December 2018 $
Results of the Parent Entity		
Loss for the period (1)	**(5,243,390)**	(4,842,509)
Total comprehensive loss for the period	**(5,243,390)**	(4,842,509)

(1) During the year ended 31 December 2019 the parent entity provided for an impairment of $3,000,000 (2018: $2,900,000) (relating to loans to subsidiaries based on an assessment of recoverability).

	2019 $	2018 $
Financial Position of the Parent Entity at Year End		
Current assets	5,190,575	981,572
Non-current assets (1)	6,703,406	3,731,620
Total assets	11,893,981	4,713,192
Current liabilities	359,833	224,673
Non-current liabilities	166,078	130,070
Total liabilities	525,911	354,743
Net assets	11,368,070	4,358,449
Share capital	128,538,655	116,382,624
Reserves	675,904	668,107
Accumulated losses	(117,846,489)	(112,692,282)
Total equity	11,368,070	4,358,449

(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.

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 2019 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 2019.

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
24 March 2020

Independent Auditor's Report

To the shareholders of Centaurus Metals Limited

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 2019 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 2019
- 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
- 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.

KPMG

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

- Evaluating the feasibility 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 conditions representing a material uncertainty related to the Group's ability to continue as a going concern, the Group's plans to address these matters.

Key Audit Matters

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.

This matter was 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 this matter.

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matter described below to be the Key Audit Matter.

Capitalised exploration and evaluation assets ($2,265,049)

Refer to Notes 5(e) and 15 to the Financial Report

The key audit matter	How the matter was addressed in our audit
The Group's policy is to capitalise acquisition costs in relation to an area of interest, less any impairment charges recognised. E&E is a key audit matter due to: • the significance of the activity to the Group's business; and • the greater level of audit effort to evaluate the Group'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 the Group of the value of E&E assets. Given the criticality of this to the scope and depth of our work, we involved senior team members to challenge the Group's determination that no such indicators existed.	Our audit procedures included: • evaluating the Group's accounting policy to recognise exploration and evaluation assets using the criteria in the accounting standard; • we assessed the Group's determination of its areas of interest for consistency with the definition in the accounting standard. This involved analysing the licenses in which the Group holds an interest and the exploration programmes planned for those; • for the significant areas of interest, we assessed the Group's current rights to tenure by checking 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, on a sample of licenses;

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 where significant carrying value of E&E assets exists. Given the financial position of the Group, 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 the Group's intention and capacity to continue the relevant E&E activities; and • the ability of the Group to fund the continuation of activities; results from latest activities regarding the existence or otherwise of economically recoverable mineral resources or reserves.	• 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; • 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 analysed the Group's determination of recoupment of E&E assets through successful development and exploitation of the area or by its sale by evaluating documentation of planned future activities; including a feasibility study for the Jambreiro project; and • we obtained 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; for the execution of Sales and Purchase Agreement for Jaguar Nickel Project acquisition with one of the purchase consideration being the transfer of Salobo West Copper-Gold Project to Vale, we evaluated management's assessment over the no recognition accounting impacts and disclosures to Note 15 to the financial report by evaluating the signed agreements and applicable accounting standards.

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 and our related assurance opinion.

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 the 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: https://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 2019, 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 2019.

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

24 March 2020

Shareholder Information

The shareholder information set out below was applicable as at 13 March 2020.

Substantial Shareholders

The Company has no substantial shareholders.

Class of Shares and Voting Rights

There were 2,375 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 97 holders of listed options over 434,100,000 unissued ordinary shares with an exercise price of $0.012 and an expiry date of 31 May 2021. 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 8 holders of unlisted options over 86,000,000 unissued ordinary shares. 7,000,000 option have an exercise price of $0.012 and expire as followings, 1,750,000 on 31 May 2022, 1,750,000 in 31 May 2023 and 3,500,000 on 31 May 2024. 8,500,000 options have an exercise price of $0.0082 and expire on 10 June 2020 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. 33,500,000 options have an exercise price of $0.015 and expire on 31 May 2022.

There were 2 holders of unlisted options over 24,841,904 options with a zero exercise price. The options are subject to a number of vesting conditions and expire on 31 December 2023.

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 617 holders of less than a marketable parcel (being a minimum $500 parcel at $0.009 per share) of ordinary shares.

				Class of Equity Security			
			Ordinary Shares	Listed Options (CTMOC)	Unlisted Options	Unlisted Options (ESOP)	Performance Rights
1	-	1,000	139	-	-	-	-
1,001	-	5,000	103	-	-	-	-
5,001	-	10,000	55	-	-	-	-
10,001	-	100,000	658	4	-	-	-
100,001	and over		1,420	93	7	2	1
			2,375	97	2	7	1

Shareholders

The names of the twenty largest shareholders are listed below:

	Name	Ordinary Shares (CTM) Number Held	Percentage of Issued Shares (%)
1	Citicorp Nominees Pty Ltd	414,689,698	10.94
2	Twynam Investments Pty Ltd	182,500,000	4.81
3	Harmanis Holdings Pty Ltd	149,000,000	3.93
4	Mr Brad Bolin	131,245,249	3.46
5	McCusker Holdings Pty Ltd	116,769,854	3.08
6	Orimco Holdings Pty Ltd	81,100,001	2.14
7	Mr Roger Fitzhardinge	79,513,103	2.10
8	Mr Darren Gordon	78,783,121	2.08
9	Terrativa Minerais S A	76,501,476	2.02
10	Atlas Iron Limited	60,320,264	1.64
11	Stockwork (Kal) Pty Ltd	60,000,000	1.59
12	Brispot Nominees Pty Ltd	44,023,026	1.16
13	Bond Street Custodians Limited	17,714,285	0.77
14	Equity Trustees Limited	41,000,000	1.08
15	LC Capital Limited	40,000,000	1.06
16	Oceanview Road Pty Ltd	36,156,266	0.95
17	Olgen Pty Ltd	34,000,000	0.90
18	Tavarua International Inc	33,898,305	0.89
19	SFN Holdings Pty Ltd	33,000,000	0.87
20	HSBC Custody Nominees (Australia) Limited	32,813,913	0.87
	Total Top 20 Shareholders	1,743,028,561	46.34
	Other Shareholders	2,047,942,801	53.66
	Total Number of Issued Shares	3,790,971,362	100.00

Listed Option Holders

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

	Name	Listed Options (CTMOB) Number Held	Percentage of Listed Options (%)
1	Rojul Nominees Pty Ltd	51,000,000	11.75
2	Mr Bradley Bolin	40,000,000	9.21
3	Hawthorn Grove Investments Pty Ltd	31,000,000	7.14
4	Mr Andrew Tate	30,000,000	6.91
5	Mr James Laird	17,956,535	4.14
6	Mr Kevin Press	17,000,000	3.92
7	Mrs Hema Naga Jyothi Danda	15,090,909	3.48
8	Mrs Julie Martin	15,000,000	3.46
9	Citicorp Nominees	11,000,000	2.53
10	Millwest Investments Pty Ltd	10,100,000	2.33
11	Mr Roger Fitzhardinge	9,000,000	2.07
12	Bond Street Custodians Ltd	9,000,000	2.07
13	Matzo Consulting Pty Ltd	7,000,000	1.61
14	Petard Pty Ltd	6,772,728	1.56
15	Mr Daniel Tuckett	6,030,353	1.39
16	Prof Paul O'Brien	5,500,000	1.27
17	Mr Keith Ambrose & Mr Craig Ambrose	5,000,000	1.15
18	Dymax Consultants Pty Ltd	4,500,000	1.04
19	Engelhard Enterprises Pty Ltd	4,053,738	0.93
20	Mr Brian Bates	4,000,000	0.92
	Total Top 20 Optionholders	299,004,263	68.88
	Other Optionholders	135,095,737	31.12
	Total Number of Listed Options	434,100,000	100.00

Tenement Information

Brazilian Tenements

Tenement	Project Name	Location	Interest
831.638/2004	Canavial	Minas Gerais	100%
831.639/2004	Canavial	Minas Gerais	100%
831.649/2004	Jambreiro (Mining Lease)	Minas Gerais	100%
833.409/2007	Jambreiro (Mining Lease)	Minas Gerais	100%
834.106/2010	Jambreiro (Mining Lease)	Minas Gerais	100%
833.410/2007	Guanhães Regional	Minas Gerais	100%
831.645/2006	Passabém	Minas Gerais	100%
830.588/2008	Passabém	Minas Gerais	100%
850.430/2013	Salobo West I	Pará	100%(1)
850.486/2017	Salobo West I	Pará	100%(1)
850.429/2016	Salobo West II	Pará	100%(1)
850.130/2013	Pebas	Pará	100%
850.475/2016	Itapitanga	Pará	100%(2)

(1) The Company has agreed to divest the Salobo West Project tenure to Vale SA as part of the acquisition of the Jaguar Nickel Sulphide Project. Refer ASX Announcement 6 August 2019. At year end the Jaguar acquisition has not yet Closed and hence title to the Salobo West tenements presently remains with Centaurus

(2) Itapitanga Project joint ventured out to Simulus Group whereby they can earn 80% by free carrying Centaurus to a decision to mine

Australian Tenements

Tenement	**Project Name**	**Location**	**Interest**
EPM14233	Mt Isa	Queensland	10% (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 2019						Ore Reserves as at 31 December 2018					
	Million Tonnes	Fe %	SiO_2 %	Al_2O_3 %	P %	LOI %	Million Tonnes	Fe %	SiO_2 %	Al_2O_3 %	P %	LOI %
Jambreiro Project *												
Proved	30.6	29.4	49.8	4.2	0.04	1.6	35.4	28.5	49.6	4.3	0.04	1.7
Probable	12.7	28.4	49.5	4.7	0.04	2.2	13.1	27.2	49.0	5.3	0.04	2.4
TOTAL	**43.3**	**29.1**	**49.7**	**4.4**	**0.04**	**1.8**	**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 2019						Mineral Resources as at 31 December 2018					
	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	**127.1**	**28.0**	**51.4**	**3.7**	**0.05**	**1.5**	**127.1**	**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**
TOTAL COMBINED	**193.7**	**29.0**	**49.8**	**3.4**	**0.05**	**1.9**	**193.7**	**29.0**	**49.8**	**3.4**	**0.05**	**1.9**

** 20% Fe cut-off grade applied; ** 27% 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 2019. The Jambreiro Resources and Reserve estimates have been reported in accordance with the JORC Code 2012 edition and the ASX Listing Rules. The remaining Mineral Resource estimates were prepared and disclosed under the JORC Code 2004 edition.

The information prepared for the Canavial, 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 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 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 Jambreiro 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.