Centaurus Metals Limited

ABN 40 009 468 099

Financial Report
31 December 2022

Centaurus Metals Limited ABN 40 009 468 099

And its controlled entities

Contents

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 2022 together with the consolidated financial report and accompanying audit report.

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 Chair
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
Dr N Streltsova	Independent Non-Executive Director (appointed 15th August 2022)

Unless otherwise disclosed, all directors held their office from 1 January 2022 until the date of this report.

2 Directors and Officers

Mr Didier M Murcia, AM, B.Juris, LL.B
Non-Executive Chair, Age 60

Independent non-executive director appointed 16 April 2009 and appointed Chair 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 Chair and founding director of Perth-based legal group MPH Lawyers. He is Chair of Strandline Resources Limited.

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 Director
- Strandline Resources Limited (appointed 23 October 2014) - Non-Executive Chair

Mr Darren P Gordon, B.Bus, FCA, AGIA, ACG, MAICD
Managing Director, Age 51

Managing Director appointed 4 May 2009. Mr Gordon is a Chartered Accountant with over 25 years' resource sector experience as a senior finance and resources executive. He is a member of both the Governance Institute of Australia and the Institute of Company Directors. He has more than 12 years' experience in Brazil and has developed an extensive network of contacts within Government, the resources industry and the broader business community in country. He has developed significant exposure to a number of different resource commodities as Managing Director of the Company and lead the negotiations with Vale to acquire the Jaguar Project.

Mr Gordon was formerly Chief Financial Officer for Gindalbie Metals Limited (1999-2008).

Mr Bruno R Scarpelli, M.Sc., PMP
Executive Director, Age 45

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.

Mr Scarpelli is Administrator of Centaurus' Brazilian subsidiaries and the Country Manager – Brazil.

Mr Mark D Hancock, B.Bus, CA, F Fin
Non-Executive Director, Age 54

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.

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

- Cyclone Metals Ltd (formerly Cape Lambert Resources Ltd, appointed 11 February 2020; resigned 4 August 2020) Non- Executive Director
- CuFe Ltd (Appointed 1 September 2019) Executive Director, part time basis
- Strandline Resources Ltd (Appointed 11 August 2020) Non-Executive Director

Mr Hancock is Chair of the Audit & Risk Committee

Mr Chris A Banasik, B.App.Sc (Physics), M.Sc (Geology), Dip Ed, GAICD
Non-Executive Director, Age 61

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). He has 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).

During the last three years Mr Banasik has not held directorships in any other ASX listed companies.

Mr Banasik is the Chair of the Remuneration Committee

Dr Natalia Streltsova, MSc, PhD (Chem Eng), GAICD
Non-Executive Director, Age 61

Independent non-executive director appointed 15th August 2022. Dr Streltsova is a Chemical Engineer with both an MSc and PhD. She was Program Leader – Hydrometallurgy and Project Manager for WMC Resources between 2000 and 2005, working on a range of projects including Mt Keith and Olympic Dam; Team Leader – Hydrometallurgy and Technology Development Manager for BHP Billiton between 2005 and 2008; Manager Development and Technical Solutions for GRD Minproc (2008) and Director, Technical Development, for Vale SA in Brazil between 2008 and 2012.

During the last three years Dr Streltsova has held directorships in the following ASX listed companies:

- Australian Potash Limited (Appointed December 2021) Non-Executive Chair
- Neometals Limited (Appointed April 2016) Non-Executive Director
- Ramelius Resources Limited, (Appointed October 2019) Non-Executive Director, Chair of the Risk & Sustainability Committee
- Western Areas Limited (January 2017 until its takeover by IGO on 20 June 2022) Non-Executive Director

Dr Streltsova is Chair of the Technical Committee which was formed after the end of the reporting period.

Mr Johannes W Westdorp, B.Bus, CPA, MAICD, GradDip App Sc
Chief Financial Officer & Company Secretary, Age 59

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 held the roles of Chief Financial Officer and Interim Chief Executive Officer of mineral sands producer, MZI Resources Ltd and senior roles with Murchison Metals Ltd and Burrup Fertilisers Pty Ltd. He has financial, commercial and operations experience across a number of commodities including iron ore, gold, base metals and mineral sands.

3 Director & Committee Meetings

The number of meetings of the Company's Board of Directors and its Committees held during the year ended 31 December 2022 and the number of meetings attended by each director are shown in the table below.

	Board		Audit & Risk Committee		Remuneration Committee	
Director	**Held[1]**	**Attended**	**Held[1]**	**Attended**	**Held[1]**	**Attended**
Mr D M Murcia	6	6	2	2	4	4
Mr D P Gordon	6	6	n/a	n/a	n/a	n/a
Mr B R Scarpelli	6	6	n/a	n/a	n/a	n/a
Mr M D Hancock	6	6	2	2	4	4
Mr C A Banasik	6	6	2	2	4	4
Dr N Streltsova	4	4	n/a	n/a	n/a	n/a

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

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.

4 Operating and Financial Review

A summary of consolidated results is set out below

	31 December 2022 $	31 December 2021 $
Interest Income	**1,348,066**	235,207
R&D Tax refund	**517,875**	265,862
Other income	**6,256**	-
	1,872,197	501,069
Loss before income tax	**(42,627,555)**	(16,994,715)
Loss attributable to members of Centaurus Metals Limited	**(42,627,555)**	(16,994,715)

4.1 Financial Performance

During the year ended 31 December 2022 the Group expensed Exploration and Evaluation costs totaling $36,225,206 (2021: $13,198,599) in accordance with the Group's accounting policy. The Exploration and Evaluation costs primarily comprise costs in relation to exploration and feasibility study costs at the Jaguar Nickel Sulphide Project in Brazil.

4.2 Financial Position

At the end of the year the Group had a cash balance of $34,047,722 (2021: $8,259,389) and net assets of $49,328,699 (2021: $16,750,646). Total liabilities amounted to $8,065,982 (2021: $10,099,118) and consisted of trade and other payables, financial liabilities, lease liabilities and employee benefits.

4.3 Overview

Centaurus is an ASX listed company focused on the near term development of the Jaguar Nickel Sulphide Project, located in the world-class Carajás Mineral Province of northern Brazil. The Carajás Mineral Province is one of the world's premier mining addresses, hosting one of the world's largest concentrations of large-tonnage mineral deposits. Centaurus' goal is to become a new-generation nickel sulphide mining company in Brazil, capable of delivering more than 20,000t per annum of Class-1 nickel to global markets over the long term, and to do so in a sustainable and responsible manner that ensures the Company meets the highest possible ESG (Environmental, Social and Governance) standards. The Jaguar Project has nickel resources of 108.0 Mt @ 0.87% Nickel (Ni) for 938,500t[1] of contained nickel.

Centaurus' key focus throughout the 2022 calendar year was on the continued development of the Jaguar Project. The Definitive Feasibility Study (DFS) for the Project was advanced during the period. An updated Mineral Resources Estimate (MRE) for the Jaguar Project was released in November 2022, cementing the Project's position as a Tier-1 global nickel sulphide development project with class-leading greenhouse gas (GHG) emission credentials

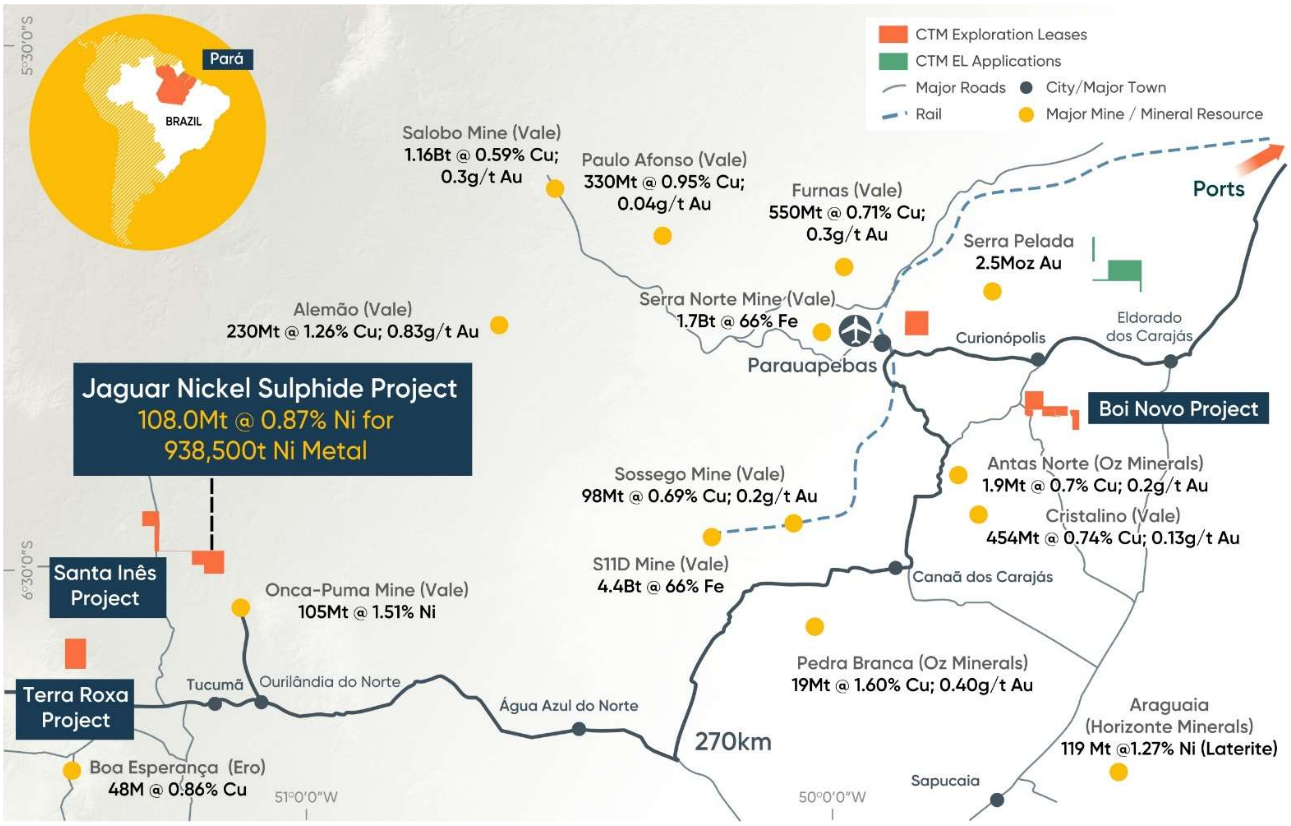
1 Refer ASX Release of 10 November 2022. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the original market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the competent persons findings were presented have not been materially modified from the original announcement.

Activity was underpinned by a strongly supported institutional capital raise of $75m, before costs, which was completed in February 2022.

4.4 Jaguar Nickel Sulphide Project

The Jaguar Project was acquired from global mining giant, Vale S.A. (Vale) in August 2019. The Project hosts multiple nickel sulphide deposits and exploration targets within a 30km^2 land package in the western portion of the world-class Carajás Mineral Province. Jaguar is ideally located close to existing infrastructure, just 35km north of the regional centre of Tucumã (population +35,000) with access to hydroelectrical grid power (230kV sub-station) 15km south-east of the project at Vale's Onca Puma ferronickel operations (refer Figure 1).

Figure 1 – Jaguar Nickel Sulphide Project Location



Drilling & Exploration Programs

The focus of drilling during the first half of the year was on resource development at all the Jaguar Deposits. Extensive in-fill drilling was undertaken, designed to upgrade all Resources within a constrained US$22,000/t nickel price pit shell limit into the higher confidence Measured and Indicated categories.

RC drill rigs completed sterilization programs over the Jaguar processing plant area and proposed mine infrastructure areas (tailings dam sites, waste deposit, etc).

Mineral Resource Estimate

Following the extensive in-fill drilling campaign Centaurus updated its Mineral Resource Estimate (MRE) for the Jaguar Project to 108 Mt @ 0.87% Ni for 938,500 of contained nickel, confirming Jaguar as one of the largest nickel sulphide resources held by an ASX listed company and the largest outside of the majors. The success of the in-fill resource development project during the year resulted in a 100% increase in the Measured and Indicated component of the MRE to 85.8 Mt @ 0.85% Ni for 730,300t of contained nickel, representing more than 75% of the Global MRE. Measured and Indicated Resources will be available for conversion to Ore Reserves as part of the Definitive Feasibility Study (DFS).

The November 2022 MRE represented an increase of 28% since the December 2021 MRE and more than 80% since the Company's maiden MRE in June 2020, adding 421kt of contained nickel in 30 months.

In-fill drilling targeting the first three years of operation at Jaguar Central and Onça Preta has returned a Measured Resource estimate of 14.0 Mt @ 1.06% Ni for 149,400t of contained nickel metal. The high-grade and higher confidence resources will be an important part of the early mine plan during the project pay-back period.

The Jaguar mineralisation remains open down-dip at all deposits and locally along strike, with outstanding potential to continue strong resource growth driven by step-out and extensional drilling targeting DHEM conductor plates and greenfields drilling of the extensive regional exploration pipeline.

Project Development

Significant activity was progressed on the DFS. Industry-leading engineering firm Ausenco was appointed as Lead Engineer to deliver both the process and non-process plant infrastructure components of the study. Ausenco possesses strong experience in the processing methods planned for the Jaguar Project as well as experience in project studies and construction in South America through its offices in Belo Horizonte (Brazil), Santiago (Chile) and Lima (Peru). Ausenco has assembled a study team with both strong technical skills and detailed local knowledge of construction in Brazil, and importantly, the Carajás mineral province.

Flotation & Pilot Plant Testwork

A significant amount of flotation test work has been completed for the design of the flotation part of the overall process flowsheet design. Extensive flotation testwork has been completed on the Jaguar nickel sulphide ore, allowing the Company to prepare over 800kg of concentrate for pilot plant testing of the planned pressure oxidation circuit.

Considerable work was completed to finalise the process flowsheet to enable the POX pilot plant program to commence in January 2023. The pilot plant testwork will be carried out by ALS Limited (ALS) in four phases. The first phase will test the pressure oxidation, primary neutralization and copper recovery to solution and will be conducted over a two-week period. This will be followed by the Phase 2 which is designed to extract zinc (for a by-product revenue stream) and soluble calcium from Phase 1 leach solution with minimal nickel loss. Phase 3 is designed to initially extract cobalt (again for a by-product revenue stream) and magnesium followed by the purification of the nickel solution to produce nickel sulphate. Nickel sulphate crystallization and zinc and cobalt hydroxide precipitate production will be piloted in Phase 4.

The pilot testwork will culminate with the delivery of nickel sulphate and other final products for product marketing, as well as assisting in providing the design criteria for Ausenco to use in the development of the overall process flowsheet for the DFS.

Mining

Pricing proposals were received from mining contractors to support the development of the DFS opex, open pit optimisations and mine planning work. These proposals are under commercial and technical evaluation to select pricing for use in open pit planning for the DFS, utilising the most recent MRE orebody model.

Process Plant Engineering

The concentrator section of the processing facility, consisting of crushing, grinding and flotation and thickening circuits, was finalised for the study and capital equipment packages were progressively issued for pricing. Pricing for the major equipment was received from suppliers during the December quarter, with the commercial and technical evaluation process well advanced.

The process design and layout of the refinery circuit and non-process plant infrastructure (NPI) commenced.

Environmental Approvals

The environmental approval process is progressing without issue, albeit at a slightly slower pace than the Company was anticipating. Several meetings, including an initial site visit, have been held with the Environmental Agency in Para State (SEMAS) to keep them informed on project development activities.

Off-take Discussions

Off-take discussions are continuing in relation to the products to be produced from Jaguar. Vale has the right to purchase product at arm's length market-based pricing under the original acquisition agreement for the Jaguar Project. Centaurus retains discretion over what nickel products will be produced at Jaguar.

The introduction of the Inflation Reduction Act by the US Government and the Critical Raw Materials Act of the European Union has highlighted the strategic importance of energy metals like nickel and those that can be sourced in geopolitically stable jurisdictions with a low-emission footprint. Brazil fits these criteria well as it is South America's largest pro-mining jurisdiction, the 8th largest global economy and currently more than 80% of the country's grid power is delivered from renewable sources. It is anticipated that the Jaguar Project will be able to secure 100% renewably sourced power by the time it is in production.

With its very large metal endowment, the Jaguar Project is extremely well placed to capitalise on the fast-growing electric vehicle and battery metals market.

New Core Shed

The Company completed the construction of the new site core shed on site at Jaguar with a capacity to store 300,000m of core. Shelving has been installed and all core from the existing core shed in Tucumã has now been relocated to the new facility on site. The shed will also house new core as drilling on site progresses.

4.5 Carajas Generative Projects

The Company is negotiating or has completed landowner access agreements and started early-stage exploration including mapping and soil sampling on a number of new targets in the Carajas region. Geophysical surveys will be planned once exploration targets have been determined.

Santa Inês Project

The Santa Inês Project is located 15km^2 northwest of the Jaguar Project (Figure 1). The recently granted 18 km^2 exploration lease is positioned on a strand of the regionally significant Canaã Fault which is the same structure that is understood to have been critical in the mineralisation processes of the Jaguar Deposit.

Terra Roxa Project

The Terra Roxa Project is a recently granted 29km^2 exploration lease located 30km southwest of the Jaguar Project (Figure 1). The project is located on the McCandless Fault which traverses the Jaguar Project through the Puma Layered Mafic-Ultramafic Complex and is understood to be the source of nickel for the hydrothermal mineralisation seen at Jaguar. Terra Roxa is located immediately south of Vale's Mundial nickel-laterite deposit which is the laterite cap of another mafic-ultramafic intrusion.

Curionópolis Project

The Curionópolis Project is a group of four recently granted exploration leases covering 51km^2 located 15km east of Oz Minerals Antas Norte Cu-Au operation (Figure 1) in the Eastern Carajás. The tenements cover more than 15km of strike of the highly prospective Itacaiúnas Supergroup (which hosts all IOCG deposits within the Carajás Mineral Province) coincident with a strong continuous aeromagnetic anomaly.

4.6 Jambreiro Iron Ore Project

The Company has commenced the process to refresh all environmental licenses required to develop the project. As part of this process, Supram (the Minas Gerais environmental agency) has advised that new wet and dry season environmental data will need to be collected to support a new Installation License (LI) application given the age of the data used in the originally approved LI. The new data is expected to be collected over the next 3-4 months, with the new application targeted for lodgment in July 2023. Approval is anticipated to be 12 months from lodgment.

The Company has also lodged the documentation to re-apply for all water permits necessary to operate the project. All water permits and environmental licences to build the Project were previously granted and are therefore expected to be granted after the applications have been duly considered by the relevant agencies.

The Company continues to assess opportunities to realise value from the Jambreiro Iron Ore Project and carried out several activities focused on this goal during the year. Realising value from the project remains contingent on the completion of off-take or partnering arrangements and discussions remain open in this regard.

4.7 Health & Safety

One Lost Time Injury occurred during the year resulting in an LTIFR 12-month moving average of 4.89. The average LTI Frequency Rate for the West Australian Exploration Industry for the 2020/21 Period was 2. One medical treatment injury occurred during the year.

The Total Recordable Injury Frequency Rate for the Group's operations in Brazil was 9.78, a good improvement compared to the prior year result of 12.50.

4.8 ESG Program

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

- Towards Sustainable Mining Principles (TSM); and
- Principles of Responsible Investment (PRI)

TSM is the Mining Association of Canada's (MAC) commitment to responsible mining. It is a set of tools and indicators to drive performance and ensure that key mining risks at any operation are managed responsibly. The PRI defines responsible investment as a strategy and practice to incorporate environmental, social and governance factors in investment decisions and active ownership. The PRI is a global organisation that encourages and supports the uptake of responsible investment practices in the investment industry.

Centaurus' ESG program combines the TSM and PRI principles with actions to be implemented during exploration and operations. The following initiatives have already been undertaken by the Company to date at the Jaguar Project region:

- All Centaurus employees working on the Jaguar Project live in the local town with their families, solidifying the relationship between the Company and the local community.
- More than 90% of the current project workforce, including employees and outsourced labour, are from the south-eastern region of the State of Pará.
- More than 90% of the Company's investment expenditure relating to exploration and development work at the jaguar Project to date has been awarded to the local community through drilling contracts, engagement of consultants and services and purchase of equipment and supplies.
- During the collection of social data, more than 95% of the local community interviewed were in favour of the project.
- Construction and operation of a plant nursery on site with a capacity of 10,000 seedlings to support re-vegetation.

GHG Emissions

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

The Jaguar Project currently represents a carbon sink, removing about 11,000t of GHG annually from the atmosphere, which is equivalent to removing approximately 2,570 internal combustion engine vehicles (4.6t GHG per vehicle per year) from the roads each year.

Based on the work completed with Skarn Associates previously, the Jaguar Project is expected to have GHG emissions that are less than 97% of global nickel production once in operation.

Water Wells

Bore hole pumping tests on five bores drilled to assess the quantity and quality of groundwater inflows to the open pit operations have indicated that low flow rates are to be expected, which is very positive for the overall project development. Hydrogeological modelling of the pump test results commenced in December to quantify the flows and aquifer characteristics. This modelling will be completed in January.

Plant Nursery

The Company established a plant nursery on site to facilitate the revegetation of previously cleared farmland. The planned revegetation will allow new forest corridors to be established around the site to assist with the movement, protection and biodiversity of fauna.

Community Consultation

In December, presentations about the Jaguar Project were made to the mayors and councilors of the three municipalities in the region. These presentations were designed to prepare the local authorities for the official public hearings planned to be held as part of the environmental approvals process. The same presentations will be made to the broader community in all three municipalities in January 2023.

Construction Training Programs

During the year, the Company further advanced the enrolment process for construction training with over 1,900 applications to date having been received from local communities. The Company intends to train up to 1,500 people in various trades that will allow them to be able to seek employment once construction of the Jaguar Project commences. The training programs are intended to be conducted in conjunction with local industry training college (SENAI) in 2023 and 2024.

4.9 Corporate

The Company completed an institutional share placement in January 2022 which raised $75m to fund the growth and development of the Jaguar Project including progressing the DFS for Jaguar and continuing the significant drilling program for the Project. Funds are being used for pre-development and financing activities ahead of a planned final investment decision (FID) on the Project.

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

The Company made a number of key appointments to its Board and senior leadership team during the year as it continued to build its in-house technical, commercial, legal and operational expertise to progress the Jaguar Project towards financing, development and operations. In August 2022 former Vale, WMC and BHP executive, Dr Natalia Streltsova was appointed as a Non-Executive Director. Dr Streltsova's significant experience in nickel processing has enhanced Board capability in a key area for the business.

The Company made two key appointments to its senior leadership team during the year as it continued to build its in-house technical, commercial, legal and operational expertise to progress the Jaguar Project towards financing, development and operations. Mr Fabio Borges was appointed in February as Finance Manager Brazil and is a certified accountant with significant experience in mining. Mr Borges is based in the Company's Belo Horizonte office. Mr Mick Ryan was appointed in November as Project Manager to assist with delivering the Jaguar DFS. Mr Ryan is a metallurgist with considerable experience in studies, project and construction management and operations including in nickel processing and hydrometallurgy.

4.10 Factors and Business Risks Affecting Future Business Performance

The current and future activities of the Company are influenced by numerous factors, many of which are impacted by events external to the control of the Company. 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 further develop the Jaguar Nickel Sulphide Project and 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 capital and operating costs will be primarily denominated in Brazilian Real.

COVID-19

Disruptions as a result of the requirement to isolate infected or close contact employees has had an impact on some of the Company's service providers, with laboratories particularly experiencing delays in sample assay turnaround times. These impacts have exposed the Company to delays in the delivery of study programs.

5 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.

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 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.

8 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.

9 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.

10 Dividends

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

11 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	Options
Directors		
Mr D M Murcia	1,771,967	1,200,000
Mr D P Gordon	6,335,546	2,599,631
Mr B R Scarpelli	1,166,667	1,029,790
Mr M D Hancock	1,112,254	800,000
Mr C A Banasik	950,001	1,150,001
Dr N Streltsova	85,000	-

12 Share Options

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

		Options		Total Number of Shares Under Option
Expiry Date	Exercise Price	Vested	Unvested	
31/05/2023	$0.180	116,667	-	116,667
31/05/2023	$0.392	1,400,000	-	1,400,000
31/05/2023	-	3,952,402	-	3,952,402
31/05/2024	$0.180	233,334	-	233,334
31/05/2024	$0.405	-	1,400,000	1,400,000
31/12/2024	-	1,395,452	-	1,395,452
31/12/2025	-	-	1,225,220	1,225,220
31/12/2026	-	-	846,389	846,389
		7,097,855	**3,417,609**	**10,569,464**

13 Indemnification and Insurance of Officers and Auditors

During the period, the Company paid insurance premiums to insure the directors and executive officers 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 directors and employees in their capacity as officers of entities in the Group, and any other payments arising from liabilities incurred by them in connection with such proceedings, other than where such liabilities arise out of conduct involving a willful breach of duty by the officers or the improper use by them of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Group.

14 Non-Audit Services

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

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

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

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

	31 December 2022 $	31 December 2021 $
Audit services		
Auditors of the Company		
Audit and review of financial reports	**60,000**	58,861
Services other than statutory audit		
Taxation compliance services	**7,576**	6,986
Other consulting services	**10,590**	-
	18,166	6,986

15 Auditor's Independence Declaration

The auditor's independence declaration is set out at page 24 and forms part of the directors' report for the period ended 31 December 2022.

16 Remuneration Report – Audited

16.1 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 Company's Remuneration Committee is a sub-committee of the Board. Specialist remuneration advisors are engaged by and report directly to the Remuneration Committee. In selecting remuneration advisors the Remuneration Committee considers any potential conflicts of interest and ensures independence from KMP. During the period, the Remuneration Committee sought advice from external remuneration advisors in relation to remuneration benchmarking for Executive KMP and Non-Executive Directors.

During the period, the resources industry experienced significant pressure in relation to remuneration of professionals and the independent reports received from the remuneration advisors indicated that increases in remuneration were warranted in order to maintain market competitiveness for both Non-Executive Directors and KMP. The work undertaken by the remuneration advisors did not involve providing the Remuneration Committee with any remuneration recommendations as defined by the *Corporations Act 2001*.

The Board considers the recommendations of the Remuneration Committee in ensuring 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 consistent with the reward strategy of the organisation. The Board seeks to align shareholder and participant interests by ensuring the Company's remuneration framework applies the following principles;

- focuses on the creation of shareholder value and returns;
- attracts and retains high calibre executives with an inherent knowledge of the Company's ongoing business and activities;
- 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 salary, superannuation 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 Incentive Plan (ESIP) was approved by shareholders at the AGM in May 2022 and incentives settled in equity may be offered under this plan. The ESIP replaces the Employee Share Option Plan (ESOP) which was approved by shareholders at the 2019 AGM.

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 a relevant measure. Shareholder wealth is currently primarily dependent upon exploration and development success 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:

	2022 $	2021 $	2020 $	2019 $	2018 $
Net Loss	(42,627,555)	(16,994,715)	(11,468,825)	(4,275,397)	(4,197,361)
Change in share price (1)	$0.010	$0.290	$0.625	$0.090	$0.000
Change in share price	1%	35%	321%	86%	-

(1) In April 2020 the Company completed a 15-for-1 share consolidation, comparatives have been restated.

16.2 Remuneration Framework

The executive remuneration and reward framework currently has four components:

- base salary;
- short term incentives (STIs);
- long term incentives (LTIs); and
- other remuneration such as superannuation and insurances.

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

16.2.1 Base Salary

Executives are offered a competitive base salary that is reflective of current market conditions. Base salary for senior executives is reviewed annually to ensure the executive's remuneration is competitive with the market. An executive's base salary is also reviewed on promotion. There are no guaranteed base salary increases included in any senior executive contracts.

16.2.2 Short Term Incentives

The Short Term Incentive (STI) Plan is designed to reward executives for the achievement of annual performance targets. The STI Plan and the annual performance objectives under the STI Plan are reviewed annually by the Remuneration Committee and approved by the Board. All awards to Key Management Personnel (KMP) are assessed and recommended by the Remuneration Committee and approved by the Board.

For 2022, KMP other than the Managing Director, can earn up to 35% of Total Fixed Remuneration (TFR) under the STI Plan whilst the Managing Director can earn up to 50% of TFR. Other Managers of the Group can earn up to 15-25% of TFR under the Plan.

The annual performance targets are based on challenging goals with a mix of both Company performance and project specific targets. Given its status as a pre-revenue exploration entity focused on the development of its key projects, the Company does not consider that financial targets such as net profit are relevant measures for a STI program. The Group's key STI performance measures for the year ending 31 December 2022 are summarised below;

- effective management of environmental conditions and safety performance;
- community and land owner engagement in Brazil;
- achievement of defined targets for the Jaguar Project with respect to exploration activity performance and mineral Resource definition;
- achievement of a number of capital projects;
- achievement of a number of key deliverables in relation to the licensing, definitive feasibility study, offtake and other development activities of the Jaguar Nickel Project;
- achievement of value adding outcome for the Jambreiro Iron Ore project; and
- market capitalisation growth targets.

Details of STI incentives awarded during the year are provided in Section 16.6.4.

16.2.3 Long Term Incentives

LTIs may be granted from time to time to reward performance in the realisation of strategic outcomes and long-term 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 16.6.

During the period, KMP were granted options with no exercise price which are subject to vesting conditions related to achieving performance targets measured over a three-year period. The options were issued under the Company's ESIP and under ASX Listing Rule 10.11 for Executive Directors. KMP, other than the Managing Director, were issued with options up to the value of 50% of TFR whilst the Managing Director was issued with options up to the value of 100% of TFR.

Whilst the ESIP is approved by shareholders for a 3 year period, vesting conditions are set by the Board on an annual basis in order to ensure responsiveness to changes in business circumstances.

The 3 year Assessment Period for the 2 tranches of options issued under the LTIP in 2020 closed at the end of the reporting period being 31 December 2022. The vesting condition for tranche 1 was based on Total Shareholder Return relative to a peer group of companies determined by the Board and disclosed in the 2020 Annual Report while the vesting condition for tranche 2 was expressed as entry into the ASX 300 index, which at the time was expressed to the recipients as achieving a market capitalisation of at least $200 million.

During the reporting period, the exercise condition for tranche 2 was clarified by the Board to reflect the underlying intention at the time of issue of the incentives that the Company achieve a market capitalisation of at least $200 million and with this market capitalisation, the Company would be in the 300 largest companies with a primary listing of ordinary shares on the ASX by market capitalisation. All other terms and conditions of the grant remained the same and there was no increase in the value of the award.

The market capitalisation of the Company at the commencement of the Assessment Period on 1 January 2020 was $45.5m and increased to $478.4m as at 31 December 2022, representing an increase of $433.9m or 952% and placing the Company in the 300 largest companies with a primary listing of ordinary shares on the ASX by market capitalisation.

Following the close of the Assessment Period, the Board determined that the vesting conditions on the tranche 1 & 2 options had been met and as such the options vested with the KMP and are capable of being exercised.

The terms and conditions of the zero exercise priced options affecting remuneration during the reporting period are set out below.

Grant Date	Performance Measurement period	Expiry Date	Vesting Conditions	Value per Option at grant date
Executive Directors				
23 March 2022	1 January 2022 to 31 December 2024	31 December 2025	50% of Options vest based on Total Shareholder Return relative to a peer group of companies determined by the Board	$1.1485
23 March 2022	1 January 2022 to 31 December 2024	31 December 2025	50% based upon Absolute Total Shareholder Return.	$1.0496
19 February 2021	1 January 2021 to 31 December 2023	31 December 2024	50% of Options vest based on Total Shareholder Return relative to a peer group of companies determined by the Board.	$0.7833
19 February 2021	1 January 2021 to 31 December 2023	31 December 2024	50% based upon Absolute Total Shareholder Return.	$0.6756
29 May 2020	1 January 2020 to 31 December 2022	31 December 2023	50% of Options vest based on Total Shareholder Return relative to a peer group of companies determined by the Board.	$0.2482
29 May 2020	1 January 2020 to 31 December 2022	31 December 2023	50% based on achieving a market capitalisation at the close of the Assessment Period that was greater than $200 million and which places and the Company in the 300 largest companies with a primary listing of ordinary shares on the ASX by market capitalisation.	$0.2013
Executives				
23 March 2022	1 January 2022 to 31 December 2024	31 December 2025	50% of Options vest based on Total Shareholder Return relative to a peer group of companies determined by the Board	$1.1485
23 March 2022	1 January 2022 to 31 December 2024	31 December 2025	50% based upon Absolute Total Shareholder Return.	$1.0496
13 July 2021	1 January 2021 to 31 December 2023	31 December 2024	50% of Options vest based on Total Shareholder Return relative to a peer group of companies determined by the Board.	$0.6900
13 July 2021	1 January 2021 to 31 December 2023	31 December 2024	50% based upon Absolute Total Shareholder Return.	$0.5774
25 January 2021	1 January 2021 to 31 December 2023	31 December 2024	50% of Options vest based on Total Shareholder Return relative to a peer group of companies determined by the Board.	$0.7188
25 January 2021	1 January 2021 to 31 December 2023	31 December 2024	50% based upon Absolute Total Shareholder Return.	$0.6212
14 February 2020	1 January 2020 to 31 December 2022	31 December 2023	50% of Options vest based on Total Shareholder Return relative to a peer group of companies determined by the Board.	$0.1582
14 February 2020	1 January 2020 to 31 December 2022	31 December 2023	50% based on achieving a market capitalisation at the close of the Assessment Period that was greater than $200 million and which places and the Company in the 300 largest companies with a primary listing of ordinary shares on the ASX by market capitalisation.	$0.1174

Each milestone 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.

The Board considers that this feature of the LTIP provides an appropriate level of protection for KMP and is in alignment with the interests of shareholders who are likely to benefit from a change in control transaction. Participants in the LTI plan must remain in employment during the assessment period.

To achieve the relative Total Shareholder Return (TSR) performance measure, the Company must outperform, on a TSR basis, at least 49.9% of the peer group established by the Board. The peer group for the LTI granted during the year ended 31 December 2022 is comprised of the following companies.

Adriatic Metals PLC	Lake Resources NL	Rumble Resources Limited
Blackstone Minerals Limited	Legend Mining Limited	Sovereign Metals Limited
Core Lithium Ltd	Mincor Resources NL	Stavely Minerals Limited
Emerald Resources NL	New Century Resources Limited	Syrah Resources Limited
Energy Transition Minerals Limited	OreCorp Limited	Talga Group Ltd
Galan Lithium Limited	Panoramic Resources Limited	Tietto Minerals Limited
Jervois Global Limited	Poseidon Nickel Limited	Develop Global Limited

The assessment of the relative TSR performance measure will be made at the end of the assessment period with vesting to occur in accordance with the table below.

Percentile Ranking compared to Peers	Amount of ZEPO to Vest
<50th Percentile	Zero
B/t 50th and 75th Percentile	Pro Rata B/t 50% and 100%
>75th percentile	100%

TSR is defined as the financial gain that results from a change in the Company's share price plus any dividends paid by the Company during the assessment period divided by the share price at the start of the assessment period.

The achievement of the absolute TSR performance measure will be made at the end of the assessment period, with vesting to occur in accordance with the table below.

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

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

16.2.4 Superannuation

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

16.3 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 sections 16.2.2 and 16.2.3).

Other major provisions of the current employment agreements, as at the date of this report, relating to remuneration are set out below:

Name	Salary Incl of Superannuation	Maximum STI Potential	Maximum LTI Potential	Notice Period Company	Notice Period Employee	Redundancy
D P Gordon	$533,000 pa	50%	100%	12 months	6 months	12 months
W E Foote	$425,000 pa	40%	60%	3 months	3 months	6 months
J W Westdorp	$390,000 pa	40%	60%	6 months	2 months	6 months
B R Scarpelli	$372,000 pa	45%	70%	2 months	2 months	6 months
R J Fitzhardinge	$273,600 pa	40%	60%	2 months	2 months	6 months

16.4 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 Chair's fees are determined independently to the fees of Non-Executive directors based on comparative roles in the external market and prevailing market conditions. The advice of independent remuneration consultants is sought on an annual basis.

Non-Executive directors' remuneration consists of set fee amounts. The current level of fees, applicable from 1 January 2023, for Non-Executive directors is $77,000 per annum. The Non-Executive Chair's fees are $115,000 per annum. Directors do not receive additional committee fees. Non-Executive directors' fees are subject to an aggregate pool limit, which is periodically recommended for approval by shareholders. The approved pool limit is currently $400,000. There is no provision for retirement allowances for Non-Executive directors.

Non-Executive Directors may be granted options from time to time to provide a meaningful additional incentive for their ongoing commitment and dedication to the continued growth of the Group and to assist the Company in attracting and retaining the highest calibre of Non-Executive Director, whilst maintaining the Group's cash reserves. There were no options granted or issued to Non-Executive Directors in the current period, with the cost reported relating to prior period issues which are progressively vesting. Refer to Section 16.6 for options issued during prior periods. Prior to issuing incentives the Board considers whether the issue is reasonable in the circumstances.

16.5 Directors' and Executive Officers' Remuneration

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

		Short Term Benefits			Post Employment Benefits	Long Term Benefits	Share Based Payments			
	Year	Salary & Fees $	STI Bonuses $	Other Benefits[1] $	Superannuation $	Long Service Leave[2] $	Options[3] $	Total $	S300A(1)(e)(i) Proportion of Remuneration Performance Related %	S300A(1)(e)(vi) Value of Options as Proportion of Remuneration %
Non- Executive Directors										
Mr D M Murcia	**2022**	**105,000**	**-**	**-**	**-**	**-**	**48,601**	**153,601**	**-**	**31.6%**
	2021	75,000	-	-	-	-	98,153	173,153	-	56.7%
Mr M D Hancock	**2022**	**70,000**	**-**	**-**	**-**	**-**	**32,401**	**102,401**	-	**31.6%**
	2021	49,800	-	-	-	-	65,435	115,235	-	56.8%
Mr C A Banasik	**2022**	**70,000**	**-**	**-**	**-**	**-**	**32,401**	**102,401**	-	**31.6%**
	2021	49,800	-	-	-	-	70,025	119,825	-	58.4%
Dr N Streltsova[4]	**2022**	**26,833**	**-**	**-**	**-**	**-**	**-**	**26,833**	**-**	**-**
	2021	-	-	-	-	-	-	-	-	-
Executive Directors										
Mr D P Gordon	**2022**	**457,500**	**162,475**	**29,141**	**27,500**	**26,667**	**403,582**	**1,106,865**	**51.1%**	**36.5%**
	2021	409,350	189,486	27,924	26,250	20,712	240,302	914,024	47.0%	26.3%
Mr B R Scarpelli	**2022**	**339,423**	**79,214**	**11,446**	**-**	**-**	**155,023**	**585,106**	**40.0%**	**26.5%**
	2021	269,835	82,215	19,067	-	-	98,141	469,258	38.4%	20.9%
Executives										
Mr R J Fitzhardinge	**2022**	**230,750**	**51,134**	**13,330**	**23,650**	**16,422**	**131,508**	**466,794**	**39.1%**	**28.2%**
	2021	226,175	63,868	(6,367)	21,992	9,313	77,961	392,942	36.1%	19.8%
Mr J W Westdorp	**2022**	**322,500**	**70,350**	**14,546**	**27,500**	**-**	**148,561**	**583,457**	**37.5%**	**25.5%**
	2021	288,750	82,215	4,381	26,250	-	89,620	491,216	35.0%	18.2%
Mr W E Foote[5]	**2022**	**346,500**	**75,174**	**18,963**	**27,500**	**-**	**113,105**	**581,242**	**32.4%**	**19.5%**
	2021	136,152	59,160	2,804	12,053	-	23,612	233,781	35.4%	10.1%
Total 2022		**1,968,506**	**438,347**	**87,426**	**106,150**	**43,089**	**1,065,182**	**3,708,700**		
Total 2021		1,504,862	476,944	47,809	86,545	30,025	763,249	2,909,434		

(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 either the Monte Carlo or the Black Scholes option-pricing model and the fair value is 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 expensed in this reporting period.

(4) Appointed 15 August 2022.

(5) Appointed 26 July 2021.

16.6 Equity Instruments

Options may be granted under the ESIP which was approved by shareholders at the 2022 Annual General Meeting. Eligibility to participate in the ESIP (including participation by Executive and Non-Executive directors) is determined by the Board in its absolute discretion. 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 ESIP, 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.

16.6.1 Analysis of Options over Equity Instruments Granted as Compensation

Details of vesting profiles of the options granted as remuneration both during the current and prior years to KMP of the Group are detailed below. There were no options forfeited during the year. A total of 3,750,002 options previously granted as compensation with a weighted average exercise price of $0.28 were exercised in 2022 raising $1,052,700.

	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/Vested [1]
Directors							
Mr D M Murcia	600,000	29/05/20	31/05/23	$0.392	$0.1461	100%	2022
	600,000	29/05/20	31/05/24	$0.405	$0.1667	-	2023
Mr D P Gordon	841,479	29/05/20	31/12/23	$0.000	$0.2482	-	2023[2]
	841,479	29/05/20	31/12/23	$0.000	$0.2013	-	2023[3]
	235,307	19/02/21	31/12/24	$0.000	$0.7833	-	2024[4]
	235,307	19/02/21	31/12/24	$0.000	$0.6756	-	2024[5]
	223,030	23/03/22	31/12/25	$0.000	$1.1485	-	2025[6]
	223,029	23/03/22	31/12/25	$0.000	$1.0496	-	2025[7]
Mr B R Scarpelli	339,992	29/05/20	31/12/23	$0.000	$0.2482	-	2023[2]
	339,991	29/05/20	31/12/23	$0.000	$0.2013	-	2023[3]
	97,234	19/02/21	31/12/24	$0.000	$0.7833	-	2024[4]
	97,234	19/02/21	31/12/24	$0.000	$0.6756	-	2024[5]
	77,670	23/03/22	31/12/25	$0.000	$1.1485	-	2025[6]
	77,669	23/03/22	31/12/25	$0.000	$1.0496	-	2025[7]
Mr M D Hancock	400,000	29/05/20	31/05/23	$0.392	$0.1461	100%	2022
	400,000	29/05/20	31/05/24	$0.405	$0.1667	-	2023
Mr C A Banasik	116,667	31/05/19	31/05/23	$0.180	$0.0868	-	2020
	233,334	31/05/19	31/05/24	$0.180	$0.0952	-	2021
	400,000	29/05/20	31/05/22	$0.378	$0.1189	-	2021
	400,000	29/05/20	31/05/23	$0.392	$0.1461	100%	2022
	400,000	29/05/20	31/05/24	$0.405	$0.1667	-	2023
Dr N Streltsova	-	-	-	-	-	-	-
Executives							
Mr R J Fitzhardinge	369,741	14/02/20	31/12/23	$0.000	$0.1582	-	2023[2]
	369,741	14/02/20	31/12/23	$0.000	$0.1174	-	2023[3]
	98,675	25/01/21	31/12/24	$0.000	$0.7188	-	2024[4]
	98,675	25/01/21	31/12/24	$0.000	$0.6212	-	2024[5]
	73,117	25/03/22	31/12/25	$0.000	$1.1485	-	2025[6]
	73,117	25/03/22	31/12/25	$0.000	$1.0496	-	2025[7]
Mr J W Westdorp	424,990	14/02/20	31/12/23	$0.000	$0.1582	-	2023[2]
	424,989	14/02/20	31/12/23	$0.000	$0.1174	-	2023[3]
	113,440	25/01/21	31/12/24	$0.000	$0.7188	-	2024[4]
	113,440	25/01/21	31/12/24	$0.000	$0.6212	-	2024[5]
	80,475	23/03/22	31/12/25	$0.000	$1.1485	-	2025[6]
	80,475	23/03/22	31/12/25	$0.000	$1.0496	-	2025[7]
Mr W E Foote	97,955	13/07/21	31/12/24	$0.000	$0.6900	-	2024[4]
	97,955	13/07/21	31/12/24	$0.000	$0.5774	-	2024[5]
	85,993	23/03/22	31/12/25	$0.000	$1.1485	-	2025[6]
	85,993	23/03/22	31/12/25	$0.000	$1.0496	-	2025[7]

(1) Options are subject to the satisfaction of service conditions. Options will vest subject to achievement of the vesting conditions which will be assessed in the year following the measurement period.

(2) Refer to section 16.2.3 for further details. Options will vest subject to achieving a market capitalisation, at the end of the assessment period, of greater than $200 million and which places the Company in the 300 largest companies with a primary listing of ordinary shares on the ASX by market capitalisation and to meeting a three-year service condition to 31 December 2022.

(3) Options will vest subject to the achievement of the relative TSR measure detailed in the 2020 Annual Report and to meeting a three year service condition to 31 December 2022.

(4) Options will vest subject to the achievement of the absolute TSR measure detailed in Section 16.2.3 and to meeting a three year service condition to 31 December 2023.

(5) Options will vest subject to the achievement of the relative TSR measure detailed in Section 16.2.3 and to meeting a three year service condition to 31 December 2023.

(6) Options will vest subject to the achievement of the absolute TSR measure detailed in Section 16.2.3 and to meeting a three year service condition to 31 December 2024.

(7) Options will vest subject to the achievement of the relative TSR measure detailed in Section 16.2.3 and to meeting a three year service condition to 31 December 2024.

16.6.2 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 KMP, including their related parties, is as follows:

	Held 1 January 2022	Exercised	Granted	Held 31 December 2022	Vested During the Period	Vested and Exercisable 31 December 2022
Directors						
Mr D M Murcia	2,133,334	(933,334)	-	1,200,000	-	-
Mr D P Gordon	2,820,239	(666,667)	446,059	2,599,631	-	-
Mr B R Scarpelli	1,374,451	(500,000)	155,339	1,029,790	-	-
Mr M D Hancock	1,433,334	(633,334)	-	800,000	-	-
Mr C A Banasik	1,666,668	(516,667)	-	1,150,001	-	350,001
Dr N Streltsova	-	-	-	-	-	-
Executives						
Mr R J Fitzhardinge	1,436,832	(500,000)	146,234	1,083,066	-	-
Mr J W Westdorp	1,076,859	-	160,949	1,237,808	-	-
Mr W E Foote	195,910	-	171,986	367,896	-	-

16.6.3 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 $[1]	Value of Options Exercised in Year $[2]	Value of Options Lapsed in Year $[3]
Director			
Mr D M Murcia	-	780,867	-
Mr D P Gordon	490,241	623,334	-
Mr B R Scarpelli	170,725	467,500	-
Mr M D Hancock	-	530,967	-
Mr C A Banasik	-	427,134	-
Dr N Streltsova	-	-	-
Executives			
Mr R J Fitzhardinge	160,718	467,500	-
Mr J W Westdorp	176,891	-	-
Mr W E Foote	189,021	-	-

(1) The value of options granted in the year is the fair value of the options calculated at grant date using either a Black Scholes option-pricing model or a Monte Carlo 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.

(2) 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.

(3) 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.

16.6.4 Performance Based Remuneration Granted and Forfeited During the Year

During the year, the Board determined to pay STIs to executives in recognition of the achievement of performance targets for the year ended 31 December 2022. There were no increases in the target STI quantum during the period. A summary of STIs for the period is shown below.

Executive	Target STI Quantum (% of Base Salary)	Target FY22 STI Quantum $	STI Quantum Earned $	STI Quantum Forfeited $
Mr D P Gordon	50%	242,500	162,475	80,025
Mr B S Scarpelli	35%	118,230	79,214	39,016
Mr W E Foote[1]	30%	112,000	75,174	36,826
Mr J W Westdorp	30%	105,000	70,350	34,650
Mr R J Fitzhardinge	30%	76,320	51,134	25,186

(1) 20% in 2021 due to engagement during the period.

16.6.5 Key Management Personnel Transactions

(a) 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.

(b) 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.

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:

Key Management Person	Transaction	Transaction Value 2022 $	Transaction Value 2021 $	Balance Outstanding as at 31 Dec 2022 $	Balance Outstanding as at 31 Dec 2021 $
Mr D M Murcia [(1)]	Legal fees	21,578	8,156	6,015	-
Total and current liabilities				6,015	-

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

16.6.6 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 KMP, including their related parties, is as follows:

	Held 1 January 2022	Received on exercise of options	Other Changes [(1)]	Held at 31 December 2022
Directors				
Mr D M Murcia	1,338,633	933,334	(500,000)	1,771,967
Mr D P Gordon	6,118,879	666,667	(450,000)	6,335,546
Mr B R Scarpelli	666,667	500,000	-	1,166,667
Mr M D Hancock	728,920	633,334	(250,000)	1,112,254
Mr C A Banasik	583,334	516,667	(150,000)	950,001
D N Streltsova	-	-	85,000	85,000
Executives				
Mr R J Fitzhardinge	6,250,724	500,000	(600,000)	6,150,724
Mr J W Westdorp	126,800	-	-	126,800
Mr W E Foote	-	-	-	-

(1) Represents shares sold with the exception of D N Streltsova which comprises balance on appointment.

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.

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

D P Gordon
Managing Director
Perth
30 March 2023

KPMG

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

To the Directors of Centaurus Metals Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Centaurus Metals Limited for the financial year ended 31 December 2022 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

Graham Hogg
Partner
Perth
30 March 2023

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2022

		31 December 2022 $	31 December 2021 $
Profit or Loss			
Other income	Note 7	**534,900**	265,862
Exploration expenditure		**(36,225,206)**	(13,198,599)
Impairment of other receivables	Note 15	**(2,359,170)**	(707,729)
Employee benefits expense	Note 8	**(2,497,517)**	(1,840,182)
Share based payments expense	Note 9	**(1,143,562)**	(781,107)
Listing and share registry fees		**(153,333)**	(121,082)
Professional fees		**(604,165)**	(321,052)
Depreciation		**(362,832)**	(131,342)
Other expenses		**(1,131,348)**	(386,790)
Results from operating activities		**(43,942,233)**	(17,222,021)
Interest income		**1,348,066**	235,207
Finance expense	Note 20	**(33,388)**	(7,901)
Net finance income		**1,314,678**	227,306
Loss before income tax		**(42,627,555)**	(16,994,715)
Loss for the period		**(42,627,555)**	(16,994,715)
Other Comprehensive Income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences arising on translation of foreign operations		**1,149,970**	(13,896)
Other comprehensive loss for the period		**1,149,970**	(13,896)
Total comprehensive loss for the period		**(41,477,585)**	(17,008,611)
Earnings per Share		**cents**	cents
Basic loss per share	Note 12	**(10.14)**	(5.04)
Diluted loss per share	Note 12	**(10.14)**	(5.04)

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 2022

		31 December 2022 $	31 December 2021 $
Current assets			
Cash and cash equivalents	Note 13	**34,047,722**	8,259,389
Other receivables and prepayments	Note 15	**1,329,338**	529,725
Inventories		**58,152**	-
Total current assets		**35,435,212**	8,789,114
Non-current assets			
Other receivables and prepayments	Note 15	**49,209**	8,156
Property, plant and equipment	Note 16	**8,903,956**	6,004,233
Exploration and evaluation assets	Note 17	**13,006,304**	12,048,261
Total non-current assets		**21,959,469**	18,060,650
Total assets		**57,394,681**	26,849,764
Current liabilities			
Trade and other payables	Note 18	**4,589,016**	2,893,287
Financial liability	Note 19	**1,432,088**	5,161,448
Lease liability	Note 20	**540,419**	86,576
Employee benefits – annual leave		**552,779**	379,516
Total current liabilities		**7,114,302**	8,520,827
Non-current liabilities			
Financial liability	Note 19	**183,926**	1,325,267
Lease liability	Note 20	**488,512**	29,334
Employee benefits – long service leave		**279,242**	223,690
Total non-current liabilities		**951,680**	1,578,291
Total liabilities		**8,065,982**	10,099,118
Net assets		**49,328,699**	16,750,646
Equity			
Share capital		**236,289,294**	162,962,306
Reserves		**(5,819,170)**	(7,697,790)
Accumulated losses		**(181,141,425)**	(138,513,870)
Total equity		**49,328,699**	16,750,646

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 2022

	Issued Capital $	Share-Based Payments Reserve $	Foreign Currency Translation Reserve $	Accumulated Losses $	Total Equity $
Balance at 1 January 2022	**162,962,306**	**1,538,603**	**(9,236,393)**	**(138,513,870)**	**16,750,646**
Loss for the period	-	-	-	(42,627,555)	(42,627,555)
Foreign currency translation difference for foreign operation	-	-	1,149,970	-	1,149,970
Total comprehensive loss for the period	**-**	**-**	**1,149,970**	**(42,627,555)**	**(41,477,585)**
Share-based payment transactions	-	1,143,562	-	-	1,143,562
Issues of ordinary shares	75,475,000	-	-	-	75,475,000
Share options exercised	1,052,700	-	-	-	1,052,700
Share issue costs	(3,615,624)	-	-	-	(3,615,624)
Transfer on exercise of options	414,912	(414,912)	-	-	-
Total transactions with owners	**73,326,988**	**728,650**	**-**	**-**	**74,055,638**
Balance at 31 December 2022	**236,289,294**	**2,267,253**	**(8,086,423)**	**(181,141,425)**	**49,328,699**
Balance at 1 January 2021	**155,905,034**	**954,934**	**(9,222,497)**	**(121,519,155)**	**26,118,316**
Loss for the period	-	-	-	(16,994,715)	(16,994,715)
Foreign currency translation difference for foreign operation	-	-	(13,896)	-	(13,896)
Total comprehensive loss for the period	**-**	**-**	**(13,896)**	**(16,994,715)**	**(17,008,611)**
Share-based payment transactions		781,107	-	-	781,107
Issues of ordinary shares	1,400,000	-	-	-	1,400,000
Share options exercised	5,462,629	-	-	-	5,462,629
Share issue costs	(2,795)	-	-	-	(2,795)
Transfer on exercise of options	197,438	(197,438)	-	-	-
Transfer of options lapsed	-	-	-	-	-
Total transactions with owners	**7,057,272**	**583,669**	**-**	**-**	**7,640,941**
Balance at 31 December 2021	**162,962,306**	**1,538,603**	**(9,236,393)**	**(138,513,870)**	**16,750,646**

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 2022

	Note	31 December 2022 $	31 December 2021 $
Cash flows from operating activities			
Exploration and evaluation expenditure		**(37,758,214)**	(12,898,881)
Payments to suppliers and employees (inclusive of GST)		**(3,783,579)**	(2,560,610)
Other receipts		**265,862**	-
Interest received		**1,303,051**	240,659
Net cash used in operating activities	Note 14	**(39,972,880)**	(15,218,832)
Cash flows from investing activities			
Payments for property plant & equipment		**(3,507,396)**	(3,323,381)
Payment for exploration acquisitions		**(2,367,239)**	(1,485,458)
Buy back of project royalty		**(1,000,000)**	(1,000,000)
Proceeds from sale of property plant & equipment		**20,249**	-
Net cash used in investing activities		**(6,854,386)**	(5,808,839)
Cash flows from financing activities			
Proceeds from issue of equity securities		**75,000,000**	-
Proceeds from the exercise of options		**1,052,700**	5,462,629
Capital raising costs		**(3,329,802)**	(2,795)
Payment of lease liability		**(252,215)**	(109,991)
Net cash from financing activities		**72,470,683**	5,349,843
Net increase/(decrease) in cash and cash equivalents		**25,643,417**	(15,677,828)
Cash and cash equivalents at the beginning of the period		**8,259,389**	24,089,281
Effect of exchange rate fluctuations on cash held		**144,916**	(152,064)
Cash and cash equivalents at 31 December	Note 13	**34,047,722**	8,259,389

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 2022

Note 1. Reporting Entity

Centaurus Metals Limited ("the Company") is a company domiciled in Australia. The Company's registered office is at Level 2, 1 Ord Street, West Perth WA 6005. The consolidated financial statements of the Company as at and for the year ended 31 December 2022 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 30 March 2023.

Basis of Measurement

The consolidated financial statements have been prepared on the historical cost basis, except for share based payments which are measured at fair value in the statement of financial position.

Going Concern

The financial statements for the year ended 31 December 2022 have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

During the year, the Group incurred a loss after tax of $42,627,555 with net cash inflows of $25,643,417. The Group has a working capital surplus of $28,320,910.

While the Group had cash on hand of $34,047,722 as at 31 December 2022, the Group is likely to need 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.

The Directors have a reasonable expectation 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. In undertaking this analysis, the Directors have considered which expenditure can be reduced if necessary.

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.

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 15 - Other Receivables and Prepayments; and
- Note 17 - 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.

Assumptions and Estimation Uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the year ending 31 December 2022 is included in Note 17 – 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.

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.

(a) 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.

(b) Share-based Payment Transactions

The fair value of 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.

Basis of Consolidation

(a) 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.

(b) 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.

Foreign Currency

(a) 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.

(b) 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 (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.

Comparative Revisions

Where necessary comparative figures have been adjusted to conform with changes in presentation in the current financial year.

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.

(a) 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.

(i) 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.

(ii) Cash and Cash Equivalents

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

(b) 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.

(c) 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.

Property, Plant and Equipment

(a) 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.

(b) 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.

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 in which 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 the Accounting Policy as detailed below.

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 an 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 option is reasonably certain to be exercised.

The Group applies the low-value assets and the short-term lease exemptions to leases. 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.

Asset Acquisition

When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their relative fair values. No deferred tax is recognised in relation to the acquired assets and assumed liabilities as the initial recognition exemption for deferred tax under AASB 112 applies. No goodwill will arise on the acquisition of the net assets and transaction costs relating to the asset acquisition will be included in the capitalised cost of the asset.

Any contingent consideration arising from the acquisition will be recognised at fair value at the acquisition date. Contingent consideration classified as a liability that is a financial instrument and within the scope of AASB 9 is measured at fair value, with changes in fair value recognised in profit or loss in the statement of profit or loss and other comprehensive income in accordance with AASB 9.

Inventory

Inventory comprises of diesel and is recognised and valued at the lower of cost or net realisable value ("NRV"). NRV is the estimated future selling price, less the estimated costs necessary to make the sale. Cost represents weighted average cost of the diesel on hand.

Impairment

(a) 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.

(i) 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.

(ii) 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.

(iii) 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.

(b) 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.

Employee Benefits

(a) 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.

(b) 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.

(c) 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.

(d) 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.

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.

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.

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.

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.

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.

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.

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 segment operating results are regularly reviewed by the Group's Managing Director 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 Managing Director 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.

Government Grants

Government grants that compensate the Group for expenses incurred are recognised in profit or loss as other income on a systematic basis in the periods in which the expenses are recognise, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

Changes in Accounting Policies

The Group has adopted the amendment to standards, including any consequential amendments to other standards, with a date of initial application of 1 January 2022.

New Standards and Interpretations Not Yet Adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2022 reporting periods and have not been early adopted by the Group These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting period and on foreseeable future transactions.

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	**2022 Non-current Assets $**	2021 Non-current Assets $
Brazil	**21,651,685**	17,968,727
Australia	**307,784**	91,923
Total	**21,959,469**	18,060,650

Note 7. Other Income

	31 December 2022 $	31 December 2021 $
R&D tax refund	**517,875**	265,862
Gain on sale of property plant & equipment	**10,769**	-
Other	**6,256**	-
	534,900	265,862

Note 8. Employee Benefits Expense

	31 December 2022 $	31 December 2021 $
Salaries, fees and other benefits	**6,760,576**	3,910,049
Superannuation	**293,323**	170,709
Recognised in exploration expenditure expense	**(4,556,382)**	(2,240,576)
Total	**2,497,517**	1,840,182

Note 9. Share-based Payments

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

During the reporting period 1,225,220 options were issued to employees and directors (2021: 1,395,452). Options issued to employees were issued under the Employee Share Incentive Plan approved by shareholders at the Annual General Meeting on 27 May 2022. Options issued to executive directors were approved by shareholders under ASX Listing Rule 10.11.

Reconciliation of Outstanding Share Options

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

	Weighted Average Exercise Price 2022	**Number of Options 2022**	Weighted Average Exercise Price 2021	Number of Options 2021
Outstanding at start of period	**$0.1822**	**12,247,857**	$0.2172	12,085,733
Exercised during the period	**$0.2807**	**(3,750,002)**	$0.0021	(1,233,335)
Lapsed during the period	-	-	-	-
Issued during the period	**$0.0000**	**1,225,220**	$0.0000	1,395,452
Outstanding at balance date	**$0.1212**	**9,723,075**	$0.1822	12,247,857
Exercisable at balance date	**$0.1800**	**350,001**	$0.2721	4,100,003

The options outstanding at 31 December 2022 have exercise prices ranging from $0.000 to $0.405 (2021: $0.000 to $0.405) and the weighted average remaining contractual life is 1.40 years (2021: 1.61 years).

There were 3,750,002 options exercised during the year (2021: 1,233,335). There were 1,225,220 options issued during the year (2021: 1,395,452). Details of the options issued during the year are as follows:

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

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

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

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

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

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

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

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

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

Inputs for Measurement of Grant Date Fair Values

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

Grant Date	Expiry Date	Exercise Price	Life of option	Share price at grant date	Expected share price volatility	Vesting condition	Risk-free interest rate	Fair Value at grant date
23/03/22	31/12/25	$0.000	3.78 years	$1.30	100%	Relative TSR	2.173%	$1.1485
23/03/22	31/12/25	$0.000	3.78 years	$1.30	100%	Absolute TSR	2.173%	$1.0496

Expenses Arising from Share Based Payment Transactions

	31 December 2022 $	31 December 2021 $
Total expense recognised as share-based payment – share options	**1,143,562**	781,107

Note 10. Income Tax

Numerical Reconciliation of Income Tax Expense to Prima Facie Tax Payable

	31 December 2022 $	31 December 2021 $
Loss from continuing operations before income tax expense	**(42,627,555)**	(16,994,715)
Tax at the Australian tax rate of 27.5% (2021: 27.5%)	**(11,722,578)**	(4,673,547)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Overseas project generation and review costs	**1,997,922**	822,525
Share-based payments	**314,479**	214,805
Non assessable grant income	**(142,416)**	(73,113)
Sundry items	**(222,930)**	9,918
	(9,775,523)	(3,699,412)
Effect of tax rates in foreign jurisdictions	**(27,327)**	(8,886)
Under provision from prior year	**(326,378)**	(761,674)
Deferred tax assets not recognised	**10,129,228**	4,469,972
Income tax benefit, being deferred tax	**-**	-

Tax Losses

	31 December 2022 $	31 December 2021 $
Tax losses	**66,189,799**	61,188,366
Potential tax benefit (between 27.5-34%)	**19,677,571**	18,096,045

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.

Deferred Tax Assets

The following deferred tax balances have not been recognised:

	31 December 2022 $	31 December 2021 $
Deferred Tax Assets		
Exploration expenditure	**21,247,510**	9,931,563
Accrued expenses/provisions	**8,992,211**	10,916,869
Transaction costs relating to issue of capital	**246,235**	80,887
Tax losses carried forward (net of tax losses utilised)	**19,677,571**	18,096,045
	50,163,527	39,025,364

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

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

Note 11. Dividends

There were no dividends paid or declared during the period (2021: nil).

Note 12. Earnings/(Loss) per Share

Basic Loss per Share

The calculation of basic and diluted earnings per share at 31 December 2022 was based on the loss attributable to ordinary shareholders of $42,627,555 (2021: $16,994,715) and a weighted average number of ordinary shares outstanding of 420,198,738 (2021: 337,081,397), calculated as follows:

Loss Attributable to Ordinary Shareholders

	31 December 2022 $	31 December 2021 $
Loss attributable to the shareholders	**(42,627,555)**	(16,994,715)

Weighted Average Number of Ordinary Shares

	2022 Number	2021 Number
Issued ordinary shares at beginning of the period	**358,291,616**	325,857,160
Effect of shares issued	**61,907,122**	11,224,237
Weighted average number of ordinary shares at the end of the period	**420,198,738**	337,081,397
Loss per share (cents)	**(10.14)**	(5.04)
Diluted loss per share (cents)	**(10.14)**	(5.04)

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 2022 and the exercise of potential shares would not increase that loss.

Note 13. Cash and Cash Equivalents

	31 December 2022 $	31 December 2021 $
Cash at bank and on hand	**760,413**	9,154
Deposits - short term	**33,287,309**	8,250,235
	34,047,722	8,259,389

The deposits are bearing floating and fixed interest rates between 3.15% & 3.81% in Australia and 12.39% & 12.92% in Brazil (2021: between 0.06% Australia and 4.79% Brazil).

Note 14. Reconciliation of Cash Flows from Operating Activities

	31 December 2022 $	31 December 2021 $
Loss for the period	**(42,627,555)**	(16,994,715)
Adjustments for:		
Depreciation	**537,137**	222,395
Non-cash employee benefits expense– share based payments	**1,143,562**	781,107
(Profit)/Loss on sale of plant and equipment	**(10,769)**	-
Operating loss before changes in working capital and provisions	**(40,957,625)**	(15,991,213)
Change in other receivables	**(1,050,692)**	(321,775)
Change in trade creditors and provisions	**2,035,437**	1,094,156
Net cash used in operating activities	**(39,972,880)**	(15,218,832)

Note 15. Other Receivables and Prepayments

	31 December 2022 $	31 December 2021 $
Current		
R&D tax refund	**517,875**	265,862
Other Receivables	**228,463**	67,446
Security deposits	**76,293**	33,648
Prepayments	**506,707**	162,769
	1,329,338	529,725
Non – Current		
Other Receivables	**3,570,292**	1,008,755
Provision for impairment	**(3,563,969)**	(1,000,599)
Security deposits	**42,886**	-
	49,209	8,156

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

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

During the period the entity wrote off $3,876 which was previously provided for due to credits expiring (2021: $3,388). An impairment expense of $2,359,170 was recognized on indirect taxes receivable in 2022 (2021: $707,729). Information about the Group's exposure to credit and market risk and impairment losses for other receivables is included in Note 25.

Note 16. Property, Plant and Equipment

	31 December 2022 $	31 December 2021 $
At Cost	**9,958,972**	6,526,942
Accumulated depreciation	**(1,055,016)**	(522,709)
	8,903,956	6,004,233

Movements in Carrying Amounts

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

	31 December 2022 $	31 December 2021 $
Plant and Equipment		
Carrying amount at beginning	**880,659**	457,064
Additions	**873,156**	549,727
Disposals	**(13,284)**	(4,105)
Depreciation	**(193,126)**	(116,079)
Effect of movements in exchange rates	**51,935**	(5,948)
Carrying amount at end	**1,599,340**	880,659
Land and Buildings		
Carrying amount at beginning	**5,010,056**	175,901
Additions	**565,807**	4,885,835
Depreciation	**(5,510)**	(1,915)
Effect of movements in exchange rates	**723,556**	(49,765)
Carrying amount at end	**6,293,909**	5,010,056

Right-of-use assets (see also Note 20)

Carrying amount at beginning	**113,518**	152,029
Additions	**1,219,588**	68,218
Depreciation	**(327,768)**	(104,400)
Effect of movements in exchange rates	**5,369**	(2,329)
Carrying amount at end	**1,010,707**	113,518
Total	**8,903,956**	6,004,233

Additions to Land in 2021 include the allocation of the fair value of 3 properties at the Jaguar Project which Centaurus has secured possession of.

Note 17. Exploration and Evaluation Assets

	31 December 2022 $	31 December 2021 $
Opening net book value	**12,048,261**	8,764,153
Additions	**66,466**	3,402,083
Effect of movements in exchange rate	**891,577**	(117,975)
	13,006,304	12,048,261

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

Note 18. Trade and Other Payables

	31 December 2022 $	31 December 2021 $
Current		
Trade and other creditors	**3,286,165**	1,270,026
Accrued expenses	**1,302,851**	1,623,261
	4,589,016	2,893,287

Note 19. Financial Liability

	31 December 2022 $	31 December 2021 $
Current		
Consideration due to Vale for Jaguar acquisition	-	2,400,840
Up-front consideration due to Terrativa for Salobo West Royalty buy back	-	933,534
Land possession	**1,432,088**	1,827,074
	1,432,088	5,161,448
Non-Current		
Land possession	**183,926**	1,325,267
	183,926	1,325,267

Note 20. Leases

The Group leases motor vehicles, offices and warehouse facilities. The leases are typically for a period of 1 to 5 years. During the year the Group exercised its option to extend the Corporate head office lease for a further 2 years. In addition a project office lease was entered into for a 21 month period. In Brazil a new office lease was entered into in Belo Horizonte for a period of 2.5 years. New leases were entered into for motor vehicles, office and warehouse space for the Jaguar project. A right of use asset and lease liability have been recognised as a result of these leases. The Group has applied the exemptions available under AASB 16 for short term leases and leases of low value.

	31 December 2022 $	31 December 2021 $
Current	**540,419**	86,576
Non-Current	**488,512**	29,334
	1,028,931	115,910

Lease payments are payable as follows

	31 December 2022 $	31 December 2021 $
Less than one year	**540,419**	86,576
Between one to three years	**488,512**	29,334
	1,028,931	115,910

Amounts Recognised in Profit or Loss

	31 December 2022 $	31 December 2021 $
Interest on lease liabilities	**33,388**	7,901
Expenses relating to short-term leases	**243,837**	297,124
Expenses relating to leases of low-value assets, excluding short term leases of low value assets	**7,901**	41,106

Note 21. Capital and Reserves

	2022 Number of Shares	2021 Number of Shares
On issue at beginning of period	**358,291,616**	325,857,160
Issue of ordinary shares for placement at $1.1600 per share	**64,655,172**	-
Issue of ordinary shares as a part of placement fee at $1.1600 per share	**409,483**	-
Issue of ordinary shares on exercise of unlisted options at $0.2250 per share	**2,233,335**	-
Issue of ordinary shares on exercise of unlisted options at $0.3780 per share	**1,400,000**	-
Issue of ordinary shares on exercise of unlisted options at $0.1800 per share	**116,667**	-
Issue of ordinary shares for Salobo West royalty buy back at $0.6108 per share	**-**	2,292,076
Issue of ordinary shares on exercise of unlisted options at $0.21 per share	**-**	1,233,335
Issue of ordinary shares on exercise of listed options at $0.18 per share	**-**	28,909,045
On issue at the end of the period – Fully paid	**427,106,273**	358,291,616

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. 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.

Options

Information relating to options, 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 9.

Listed Options

No listed options were exercised during the year (2021: 28,909,045). No listed options expired during the year (2021: 30,995).

	Weighted average exercise price	**2022 Number of Listed Options**	Weighted average exercise price	2021 Number of Listed Options
On issue at beginning of period	-	-	$0.18	28,940,040
Options exercised - CTMOC	-	-	$0.18	(28,909,045)
Options expired - CTMOC	-	-	$0.18	(30,995)
On issue at the end of the period	-	-	-	-

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 22. Contingent Liabilities

Guarantees

The Company has given guarantees in respect of bank security bonds amounting to $119,159 (2021: $33,648), secured by cash deposits lodged as security with the bank.

Jaguar Project Acquisition

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

- US$5.0 million on first commercial production from the project payable to Vale;
- a royalty of 0.55% on Net Operating Revenue for nickel sulphate or 0.75% on Net Operating Revenue generated from any future concentrate production from the project payable to Vale; and
- a royalty of 1.8% on Net Operating Revenue generated from any future concentrate production from the project payable to BNDES.

No material losses are anticipated in respect of any of the above contingent liabilities. There are no other contingent liabilities that require disclosure.

Note 23. Capital Commitments

The Group has no capital commitments as at the year ended 31 December 2022 (2021: $nil).

Note 24. Related Parties

Key Management Personnel

KMP compensation is comprised of the following:

	31 December 2022 $	31 December 2021 $
Short term employee-benefits (Salaries and STI Plan)	**2,494,279**	2,029,615
Long term employee benefits	**43,089**	30,025
Post–employment benefits	**106,150**	86,545
Share-based payments expense	**1,065,182**	763,249
	3,708,700	2,909,434

Individual Directors and Executives Compensation Disclosures

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

Key Management Personnel and Director Transactions

A member of KMP, 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.

This entity 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	
Key Management Person	Transaction	2022 $	2021 $	31 Dec 2022 $	31 Dec 2021 $
Mr D M Murcia (1)	Legal fees	**21,578**	8,156	**6,015**	-
Total and current liabilities				**6,015**	-

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

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 25. Financial Instruments – Fair Values and Risk Management

Financial Risk Management

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

- Credit Risk
- Liquidity Risk
- Market Risk
- Currency Risk.

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.

(a) 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 and are able to identify and manage business risks.

(b) 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.

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 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:

	31 December 2022 $	31 December 2021 $
Cash and cash equivalents (1)	**34,047,722**	8,259,389
Other receivables	**871,840**	375,113
	34,919,562	8,634,502

(1) Cash and cash equivalents are held with bank and financial institution counterparties, which are rated BB- to AA based on Standard and Poor's rating.

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 2022, 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. The Group's maximum exposure to credit risk for other receivables at the reporting date by geographic region was:

	Carrying Amount	
	31 December 2022 $	31 December 2021 $
Australia	**594,428**	299,700
Brazil	**277,412**	75,413
	871,840	375,113

These balances are net of provision for impairment (refer to Note 15).

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 2022, the Group has current trade and other payables of $4,589,016 (31 December 2021: $2,893,287), Current Financial Liabilities of $1,432,088 (31 December 2021: $5,161,448), current lease liabilities of $540,419 (31 December 2021: $86,576), non current lease liabilities of $488,512 (31 December 2021: $29,334) and Non-Current Financial Liabilities of $183,926 (31 December 2021: $1,325,267). The Group believes it will have sufficient cash resources to meet its financial liabilities when due.

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.

Financial liabilities	Carrying amount	Contractual cash flows	6 mths or less	6-12 mths	1-2 years	2-5 years
31 December 2022						
Trade and other payables	4,589,016	4,589,016	4,589,016	-	-	-
Financial liabilities	1,616,014	1,672,354	705,040	769,903	197,411	-
Lease liabilities	1,028,932	1,137,312	320,367	288,621	274,440	253,884
	7,233,962	7,398,682	5,614,423	1,058,524	471,851	253,884
31 December 2021						
Trade and other payables	2,893,287	2,893,287	2,893,287	-	-	-
Financial liabilities	6,486,715	6,710,158	4,088,863	500,000	2,121,295	-
Lease liabilities	115,910	97,163	65,582	31,581	-	-
	9,495,912	9,700,608	7,047,732	531,581	2,121,295	-

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 returns.

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:

	31 December 2022 $	31 December 2021 $
Fixed rate instruments		
Financial assets	**20,000,000**	-
Variable rate instruments		
Financial assets	**13,287,309**	8,251,513
	33,287,309	8,251,513

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 300 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 for 2021 was 100 basis points.

	Profit or Loss		Equity	
	Increase	Decrease	Increase	Decrease
31 December 2022				
Variable rate instruments	**157,200**	**(157,200)**	-	-
Cash flow sensitivity (net)	**157,200**	**(157,200)**	-	-
31 December 2021				
Variable rate instruments	23,207	(23,207)	-	-
Cash flow sensitivity (net)	23,207	(23,207)	-	-

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 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 26. Group Entities

	Country of Incorporation	Ownership interest 2022	2021
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%
Centaurus Niquel Ltda	Brazil	**100%**	100%
Itapitanga Mineração Ltda	Brazil	**100%**	100%

Note 27. Subsequent Events

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

Note 28. Remuneration of Auditors

	31 December 2022 $	31 December 2021 $
Audit Services		
Auditors of the Company		
Audit and review of financial reports	**60,000**	58,861
Services other than statutory audit		
Taxation compliance services	**7,576**	6,968
Other consulting services	**10,590**	-
	18,166	6,986

Note 29. Parent Entity Disclosures

As at, and throughout, the financial year ended 31 December 2022 the parent entity of the Group was Centaurus Metals Limited.

	31 December 2022 $	31 December 2021 $
Results of the Parent Entity		
Loss for the period (1)	**(41,438,269)**	(16,844,975)
Total comprehensive loss for the period	**(41,438,269)**	(16,844,975)

(1) During the year ended 31 December 2022 the parent entity provided for an impairment of $31,000,000 (2021: $11,000,000) (relating to loans to subsidiaries based on an assessment of recoverability).

	31 December 2022 $	31 December 2021 $
Financial Position of the Parent Entity at Year End		
Current assets	**26,297,277**	5,866,948
Non-current assets (1)	**26,280,746**	13,581,590
Total assets	**52,578,023**	19,448,538
Current liabilities	**3,157,749**	2,502,355
Non-current liabilities	**80,413**	223,691
Total liabilities	**3,238,162**	2,726,046
Net assets	**49,339,861**	16,722,492
Share capital	**236,289,294**	162,962,306
Reserves	**2,267,253**	1,538,603
Accumulated losses	**(189,216,686)**	(147,778,417)
Total equity	**49,339,861**	16,722,492

(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 2022 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 2022.

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
30 March 2023

KPMG

Independent Auditor's Report

To the shareholders of Centaurus Metals Limited

Report on the audit of the Financial Report

Opinion

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

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

- Giving a true and fair view of the ***Group's*** financial position as at 31 December 2022 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 2022;
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended;
- Notes including a summary of significant accounting policies; and
- Directors' Declaration.

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

Basis for opinion

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

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

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

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.

KPMG

Valuation of exploration and evaluation assets ($13,006,304)	
Refer to Note 17 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. The valuation of exploration and evaluation assets is a key audit matter due to: • The significance of the activity to the Group's business and the significance of the balance which is 23% of the total assets balance; and • The greater level of audit effort to evaluate the Group's application of the requirements of the 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 exploration and evaluation assets. Given the criticality of this to the scope and depth of our work, we involved senior team members to challenge Group's determination that no such indicators existed. In assessing the presence of impairment indicators, we focused on those which may draw into question the commercial continuation of exploration and evaluation activities where significant carrying value of capitalised exploration and evaluation expenditure exists. Given the financial position of the Group, we paid particular attention to: • Documentation available regarding rights to tenure, via licensing with the government, and compliance with relevant conditions, to maintain current rights to an area of interest; • The Group's intention and capacity to continue and fund the relevant exploration and evaluation activities; and • The results from latest activities regarding the existence or otherwise of economically recoverable mineral resources or reserves.	Our procedures included: • Evaluating the Group's accounting policy to recognise exploration and evaluation assets against criteria of the accounting standard; • Assessing the Group's determination of its areas of interest for consistency with the definition in the accounting standards; • For the significant areas of interest, we assessed the Group's current rights to tenure. This included checking the ownership of the relevant license for mineral resources or reserves to government registries; • Evaluating the Group's documents for consistency with their stated intentions for continuing exploration and evaluation activities in certain areas. This included: - The Group's internal plans and budgets; - Minutes of board and internal meetings; - We corroborated this through interviews with key operational and finance personnel. - Announcements made by the Group to the Australian Securities Exchange including results from latest activities and studies performed. • Evaluating the capacity of the Group to fund the continuation of activities by assessing underlying documentation including corporate budgets. We obtained project and corporate budgets identifying areas with existing funding and those requiring alternate funding sources. We compared this for consistency with areas with E&E, for evidence of the ability to fund continued activities. We identified those areas relying on alternate funding sources and evaluated the capacity of the Group to secure such funding; • We analysed the Group's determination of recoupment through successful development and exploitation of the area by evaluating the Group's documentation of planned future/continuing activities including work programmes and project and corporate budgets for a sample of areas; and • Evaluating the Group's disclosures by comparing to our understanding and the requirements of the 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. The Other Information we obtained prior to the date of this Auditor's Report was the Directors' Report and the Remuneration Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not and will 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; and
- 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.

KPMG

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/admin/file/content102/c3/ar1_2020.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 2022, 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 pages 14 to 23 included in the Directors' report for the year ended 31 December 2022.

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

KPMG

KPMG

Graham Hogg
Partner
Perth
30 March 2023