Centaurus Metals Limited

ANNUAL REPORT

2020

www.centaurus.com.au

Corporate Directory

DIRECTORS

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

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

Mr B R Scarpelli M.Sc, PMP
Executive Director

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

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

COMPANY SECRETARY

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

SHARE REGISTRY

Advanced Share Registry Limited
150 Stirling Highway
Nedlands WA 6009
Telephone: (08) 9389 8033

AUDITORS

KPMG
Chartered Accountants
235 St Georges Terrace
Perth WA 6000

BANKERS

Australia
National Australia Bank
Level 14, 100 St Georges Tce
Perth WA 6000

Brazil
Banco Inter
Avenida Barbacena, 1219 – Santo Agostinho
Belo Horizonte - MG – CEP: 30190-924
BRAZIL
Telephone: +55 31 2101 7006

STOCK EXCHANGE LISTING

Centaurus Metals Limited's shares are listed on the Australian Securities Exchange
Ordinary fully paid shares (ASX code: CTM)
Listed options (ASX code: CTMOC)

PRINCIPAL & REGISTERED OFFICE

Australia
Level 2, 1 Ord Street
West Perth WA 6005

PO Box 975
West Perth WA 6872

Telephone: (08) 6424 8420
Email: office@centaurus.com.au
Website: www.centaurus.com.au

Brazil
Avenida Barao Homem de Melo, 4391
Salas 606 and 607 – Estoril
Belo Horizonte - MG - CEP: 30.494.275
BRAZIL
Telephone: +55 31 3194 7750

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Highlights

EXPLORATION & DEVELOPMENT

- Acquisition of the Jaguar Nickel Sulphide Project completed and Mining Lease Application formally transferred to Centaurus following the receipt of regulatory approval from the Brazilian National Bank for Economic and Social Development (BNDES).
- Highly successful resource drilling programs completed across the key Jaguar deposits, laying the foundations for a maiden JORC 2012 Indicated and Inferred Mineral Resource Estimate (MRE).
- Maiden Mineral Resource of 48.0Mt @ 1.08% Ni for 517,500t of nickel, including a high-grade component of 20.6Mt at 1.56% Ni for 321,400t of contained nickel.
- Major new 75,000m drilling program commenced, comprising Resource in-fill, step-out and extensional drilling and regional exploration, with five drill rigs on site.
- Updated JORC 2012 Indicated and Inferred Mineral Resource Estimate (MRE) completed subsequent to year-end in March 2021, confirming Jaguar as an outstanding near-surface nickel sulphide deposit:

  GLOBAL: 58.9Mt @ 0.96% Ni for 562,600t of contained nickel.
- Indicated component has increased by over 50% and now comprises 40% of the Global MRE:

  INDICATED: 20.1Mt @ 1.12% Ni for 225,800t of contained nickel.
- The Jaguar deposit starts near-surface with more than 80% of the contained nickel within 200m of surface, making it an exceptional shallow, high-grade nickel sulphide growth and development opportunity that is unique in the global landscape.
- The mineralisation remains open both at depth and locally along strike, with significant potential to increase the size of the Mineral Resource and make new discoveries with further drilling.
- Four diamond rigs continuing to undertake in-fill and extensional drilling in 2021, with additional rigs planned to be mobilised to test deeper, high-grade underground targets and strike extensions of the known deposits, as well as regional exploration across greenfields targets.
- Project development initiatives commenced on multiple fronts, with positive results received from initial metallurgical testwork from both the Jaguar South and Onça Preta deposits, permitting and environmental approvals process underway and preparations for future infrastructure access in progress.
- Positive Scoping Study for the Jaguar Project recently completed in March 2021 which demonstrated a long life, low-cost development of the Project could be undertaken to generate strong returns for Centaurus shareholders as the Company looks to meet anticipated surging demand for key battery metals in the global transition to electrification.
- Centaurus Board approves commencement of Pre-Feasibility work on the Jaguar Project in respect to the Base Case, being production of a nickel concentrate via a traditional nickel flotation circuit.
- Value-Added Scoping Study well advanced and nearing completion for production of nickel metal via a pressure oxidation circuit.

CORPORATE

- Consolidation of issued capital completed on a 15-for-1 basis, resulting in a tighter capital structure more appealing to a wider range of investors.
- In response to the COVID-19 virus situation, multiple controls were implemented to help protect the health and safety of Centaurus' in-country workforce, their families and the local community, as well as to help maintain business continuity.
- Successful $25.5 million institutional placement completed to accelerate resource growth and development at Jaguar Nickel Project. Strong cash position of over A$24 million at 31 December 2020 to drive ongoing resource definition and exploration drilling in parallel with project development work in 2021.

Chair's Report

Dear Shareholders,

It is a great pleasure to report on what has been an exceptionally positive and successful year for Centaurus.

Our 2019 acquisition of the large-scale Jaguar nickel sulphide project in the world-class Carajás mining district of north-eastern Brazil from Vale has proven to be a genuine company-maker, transforming Centaurus' asset base, investment profile and, ultimately, our market capitalisation – which, at the time of writing this report, was approximately $240 million.

It's important to remember that our ability to transact on this asset with a company the size of Vale was, in several respects, made possible thanks to our decade-long presence in the Brazilian mining industry and the strong reputation we have developed in-country as a professional and capable explorer, permitter and developer of new mines.

This hard-won position is a credit to our first-rate in-country team, led by Bruno Scarpelli, and our incredibly hard-working and tenacious corporate and technical team based in Perth, led by Darren Gordon.

The fact that we have been able to make the most of this acquisition, get on the ground quickly and execute major drilling programs, deliver an outstanding JORC compliant Mineral Resource and complete the first-ever economic study on the project – all within 18 months of the acquisition – is a real credit to them.

These achievements are all the more commendable when considered against the backdrop of the global COVID-19 pandemic over the past year. As we all know, Brazil has been one of the worst affected countries globally, however, Centaurus has been able to implement multiple controls and protocols to help protect the health and safety of our in-country workforce, their families and the community – while maintaining the continuity of our operations throughout.

> “Our plan to transform Centaurus into a clean, efficient and sustainable nickel sulphide producer could not be better timed.

The Jaguar acquisition came with a non-JORC compliant resource of 40.4 million tonnes grading 0.78% Ni for 315,000 tonnes of contained nickel, based on some 55,000m of diamond drilling conducted by Vale. Vale was looking for a Tier-1 bulk tonnage deposit, however, our strategy was to focus on the high-grade massive to semi-massive sulphide intersections and to delineate a smaller tonnage, but higher-grade resource.

This strategy has been highly successful, with an initial 10,000m diamond drill program that commenced in November 2019 paving the way for a maiden JORC Mineral Resource released in June 2020 which really captured the market's attention and resulted in a significant re-rating of our share price.

The Indicated and Inferred Resource of 48 million tonnes grading 1.08% Ni for 517,500 tonnes of nickel (including a high-grade component of 20.6 million tonnes at 1.56% Ni for 321,400 tonnes) confirmed Jaguar as an outstanding, near-surface nickel sulphide deposit – a unique opportunity in the global nickel sulphide landscape where many major deposits require underground extraction methods.

Following the receipt of regulatory approvals for the Jaguar Project acquisition in April 2020 and with the formal transfer of the Mining Lease Application to Centaurus from Vale in October 2020, we were able to embark on the next key growth phase at Jaguar – supported by a successful $25.5 million institutional placement in July.

This paved the way for a major new 75,000m drilling program, consisting of Resource in-fill, step-out and extensional drilling at the key Jaguar deposits, along with the first-ever significant regional exploration to be undertaken at the Project. As part of this expansive drilling effort, we have had five drill rigs on site for much of the latter half of the year – a significant logistical and technical achievement.

We also commenced work towards the delivery of a Scoping Study on the Jaguar Project, retaining highly credentialed consultants to undertake the first-ever economic evaluation of the Project.

As part of this process, we articulated our aspiration given the scale and quality of the Jaguar Project to become a clean and efficient 20,000-plus tonne per annum nickel producer by the end of 2024 to assist in the global transition to electrification and to meet anticipated surging demand for key battery metals.

The Scoping Study which was recently completed and delivered to the market in March 2021, was underpinned by the updated Jaguar March 2021 JORC Indicated and Inferred Mineral Resource of 58.9 million tonnes at 0.96% Ni for 562,600 tonnes of contained nickel. Crucially, the Indicated component that drives the Scoping Study economics rose by over 50% to 20.1 million tonnes at 1.12% Ni for 225,800 tonnes of contained nickel.

The Scoping Study results demonstrated strong economics from a long life, low cost 2.7Mtpa operation producing approximately 20,000 tonnes per annum of recovered nickel in concentrate over an initial mine life of 10 years.

Our plan to transform Centaurus into a clean, efficient and sustainable nickel sulphide producer could not be better timed.

The metal's 20 per cent rise over the past year has been driven by a combination of strengthening macro-economic conditions (particularly demand for stainless steel, which is currently the main use for nickel) and growing optimism that demand will soar in the future from the rapidly growing EV and renewable energy sector.

Nickel is a critical ingredient in high-performance lithium-ion batteries, and commodities forecaster Roskill expects automotive electrification will represent the single-largest growth sector for nickel demand over the next 20 years. Roskill expects that global nickel demand from the EV sector will reach 2.6 million tonnes per annum by 2040 – a very significant increase from 2020 levels.

This monumental shift in forecast nickel demand is set against the backdrop of a dearth of new high-quality nickel projects coming on-stream – particularly the Class-1 nickel required for EV batteries, which will predominantly be sourced from sulphide projects (such as Jaguar) or by higher-cost High Pressure Acid Leach (HPAL) processing.

Our strong progress over the past 12 months at Jaguar, together with this exceptionally strong long-term demand outlook for nickel, puts Centaurus in a very strong position as we continue to progress our development studies, which started with the recent delivery of the Scoping Study and will continue though into the Company's Pre-Feasibility Study work.

Outside of the Company's Jaguar Nickel Sulphide Project, the Company retains its advanced Jambreiro Iron Ore Project. Jambreiro remain a valuable asset for the Company and a number of initiatives remain afoot to deliver some of this value to shareholders. Offtake remains a key step to unlocking the value in the asset with discussions recommenced towards the end of 2020 in this regard.

The strength of Centaurus current position is thanks to the exceptional efforts of our small, but very hardworking team, led by our Managing Director Darren Gordon. My sincere thanks to all of our staff and contractors for their efforts. I would like to particularly acknowledge our team in Brazil who have delivered outstanding results despite the difficulties faced by COVID-19.

I would also like to thank you – our shareholders – for your continued support.

We have laid an outstanding foundation for our future growth and development, and I look forward to sharing our continued success with you all.

Didier Murcia
CHAIR

Focus for the Year Ahead

To significantly advance the jaguar nickel sulphide project towards development.

→ Undertake all activities in a **safe, environmentally friendly** and **sustainable** manner

→ Maintain **aggressive exploration** program and complete 65,000 metres of drilling at the Jaguar Nickel Sulphide Project

→ Commence and Complete **Pre-Feasibility Study** for both the **Base Case** and **Value-Added Case**

→ **Deliver value to Shareholders** in respect to the Jambreiro Iron Ore Project

Nickel Market Price

Nickel is mainly used in the production of stainless steel and other alloys and can be found in food preparation equipment, mobile phones, medical equipment, transport, buildings, power generation and increasingly in battery usage. The current size of the nickel market is approximately 2.5Mtpa with overall nickel use growing at an annual rate of 4% per annum over the last decade.

Nickel demand for batteries grew fourfold in the 6-year period from 2012 to 2018, with the growth occurring from a low base of approximately 33,000 tonnes per annum or 2% of market. Scenarios for the increased rate of adoption of electric vehicles (EVs) conservatively forecast requires additional nickel volumes of between 750,000 tonnes and 2 million tonnes per annum.

Future nickel demand from EV use will far exceed nickel production from existing operations in any scenario of EV adoption.

EV nickel demand requires Class-1 nickel provided by sulphide and HPAL projects, rather than NPI which principally targets nickel for stainless steel production.

The forecast rapid increase in adoption of electric vehicles and the growing importance of battery technology will logically drive increased demand for higher purity nickel. Stated government policy in relation to renewable energy and EVs and strategic targets for EV production set by global automotive manufacturers all support this paradigm. Forecasts of stronger and quicker uptake of electric vehicles in the future continues to firm the view of a positive outlook for Class 1 nickel.

Global stimulus spending is also resulting in strong demand for stainless-steel which is favourable for nickel prices.

The Company's plan is to have the Jaguar Nickel Sulphide Project in production by the end of 2024, which is expected to coincide with the surging demand for nickel from EV production across the globe.

The graph below shows the historical LME nickel price for the 10-year period from 2010 to 2020. Prices demonstrated strong growth during the year and settled at US$16,540/tonne (A$21,460/tonne) at the end of the reporting period.

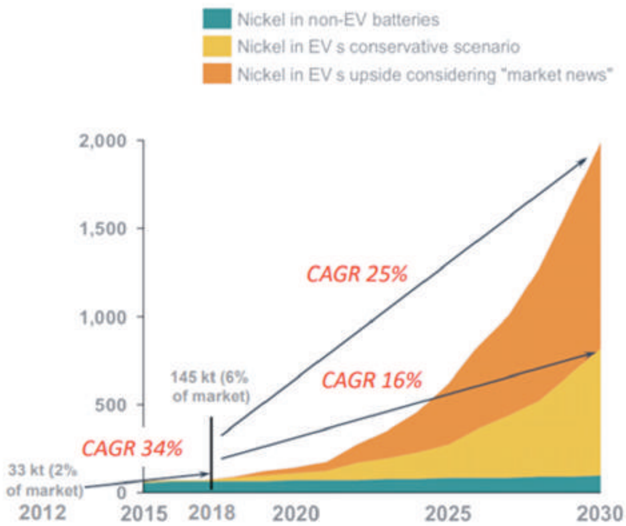

Figure 1 *- Forecast Nickel Consumption*
Source *- Vale, Terra Studios*

LME NICKEL HISTORICAL PRICE GRAPH

Figure 2 *- LME Nickel Price*
Source *- London Metal Exchange*

Environmental, Social & Governance

ESG PROGRAM

In 2020, Centaurus commenced development of its formal environmental, social and governance (ESG) policy framework, which is currently based on the recommendations and principles of two different sources; being:

- Towards Sustainable Mining (TSM) Principles
- 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 with PRI principles with actions to be implemented during exploration and other actions to be implemented during operations. Below is a list of some of the initiatives already taken by the Company to date at the Jaguar Project region:

- All Centaurus employees working on the project have now moved to the local town and are living there with their families, solidifying the relationship between the Company and the local community.
- More than 90% of the workforce currently working on the project, including employees and outsourced labour, are from the south eastern region of the State of Pará.
- Considering the exploration and environmental activities completed to date, more than 80% of the investment Centaurus is making in respect to the exploration and development work on the Jaguar Project has been awarded to the local community through drilling contracts, engagement of consultants and services and purchase of equipment and supplies.
- Construction of bridges, installation of culverts and upgrade of road between the town and the site as seen in Figure 10. The upgrade is planned to continue during the next dry season (May – Nov 2021).
- Collection of extensive flora, fauna, hydrological and social data in the region, which is currently being used to prepare the environmental and social programs to be put in place during construction and operation of the Jaguar project. These programs are aimed at minimising the negative impacts and maximising the positive impacts of the project.
- During the collection of social data, more than 95% of the local community interviewed was in favour of the project.
- Partnership with the two villages closest to the project site in order to improve their sanitation systems, including waste disposal, water supply and sewage treatment.
- Construction/improvement of a site camp (capacity of up to 100 people), in order to minimise employee contact with local community during any given working week to mitigate the risk of Covid-19 transmission.
- Donation of gowns, masks and test kits to local towns as an aid to control the Covid-19 pandemic.

COVID-19 RESPONSE

With the continuing evolution of the COVID-19 pandemic throughout CY2020, Centaurus took a number of important steps to safeguard the health and safety of the Company's workers, their families and the wider community while at the same time maintaining business continuity.

These included the introduction of a number of new protocols, revised working arrangements and social distancing practices as well as making a significant contribution to the local municipal health services of Tucumã and São Félix do Xingu through the purchase of masks, gowns, hand sanitiser and COVID-19 test kits to better equip them for any future ramp-up in the delivery of health services in these communities.

Drilling programs were slowed to 2 diamond rigs operating on single shift from April to July 2020. This allowed the Company to implement its social distancing regime and to allow appropriate operating protocols to be put in place prior to ramping up drilling activity once again. With appropriate and well thought out protocols in place, the drilling activity ramped up to 4 diamond and 1 RC rig operating on double shift.

The Company commenced monthly COVID-19 testing of its employees and all site personnel in August 2020, with test kits also in stock to test any personnel who are feeling unwell or showing COVID-19 like symptoms.

In October 2020, the Company employed a nurse dedicated to the management of its COVID-19 activities. The Company also adopted a procedure that any worker going/returning to site after an extended break is required to take the COVID-19 test before leaving his/her break location.

In early 2021, Brazil started vaccinating the population, starting with health professionals and the elderly. The country is targeting to have vaccinated more than 70% of its 210 million population by the end of 2021.

As noted above, the Company has established a dedicated site camp for field employees to stay during the course of the working week. This allows enhanced social distancing measures by limiting employee contact with the broader community during the working week.

Other than slow assay turnaround times in recent months, COVID-19 has had relatively minimal impact on the Company's operations and the tight protocols adopted by the Company have been highly effective in managing the risk of transmission.

HEALTH & SAFETY

No Lost Time Injuries (LTIs) occurred during the 12-month period ended 31 December 2020. The LTI measure is a key metric in measuring the Group's drive to achieve a zero harm work environment and compares favourably to the average LTI Frequency Rate of 4.2 for the West Australian Exploration Industry for the 2019/20 period.

Three medical treatment injuries occurred during the same period and the Total Recordable Injury Frequency Rate for the Group's operations in Brazil was 12.50, representing a significant improvement to the prior year's outcome of 68.40. The improved performance is a reflection of the considerable work undertaken on the implementation of the Safety Management Plan during the year which included the implementation of an improved reporting framework, enhanced engagement processes designed to involve employees in the management of safe work processes and the ongoing development of the safe work culture within the business and a safety incentive arrangement to reward and reinforce improved safe working practices.

Figure 3 *- COVID-19 Testing at Tucumã Office*

Strategy & Key Assets in Brazil

Centaurus' key focus throughout the 2020 calendar year was on the exploration and development of the advanced Jaguar Nickel Sulphide Project, located in the world-class Carajás Mineral Province in Brazil. The Carajás Mineral Province is Brazil's premier mining hub, containing one of the world's largest known concentrations of bulk tonnage IOCG deposits as well as hosting the world's largest high-grade iron ore mine at S11D.

Centaurus completed the acquisition of the Jaguar Project from global mining giant, Vale S.A. in April 2020, and has since confirmed the Project's status as a globally significant potential source of new nickel sulphide supply, with drilling programs culminating in the delivery of an updated Indicated and Inferred Mineral Resource Estimate (MRE) for the Project in March 2021 of **58.9Mt grading 0.96% Ni for 562,600t of contained nickel[2].**

The updated MRE included a 50% increase to the Indicated component of the Resource, which now sits at 20.1Mt grading 1.12% Ni for 225,800 tonnes of contained nickel.

Importantly, more than 80% of the contained nickel in the Global MRE is located within 200m of surface. The March 2021 MRE including the near-surface, high-grade resources have underpinned the Jaguar Scoping Study, which was recently released to the market.

The Base Case Scoping Study has considered an operation whereby the Company would produce high-grade nickel concentrate using a traditional nickel flotation process. A second Value Added Scoping Study, which is due for delivery in late April, will consider the conversion of the Jaguar concentrate to a high-quality nickel sulphate or nickel metal product for use in the growing EV battery industry and for the broader electrification of industry.

In addition to Jaguar, Centaurus also holds the development-ready Jambreiro Iron Ore Project, where a May 2020 Pre-Feasibility Study update confirmed low costs and strong economics for a 1Mtpa mining operation.

JAGUAR NICKEL SULPHIDE PROJECT

The Jaguar Nickel Sulphide Project hosts multiple nickel sulphide deposits and exploration targets within a 30km2 land package in the western portion of the world-class Carajás Mineral Province.

The Jaguar Project is ideally located close to existing infrastructure, just 35km north of the regional centre of Tucumã (population +35,000), where a 138kV sub-station is located. The Project is also only 15km north west of Vale's huge Onça Puma Ferronickel operation.

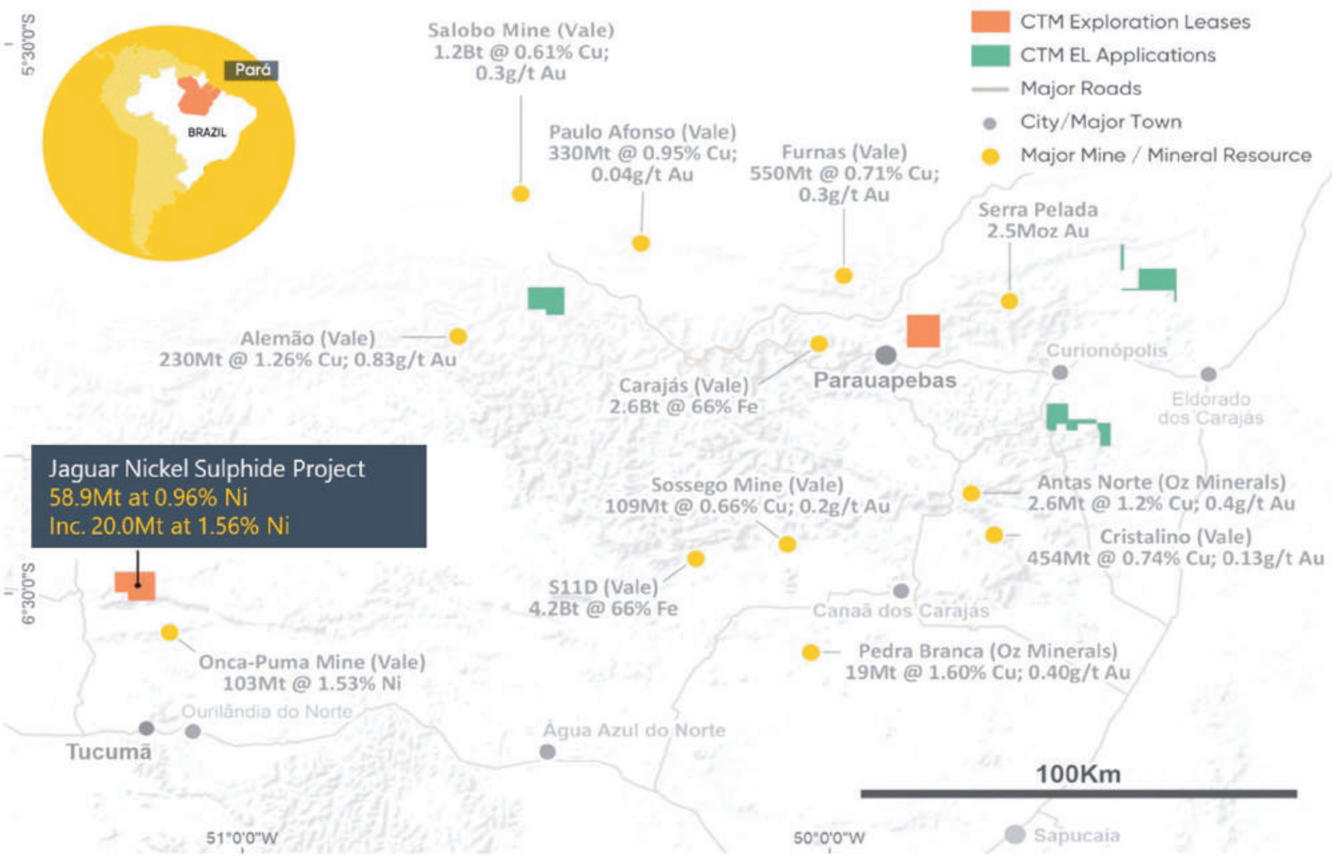

Figure 4 *- Location of the Jaguar Nickel Sulphide Project in the world-class Carajás Mineral Province, Brazil.*

[2]Refer ASX release 29 March 2021

MAIDEN JORC RESOURCE – JUNE 2020

Centaurus completed its maiden drilling program at the Jaguar Project during CY2020, comprising a total of 49 drill-holes for 9,786m. The program had two clear objectives – firstly to extend the known high-grade nickel sulphide intersections and, secondly, to identify new high-grade nickel sulphide zones.

This program was highly successful, confirming extensions to known high-grade nickel sulphide zones, identifying new high-grade zones within the Jaguar Central, Jaguar North, Jaguar South and Onça-Preta deposits and delivering a new high-grade discovery at Onça Rosa.

Results from this maiden drilling program, together with historical drilling data from Vale, underpinned the delivery of a maiden JORC 2012 Mineral Resource Estimate for the Jaguar Nickel Sulphide Project of 48.0Mt at 1.08% Ni for 517,500 tonnes of contained nickel.

Importantly, the maiden MRE included a significant higher-grade component of 20.6Mt grading 1.56% Ni for 321,400 tonnes of contained nickel, forming the cornerstone of the Company's strategy to establish a high-grade, high-margin nickel sulphide project.

The maiden MRE was completed by independent resource specialists Trepanier Pty Ltd and was based on more than 65,000m of diamond drilling, including 218 diamond drill holes.

Full details of the maiden MRE for the Jaguar Nickel Sulphide Project were provided in the Company's ASX Announcement dated 29 June 2020.

RESOURCE IN-FILL, STEP-OUT AND EXTENSIONAL DRILLING PROGRAM

Following the completion of the maiden MRE detailed above, Centaurus launched a major new 75,000m drilling program in September 2020, comprising Resource in-fill, step-out and extensional drilling, plus regional exploration drilling. This program is expected to be completed by the end of CY 2021, with 19,527m of this drilling completed during CY2020.

The primary focus of the resource development in-fill drilling was on the conversion of Inferred Resources to Indicated status within potential open pit limits at the primary project deposits. This involved in-fill drilling on a 50m x 50m drill spacing (and in some places a closer spacing) at the Jaguar South, Jaguar Central, Jaguar North and Onça Preta Deposits, which represent approximately 67% of the contained metal in the Global MRE. All drilling has been diamond core and all holes have been cased for DHEM surveys.

This in-fill program was highly successful, underpinning a strong increase in the global MRE at the Jaguar Project announced subsequent to the end of the reporting period (see below).

In addition, Resource extension drilling successfully highlighted significant extensions to several of the mineralised ore bodies defined within the June 2020 MRE.

Key highlights included step-out drilling at the Jaguar Central Deposit, which confirmed down-dip extensions to the high-grade nickel mineralisation shoot, which is now over 500m long and remains open at depth and along strike. Assay results from step-out hole JAG-DD-20-104 returned the best intersection from the high-grade Jaguar Central shoot to date of:

→ 30.8m at 3.30% Ni, 0.22% Cu and 0.06% Co from 180.7m, including:

→ 12.1m at 5.38% Ni, 0.31% Cu and 0.09% Co from 195.3m.

Core photos from JAG-DD-20-104 are shown in Figure 5 with individual nickel assay results. Cross-sections of the Jaguar Central and Jaguar South deposits are shown in Figure 6.

Figure 5 *- Core photo from drill hole JAG-DD-20-104, 195.3m to 207.4m for 12.1m at 5.38% Ni, 0.31% Cu and 0.09% Co.*

Across all deposits at the Jaguar Project the mineralisation remains open at depth and locally along strike. Down-hole Electromagnetic (DHEM) conductor plates, shown in blue on the cross sections in Figure 6 and 7, are consistently indicating the presence of conductive semi-massive to massive sulphide below the deepest drilling that present outstanding growth opportunities through deeper drilling.

Some of the high-grade intervals from the CY2020 diamond drilling completed at Jaguar include:

- **33.7m at 2.23% Ni,** from 45.6m in drill hole JAG-DD-20-056 (Jaguar Central);
- **44.9m at 1.36% Ni**, from 128.0m in drill hole JAG-DD-20-070 (Jaguar Central);
- **47.1m at 1.37% Ni,** from 65.9m in drill hole JAG-DD-20-075 (Jaguar Central);
- **53.0m at 0.94% Ni,** from 25.0m in drill hole JAG-DD-20-080 (Jaguar Central);
- **59.6m at 0.95% Ni,** from 83.0m in drill hole JAG-DD-20-051 (Jaguar Central);
- **40.5m at 1.35% Ni,** from 20.0m in drill hole JAG-DD-20-042 (Jaguar Central);
- **67.3m at 1.20% Ni,** from 67.0m in drill hole JAG-DD-20-047 (Jaguar Central);
- **37.7m at 2.11% Ni,** from 109m in drill hole JAG-DD-20-034 (Jaguar South);
- **21.8m at 2.65% Ni,** from 22m in drill hole JAG-DD-20-029 (Jaguar South);
- **14.0m at 2.40% Ni,** from 129m in drill hole JAG-DD-20-032 (Jaguar South);
- **30.5m at 1.46% Ni,** from 65m in drill hole JAG-DD-20-041 (Jaguar South);
- **20.0m at 1.40% Ni,** from 161.0m in drill hole JAG-DD-20-084 (Jaguar South);
- **28.5m at 1.44% Ni,** from 29.1m in drill hole JAG-DD-20-050 (Jaguar North);
- **26.8m at 1.21% Ni,** from 84.3m in drill hole JAG-DD-20-046 (Jaguar North);
- **12.0m at 1.81% Ni,** from 79.0m in drill hole JAG-DD-20-048 (Jaguar North);
- **14.9m at 2.94% Ni,** from 57m in drill hole JAG-DD-20-021 (Onça Preta);
- **26.2m at 1.42% Ni,** from 221m in drill hole JAG-DD-20-037 (Onça Preta); and
- **9.3m at 3.13% Ni,** from 281.8m in drill hole JAG-DD-19-017 (Onça Rosa).

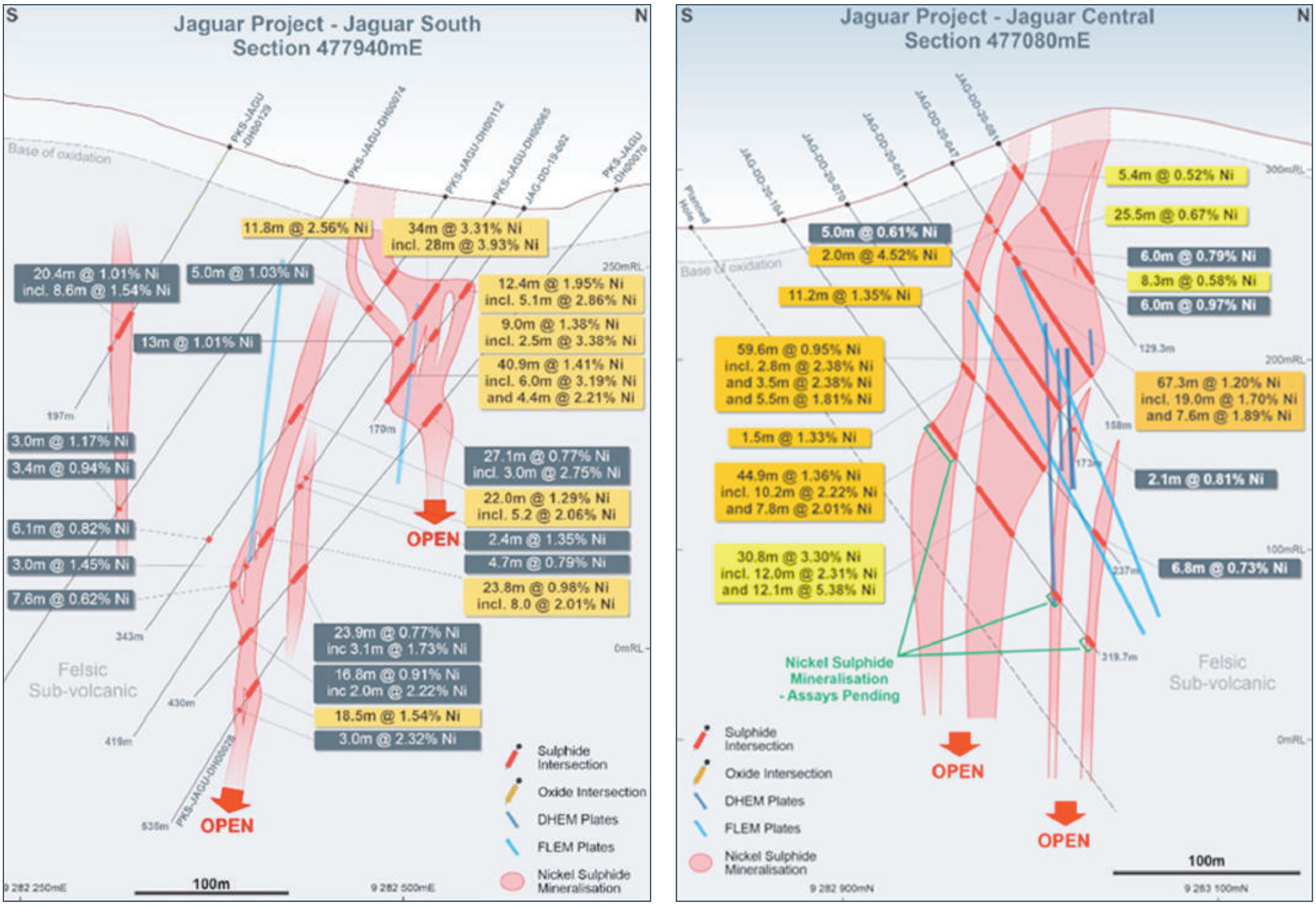

***Figure 6** - Cross-Sections of the Jaguar South Deposit 477940mE (left) and Jaguar Central Deposit 477080mE (right)*
(showing a number of significant drill intersections (in yellow) with DHEM conductor plates in blue)

Interestingly the Onça deposits are less than 250m from the Puma Layered Mafic-Ultramafic Complex (Figure 7) which is interpreted to be the potential source of the hydrothermal nickel sulphide plumbing and an outstanding target for more high-grade mineralisation. These targets are to be tested in CY2021.

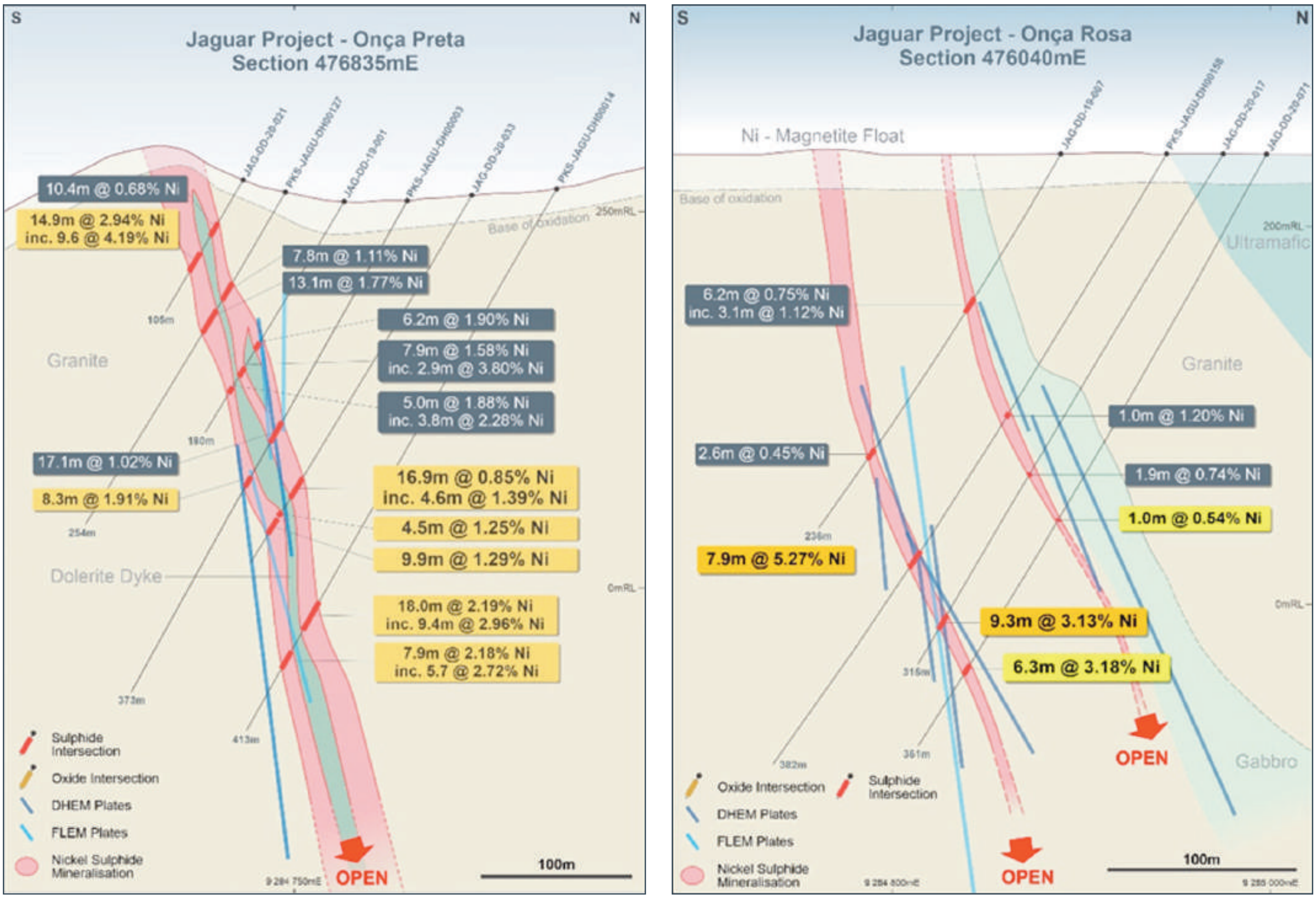

***Figure 7** - Cross-Section of the Onça Preta Deposit 476835mE (left) and the Onça Rosa Deposit 476040mE (right)*
(showing the significant drill intersections (in yellow) with DHEM conductor plates in dark blue and FLEM plates in light blue).

Subsequent to the end of the reporting period, Centaurus delivered an updated JORC 2012 Indicated and Inferred Mineral Resource Estimate (MRE) for the Jaguar Project of **58.9Mt at 0.96% Ni for 562,600 tonnes** of contained nickel (Table 1).

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

Table 1 - The Jaguar JORC Mineral Resource Estimate (MRE)
** Within 200m of surface cut-off grade 0.3% Ni; more than 200m from surface cut-off grade 1.0% Ni; Totals are rounded to reflect acceptable precision. Subtotals may not reflect global totals.*

The March 2021 MRE update included a 50% increase to the Indicated component of the Resource, which now sits at **20.1Mt grading 1.12% Ni for 225,800 tonnes of contained nickel**, with this Indicated component now representing 40% of the Global MRE. Significantly, the grade of the Indicated component is almost 20% higher than the global MRE grade, demonstrating the quality of this higher geological confidence mineralisation to support early payback in any future mining operation at Jaguar. Furthermore, more than 80% of the contained nickel in the Global MRE is located within 200m of surface.

The Company's JORC 2012 Mineral Resource Estimate (MRE) update was completed by independent resource specialists Trepanier Pty Ltd. The March 2021 Global MRE is based on more than 74,500m of diamond drilling, including 267 diamond drill holes. This includes an additional 49 diamond holes, for 8,150m of predominantly in-fill drilling completed after the Company's maiden JORC MRE released in June 2020.

The results of the in-fill drilling correlated very well with the interpretation of the previous (June 2020) Inferred Resource. In addition to providing increasing control on the mineralised zones and grade distribution, the closer spaced drilling has also helped develop an important structural model for the Project.

The successful in-fill drilling at the Jaguar and Onça Deposits means that more than 40% of the Global MRE is now classified in the higher-confidence Indicated category. Importantly, the Jaguar Central Deposit now has more than 80% of the Resource in the Indicated category, while at Jaguar South over 50% of the Resource is now in the Indicated category.

The Jaguar Central and Jaguar South deposits are likely to deliver the bulk of the mine plan in the early years of any future operation and it is these deposits that underpinned the recently delivered Jaguar Base Case Scoping Study.

The Jaguar and Onça Deposits are unique in the nickel sulphide sector as the high-grade nickel sulphide mineralisation comes to surface and remains open at depth. As noted above, with more than 80% of the contained nickel in the Global MRE within 200m of surface, the potential for open pit mining is strong.

As seen in Table 1 above, 97.5% of the Resource is comprised of fresh sulphides, 2.5% transitional sulphides and all oxide material is considered as waste and therefore not reported as Resources.

A revised 0.3% Ni cut-off grade has been applied to material less than 200m vertical depth from surface in the estimation of the Global MRE. This is now consistent with the mineralisation domain modelling and reported significant intersection cut-off grades. The low cut-off grade accounts for the shallow nature and open pit potential of the mineralisation at Jaguar and the anticipated low operating cost structure of the Project. A 1.0% Ni cut-off grade has been maintained for resources below 200m from surface to reflect the need for this mineralisation to be mined via underground mining methods.

The Jaguar MRE at various cut-off grades is shown in Table 2, with the reported Jaguar Global MRE and Jaguar High-Grade MRE highlighted in dark grey.

Ni% Cut-off Grade		Tonnes	Grade			Metal Tonnes		
Surface - 200m	+ 200m	Mt	Ni %	Cu %	Co ppm	Ni	Cu	Co
0.3	**1.0**	**58.9**	**0.96**	**0.07**	**262**	**562,600**	**38,800**	**15,400**
0.4	1.0	56.0	0.99	0.07	270	552,200	38,100	15,100
0.5	1.0	49.9	1.05	0.07	287	524,900	36,300	14,300
0.6	1.0	42.0	1.15	0.08	311	481,200	33,500	13,100
0.7	1.0	34.8	1.25	0.09	339	434,500	30,400	11,800
0.8	1.0	28.6	1.36	0.09	367	388,400	26,900	10,500
0.9	1.0	23.8	1.46	0.10	394	347,700	23,800	9,400
1.0	1.0	20.0	1.56	0.10	419	311,100	20,600	8,400
1.1	1.1	16.1	1.68	0.11	468	270,700	18,400	7,500
1.2	1.2	13.0	1.81	0.13	526	235,300	16,700	6,900
1.3	1.3	10.8	1.92	0.14	581	208,100	15,300	6,300

Table 2 *- The Jaguar JORC Indicated and Inferred MRE at various Ni% Cut-Off Grades**
Totals are rounded to reflect acceptable precision; subtotals may not reflect global totals.

TARGETS FOR ONGOING MINERAL RESOURCE GROWTH

The March 2021 JORC MRE update for the Jaguar Nickel Project is for the six Jaguar deposits and two Onça deposits only. Significant potential remains to expand both the shallow and deeper high-grade Resources within the Project.

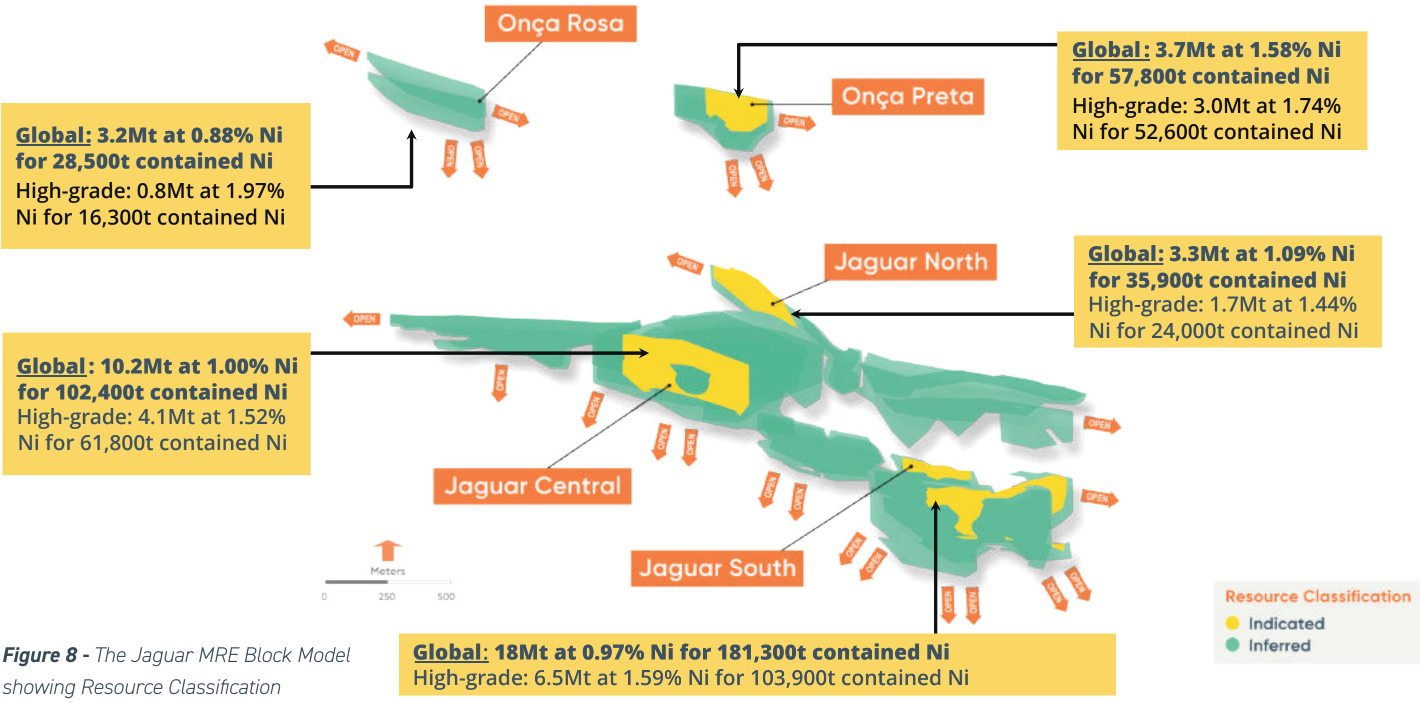

Figure 8 - *The Jaguar MRE Block Model showing Resource Classification*

Drilling in 2021 will focus on the following target areas ahead of the next Resource upgrade expected in Q3 2021 to support planned Pre-Feasibility Study activities:

→ Jaguar Central

- Step-out drilling is planned to test the DHEM conductors and potential down-dip extensions of the high-grade mineralisation shoot; and
- Further drilling is planned along strike and down-plunge to test new DHEM and FLEM conductors to the west and east where drilling on historical sections is wide-spaced (over 100m between holes).

→ Jaguar South

- Step-out drilling is planned to test the DHEM conductors and potential down-dip extensions of the high-grade mineralisation within the main mineralised zones; and
- Drilling is planned along strike to test an interpreted high-grade plunge to the east-northeast, targeting new DHEM conductors.

→ Jaguar Central North

- In-fill drilling to upgrade the resource category within the Scoping Study open pit limits;
- Drill the target 'Z-structure', part of a set of newly identified fold axis and high-grade mineralisation shoots at the intersections of the Jaguar Central North Deposit with the Jaguar Central and Jaguar North Deposits;
- Jaguar West & Jaguar North-east
- Maiden in-fill and extensional drilling is planned to target historical high-grade zones and EM conductor plates with a focus on potential in-pit resources.

→ Onça Preta & Onça Rosa

- Step-out drilling is planned to test DHEM conductors and potential down-dip extensions of the high-grade mineralisation.

→ Jaguar North

- Step-out drilling is planned to test the DHEM conductors and potential down-dip extensions of the high-grade mineralisation; and
- Drilling is planned along strike to test new FLEM conductors coincident with large ground magnetic anomalies to the northwest and southeast (at the 'Z-structure'), both untested areas.

Any new discoveries will be followed up immediately and are expected to be included in the Pre-Feasibility Resource update planned for Q3 2021.

JAGUAR SCOPING STUDY – BASE CASE AND VALUE-ADDED CASE

The updated Global MRE has underpinned the recently released Jaguar Nickel Project Base Case Scoping Study (SS) and will also underpin the Value-Added SS which is due for completion and release in late April 2021.

The Company engaged industry leading engineering groups, Entech and DRA Global to complete the SS in conjunction with the Company's internal technical team and other industry consultants.

Entech assisted with the mine, planning and geotechnical components of the SS, with a focus on evaluating the potential open pit and possible underground operations. Entech has extensive base metals open pit and underground experience, working on multiple base metal projects previously with Mincor, Western Areas, Panoramic, Sandfire and Sirius/IGO.

DRA was responsible for all engineering aspects, compilation and final delivery of the Scoping Study. DRA has a significant global footprint with 18 offices across six continents and has delivered projects in more than 30 countries, including in South America.

Base Case Scoping Study

The Base Case Scoping Study is for the production of a high-grade nickel concentrate using a traditional nickel flotation process . Entech's mine engineering and pit optimisation work has assisted the Company in determining the current proposed throughput for the Project and this has then been used to determine the mining sequence.

Based on the Global MRE, it is clear that a significant portion of the resource is within 200m from surface and this has greatly assisted the Company in defining a project with a significant component of the mine plan in open pits.

The metallurgical test work already completed on the Project consistently shows that a quality nickel concentrate grading approximately 16% nickel at a nickel recovery of circa 78% using a conventional flotation process can be produced. The metallurgical test work results combined with the pit optimisation and mine design has been used by the Company and DRA Global to establish the proposed flowsheet and project layout to facilitate the estimation of capital and operating costs for the Project and to make an initial assessment of the project economics.

The Base Case Scoping Study indicates very strong economics from a long life, low cost 2.7Mtpa operation at Jaguar. Project highlights are presented below.

Strong Financial Returns

- → Post-tax NPV8 of ~US$453 million (~A$604 million)
- → Post-tax IRR of ~54%
- → Post-tax capital payback of ~1.9 years from first nickel concentrate production
- → Net Revenue totalling ~US$2.42 billion (~A$3.23 billion)
- → EBITDA totalling ~US$1.23 billion (~A$1.64 billion)
- → Average Annual Free Operating Cash Flow (Pre-tax) of ~US$109 million (~A$145 million)

Physical Parameters

- → Production Target of 32.8Mt @ 0.84% Ni for 275,600t of contained nickel
- → Production Target comprises 61% Indicated Mineral Resources and 39% Inferred Mineral Resources
- → Initial 10-year Mill Feed of 24.0Mt @ 1.08% Ni for 260,300t of contained nickel
- → LOM recovered nickel of 203,300t (~20ktpa annual average nickel in concentrate grading 15.8% Ni)
- → First production is targeted for the end of 2024, based on current environmental approvals timeline
- → Ideally positioned to meet forecast growth in demand for Class 1 nickel from the EV battery market

Operating Costs & Capital Costs

- → Low LOM C1 cash costs of operations of ~US$2.41/lb
- → LOM AISC of ~US$2.97/lb
- → Pre-production CAPEX (including contingency) of ~US$178 million

Uniquely Positioned to be a Long-Term Sustainable Nickel Producer

- → Power for the Project to be delivered from predominantly renewable sources (hydroelectric and solar generation) through the Brazilian power grid
- → Significantly lower carbon footprint from processing of sulphide ore compared to laterites
- → Strong social programs implemented within the local municipalities where the Company operates, currently focused on health, sanitation and water quality
- → Strong COVID-19 protocols adopted to protect employees, as well as to make a contribution to local health services to assist in their COVID-19 response
- → 80% of exploration and development work awarded to local suppliers and contractors
- → Recently completed land possession agreement executed to significantly de-risk future project development activities, with a further two agreements currently being negotiated

Key assumptions, outcomes and economics are further set out in Tables 3 and 4.

Assumption	Units	Base Case
Average LOM Exchange Rate	USD/BRL	5.00
Average LOM Exchange Rate	USD/AUD	0.75
Average LOM Exchange Rate	EUR/BRL	5.80
Ni Price	US$/t	16,530
Ni Price	US$/lb	7.50
Corporate tax rate (Amazon Region)	%	15%
Discount Rate - Real	%	8%
Physicals		
Production Target		32.8Mt @ 0.84% Ni for 275,600t Contained Ni
Mill Feed	Mt	24.0
Mill Feed Head Grade	% Ni	1.08%
Contained Ni in Mill Feed	t	260,300
Recovery to Concentrate	%	78%
Concentrate Grade	%	15.8%
Recovered Ni in concentrate	t	203,300

***Table 3** - Financial Model Assumptions*

Key Statistics	Units	Base Case
Capital Costs		
Development Capital	US$M	178
Sustaining and Deferred Capital	US$M	138
Operating Costs (100% payable basis)		
C1 Cash Costs	US$/lb	2.41
Royalties	US$/lb	0.25
Total Operating Costs	**US$/lb**	**2.66**
Sustaining and Deferred Capital	US$/lb	0.31
All-in Sustaining Costs (AISC)	**US$/lb**	**2.97**
Development Capital	US$/lb	0.40
All-in Costs	**US$/lb**	**3.37**
Financial Metrics		
Total Revenue	US$M	2,422
Project Cashflow - pre-Tax	US$M	914
NPV_8 - pre-Tax	**US$M**	**543**
EBITDA	**US$M**	**1,230**
IRR - pre-Tax	%	62%
Tax Paid	US$M	(137)
Project Cashflow - post Tax	US$M	777
NPV_8 - post Tax	**US$M**	**453**
Project Cashflow - post Tax	A$M	1,036
NPV_8 - post Tax	**A$M**	**604**
IRR - post Tax	%	54%
Capital Payback Period – post Tax	**Years**	**1.9**

***Table 4** - Key Project Results*

Value-Added Case Scoping Study

In parallel with the Base Case SS, the Company has also been investigating project value-adding opportunities, including the conversion of the Jaguar concentrate to a high-quality nickel metal product. The advantages of the addition of a hydrometallurgical add-on process to the Base Case project are numerous and include:

- → High-quality nickel metal product will have a significantly higher payability value than the equivalent metal value in a nickel sulphide concentrate;
- → Nickel metal will attract a price that is 100% of LME. Centaurus expects rising demand for nickel, in part based of the ongoing electrification of industry and growing demand for key battery metals like nickel;
- → Higher metal recoveries can be achieved with focus on sulphide recovery and not concentrate specification;
- → Product shipping costs are significantly reduced as metal product is commonly sold FOB mine-gate; and
- → Importantly, the combined residue from both the flotation and hydrometallurgical processes has orders of magnitude fewer sulphides present compared to a conventional sulphide concentrate project and further reduces the potential environmental impact of the surface storage of the tailings.

The key drivers to the potential viability of further value adding to the sulphide concentrate base case are premised on the Jaguar Project's location. As the Project is situated in Brazil, and specifically the infrastructure rich Carajás Mineral Province, it provides a number of favourable attributes rarely accessible in other locations where nickel sulphide concentrates are produced including:

- → Access to low-cost clean energy - Brazil runs at more than 80% renewable energy and power costs of less than US$0.10kWh are expected to be available to the Project, which is significantly less than remote power costs generally seen in the Western Australian resource sector;
- → Access to a relatively low-cost skilled labour market – the Carajás Mineral Province hosts multiple world class mines within 200km of Jaguar;
- → Access to low-cost residue neutralisation material; and
- → Good availability of high-quality fresh water within the Carajás Mineral Province.

These key drivers combined with a project that has a large MRE with the potential to sustain a long-life mine and nickel concentrate production are optimal for the viability of downstream nickel sulphate or nickel metal value adding options and will be explored extensively.

The Value-Add Case requires additional mine optimisation, mine planning and plant engineering study work, and as such, the delivery of the study is expected in May 2021.

JAGUAR INFRASTRUCTURE AND EARLY-STAGE PROJECT DEVELOPMENT INITIATIVES

The following activities were undertaken and advanced during the reporting period in respect to Project Development initiatives that focused on approvals and future infrastructure access.

Powerline

The Company has defined a powerline route to the Project area from the existing 138kV line in Tucumã and is now developing a timeline to secure the relevant approvals and land access.

The Company has also commenced discussions with powerline construction groups to determine the likely costs and time required to build the line from the time of ordering to delivery of power to site. Further, negotiations have started with power suppliers in the region who generate most of their power from renewable sources.

Site Camp

The Company's site camp has been upgraded to provide a facility that can accommodate the expanded team needed to support the level of drilling planned over the next 12 months, while also supporting the Company's commitment to protecting its workers and their families from the COVID-19 pandemic.

The site camp assists the Company in limiting the employees' potential exposure to COVID-19 that may exist in the local community of Tucumã. The set up is proving to be very effective in keeping the Centaurus team relatively safe from COVID-19 impacts, allowing the Company to continue its extensive drill program and project development activities.

Between direct Centaurus employees and drilling and earthmoving contractors, the Company is presently accommodating approximately 80 people on site in any given week. These staff and contractors are operating in small teams to ensure that social distancing can be maintained for the safety of all on site.

Site Access Road Upgrade Works

The Company has commenced upgrading the gravel road between Tucumã and site. During the wet season (January-April) the localised areas along the route have historically become water-logged, impeding travel conditions and speeds due to a general lack of drainage. Multiple bridges have now been repaired and roads improved with some of the work shown in the image in Figure 10 below. The local community has been very appreciative of the road improvements as it makes their commute to Tucumã much safer during the wet season. Further road upgrade work will continue during 2021.

Figure 9 *- Upgrades to the accommodation facility on-site at Jaguar*

Before Upgrades

After Upgrades

Figure 10 *- Site access road upgrades*

Environmental Approval Process

The Company has made very good progress in relation to the environmental approval process for the Project. The Environmental approvals process is currently the main time-determining factor for the Company to deliver on its target of being in production by the end of 2024.

The first stage in the environmental approval process is to complete and lodge the Environmental Impact Assessment (EIA/RIMA), with the lodgement of this document with the Pará State Environmental Agency (SEMAS) dependent on the collection of all wet and dry season data in respect to water and air quality, noise and vibration, flora and fauna.

All wet and dry season data was collected during CY2020 and the Company is targeting the lodgement of the EIA/RIMA document soon after the completion and delivery of the Base Case and Value-Added Scoping Studies.

Once lodged, the EIA/RIMA should take approximately 12 months to be approved with a Preliminary Licence (LP) to be issued on approval of the EIA/RIMA. This is the key approval in the Environmental Approval Process. The chart below in Figure 11 presents the schedule of both the environmental approvals process and the mining lease approval process. It is important to note that the approval of the mining lease is conditional upon the issuance of the environmental Installation License (LI).

Once the Preliminary License (LP) is issued, the Company can make application for the LI, the approval of which allows the commencement of construction of the processing plant.

Greenfields Exploration

The Jaguar Project sits at the intersection of two of the most important mineralising structures in the Carajás Mineral Province, the Canãa and McCandless Faults. There are multiple prospects and targets that have yet to be drill-tested within the Jaguar Project (Figure 9), characterised by magnetic and/or electromagnetic (EM) anomalies coincident with significant soil geochemical support.

The Company completed detailed soil sampling and FLEM surveys during CY2020 that identified multiple priority drill targets. The first three priority targets to be tested during CY2021 are:

- → The Filhote Prospect – A 300m Fixed Loop Electromagnetic (FLEM) conductor plate coincident with a broad (+1.1km) ground magnetic signature and PGE-Ni-As-Cr-Cu soil geochemical anomaly. Historical hole PKS-JAGU-DH00075 returned 18.0m @ 0.35g/t Pd and 0.03 g/t Pt from 95.0m;
- → The Leão Prospect – more than 2.5km of strike hosted multiple GeoTEM and ground magnetic anomalies coincident with Ni-Cu-Cr-V-Au soil anomalism. Only three holes have ever been drilled at this Prospect with one hole returning 3.0m at 1.06% Ni and 0.21% Cu; and
- → The Tigre Prospect – a strong discrete (+800m) GeoTEM anomaly coincident with multiple ground magnetic anomalies and supported by a +1.0km continuous Ni-Cr-As-Au geochemical signature. There are no historical drill holes in the Tigre Prospect.

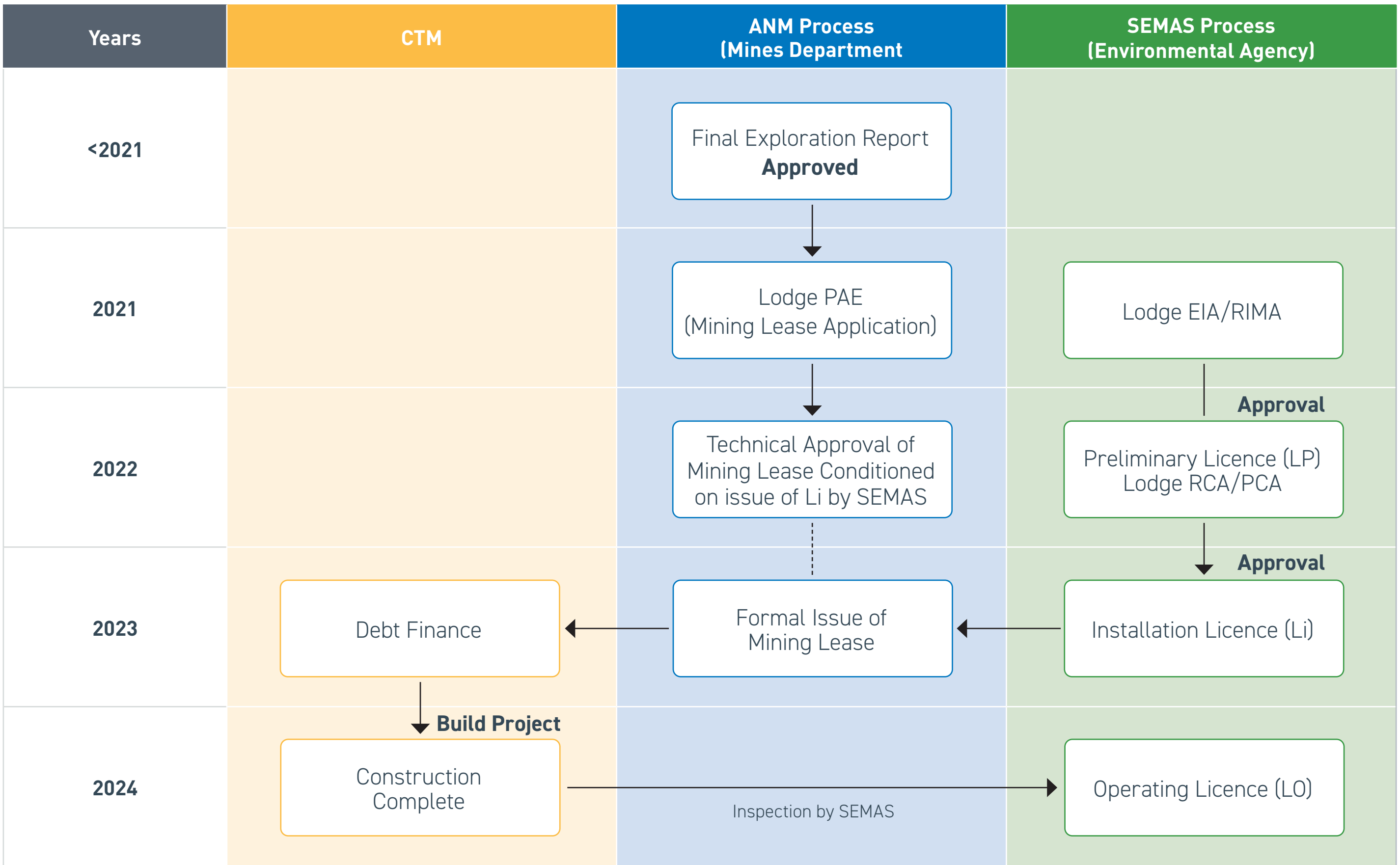

Figure 11 - Environmental and Mining Lease Approval Process

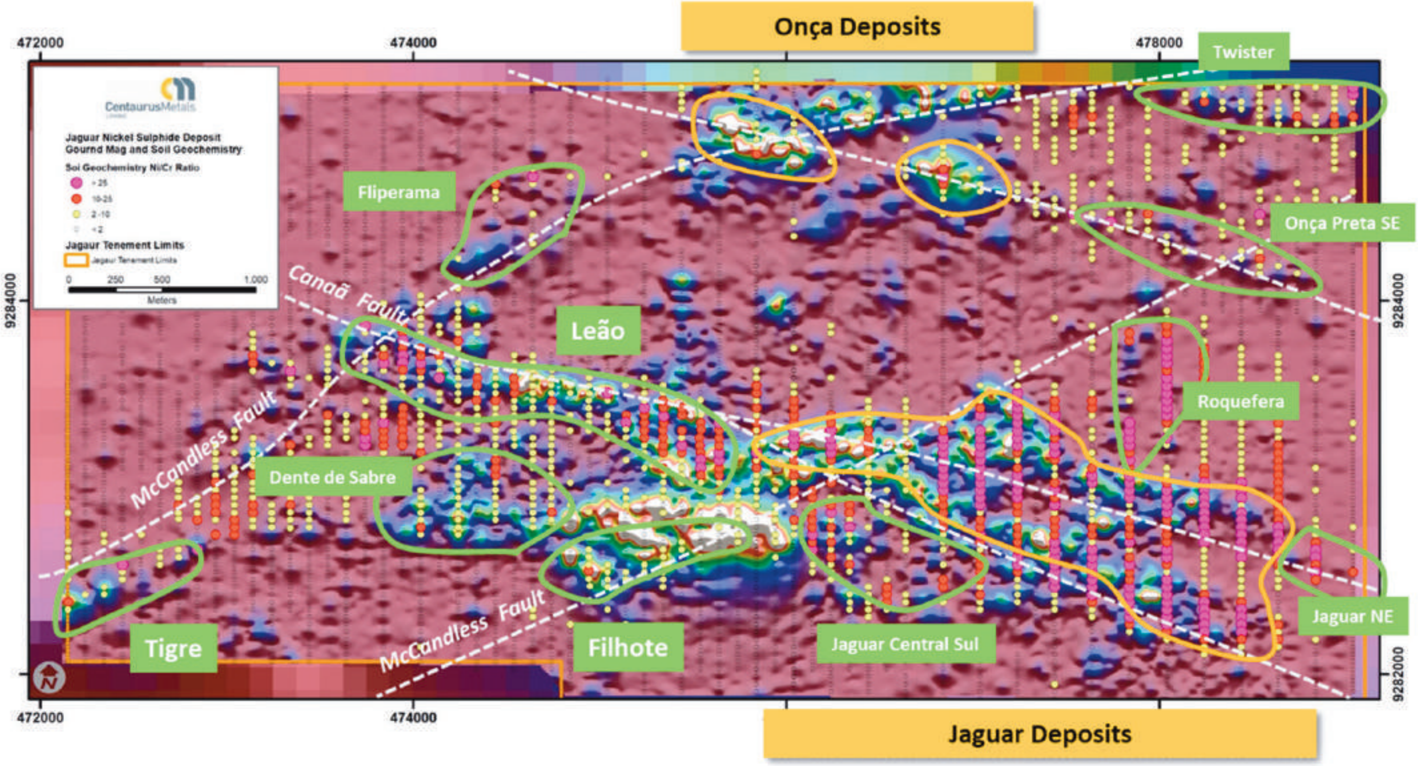

Figure 12 - Key regional exploration targets at Jaguar: soils geochemistry (Ni/Cr) over ground magnetics (analytic signal)

Greenfields drilling is carried out using RC rigs. The initial RC drill contractor was demobilised at the end of CY2020 and a new contractor is set to arrive on site in April 2021 to re-start drilling of the greenfields targets with results expected to be received late in Q2 2021. Any new discoveries will be followed up and included in the Pre-Feasibility resource update expected later in 2021.

Jambreiro Iron Ore Project

The Company's 100% owned Jambreiro Project, located in south-east Brazil (Figure 13), represents a strategic asset in the Brazilian domestic iron ore and steel sector, particularly with the premium pricing that exists in the market for high-grade ore (+65% Fe) such as that which could be produced at Jambreiro.

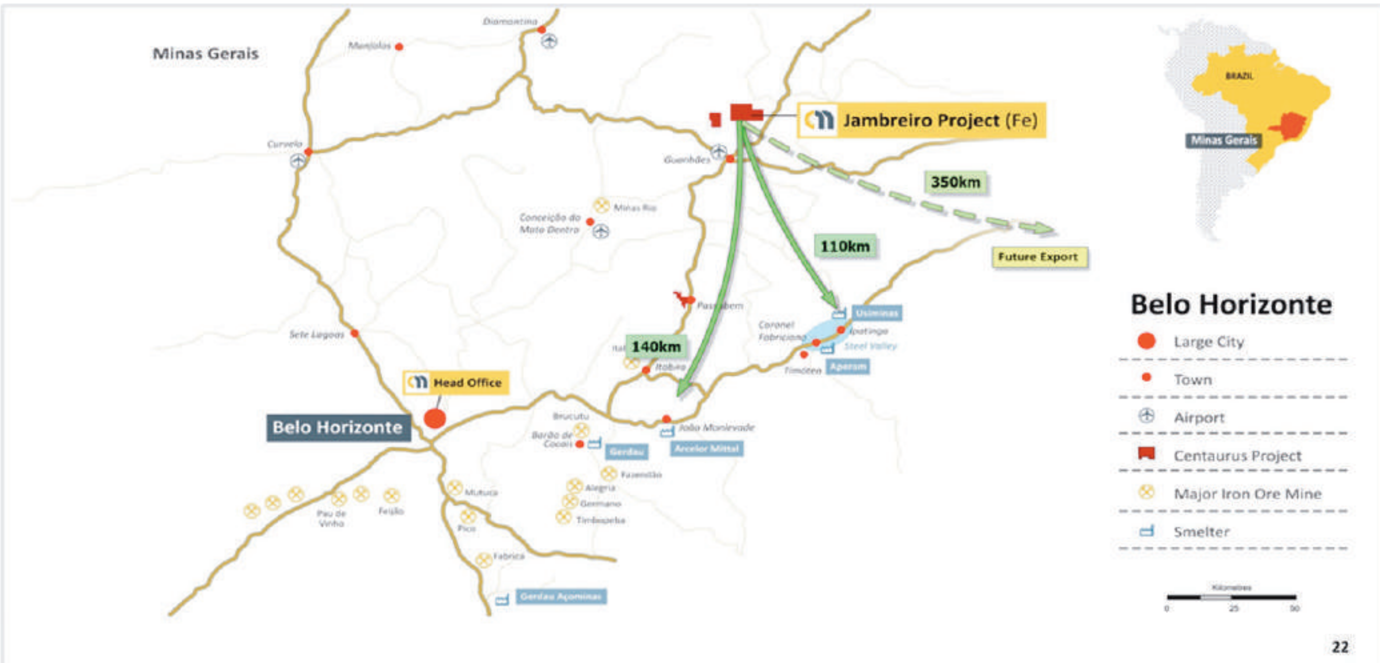

Figure 13 - Location of the Jambreiro Iron Ore Project

Centaurus completed a Pre-Feasibility Study (PFS) in July 2019, with the key financial and technical outcomes announced to the market on 5 July 2019. The 1Mtpa start-up project PFS outlined a A$59.8 million development, life-of-mine revenues of A$1.05 billion and EBITDA of A$533 million over its initial 18-year life to deliver a A$114.9 million post-tax NPV8 and IRR of 32%.

The PFS was based on the JORC 2012 Proven and Probable Ore Reserves estimate of 43.3Mt grading 29.1% Fe, which was also released to the market on 5 July 2019. The Ore Reserve delivers 17.9Mt of high-grade (65% Fe), low-impurity (4.3% SiO2, 0.8% Al2O3 & 0.01% P) sinter product to support the initial 18-year mine life once operations commence.

The Jambreiro Project's potential economics have continued to improve since the July 2019 PFS was completed, and in May 2020, Centaurus updated the key inputs to the Jambreiro project economics, including:

- Updating of the Capex for CDE Global's latest proposal for the 1Mtpa modularised plant (including corresponding adjustment to the contingency on the capex; and
- Applying up to date FX considerations for the GBP, AUD and USD against the BRL.

Consistent with the 2019 PFS, the results of the updated 1Mtpa PFS considered forecast production of 17.9Mt of high-grade low-impurity product at a rate of 1Mtpa over a period of 18 years using the same resource and reserve previously outlined.

All other inputs and parameters used in the Revision were the same as those that outlined in the July 2019 PFS Results release of 5 July 2019. There were no material changes required to the assumptions underlying the Jambreiro Ore Reserves outlined above.

Key Statistic	Previous 2019 Amount BRL	May 2020 Amount BRL	Units	Previous 2019 Amount $AUD	May 2020 Amount $AUD	Units
Basis of Financials (Costs & Prices)						
Nominal Production Rate	1,000,000	**1,000,000**	tpa	1,000,000	**1,000,000**	tpa
Average LOM Exchange Rate						
- USD to BRL	3.70	**4.70**		3.70	**4.70**	
- AUD to BRL	2.60	**3.20**		2.60	**3.20**	
- AUD to USD	0.70	**0.68**		0.70	**0.68**	
Cash Flow Model Discount Rate	8	**8**	%	8	**8**	%
CFR China Reference Price	**75.0**	**75.0**	**US$/t**	**75.0**	**75.0**	**US$/t**
Sinter Feed FOB Mine Gate Price	**41.2**	**41.2**	**US$/t**	**41.2**	**41.2**	**US$/t**
Sinter Feed FOB Mine Gate Price	152	**194**	R$/t	58.7	**60.6**	A$/t
Project Economics & Outcomes						
Total Pre-Production Capex	155.4	**188.2**	R$ M	59.8	**58.8**	A$ M
LOM Revenue	2,736	**3,475**	R$ M	1,052	**1,086**	A$ M
Average LOM Operating Cash Costs						
- mining costs	25.3	**25.3**	R$/t	9.7	**7.9**	A$/t
- processing costs	34.5	**35.2**	R$/t	13.3	**11.0**	A$/t
- site administration costs	5.5	**5.5**	R$/t	2.1	**1.7**	A$/t
LOM Operating Cash Costs (before royalties)	**65.3**	**66.0**	**R$/t**	**25.1**	**20.6**	**A$/t**
- royalties	10.0	**12.3**	R$/t	3.9	**3.8**	A$/t
Total LOM Operating Cash Costs (C1 + Royalties)	**75.3**	**78.3**	**R$/t**	**29.0**	**24.4**	**A$/t**
LOM Operating Cash Margin Pre-Tax	77.3	**115.7**	R$/t	29.7	**36.2**	A$/t
EBITDA (LOM)	**1,386**	**2,071**	**R$ M**	**533**	**647**	**A$ M**
Average Annual Free Cash Flow, Pre-Tax	77.0	**115.0**	R$ M	29.6	**36.0**	A$ M
Net Present Value8 – Pre-Tax	494.6	**786.0**	R$ M	190.2	**245.6**	A$ M
Net Present Value8 – Post Tax	298.7	**471.0**	R$ M	114.9	**147.2**	A$ M
Internal Rate of Return – Post Tax	32	**37**	%	32	**37**	%

Table 5 *- Jambreiro PFS Results from May 2020 Rework*

Since May, potential project economics have continued to significantly improve with the increase in global iron ore prices to over US$160/tonne for a 62% Fe CFR China prices and the ongoing weakness in the Brazilian Real exchange rate to the US dollar.

Indicatively, given there has been no material changes in the conservative modifying factors used to estimate the Jambreiro Ore Reserve and that the capital or operating costs remain in line with the May 2020 Revised PFS, the post-tax NPV8 of the Project at current iron ore prices and current exchange rates would lift to over A$425 million with an IRR over 80%.

The Jambreiro Iron Ore Project retains significant value for the Company, but the completion of a suitable domestic market off-take for Jambreiro product (65% Fe) remains a key step to unlocking this value and to advance financing/partnering discussions for the Project. The Company is continuing to assess off-take/partnering options for the Project and discussions remain open in this regard.

Itapitanga Nickel-Cobalt Project

In November 2018, Centaurus entered into a farm-out joint venture with battery metal specialist, Simulus Group. Under the farm-out, Simulus could earn 80% of the Itapitanga Nickel-Cobalt Project by free-carrying Centaurus to a Decision to Mine.

During CY2020, Simulus Group did not undertake any exploration or development activities, and the Farm-out Agreement was terminated in August 2020, returning control of the Project to Centaurus.

A review of value realisation opportunities for this Project will now be undertaken given the Company's focus on the Jaguar Nickel Sulphide Project.

CORPORATE

COMPLETION OF JAGUAR PROJECT ACQUISITION

In April 2020, the Company received the approval of the Brazilian National Bank for Economic and Social Development (BNDES) for the assignment of BNDES' royalty interest in the Jaguar Project, allowing Centaurus and Vale to finalise all of the remaining steps required to close the Transaction, as contemplated under the Sale and Purchase Agreement announced on 6 August 2019.

The consideration payable to Vale on closing for 100% acquisition of the Jaguar Project was a small upfront cash payment of US$250,000 and the transfer of the Company's greenfield Salobo West tenure. All closing steps were completed during the reporting period, including the payment of the initial cash consideration and the transfer of the Salobo West tenure.

The main component of the cash consideration to Vale is deferred and is contingent on successful production from the Project, which clearly demonstrates Vale's comfort in Centaurus' technical skills and sustainable approach in Brazil to further explore and develop the Project.

In order to transfer unencumbered title to Vale of the Salobo West Copper Gold tenure, concurrent with the closing of the Vale transaction to acquire the Jaguar Nickel Sulphide Project, the Company extinguished Terrativa Minerais SA's royalty over the Salobo West Copper Gold Project.

On 9 April 2020, following the closing of the Jaguar acquisition, the Company issued 7,017,544 Shares to Terrativa, being $1 million worth of shares at the deemed issue price of $0.1425. This was the post consolidation price which represented the 10-day VWAP price of Shares immediately prior to the date of the announcement of the acquisition of the Jaguar Nickel Sulphide Project, being 6 August 2019.

The Company will pay Terrativa up to a further A$2.5 million over a period of 2.5 years, with the first payment of A$0.5 million made on 9 October 2020, 6 months after the Close of the Jaguar acquisition. The deal with Terrativa also had two deferred milestone payments of $1.25 million each in cash (or A$1.4 million in CTM shares at the 20 Day VWAP of CTM immediately prior to achieving the milestone at Terrativa's election) on Centaurus achieving a market capitalisation of A$50 million and A$100 million for 90 days in any given 6-month period.

The first milestone of A$50 million market capitalisation was achieved on 30 September 2020 and Terrativa elected to receive the payment in shares. 2,834,008 shares were issued on 1 October 2020 at a deemed issue price of $0.4940.

The second milestone of A$100 million market capitalisation was achieved on 30 October 2020 and Terrativa also elected to receive this payment in shares. Shareholder approval for the issue of the Milestone Payment 2 shares was required and this was received at a General Meeting of Shareholders held on 19 February 2021. 2,292,076 shares were issued to Terrativa on 1 April 2021 at the deemed issue price of $0.6108

For more information on the transaction with Terrativa please refer to the Company's announcement dated 6 August 2019.

The formal transfer of the Mining Lease Application covering the Jaguar Project from Vale Metais Básicos S.A. ("Vale") to Centaurus' Brazilian subsidiary, Aliança Mineração Ltda ("Aliança"), was completed in October 2020.

The Company is now well placed to lodge a revised PAE (Plano de Aproveitamento Econômico) with Brazil's National Mining Agency (ANM) as soon as the two Jaguar Scoping Studies (Base Case and Value-Added Case) are completed. The revised PAE, once approved, will underpin the grant of the Jaguar Mining Lease.

CAPITAL CONSOLIDATION

Centaurus completed a consolidation of the Company's issued capital through the conversion of fifteen (15) existing shares into one (1) new share.

Prior to the consolidation, the Company had 3,790,971,362 Shares on issue, however, the Board considered the consolidation would result in a more appropriate and effective capital structure for the Company and a more appropriate share price for a wider range of investors as it continued to progress its projects in Brazil.

The capital consolidation was approved by shareholders at a General Meeting held on 31 March 2020, with the consolidation taking effect on 2 April 2020.

$25.5M CAPITAL RAISING

Centaurus raised $25.5 million in July 2020 under an institutional capital raising to underpin its aggressive exploration and resource expansion drill program at the Jaguar Project and fast-track studies aimed at advancing the globally significant nickel project towards development as rapidly as possible.

There was very strong demand for the institutional share placement from a number of Australian and international institutional investors, including the highly experienced Canadian-based resource investor Dundee Goodman Merchant Partners, which invested $7.0 million on behalf of its parent company in the placement. Institutional bidding under the placement significantly exceeded the $25.5 million placement amount and bids were scaled to accommodate the strong demand.

The proceeds of the capital raising have put Centaurus in a strong position to accelerate drilling activity on site while also simultaneously funding ongoing Scoping Study and Pre-Feasibility Study work in order to maintain and increase the significant exploration and development momentum built up in recent months.

Under the placement, the Company issued a total of 60,714,286 shares at $0.42 under one tranche. The shares were issued under the Company's existing placement capacity under ASX Listing Rule 7.1 and 7.1A.

Sprott Capital Partners and Euroz Securities were the Joint Lead Managers and Bookrunners to the Placement.

Mineral Resources & Ore Reserves

TOTAL MINERAL RESOURCES & ORE RESERVES STATEMENT

The Company's Mineral Resource for its nickel holding is shown in the following table.

	Mineral Resources As At 29 February 2021**				Mineral Resources As At 31 December 2020*			
Project	**Million Tonnes**	**Ni %**	**Cu %**	**Co ppm**	**Million Tonnes**	**Ni %**	**Cu %**	**Co ppm**
Jaguar Project								
Indicated	20.1	1.12	0.07	323	11.5	1.29	0.09	390
Inferred	38.8	0.87	0.06	230	36.4	1.01	0.07	255
Total	**58.9**	**0.96**	**0.07**	**262**	**48.0**	**1.08**	**0.07**	**288**

Table 6 *- Mineral Resources - Nickel*

**Within 200m of surface cut-off grade 0.5% Ni; more than 200m from surface cut-off grade 1.0% Ni;*
***Within 200m of surface cut-off grade 0.3% Ni; more than 200m from surface cut-off grade 1.0% Ni*
Totals are rounded to reflect acceptable precision, subtotals may not reflect global totals.

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

	Mineral Resources as at 31 December 2020						Mineral Resources as at 31 December 2019					
Project	**Million Tonnes**	**Fe %**	**SiO_2 %**	**Al_2O_3 %**	**P %**	**LOI %**	**Million Tonnes**	**Fe %**	**SiO_2 %**	**Al_2O_3 %**	**P %**	**LOI %**
Jambreiro Project*												
Proved	35.4	28.5	49.6	4.3	0.04	1.7	35.4	28.5	49.6	4.3	0.04	1.7
Probable	13.1	27.2	49.0	5.3	0.04	2.4	13.1	27.2	49.0	5.3	0.04	2.4
TOTAL	**48.5**	**28.1**	**49.4**	**4.6**	**0.04**	**1.9**	**48.5**	**28.1**	**49.4**	**4.6**	**0.04**	**1.9**

Table 7 *- Ore Reserves - Iron Ore*

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

	Mineral Resources as at 31 December 2020						Mineral Resources as at 31 December 2019					
Project	**Million Tonnes**	**Fe %**	**SiO2 %**	**Al2O3 %**	**P %**	**LOI %**	**Million Tonnes**	**Fe %**	**SiO2 %**	**Al2O3 %**	**P %**	**LOI %**
Jambreiro Project*												
Measured	44.3	29.2	50.5	3.9	0.04	1.6	44.3	29.2	50.5	3.9	0.04	1.6
Indicated	37.7	27.5	51.1	3.7	0.04	1.7	37.7	27.5	51.1	3.7	0.04	1.7
Inferred	45.1	27.3	52.7	3.3	0.05	1.3	45.1	27.3	52.7	3.3	0.05	1.3
TOTAL	**127.1**	**28.0**	**51.4**	**3.7**	**0.05**	**1.5**	**127.1**	**28.0**	**51.4**	**3.7**	**0.05**	**1.5**
Canavial Project*												
Indicated	6.5	33.6	33.6	7.1	0.10	7.9	6.5	33.6	33.6	7.1	0.10	7.9
Inferred	21.1	29.6	38.0	5.7	0.07	5.9	21.1	29.6	38.0	5.7	0.07	5.9
TOTAL	**27.6**	**30.5**	**37.0**	**6.0**	**0.07**	**6.4**	**27.6**	**30.5**	**37.0**	**6.0**	**0.07**	**6.4**
Passabém Project**												
Indicated	2.8	33.0	48.8	1.9	0.03	0.6	2.8	33.0	48.8	1.9	0.03	0.6
Inferred	36.2	30.9	54.0	0.7	0.07	0.1	36.2	30.9	54.0	0.7	0.07	0.1
TOTAL	**39.0**	**31.0**	**53.6**	**0.8**	**0.07**	**0.1**	**39.0**	**31.0**	**53.6**	**0.8**	**0.07**	**0.1**
TOTAL COMBINED	**193.7**	**29.0**	**49.8**	**3.4**	**0.05**	**1.9**	**193.7**	**29.0**	**49.8**	**3.4**	**0.05**	**1.9**

Table 8 *- Mineral Resources - Iron Ore*

**20% Fe cut-off grade applied; ** 27% Fe cut-off grade applied;*
Mineral Resources are reported inclusive of Ore Reserves.
Totals are rounded to reflect acceptable precision, subtotals may not reflect global totals.

MINERAL RESOURCES AND ORE RESERVES ANNUAL STATEMENT AND REVIEW

The Company carries out an annual review of its Mineral Resources and Ore Reserves as required by the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code) 2012 edition and the ASX Listing Rules. The review of the nickel Mineral Resources was carried out as at 31 December 2020 and updated subsequently on 4 February 2021 and 30 March 2021. The Jaguar Resource estimates have been reported in accordance with the JORC Code 2012 edition and the ASX Listing Rules.

The review of the iron ore Mineral Resources and Ore Reserves was carried out as at 31 December 2020. The Jambreiro Resources and Reserve estimate have been reported in accordance with the JORC Code 2012 edition and the ASX Listing Rules. The remaining Mineral Resource estimates were prepared and disclosed under the JORC Code 2004 edition.

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

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

ESTIMATION GOVERNANCE STATEMENT

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

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

APPROVAL OF MINERAL RESOURCES AND ORE RESERVE STATEMENT

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

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

COMPETENT PERSON'S STATEMENT

Jaguar Nickel Project

The information in this Annual Report that relates to Exploration Results is based on information compiled by Mr Roger Fitzhardinge who is a Member of the Australasia Institute of Mining and Metallurgy. Mr Fitzhardinge is a permanent employee and shareholder of Centaurus Metals Limited. Mr Fitzhardinge has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Fitzhardinge consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this Annual Report that relates to the new March 2021 Jaguar Mineral Resources is based on information compiled by Mr Lauritz Barnes (consultant with Trepanier Pty Ltd) and Mr Roger Fitzhardinge (a permanent employee and shareholder of Centaurus Metals Limited). Mr Barnes and Mr Fitzhardinge are both members of the Australasian Institute of Mining and Metallurgy.

Mr Barnes and Mr Fitzhardinge have sufficient experience of relevance to the styles of mineralisation and types of deposits under consideration, and to the activities undertaken to qualify as Competent Persons as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Specifically, Mr Fitzhardinge is the Competent Person for the database (including all drilling information), the geological and mineralisation models plus completed the site visits. Mr Barnes is the Competent Person for the construction of the 3-D geology / mineralisation model plus the estimation. Mr Barnes and Mr Fitzhardinge consent to the inclusion in this report of the matters based on their information in the form and context in which they appear.

Jambreiro Iron Ore Project

The information in this Annual Report that relates to Jambreiro Exploration Results and Mineral Resources is based on information compiled by Roger Fitzhardinge who is a Member of the Australasian Institute of Mining and Metallurgy and Volodymyr Myadzel who is a Member of Australian Institute of Geoscientists. Roger Fitzhardinge is a permanent employee of Centaurus Metals Limited and Volodymyr Myadzel was the Senior Resource Geologist of BNA Mining Solutions, independent resource consultants engaged by Centaurus Metals, at the time when the Mineral Resource estimate was first completed. Roger Fitzhardinge and Volodymyr Myadzel have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Roger Fitzhardinge and Volodymyr Myadzel consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

The information in this Annual Report that relates to Ore Reserves is based on information compiled by Beck Nader who is a professional Mining Engineer and a Member of the Australian Institute of Geoscientists. Beck Nader is the Managing Director of BNA Mining Solutions and is a consultant to Centaurus. Beck Nader has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Beck Nader consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Tenement List

Tenement	Project Name	Location	Interest
831.638/2004	Canavial	Minas Gerais	100%
831.639/2004	Canavial	Minas Gerais	100%
831.649/2004	Jambreiro (Mining Lease)	Minas Gerais	100%
833.409/2007	Jambreiro (Mining Lease)	Minas Gerais	100%
834.106/2010	Jambreiro (Mining Lease)	Minas Gerais	100%
831.645/2006	Passabém	Minas Gerais	100%
830.588/2008	Passabém	Minas Gerais	100%
833.410/2007	Regional Guanhães	Minas Gerais	100%
856.392/1996	Jaguar (Mining Lease Application)	Pará	100%
850.130/2013	Pebas	Pará	100%
850.475/2016	Itapitanga	Pará	100%

Table 9 *- Brazilian Tenements*

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

1. Subject to a Farm-Out and Joint Venture Exploration Agreement with Summit Resources (Aust) Pty Ltd. Summit has earned a 90% interest in the Project. Aeon Metals Limited has acquired 80% of Summits Interest giving them a total interest of 72% of the tenement.

Table 10 *- Australian Tenements*

Additional Shareholder Information

The shareholder information set out below was applicable as at 30 March 2021.

SUBSTANTIAL SHAREHOLDERS

The Company had the following substantial shareholders.

- Sprott Inc. 10.6%
- McCusker Holdings Pty Ltd 8.4%
- Dundee Corporation 5.1%

CLASSES OF EQUITY SECURITIES & VOTING RIGHTS

The number of holders of each class of equity securities as at the above date is shown below.

Ordinary Shares

There were 2,788 holders of ordinary shares in the Company. The voting rights attaching to the ordinary shares, set out in Clause 41 of the Company's Constitution, are:

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

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

Listed Options

The Company had 109 holders of listed options over 25,449,504 unissued ordinary shares with an exercise price of $0.18 and an expiry date of 31 May 2021. There are no voting rights attached to the unissued ordinary shares. Voting rights will attach to the unissued ordinary shares when the options have been exercised.

Unlisted Options

The Company had the following unlisted options over 13,103,445 unissued ordinary shares. There are no voting rights attached to the unissued ordinary shares. Voting rights will attach to the unissued ordinary shares when the options have been exercised.

Number of Holders	Number of Options	Exercise Price $	Expiry Date
5	1,116,668	0.210	31/05/21
1	116,667	0.180	31/05/22
5	2,233,335	0.225	31/05/22
3	1,400,000	0.378	31/05/22
1	116,667	0.180	31/05/23
3	1,400,000	0.392	31/05/23
4	3,952,402	-	31/12/23
1	233,334	0.180	31/05/24
3	1,400,000	0.405	31/05/24
5	1,134,372	-	31/12/24

Table 11 *- Unlisted Options*

DISTRIBUTION OF EQUITY SECURITIES

The distribution of numbers of equity security holders by size of holding is shown in the table below. There were 338 holders of less than a marketable parcel (being a minimum $500 parcel at $0.745 per share) of ordinary shares.

From	To	Ordinary Shares	Listed Options (CTMOC)	Unlisted Options	Unlisted Options (ESOP)	Performance Rights
1	1,000	428	2	-	-	-
1,001	5,000	578	5	-	-	-
5,001	10,000	484	6	-	-	-
10,001	100,000	1,026	45	-	1	-
100,001	and over	272	51	10	2	
		2,788	**109**	**10**	**3**	

Table 12 *- Distribution of Shareholdings*

TOP 20 HOLDERS

Ordinary Shares

The names of the twenty largest holders of ordinary shares (CTM) are listed below:

	Name	Number Held	Percentage of Issued Shares (%)
1	Citicorp Nominees Pty Limited	63,147,982	19.17%
2	McCusker Holdings Pty Ltd	27,700,000	8.41%
3	Zero Nominees Pty Ltd	15,849,186	4.81%
4	Terrativa Minerais S A	14,951,651	4.54%
5	Harmanis Holdings Pty Ltd	10,000,000	3.04%
6	Mr Bradley George Bolin	9,052,500	2.75%
7	Orimco Holdings Pty Ltd	7,985,238	2.42%
8	Mr Darren Gordon	5,452,211	1.65%
9	Mr Roger Fitzhardinge	5,365,071	1.63%
10	HSBC Custody Nominees	5,101,433	1.55%
11	J P Morgan Nominees Australia Pty Limited	4,813,091	1.46%
12	Jayleaf Holdings Pty Ltd	4,100,000	1.24%
13	Atlas Iron Limited	4,021,351	1.22%
14	BNP Paribas Noms Pty Ltd	3,919,134	1.19%
15	CS Third Nominees Pty Limited	3,828,696	1.16%
16	BPM Capital Limited	3,800,000	1.15%
17	National Nominees Limited	3,611,653	1.10%
18	Equity Trustees Limited	3,447,620	1.05%
19	Rojul Nominees Pty Ltd	3,400,000	1.03%
20	HS Superannuation Pty Ltd	3,177,000	0.96%
	Total Top 20 Shareholders	202,723,817	61.53%
	Other Shareholders	126,740,546	38.47%
	Total Number of Issued Shares	329,464,363	100.00%

Table 13 *- Top 20 Shareholders*

Listed Options

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

	Name	Number Held	Percentage of Issued Shares (%)
1	Mr Bradley George Bolin	4,288,100	16.85%
2	Mr Andrew Tate	2,154,000	8.46%
3	Hawthorn Grove Investments Pty Ltd	1,966,667	7.73%
4	Mr Kevin Press	1,133,334	4.45%
5	Dymax Consultants Pty Ltd	1,000,000	3.93%
6	Millwest Investments Pty Ltd	1,000,000	3.93%
7	BNP Paribas Nominees Pty Ltd	991,191	3.89%
8	Mr Keith John Ambrose + Mr Craig Ambrose	666,682	2.62%
9	Mr Martin James Hickling + Mrs Jane Frances Hickling	626,152	2.46%
10	Mr Roger James Fitzhardinge	600,000	2.36%
11	Mr Warren David Fischer + Ms Janice Ellen Fletcher	444,061	1.74%
12	Mr Timothy James O'Brien	400,000	1.57%
13	Mr Michael Kipling Mazalevskis	381,600	1.50%
14	Prof Paul Edmond O'Brien	366,667	1.44%
15	Mr Murray Ravenscroft + Ms Christine Annette Sainty + Mr Mitchell Robert Sainty	365,000	1.43%
16	Bond Street Custodians Limited	350,000	1.38%
17	Dymax Consultants Pty Ltd	333,422	1.31%
18	Fairtop Enterprises Pty Ltd	300,000	1.18%
19	Engelhard Enterprises Pty Ltd	300,000	1.18%
20	Maindune Pty Ltd	290,000	1.14%
	Total Top 20 Optionholders	17,956,876	70.56%
	Other Optionholders	7,492,378	29.44%
	Total Number of Listed Options	25,449,254	100.00%

***Table 14** - Top 20 Listed Option Holders*

Restricted Securities

There are currently no restricted securities or securities subject to voluntary escrow on issue.

On-market Buy Back

There is no current on-market buy back.

Corporate Governance Statement

A copy of Centaurus' 2020 Corporate Governance Statement, which provides detailed information about governance, and a copy of Centaurus' Appendix 4G which sets out the Company's compliance with the recommendations in the fourth edition of the ASX Corporate Governance Council's Principles and Recommendations is available on the corporate governance section of the Company's website at www.centaurus.com.au/corporate-governance.

FINANCIAL REPORT

31 December 2020

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 2020 together with the consolidated financial report and audit report thereon.

1 Directors

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

- Mr D M Murcia — Independent Non-Executive 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

Unless otherwise disclosed, all directors held their office from 1 January 2020 until the date of this report.

2 Directors and Officers

Mr Didier M Murcia, AM, B.Juris, LL.B
Non-Executive Chair, Age 58

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 49

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

During the last three years Mr Gordon has held directorships in ASX listed Genesis Minerals Limited (appointed 23 March 2016, resigned 10 May 2018).

Mr Bruno R Scarpelli, M.Sc., PMP
Executive Director, Age 43

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, FFin
Non-Executive Director, Age 52

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:

- Cape Lambert Resources Ltd (Appointed 11 February 2020,; resigned 4 August 2020)
- Fe Ltd (Appointed 1 September 2019)
- Strandline Resources (Appointed 11 August 2020)

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 59

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

During the last three years Mr Banasik was a director of ASX listed First Graphene Ltd (appointed 20 May 2015, resigned 12 February 2018).

Mr Banasik is the Chair of the Remuneration Committee

Mr Johannes W Westdorp, B.Bus, CPA, MAICD, GradDip App Sc
Chief Financial Officer & Company Secretary, Age 57

Mr Westdorp was appointed as Chief Financial Officer on 11 November 2019 and Company Secretary on 15 January 2020. Mr Westdorp is a Certified Practicing Accountant. He was previously Chief Financial Officer and Company Secretary of Centaurus between 2012 and 2015. He has over 30 years' experience in the resources sector and has most recently held the roles of Chief Financial Officer and Interim Chief Executive Officer of mineral sands producer, MZI Resources Ltd. Mr Westdorp has held senior roles with Murchison Metals Ltd and Burrup Fertilisers Pty Ltd and 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 2020 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	9	9	2	2	1	1
Mr D P Gordon	9	9	n/a	n/a	n/a	n/a
Mr B R Scarpelli	9	9	n/a	n/a	n/a	n/a
Mr M D Hancock	9	9	2	2	1	1
Mr C A Banasik	9	9	2	2	1	1

(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.

The Company's remuneration policy consists of:

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

Further information on directors' and executives' remuneration is set out in the Remuneration Report.

4 Operating and Financial Review

A summary of consolidated results is set out below

	31 December 2020 $	31 December 2019 $
Interest Income	**174,436**	155,131
Other Income	**487,289**	96,952
	661,725	252,083
Loss before income tax	**(11,468,825)**	(4,275,397)
Loss attributable to members of Centaurus Metals Limited	**(11,468,825)**	(4,275,397)

4.1 Financial Performance

During the year ended 31 December 2020 the Group expensed Exploration and Evaluation costs totalling $7,288,408 (2019: $2,689,925) in accordance with the Group's accounting policy. The Exploration and Evaluation costs primarily comprise costs in relation to exploration at the Jaguar Nickel Sulphide Project in Brazil.

4.2 Financial Position

At the end of the year the Group had a cash balance of $24,089,281 (2019: $9,703,718) and net assets of $26,118,316 (2019: $11,796,361). Total liabilities amounted to $7,734,426 (2019: $1,089,563) and consisted of trade and other payables, financial liabilities, lease liabilities and employee benefits.

4.3 Strategy

Centaurus' key focus throughout the 2020 calendar year was on the exploration and development of the advanced Jaguar Nickel Sulphide Project, located in the world-class Carajás Mineral Province in Brazil. The acquisition of the project from Vale was finalised during the period and a maiden Mineral Resource Estimate (MRE) was reported in June 2020 and updated in February 2021. Scoping studies were advanced and early development activities for the project were progressed.

4.4 Jaguar Nickel Sulphide Project

Centaurus' key focus throughout the 2020 calendar year was on the exploration and development of the advanced Jaguar Nickel Sulphide Project. The Jaguar Nickel Sulphide Project hosts multiple nickel sulphide deposits and exploration targets within a 30km2 land package in the western portion of the world-class Carajás Mineral Province in Brazil.

The Jaguar Project is ideally located close to existing infrastructure, just 35km north of the regional centre of Tucumã (population +35,000), where a 138kV sub-station is located. The Project is also only 15km north west of Vale's huge Onça Puma Ferronickel operation.

Centaurus completed the acquisition of the Jaguar Project from global mining giant, Vale S.A. in April 2020, and has since confirmed the Project's status as a globally significant potential source of new nickel sulphide supply, with drilling programs culminating in the delivery of an updated Indicated and Inferred Mineral Resource Estimate (MRE) for the Project in February 2021 of 58.6Mt grading 0.95% Ni for 557,800t of contained nickel.

Importantly, more than 80% of the contained nickel in the Global MRE is located within 200m of surface. The February 2021 MRE including the near-surface, high-grade resources underpin the Jaguar Scoping Study which is being progressed by the Company with the assistance of industry leading nickel sulphide engineering groups, Entech and DRA Global.

The Scoping Study Base Case is for the production of high-quality nickel concentrate using conventional nickel flotation processes. A Value-Added Case will consider a Pressure Oxidisation process to produce nickel metal or nickel sulphate. The Base Case Scoping Study is scheduled for release in Q1 2021.

Drilling activity will continue during 2021 and will focus on identified target areas ahead of the next Resource upgrade expected in Q3 2021 to support planned Pre-Feasibility Study activities.

The Company progressed a number of activities related to project infrastructure including the definition of a powerline route to the Project area from the existing 138kV line in Tucumã. Upgrades to the Company's site camp were completed to assist in supporting the exploration activities and to support the observance of established COVID protocols. The Company commenced upgrading the gravel road between Tucumã and site to improve the safety of road travel to and from site, particularly during the wet season.

The Company has made very good progress in relation to the environmental approval process for the Project. The first stage in the environmental approval process is to complete and lodge the Environmental Impact Assessment (EIA/RIMA), with the lodgement of this document with the Pará State Environmental Agency (SEMAS).

All wet and dry season data in respect to water and air quality, noise and vibration, flora and fauna was collected during CY2020 and the Company is targeting the lodgement of the EIA/RIMA document soon after the completion and delivery of the Base Case and Value-Added Scoping Studies.

4.5 Greenfields Exploration

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

The Company completed detailed soil sampling and FLEM surveys during CY2020 that identified multiple priority drill targets including at the Filhote, Leão and Tigre Prospects.

4.6 Health & Safety

No Lost Time Injuries (LTIs) occurred during the 12-month period ended 31 December 2020. Three medical treatment injuries occurred during the same period. The average LTI Frequency Rate for the West Australian Exploration Industry for the 2019/20 Period was 4.2.

The Total Recordable Injury Frequency Rate for the Group's operations in Brazil was 12.50.

4.7 COVID-19 Response

With the continuing evolution of the COVID-19 pandemic throughout CY2020, Centaurus took a number of important steps to safeguard the health and safety of the Company's workers, their families and the wider community while at the same time maintaining business continuity.

These included the introduction of a number of new protocols, revised working arrangements and social distancing practices as well as making a significant contribution to the local municipal health services of Tucumã and São Félix do Xingu through the purchase of masks, gowns, hand sanitiser and COVID-19 test kits to better equip them for any future ramp-up in the delivery of health services in these communities.

To date, COVID-19 has had relatively minimal impact on the Company's operations and the tight protocols adopted by the Company have been highly effective in managing the risk of transmission.

4.8 Jambreiro Iron Ore Project

In May 2020, Centaurus updated the key inputs to the Jambreiro project economics, including:

- Updating of the Capex for CDE Global's latest proposal for the 1Mtpa modularised plant (including corresponding adjustment to the contingency on the capex; and
- Applying up to date FX considerations for the GBP, AUD and USD against the BRL.

Results of the update were included in the June 2020 Quarterly Report.

The Jambreiro Iron Ore Project retains significant value for the Company, but the completion of a suitable domestic market off-take for Jambreiro product (65% Fe) remains a key step to unlocking this value and to advance financing/partnering discussions for the Project. The Company is continuing to assess off-take/partnering options for the Project and discussions remain open in this regard.

4.9 Itapitanga Nickel-Cobalt Project

In November 2018, Centaurus entered into a farm-out joint venture with Simulus Group. Under the farm-out, Simulus could earn 80% of the Itapitanga Nickel-Cobalt Project by free-carrying Centaurus to a Decision to Mine. During CY2020, Simulus Group did not undertake any exploration or development activities, and the Farm-out Agreement was terminated in August 2020, returning control of the Project to Centaurus.

4.10 ESG Program

In 2020, Centaurus commenced development of its formal environmental, social and governance (ESG) policy framework, which is based on the recommendations and principles of two different sources, being:

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

Initiatives related to the ESG framework implemented during the year included the establishment of a partnership with the two villages closest to the project site in order to improve their sanitation systems, including waste disposal, water supply and sewage treatment.

More than 80% of the investment the Company is making in respect to the exploration and development work on the Jaguar Project has been awarded to the local community through drilling contracts, engagement of consultants and services and purchase of equipment and supplies.

More than 90% of the workforce currently working on the project, including employees and outsourced labour, are from the south eastern region of the State of Pará and all Jaguar Project employees and their families now reside in Tucumã.

4.11 Corporate

4.11.1 Capital Consolidation

Centaurus completed a consolidation of the Company's issued capital through the conversion of fifteen (15) existing shares into one (1) new share. The capital consolidation was approved by shareholders at a General Meeting held on 31 March 2020, with the consolidation taking effect on 2 April 2020.

4.11.2 $25.5M Capital Raising

Centaurus raised $25.5 million in July 2020 under an institutional capital raising to underpin its aggressive exploration and resource expansion drill program at the Jaguar Project and fast-track studies aimed at advancing the globally significant nickel project towards development as rapidly as possible.

4.12 Factors and Business Risks Affecting Future Business Performance

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

4.12.1 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.

4.12.2 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.

4.12.3 Exchange Rates

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

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

Subsequent to the end of the year, the Company secured possession of a key part of the land that covers its 100%-owned Jaguar Nickel Sulphide Project in northern Brazil following the completion of a Possession Agreement.

The agreement covers a combined area of approximately 1,010 hectares, providing the Company with unfettered access and full possession of land for the long term benefit of the Project.

Securing full possession rights to the property is the first step in de-risking the potential future development of Jaguar in relation to land access and will eliminate some significant future operating costs of the Project which would otherwise have been payable without possession having been secured.

The possession rights have been secured for total consideration of R$10.7 million (~A$2.5 million) with the consideration to be paid in instalments over the next 3 years. The upfront consideration in respect to the agreement amounted to R$5.0 million (~A$1.2 million).

Negotiations in respect to two further Possession Agreements are well advanced and progressing as planned.

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.

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	Employee Options	Listed Options
Directors			
Mr D M Murcia	1,171,966	2,300,001	-
Mr D P Gordon	5,785,545	3,153,573	-
Mr B R Scarpelli	416,667	1,624,451	-
Mr M D Hancock	612,253	1,550,001	-
Mr C A Banasik	316,666	1,666,668	266,667

12 Share Options

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

Expiry Date	Exercise Price	Employee Options		Total Number of Shares Under Option
		Vested	Unvested	
31/05/2021	$0.210	1,116,668	-	1,116,668
31/05/2021	$0.180	116,667	-	116,667
31/05/2022	$0.225	2,233,335	-	2,233,335
31/05/2022	$0.378		1,400,000	1,400,000
31/05/2022	$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	-	-	1,134,372	1,134,372
		3,466,670	**9,636,775**	**13,103,445**

Subsequent to 31 December 2020, 116,667 options exercisable at $0.21 expiring on 31 May 2021 were exercised.

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

Expiry Date	Exercise Price	Total Number of Shares Under Option
31/05/2021	$0.18	25,449,504

Subsequent to 31 December 2020 3,360,536 listed options were exercised. The listed options expiring on 31 May 2021 were issued as 1 for 1 free attaching options as part of the placement announced on 21 March 2019. The full terms of the options are set out in the Prospectus lodged with the ASX on 4 June 2019.

13 Indemnification and Insurance of Officers and Auditors

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

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

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, and is satisfied that the provision of those non-audit services during the year by the auditor did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

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

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

	31 December 2020 $	31 December 2019 $
Audit Services		
Auditors of the Company		
Audit and review of financial reports – KPMG	**52,080**	37,471
Services other than statutory audit		
Taxation compliance services – KPMG	**14,818**	8,907

15 Auditor's Independence Declaration

The auditor's independence declaration is set out at page 53 and forms part of the directors' report for the period ended 31 December 2020.

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 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 complimentary to the reward strategy of the organisation. The framework seeks to align the interests of shareholders with that of programme participants as described below.

Alignment to shareholders' interests:

- focuses on the creation of shareholder value and returns; and
- attracts and retains high calibre executives with an inherent knowledge of the Company's ongoing business and activities.

Alignment to program participants' interests:

- rewards capability and experience;
- reflects competitive reward for contribution to growth in shareholder wealth;
- provides a clear structure for earning rewards;
- provides recognition for contribution; and
- seeks to retain experienced and competent individuals in key executive roles.

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

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

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

	2020 $	2019 $	2018 $	2017 $	2016 $
Net Loss	(11,468,825)	(4,275,397)	(4,197,361)	(3,632,809)	(2,560,899)
Change in share price [(1)]	$0.625	$0.090	$0.000	$0.010	$0.037
Change in share price	321%	86%	-	10%	64%

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

During the financial year ended 31 December 2020 there were no fee increases to non-executive directors. Subsequent to year end the non-executive chair fee was increased to $75,000 (15.74%) whilst the non-executive director fees were increased to $49,800 (15.27%)

The executive remuneration and reward framework currently has four components:

- base pay and benefits;
- 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 Base Pay and Benefits

Base pay is structured as a total employment cost package which may be delivered as a combination of cash and prescribed non-financial benefits at the executive's discretion.

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

16.3 Retirement Benefits

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

16.4 Short Term Incentives

The STI Plan is designed to reward executives for the achievement of annual performance targets. The STI Plan and the annual performance targets under the STI Plan are reviewed annually by the Remuneration Committee and approved by the Board. All awards to KMP are assessed and recommended by the Remuneration Committee and approved by the Board.

For 2020 Key Management Personnel, other than the Managing Director, can earn up to 30% of their Total Fixed Remuneration under the STI Plan whilst the Managing Director can earn up to 50% of his TFR. Other Managers of the Group can earn up to 15-22.5% of their TFR under the Plan.

The annual performance targets are based on ambitious goals with a mix of both Company performance and project specific targets.

The Group's key STI performance measures for the year ending 31 December 2020 are summarised below.

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

For details of STI incentives awarded during the year refer to Section 16.10.5.

16.5 Long Term Incentives – Options

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 16.9.

16.6 Long Term Incentive Plans

The Board implemented a LTI Plan in 2020 for Key Management Personnel and Executive Directors. The LTIs are Options with no exercise price and were issued under the Company's Employee Share Option Plan and under ASX Listing Rule 10.11 for Executive Directors. Key Management Personnel, other than the Managing Director, were issued with options up to the value of 50% of their Total Fixed Remuneration whilst the Managing Director was issued with options up to the value of 75% of TFR. The options have a 3-year assessment period from 1 January 2020 to 31 December 2022. The options are subject to the following vesting criteria prior to exercise;

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

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

To achieve the relative TSR performance measure, the Company must outperform, on a TSR basis, at least 49.9% of the Peer Group established by the Board. The TSR performance for the LTI granted during the year ended 31 December 2020 will be assessed against a representative peer group comprising the following companies.

Aguia Resources Limited	Hillgrove Resources Limited	Poseidon Nickel Limited
Ardea Resources Limited	Hot Chilli Limited	Red River Resources Limited
Australian Mines Limited	Jervois Mining Limited	St George Mining Limited
Azure Minerals Limited	Legend Mining Limited	Strandline Resources Limited
Big River Gold Limited	Los Cerros Limited	Troy Resources Limited
Clean Teq Holdings Limited	Meteoric Resources NL	Volt Resources Limited
Galena Limited	Mincor Resources NL	

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

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

Total shareholder return has been 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.

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

16.7 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 16.4 and 16.6).

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	Notice Period Company	Notice Period Employee	Redundancy
D P Gordon	$435,000 pa	12 months	6 months	12 months
J W Westdorp	$315,000 pa	<18 months - 2 months 18 months to 3 years - 4 months > 3 Years - 6 months	2 months	6 months
B R Scarpelli	$270,000 pa	2 months	2 months	6 months
R J Fitzhardinge	$274,000 pa	2 months	2 months	6 months

16.8 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-Executives directors based on comparative roles in the external market and prevailing market conditions.

Non-Executive directors' remuneration consists of set fee amounts. The current level of fees for Non-Executive directors is $49,800 per annum. The Non-Executive Chair's fees are $75,000 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-Executives may from time to time be granted options to provide a meaningful additional incentive for their ongoing commitment and dedication to the continued growth of the Group. Refer to Section 16.10 for options issued during the current and prior periods. Prior to issuing incentives the Board considers whether the issue is reasonable in the circumstances. The incentives have been offered to assist the Company in attracting and retaining the highest calibre of Non-Executive, whilst maintaining the Group's cash reserves.

16.9 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		S300A(1)(e)(i) Proportion of Remuneration Performance Related	S300A(1)(e)(vi) Value of Options as Proportion of Remuneration
	Year	Salary & Fees $	STI Bonuses $	Other Benefits(1) $	Superannuation $	Long Service Leave(2) $	Options(3) $	Total $	%	%
Non- Executive Directors										
Mr D M Murcia	**2020**	**64,800**	-	-	-	-	**99,137**	**163,937**	-	**60.5%**
	2019	48,300	-	-	-	-	4,820	53,120	-	9.1%
Mr M D Hancock	**2020**	**43,200**	-	-	-	-	**66,091**	**109,291**		**60.0%**
	2019	32,200	-	-	-	-	3,243	35,443	-	9.1%
Mr C A Banasik	**2020**	**43,200**	-	-	-	-	**81,421**	**124,621**		**65.3%**
(Appointed 1 March 2019)	2019	27,500	-	-	-	-	19,615	47,115	-	41.6%
Mr S A Parsons (Resigned 28 February)	2019	5,000	-	-	-	-	(19,987)	(14,987)	-	-
Executive Directors										
Mr D P Gordon	**2020**	**371,000**	**178,200**	**24,639**	**25,000**	**9,300**	**126,082**	**734,221**	**41.4%**	**17.2%**
	2019	334,333	-	24,152	25,000	19,537	7,013	410,035	-	1.7%
Mr B R Scarpelli	**2020**	**236,712**	**64,800**	**14,157**	-	-	**50,942**	**366,611**	**31.6%%**	**13.9%.**
	2019	194,144	-	13,922	-	-	7,230	215,296	-	3.4%
Executives										
Mr R J Fitzhardinge	**2020**	**238,356**	**70,470**	**3,631**	**22,644**	**5,916**	**33,967**	**374,984**	**27.9%**	**9.1%**
(Appointed 1 November 2019)	2019	39,726	-	2,993	3,774	9,666	-	56,159	-	-
Mr J W Westdorp	**2020**	**267,596**	**81,000**	**20,584**	**23,707**	-	**39,042**	**431,929**	**27.8%**	**9.0%**
(Appointed 11 November 2019)	2019	36,666	-	2,821	3,483	-	-	42,970	-	-
Totals										
2020		**1,264,864**	**394,470**	**63,011**	**71,351**	**15,216**	**496,682**	**2,305,594**		
2019		717,869	-	43,888	32,257	29,203	21,934	845,151		

(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 recognised in this reporting period.

16.10 Equity Instruments

Options may be granted under the Employee Share Option Plan (ESOP) which was approved by shareholders at the 2019 Annual General Meeting. Eligibility to participate in the ESOP (including participation by Executive and Non-Executive directors) is determined by the Board in its absolute discretion. The vesting and exercise conditions of options granted are also determined by the Board in its absolute discretion. Employees must remain in employment during the vesting period. Options may also be granted by the Company outside of the ESOP, but under similar terms and conditions.

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

16.10.1 Analysis of Options over Equity Instruments Granted as Compensation

Details of vesting profiles of the options granted as remuneration both during the current and in prior years to Key Management Personnel of the Group are detailed below. There were no options forfeited during the year. A total of 1,400,002 options with a weighted average exercise price of $0.1736 were exercised in 2020 raising $243,000.

	Number of Options Issued (1)	Grant Date	Expiry Date	Exercise Price (1)	Fair value per option at grant date (1)	% Vest in Year	Financial Year in Which Grant Vests (2)
Directors							
Mr D M Murcia	166,667	31/05/17	31/05/21	$0.210	$0.1035	-	2018
	333,334	31/05/17	31/05/22	$0.225	$0.1080	-	2019
	600,000	29/05/20	31/05/22	$0.378	$0.1189	-	2021
	600,000	29/05/20	31/05/23	$0.392	$0.1461	-	2022
	600,000	29/05/20	31/05/24	$0.405	$0.1667	-	2023
Mr D P Gordon	333,334	31/05/17	31/05/21	$0.210	$0.1035	-	2018
	666,667	31/05/17	31/05/22	$0.225	$0.1080	-	2019
	841,479	29/05/20	31/12/23	$0.000	$0.2482	-	2022(3)
	841,479	29/05/20	31/12/23	$0.000	$0.2013	-	2022(4)
Mr B R Scarpelli	250,000	31/05/17	31/05/21	$0.210	$0.1035	-	2018
	500,000	31/05/17	31/05/22	$0.225	$0.1080	-	2019
	339,992	29/05/20	31/12/23	$0.000	$0.2482	-	2022(3)
	339,991	29/05/20	31/12/23	$0.000	$0.2013	-	2022(4)
Mr M D Hancock	116,667	31/05/17	31/05/21	$0.210	$0.1035	-	2018
	233,334	31/05/17	31/05/22	$0.225	$0.1080	-	2019
	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	-	2022
	400,000	29/05/20	31/05/24	$0.405	$0.1667	-	2023
Mr C A Banasik	116,667	31/05/19	31/05/22	$0.180	$0.0616	-	2019
	116,667	31/05/19	31/05/23	$0.180	$0.0868	100%	2020
	233,334	31/05/19	31/05/24	$0.012	$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	-	2022
	400,000	29/05/20	31/05/24	$0.405	$0.1667	-	2023
Executives							
Mr R J Fitzhardinge							
	369,741	14/02/20	31/12/23	$0.000	$0.1582	-	2022(3)
	369,741	14/02/20	31/12/23	$0.000	$0.1174	-	2022(4)
Mr J W Westdorp	424,990	14/02/20	31/12/23	$0.000	$0.1582	-	2022(3)
	424,989	14/02/20	31/12/23	$0.000	$0.1174	-	2022(4)

(1) Post 15-for-1 consolidation.
(2) The options which vest in 2020 and 2021 are subject to the satisfaction of service conditions.
(3) 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, as detailed in section 16.6. Vesting will occur subject to meeting a three-year service condition to 31 December 2022 and the achievement of the performance condition tested against the relative TSR measure for the period 1 January 2020 to 31 December 2022.
(4) Options will vest on 31 December 2022 subject to the Company gaining entry into the ASX 300 Index.

16.10.2 Exercise of Options Granted as Compensation

There were 1,400,002 shares issued on exercise of options which were previously granted as compensation to Key Management Personnel. There are no amounts unpaid on the shares issued on the exercise of options previously granted as compensation.

16.10.3 Options Over Equity Instruments Granted as Compensation

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

	Held 1 January 2020 (Pre consolidation)	Share Consolidation [1]	Exercised	Granted	Held 31 December 2020	Vested During the Period	Vested and Exercisable 31 December 2020
Directors							
Mr D M Murcia	11,000,000	(10,266,665)	(233,334)	1,800,000	2,300,001	-	500,001
Mr D P Gordon	23,000,000	(21,466,665)	(533,334)	1,682,958	2,682,959	-	1,000,001
Mr B R Scarpelli	16,500,000	(15,400,000)	(350,000)	679,983	1,429,983	-	750,000
Mr M D Hancock	7,750,000	(7,233,332)	(166,667)	1,200,000	1,550,001	-	350,001
Mr C A Banasik	7,000,000	(6,533,332)	-	1,200,000	1,666,668	116,667	233,334
Executives							
Mr R J Fitzhardinge	16,500,000	(15,400,000)	(350,000)	739,482	1,489,482	-	750,000
Mr J W Westdorp	-		-	849,979	849,979	-	-

(1) On 31 March 2020, shareholders approved the consolidation of the Company's capital on a 15-for-1 basis. The consolidation took effect from 2 April 2020.

16.10.4 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	259,022	21,134	-
Mr D P Gordon	378,245	51,734	-
Mr B R Scarpelli	152,826	31,700	-
Mr M D Hancock	172,682	15,267	-
Mr C A Banasik	172,682	-	-
Executives			
Mr R J Fitzhardinge	101,901	31,700	-
Mr J W Westdorp	117,127	-	-

(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.

16.10.5 Performance Based Remuneration Granted and Forfeited During the Year

Subsequent to 31 December 2020, the Board determined to pay STIs to executives in recognition of the achievement of performance targets set in 2019 for the year ended 31 December 2020. A summary of STIs for the period is shown below.

Executive	Target STI Quantum (% of Base Salary)	Target FY20 STI Quantum $	STI Quantum Earned $	STI Quantum Forfeited $
Mr D P Gordon	50%	198,000	178,200	19,800
Mr B S Scarpelli	30%	72,000	64,800	7,200
Mr R J Fitzhardinge	30%	78,300	70,470	7,830
Mr J W Westdorp	30%	90,000	81,000	9,000

16.10.6 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:

		Transaction Value		Balance Outstanding as at	
Key Management Person	**Transaction**	**2020 $**	2019 $	**31 Dec 2020 $**	31 Dec 2019 $
Mr D M Murcia (1)	Legal fees	**17,575**	34,740	**-**	-
Mr C A Banasik (2)	Consulting Fees	-	7,000	-	-
Total and current liabilities				-	-

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

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

16.10.7 Shareholdings of Key Management Personnel

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

	Held 1 January 2020	Share Consolidation (1)	Received on exercise of options	Other Changes	Held at 31 December 2020
Directors					
Mr D M Murcia	14,079,462	(13,140,830)	233,334	-	1,171,966
Mr D P Gordon	78,783,121	(73,530,910)	533,334	-	5,785,545
Mr B R Scarpelli	2,500,000	(2,333,333)	350,000	(100,000)	416,667
Mr M D Hancock	6,683,754	(6,238,168)	166,667	-	612,253
Mr C A Banasik	4,750,000	(4,433,334)	-	-	316,666
Executives					
Mr R J Fitzhardinge	79,513,103	(74,212,229)	350,000	(285,803)	5,365,071
Mr J W Westdorp	-	-	-	126,800	126,800

(1) On 31 March 2020, shareholders approved the consolidation of the Company's capital on a 15-for-1 basis. The consolidation took effect from 2 April 2020.

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.

16.10.8 Listed Option Holdings of Key Management Personnel

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

	Held 1 January 2020 (pre consolidation)	Share Consolidation (1)	Purchase	Exercised	Expired	Other	Held at 31 December 2020
Directors							
Mr D M Murcia	-	-	-	-	-	-	-
Mr D P Gordon	-	-	-	-	-	-	-
Mr B R Scarpelli	-	-	-	-	-	-	-
Mr C A Banasik	4,000,000	(3,733,333)	-	-	-	-	266,667
Mr M D Hancock	-	-	-	-	-	-	-
Executives							
Mr R J Fitzhardinge	9,000,000	(8,400,000)	-	-	-	-	600,000
Mr J W Westdorp	-		-	-	-	-	-

(1) On 31 March 2020, shareholders approved the consolidation of the Company's capital on a 15-for-1 basis. The consolidation took effect from 2 April 2020.

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

D P Gordon
Managing Director
Perth
26 March 2021

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 2020 there have been:

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

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

KPMG

KPMG

Trevor Hart
Partner

Perth

26 March 2021

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2020

	Note	31 December 2020 $	31 December 2019 $
Profit or Loss			
Other income	7	**487,289**	96,952
Exploration expenditure		**(7,288,408)**	(2,689,925)
Loss on Financial Liability at fair value through the profit or loss	18	**(1,607,166)**	-
Impairment of exploration and evaluation	16	**-**	(150,000)
Impairment of other receivables	14	**(289,751)**	(6,690)
Employee benefits expense	8	**(1,632,342)**	(840,932)
Share based payments expense	9	**(496,680)**	(49,519)
Occupancy expenses		**(54,632)**	(44,428)
Listing and share registry fees		**(103,107)**	(74,265)
Professional fees		**(234,821)**	(249,268)
Depreciation		**(40,866)**	(8,704)
Other expenses		**(330,485)**	(401,039)
Results from operating activities		**(11,590,969)**	(4,417,818)
Interest income		**174,436**	155,131
Finance expense		**(52,292)**	(12,710)
Net finance income		**122,144**	142,421
Loss before income tax		**11,468,825**	(4,275,397)
Loss for the period		**(11,468,825)**	(4,275,397)
Other Comprehensive Income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences arising on translation of foreign operations		**(1,927,839)**	(148,442)
Other comprehensive loss for the period		**(1,927,839)**	(148,442)
Total comprehensive loss for the period		**(13,396,664)**	(4,423,839)
Earnings per Share		**cents**	cents
Basic loss per share	12	**(4.04)**	(2.22)
Diluted loss per share	12	**(4.04)**	(2.22)

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 2020

	Note	31 December 2020 $	31 December 2019 $
Cash and cash equivalents	13(a)	**24,089,281**	9,703,718
Other receivables and prepayments	14	**201,549**	253,446
Total current assets		**24,290,830**	9,957,164
Non-current assets			
Other receivables and prepayments	14	**12,765**	59,116
Property, plant and equipment	15	**784,994**	604,595
Exploration and evaluation assets	16	**8,764,153**	2,265,049
Total non-current assets		**9,561,912**	2,928,760
Total assets		**33,852,742**	12,885,924
Current liabilities			
Trade and other payables	17	**1,940,965**	557,572
Financial liability – Jaguar Project acquisition	18	**2,400,000**	-
Lease liability	19	**88,599**	45,273
Employee benefits – annual leave		**317,946**	249,734
Total current liabilities		**4,747,510**	852,579
Non-current liabilities			
Financial liability – Jaguar Project acquisition	18	**2,734,569**	-
Lease liability	19	**65,510**	70,906
Employee benefits – long service leave		**186,837**	166,078
Total non-current liabilities		**2,986,916**	236,984
Total liabilities		**7,734,426**	1,089,563
Net assets		**26,118,316**	11,796,361
Equity			
Share capital		**155,905,034**	128,538,655
Reserves		**(8,267,563)**	(6,618,754)
Accumulated losses		**(121,519,155)**	(110,123,540)
Total equity		**26,118,316**	11,796,361

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 2020

	Issued Capital $	Share-Based Payments Reserve $	Foreign Currency Translation Reserve $	Accumulated Losses $	Total Equity $
Balance at 1 January 2020	**128,538,655**	**675,904**	**(7,294,658)**	**(110,123,540)**	**11,796,361**
Loss for the period	-	-	-	(11,468,825)	(11,468,825)
Foreign currency translation difference for foreign operation	-	-	(1,927,839)	-	(1,927,839)
Total comprehensive loss for the period	**-**	**-**	**(1,927,839)**	**(11,468,825)**	**(13,396,664)**
Share-based payment transactions		496,680	-	-	496,680
Issues of ordinary shares	28,218,750	-	-	-	28,218,750
Share options exercised	310,200	-	-	-	310,200
Share issue costs	(1,307,011)	-	-	-	(1,307,011)
Transfer on exercise of options	144,440	(144,440)	-	-	-
Transfer of options lapsed	-	(73,210)	-	73,210	-
Total transactions with owners	**27,366,379**	**279,030**	**-**	**73,210**	**27,718,619**
Balance at 31 December 2020	**155,905,034**	**954,934**	**(9,222,497)**	**(121,519,155)**	**26,118,316**
Balance at 1 January 2019	116,382,624	757,290	(7,146,216)	(106,026,509)	3,967,189
Loss for the period	-	-	-	(4,275,397)	(4,275,397)
Foreign currency translation difference for foreign operation	-	-	(148,442)	-	(148,442)
Total comprehensive loss for the period	**-**	**-**	**(148,442)**	**(4,275,397)**	**(4,423,839)**
Share-based payment transactions	-	119,307	-	-	119,307
Issues of ordinary shares	12,222,000	-	-	-	12,222,000
Share options exercised	804,592	-	-	-	804,592
Share issue costs	(892,888)	-	-	-	(892,888)
Transfer on exercise of options	22,327	(22,327)	-	-	-
Transfer of options lapsed	-	(178,366)	-	178,366	-
Total transactions with owners	**12,156,031**	**(81,386)**	**-**	**178,366**	**12,253,011**
Balance at 31 December 2019	**128,538,655**	**675,904**	**(7,294,658)**	**(110,123,540)**	**11,796,361**

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 2020

	Note	31 December 2020 $	31 December 2019 $
Cash flows from operating activities			
Exploration and evaluation expenditure		**(6,809,988)**	(2,724,062)
Payments to suppliers and employees (inclusive of GST)		**(1,572,840)**	(1,315,250)
Cash receipts from project partners		**-**	221,647
Other receipts		**105,323**	-
Interest received		**176,203**	149,496
Court settlement proceeds		**-**	31,182
Interest paid		**-**	(900)
Net cash used in operating activities	13(b)	**(8,101,302)**	(3,637,887)
Cash flows from investing activities			
Payments for plant & equipment		**(284,365)**	(180,177)
Payment for project acquisitions		**(873,025)**	-
Buy back of project royalty		**-**	(40,979)
Proceeds from sale of plant & equipment		**-**	690
Net cash from /(used in) investing activities		**(1,157,390)**	(220,466)
Cash flows from financing activities			
Proceeds from issue of equity securities		**25,500,000**	12,222,000
Proceeds from the exercise of options		**310,200**	804,592
Capital raising costs		**(986,784)**	(817,850)
Payment for lease liability		**(47,100)**	(10,760)
Net cash from financing activities		**24,776,316**	12,197,982
Net increase/(decrease) in cash and cash equivalents		**15,517,624**	8,339,629
Cash and cash equivalents at the beginning of the period		**9,703,718**	1,399,910
Effect of exchange rate fluctuations on cash held		**(1,132,061)**	(35,821)
Cash and cash equivalents at 31 December	13(a)	**24,089,281**	9,703,718

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 2020

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 2020 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 26 March 2021.

Basis of Measurement

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

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

Going Concern

The financial statements for the year ended 31 December 2020 have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

Note 3. 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 14 - Other Receivables and Prepayments;
- Note 16 - Exploration and Evaluation Assets. The application of the Group's accounting policy for exploration and evaluation expenditure requires judgement to determine whether future economic benefits are likely, from either future exploitation or sale, or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves; and
- Note 23 - Financial Instruments – Fair Values and Risk Management.

Assumptions and Estimation Uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 December 2020 is included in Note 16 – 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 the employee share options is estimated using the applicable valuation methodology. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and performance conditions attached to vesting are not taken into account in determining fair value. Where the service period commences prior to grant date the fair value is provisionally calculated and subsequently revised upon grant date.

Note 5. Significant Accounting Policies

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

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 (translation reserve, or FCTR) within equity.

When a foreign operation is disposed of, in part or in full, the relevant amount in the FCTR is transferred to profit or loss as part of the profit or loss on disposal.

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

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 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.

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

Leases

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

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

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

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

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

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.

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 segments’ operating results are regularly reviewed by the Group’s Managing Director (‘MD’) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

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

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 2020.

New Standards and Interpretations Not Yet Adopted

A number of new standards are effective for annual periods beginning after 1 January 2021 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these financial statements.

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

Standard	Effective Date	Key Requirements
AASB 2014-10 Amendments to Australian Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture AASB 2015-10 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 AASB 2017-5 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections	1 Jan 2022	The amendments require the full gain or loss to be recognised when the assets transferred meet the definition of a "business" under AASB 3 (whether housed in a subsidiary or not).
AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments	1 Jan 2022	Amendments to existing accounting standards, particularly in relation to: • AASB 1 – simplifies the application of AASB 1 by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences. • AASB 3 – to update a reference to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations. • AASB 9 – to clarify the fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. • AASB 116 – to require an entity to recognise the sales proceeds from selling items produced while preparing property, plant and equipment for its intended use and the related cost in profit or loss, instead of deducting the amounts received from the cost of the asset. • AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* –to specify the costs that an entity includes when assessing whether a contract will be loss-making.

AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date	1 Jan 2023	Amends AASB 101 to require a liability be classified as current when companies do not have a substantive right to defer settlement at the end of the reporting period. AASB 2020-6 defers the mandatory effective date of amendments that were originally made in AASB 2020-1 so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2023 instead of 1 January 2022.

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

Note 6. Operating Segments

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

Geographical Segment Information	**2020 Non-current Assets $**	2019 Non-current Assets $
Brazil	**9,402,661**	2,850,050
Australia	**159,251**	78,710
Total	**9,561,912**	2,928,760

Note 7. Other Income

	31 December 2020 $	31 December 2019 $
Gain on sale of mineral asset	**381,966**	-
Government grants	**100,000**	-
Other	**5,323**	31,182
Cost reimbursement from Joint Venture Partner	**-**	65,770
	487,289	96,952

Note 8. Employee Benefits Expense

	31 December 2020 $	31 December 2019 $
Salaries, fees and other benefits	**3,110,104**	1,805,772
Superannuation	**128,777**	87,816
Recognised in exploration expenditure expense	**(1,606,539)**	(1,052,656)
Total	**1,632,342**	840,932

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 8,152,402 options were issued to employees and directors under the ESOP during the reporting period (2019: 466,667). Options issued to employees were issued under the Employee Share Option Plan approved by shareholders at the Annual General Meeting on 31 May 2019. Options issued to directors and executive directors were approved by shareholders under ASX Listing Rule 10.11.

Note 9. Share-based Payments (continued)

Reconciliation of Outstanding Share Options

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

	Weighted Average Exercise Price 2020	**Number of Options 2020**	Weighted Average Exercise Price 2019 (1)	Number of Options 2019
Outstanding at start of period	**$0.2010**	**5,733,333**	$0.1995	6,066,666
Exercised during the period	**$0.1723**	**(1,800,002)**	$0.1230	(566,667)
Lapsed during the period	-	-	$0.0225	(233,333)
Issued during the period	**$0.2018**	**8,152,402**	$0.1800	466,667
Outstanding at balance date	**$0.2061**	**12,085,733**	$0.2010	5,733,333
Exercisable at balance date	**$0.2172**	**3,700,004**	$0.2025	5,383,333

(1) On 31 March 2020, shareholders approved the consolidation of the Company's capital on a 15-for-1 basis. The consolidation took effect from 2 April 2020. Prior year comparatives have been restated.

The options outstanding at 31 December 2020 have exercise prices ranging from $0.000 to $0.405 (2019: between $0.123-$0.225) and the weighted average remaining contractual life is 2.23 years (2019: 1.43 years).

There were 1,800,002 options exercised during the year (2019: 566,667). There were 8,152,402 options issued during the year (2019: 466,667). Details of the options issued during the year are as follows:

Grant Date	Number of Options	Vesting Period(1)	Option Term
Directors			
29/05/20	1,400,000	12 months	24 months
29/05/20	1,400,000	24 months	36 months
29/05/20	1,400,000	36 months	48 months
29/05/20	1,181,471	36 months(2)	48 months
29/05/20	1,181,470	36 months(3)	48 months
Total	6,562,941		
Employees			
14/02/20	794,731	36 months(2)	48 months
14/02/20	794,730	36 months(3)	48 months
	1,589,461		

(1) From the date of issue 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 the meeting of a three-year service condition to 31 December 2022 and the performance condition tested against the relative TSR measure for the period 1 January 2020 to 31 December 2022.

(3) Vesting will occur subject to meeting a three-year service condition to 31 December 2022 and if the Company enters the ASX300 index during the assessment period being 1 January 2020 – 31 December 2022.

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

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

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

Note 9. Share-based Payments (continued)

Inputs for Measurement of Grant Date Fair Values

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

Grant Date	Expiry Date	Exercise Price	Life of option	Share price at grant date	Expected share price volatility	Risk-free interest rate	Fair Value at grant date
14/02/20	31/05/23	$0.000	4 years	$0.180	100%	0.72%	$0.1582
14/02/20	31/05/23	$0.000	4 years	$0.180	100%	0.72%	$0.1174
29/05/20	31/05/22	$0.378	2 years	$0.270	100%	0.26%	$0.1189
29/05/20	31/05/23	$0.392	3 years	$0.270	100%	0.26%	$0.1461
29/05/20	31/05/24	$0.405	4 years	$0.270	100%	0.26%	$0.1667
29/05/20	31/05/23	$0.000	4 years	$0.270	100%	0.26%	$0.2482
29/05/20	31/05/23	$0.000	4 years	$0.270	100%	0.26%	$0.2013

Expenses Arising from Share Based Payment Transactions

	31 December 2020 $	31 December 2019 $
Total expense recognised as share-based payment – share options	**496,682**	49,519

Performance Rights

On the 23 September 2020 the 6,000,000 Performance Rights which were issued to Terrativa in 2017 as part of the Para Exploration Package were cancelled. There are no Performance Rights on issue as at 31 December 2020 (2019: 6,000,000).

Note 10. Income Tax

Numerical Reconciliation of Income Tax Expense to Prima Facie Tax Payable

	31 December 2020 $	31 December 2019 $
Loss from continuing operations before income tax expense	**(11,468,825)**	(4,275,397)
Tax at the Australian tax rate of 27.5% (2019: 27.5%)	**(3,153,927)**	(1,175,734)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Overseas project generation and review costs	**1,037,319**	237,183
Share-based payments	**136,587**	13,618
Sundry items	**17,859**	6,885
	(1,962,162)	(918,048)
Effect of tax rates in foreign jurisdictions	**(92,610)**	(416,999)
Under provision from prior year	**(112,511)**	2,898
Deferred tax assets not recognised	**2,167,283**	1,332,149
Income tax benefit, being deferred tax	**-**	-

Tax Losses

	31 December 2020 $	31 December 2019 $
Tax losses	**61,822,922**	67,316,146
Potential tax benefit (between 27.5-34%)	**18,412,999**	20,460,785

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.

Note 10. Income Tax (continued)

Deferred Tax Assets

The following deferred tax balances have not been recognised:

	31 December 2020 $	31 December 2019 $
Deferred Tax Assets		
Exploration expenditure	**5,848,075**	8,403,682
Accrued expenses/provisions	**10,249,662**	3,528,278
Transaction costs relating to issue of capital	**117,768**	68,475
Tax losses carried forward (net of tax losses utilised)	**18,412,999**	20,460,785
	34,628,504	32,461,220

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 (2019: nil).

Note 12. Earnings/(Loss) per Share

Basic Loss per Share

The calculation of basic and diluted earnings per share at 31 December 2020 was based on the loss attributable to ordinary shareholders of $11,468,825 (2019: $4,275,397) and a weighted average number of ordinary shares outstanding of 284,019,357 (2019: 192,942,556), calculated as follows:

Loss Attributable to Ordinary Shareholders

	31 December 2020 $	31 December 2019 $
Loss attributable to the shareholders	**(11,468,825)**	(4,275,397)

Weighted Average Number of Ordinary Shares

	2020 Number	2019 Number
Issued ordinary shares at beginning of the period	**252,732,392**	153,665,478
Effect of shares issued	**31,286,965**	39,277,078
Weighted average number of ordinary shares at the end of the period (1)	**284,019,357**	192,942,556

(1) On 31 March 2020, shareholders approved the consolidation of the Company's capital on a 15-for-1 basis. The consolidation took effect from 2 April 2020. Prior year comparatives have been restated.

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 2020 and the exercise of potential shares would not increase that loss.

Note 13 (a). Cash and Cash Equivalents

	31 December 2020 $	31 December 2019 $
Cash at bank and on hand	**6,501**	11,243
Deposits - short term	**24,082,780**	9,692,475
	24,089,281	9,703,718

The deposits are bearing floating and fixed interest rates between 0.25% and 2.8% (2019: between 1.58% and 4.59%).

Note 13 (b). Reconciliation of Cash Flows from Operating Activities

	31 December 2020 $	31 December 2019 $
Loss for the period	**(11,468,825)**	(4,275,397)
Adjustments for:		
Depreciation	**98,035**	29,627
Non-cash employee benefits expense– share based payments	**496,680**	49,519
Loss from financial liability at fair value through profit and loss	**1,607,166**	-
Impairment of exploration and evaluation assets	**-**	150,000
Impairment of other receivables	**289,751**	6,690
Foreign currency loss	**49,370**	-
Gain on sale of mineral asset	**(381,967)**	-
(Profit)/Loss on sale of plant and equipment	**4,381**	(690)
Operating loss before changes in working capital and provisions	**(9,305,409)**	(4,040,251)
Change in other receivables	**97,481**	(62,186)
Change in trade creditors and provisions	**1,106,626**	464,550
Net cash used in operating activities	**8,101,302**	(3,637,887)

Note 14. Other Receivables and Prepayments

	31 December 2020 $	31 December 2019 $
Current		
Other Receivables	**56,347**	57,144
Security deposits	**33,648**	30,133
Prepayments	**111,554**	166,169
	201,549	253,446
Non – Current		
Prepayments	**7,172**	59,116
Other Receivables	**372,771**	179,433
Provision for impairment	**(367,178)**	(179,433)
	12,765	59,116

Non-current other receivables include Brazilian federal VAT ("PIS-Cofins") levied on the Group's purchases. Recoverability of PIS-Cofins assets is dependent upon the Group generating a federal company tax liability, which may be offset against the Groups PIS-Cofins assets if the Group elects to do so. As at balance date taxable profits in the ordinary course of business are not considered probable though one-off taxable profits may be generated on specific transactions.

During the year the Company did utilise the PIS-Cofins asset to compensate for the PIS-Cofins liability on the sale of the Salobo West project. Taxable profits in the ordinary course of business are not, however, considered probable and therefore the Group has determined to fully impair the value of its PIS-Cofins tax asset. During the period the entity wrote off $5,575 which was previously provided for due to the credits expiring (2019: $781,862). An impairment expense of $289,751 was recognised in profit and loss in 2020 (2019: $6,690). Information about the Group's exposure to credit and market risk and impairment losses for other receivables is included in Note 23.

Note 15. Property, Plant and Equipment

	31 December 2020 $	31 December 2019 $
At Cost	**1,083,995**	915,598
Accumulated depreciation	**(299,001)**	(311,003)
	784,994	604,595

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 2020 $	31 December 2019 $
Plant and Equipment		
Carrying amount at beginning	**238,892**	66,439
Additions	**348,834**	198,156
Disposals	**(14,053)**	(1,118)
Depreciation	**(47,059)**	(18,891)
Effect of movements in exchange rates	**(69,550)**	(5,694)
Carrying amount at end	**457,064**	238,892
Land and buildings		
Carrying amount at beginning	**249,347**	258,022
Depreciation	**-**	-
Effect of movements in exchange rates	**(73,446)**	(8,675)
Carrying amount at end	**175,901**	249,347
Right-of-use assets (see also note 19)		
Carrying amount at beginning	**116,356**	-
Additions	**119,639**	131,350
Depreciation	**(50,976)**	(10,736)
Effect of movements in exchange rates	**(32,990)**	(4,258)
Carrying amount at end	**152,029**	116,356
Total	**784,994**	604,595

Note 16. Exploration and Evaluation Assets

	31 December 2020 $	31 December 2019 $
Opening net book value	**2,265,049**	2,487,858
Additions	**7,762,898**	-
Disposals	**(40,000)**	-
Effect of movements in exchange rate	**(1,223,794)**	(72,809)
Impairment of capitalised exploration expenditure	**-**	(150,000)
	8,764,153	2,265,049

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. The disposal during the period relates to the divestment of the Salobo West project as part of the Jaguar Project acquisition transaction. The impairment in 2019 is due to the relinquishment of the Aurora tenement resulting in impairment of capitalised exploration costs.

Note 16. Exploration and Evaluation Assets (continued)

Acquisition of Jaguar Nickel Project

The Jaguar Sale & Purchase Agreement formally closed (settled) on 8 April 2020, following the approval from Brazil's National Bank for Economic and Social Development (BNDES) for the transfer of the Jaguar royalty interest from Vale to Centaurus.

Total consideration for the acquisition of Jaguar consisted of:

Up-front consideration on closing

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

Deferred consideration

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

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

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

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

Terrativa elected to convert its royalty interest such that Centaurus could transfer the Salobo West title to Vale on an unencumbered basis at the time of closing (settlement).

Centaurus agreed to pay Terrativa up to A$3.5 million over a period of 2.5 years. On closing, A$1.0 million of the consideration was settled through the issue of ordinary shares in Centaurus on 9th April 2020. The shares were issued at the 10-day VWAP price of Centaurus shares immediately prior to the date of the announcement regarding the acquisition of the Jaguar Nickel Sulphide Project (6 August 2019).

Centaurus will pay Terrativa A$500k in cash every six months over 30 months, with the first instalment paid on 8 October 2020.

Further, Terrativa was entitled to receive two bonus payments which were contingent on Centaurus' market capitalisation targets milestones.

Milestone Payment 1, of either A$1.25M in cash or A$1.4M in Shares at Terrativa's election, was contingent on the Company's market capitalisation exceeding A$50M for over 90 days in any 6-month period during the course of 36 months from the closing date for the Jaguar Transaction, being 8 April 2020. The market capitalisation threshold for Milestone Payment 1 was triggered on 30 September 2020 and 2,834,008 Shares were issued.

Milestone Payment 2, of either A$1.25M in cash or A$1.4M in Shares at Terrativa's election was contingent on the Company's market capitalisation exceeding A$100M for over 90 days in any 6-month period during the course of 36 months from the closing date for the Jaguar Transaction, being 8 April 2020. The market capitalisation threshold for Milestone Payment 2 was triggered on 30 October 2020. Terrativa have elected to settle Milestone Payment 2 via the issue of Shares which was approved by shareholders subsequent to year end on 19 February 2021. Therefore, at 31 December 2020, the Milestone Payment 2 amount of $1,400,000 was still to be settled.

Note 16. Exploration and Evaluation Assets (continued)

The transaction is not a business combination as the assets acquired did not meet the definition of a business as per AASB 3 at the date of acquisition. The fair value of the purchase consideration has been allocated to the asset acquired as shown below. The fair value of the contingent consideration included in the asset is the fair value at acquisition date with the movement in fair value to balance date of $1,607,166 recognised in the consolidated statement of profit or loss.

Assets	
Exploration and evaluation assets additions	**7,762,898**
Foreign exchange	**(594,205)**
	7,168,693
Consideration	
Consideration settled in equity	**1,000,000**
Consideration settled in cash	**914,482**
Consideration to be settled	**4,061,377**
Fair value of contingent consideration at acquisition	**1,192,834**
Fair value of purchase consideration	**7,168,693**

Note 17. Trade and Other Payables

	31 December 2020 $	31 December 2019 $
Current		
Trade and other creditors	**881,867**	309,580
Accrued expenses	**1,059,098**	247,992
	1,940,965	557,572

Note 18. Financial Liability – Jaguar Project Acquisition

	31 December 2020 $	31 December 2019 $
Current	**2,400,000**	-
Non-Current	**2,734,569**	-
	5,134,569	-

Current Financial Liabilities includes the current portions of the cash consideration ($1,000,000) and the fair value of the contingent consideration ($1,400,000) due to Terrativa for the Salobo West royalty extinguishment at balance date. Note 16 provides additional information on the consideration components relating to the acquisition of the Jaguar Nickel Project. During the period the market capitalisation milestones were achieved and Terrativa elected to receive the consideration in shares, the remaining balance will be issued in shares subject to shareholder approval which was received subsequent to year end on 19 February 2021.

The fair value of the contingent consideration at the date of acquisition was $1,192,834 and this was recorded as part of the cost of the Jaguar acquisition (Note 16). This amount was estimated by using a Monte Carlo valuation based on the probability of the market capitalisation targets being achieved as at acquisition date. Subsequent changes in the fair value estimates have been recognised in the statement of profit and loss in accordance with AASB 9. During the period the contingent consideration has been revalued, lifting the associated Financial Liability to $2,800,000 with the resulting increase of $1,607,166 being recognised in the condensed consolidated statement of profit or loss.

The Non-Current Financial Liability includes the present value of the US$1.75m deferred consideration payment due to Vale and the non-current portion of the cash consideration due to Terrativa for the extinguishment of the Salobo West royalty. The Vale payment is due on the commencement of a Bankable Feasibility Study, or construction funding being secured, or 3 years from agreement signing, whichever occurs first.

Note 19. Leases

The Group leases offices and warehouse facilities. The leases are typically for a period of 1 to 3 years. Previously, these leases were classified as operating leases under AASB 17. During the year the Group entered into a lease for its corporate office for a 2-year period with the option to extend for a further 2 years. A right of use asset and lease liability have been recognised as a result of this lease. Refer to note 14 for the recognition of the right-of-use asset. The Group has applied the exemptions available under AASB 16 for short term leases and leases of low value.

	31 December 2020 $	31 December 2019 $
Current	**88,599**	45,273
Non-Current	**65,510**	70,906
	154,109	116,179

Lease payments are payable as follows

	31 December 2020 $	31 December 2019 $
Less than one year	**88,599**	45,273
Between one to three years	**65,510**	70,906
	154,109	116,179

Amounts Recognised in Profit or Loss

	31 December 2020 $	31 December 2019 $
Interest on lease liabilities	**7,199**	900
Expenses relating to short-term leases	**292,195**	103,947
Expenses relating to leases of low-value assets, excluding short term leases of low value assets	**40,141**	14,281

Note 20. Capital and Reserves

	2020 Number of Shares	2019 Number of Shares
On issue at beginning of period	**3,790,971,362**	2,304,982,165
Share consolidation 1-for-15	**(3,538,238,970)**	-
Issue of ordinary shares for Salobo West royalty buy back at $0.1425 per share	**7,017,544**	-
Issue of ordinary shares on exercise of unlisted options at $0.1230 per share	**566,667**	-
Issue of ordinary shares on exercise of unlisted options at $0.1950 per share	**1,233,335**	-
Issue of ordinary shares for placement at $0.4200 per share	**60,714,286**	-
Issue of ordinary shares for Salobo West royalty buy back at $0.4940 per share	**2,834,008**	-
Issue of shares as part of placement fee at $0.4200 per share	**758,928**	-
Issue of ordinary shares for placement at $0.0055	**-**	404,000,000
Issue of ordinary shares for placement at $0.01	**-**	1,000,000,000
Issue of ordinary shares on exercise of listed options at $0.01 per share	**-**	73,489,197
Issue of ordinary shares on exercise of unlisted options at $0.0082 per share	**-**	8,500,000
On issue at the end of the period – Fully paid	**325,857,160**	3,790,971,362

Note 20. Capital and Reserves (continued)

Ordinary Shares

On 31 March 2020, shareholders approved the consolidation of the Company's capital on a 15-for-1 basis. The consolidation took effect from 2 April 2020.

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

Employee Share Options

Information relating to the Employee Share Option Plan, including details of options issued, exercised or lapsed during the financial year and outstanding at the end of the financial year are set out in Note 9.

Listed Options

As at 31 December 2020, 28,940,040 listed options (ASX: CTMOC) remain unexercised at a price of $0.18 with an expiry date of 31 May 2021. There were no listed options exercised during the year (2019: 4,899,280 CTMOB were exercised at a post-consolidation price of $0.15). There were no options which expired during the year (2019: 36,637,358 CTMOB options expired on 31 August 2019). The comparatives have been restated for the effect of the 15-for-1 share consolidation.

	Weighted average exercise price	**2020 Number of Listed Options**	Weighted average exercise price	2019 Number of Listed Options
On issue at beginning of period	**$0.18**	**28,940,040**	$0.15	41,536,638
Options exercised - CTMOB	-	-	$0.15	(4,899,280)
Options granted - CTMOC	-	-	$0.18	28,940,040
Options expired -CTMOB	-	-	$0.15	(36,637,358)
On issue at the end of the period	**$0.18**	**28,940,040**	$0.18	28,940,040

Unlisted Options

On 31 January 2020 167,500,000 unlisted options with a pre consolidation exercise price of $0.015 expired.

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 20. Contingent Liabilities

Guarantees

The Company has given guarantees in respect of bank security bonds amounting to $33,648 (2019: $30,133), 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 (2019: Nil).

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

Note 20. Contingent Liabilities (continued)

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

Note 21. Capital Commitments

The Group has capital commitments of $41,406 as at the year ended 31 December 2020 (2019: Nil).

Note 22. Related Parties

Key Management Personnel

Key Management Personnel compensation is comprised of the following:

	31 December 2020 $	31 December 2019 $
Short term employee-benefits (Salaries and STI Plan)	**1,722,345**	761,757
Long term employee benefits	**15,216**	29,203
Post–employment benefits	**71,351**	32,257
Share-based payments expense	**496,682**	21,934
	2,305,594	845,151

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

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

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

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

		Transaction Value		**Balance Outstanding as at**	
Key Management Person	**Transaction**	**2020 $**	2019 $	**31 Dec 2020 $**	31 Dec 2019 $
Mr D M Murcia [(1)]	Legal fees	**17,575**	34,740	-	-
Mr C A Banasik [(2)]	Consulting Fees	-	7,000	-	-
Total and current liabilities				-	-

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

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

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 23. Financial Instruments – Fair Values and Risk Management

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

Financial Risk Management

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

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

Note 23. Financial Instruments – Fair Values and Risk Management (continued)

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.

(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.

(c) Other Receivables

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

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 2020, the PIS-Cofins tax asset has been fully impaired as taxable profits in the ordinary course of business are not considered probable though one-off taxable profits may be generated on specific transactions. During the year the Company did utilise the PIS-Cofins asset to compensate for the PIS-Cofins liability on the sale of the Salobo West project.

Exposure to Credit Risk

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

	31 December 2020 $	31 December 2019 $
Cash and cash equivalents (i)	**24,089,281**	9,703,718
Other receivables	**95,604**	98,935
	24,184,885	9,802,653

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

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

	Carrying Amount	
	31 December 2020 $	31 December 2019 $
Australia	**40,359**	43,871
Brazil	**55,245**	55,064
	95,604	98,935

These balances are net of provision for impairment (refer to Note 14).

Note 23. Financial Instruments – Fair Values and Risk Management (continued)

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 2020, the Group has current trade and other payables of $1,940,965 (31 December 2019: $557,572), Current Financial Liabilities of $2,400,000 and Non-Current Financial Liabilities of $2,724,569. The Group believes it will have sufficient cash resources to meet its financial liabilities when due. Refer to Note 2 Going Concern.

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

	Carrying amount	Contractual cash flows	6 mths or less	6-12 mths	1-2 years
31 December 2020					
Financial liabilities					
Trade and other payables	1,940,965	(1,940,965)	(1,940,965)	-	-
Financial liabilities(1)	5,124,569	(3,734,569)	(500,000)	(500,000)	(2,734,569)
	7,065,534	(5,675,534)	(2,440,965)	(500,000)	(2,734,569)
31 December 2019					
Financial liabilities					
Trade and other payables	557,572	(557,572)	(557,572)	-	-

(1) The Group will settle $1,400,000 of the Current Financial Liabilities via the issue of ordinary shares (refer to note 18).

Market Risk

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

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 2020 $	31 December 2019 $
Fixed rate instruments		
Financial assets	**13,900,000**	4,900,000
Variable rate instruments		
Financial assets	**10,215,399**	4,814,533
	24,115,399	9,714,533

Note 23. Financial Instruments – Fair Values and Risk Management (continued)

Fair Value Sensitivity Analysis for Fixed Rate Instruments

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

Cash Flow Sensitivity Analysis for Variable Rate Instruments

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2019.

	Profit or Loss		Equity	
	100bp Increase	100bp Decrease	100bp Increase	100bp Decrease
31 December 2020				
Variable rate instruments	**(17,466)**	**17,466**	-	-
Cash flow sensitivity (net)	**(17,466)**	**17,466**	-	-
31 December 2019				
Variable rate instruments	(9,714)	9,714	-	-
Cash flow sensitivity (net)	(9,714)	9,714	-	-

Capital Management

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

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

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

Note 24. Group Entities

	Country of Incorporation	Ownership interest 2020	2019
Parent Entity			
Centaurus Metals Limited			
Subsidiaries			
Centaurus Resources Pty Ltd	Australia	**100%**	100%
San Greal Resources Pty Ltd	Australia	**100%**	100%
Itapitanga Holdings Pty Ltd	Australia	**100%**	100%
Centaurus Brasil Mineração Ltda	Brazil	**100%**	100%
Centaurus Pesquisa Mineral Ltda	Brazil	**100%**	100%
Centaurus Gerenciamento Ltda	Brazil	**100%**	100%
Aliança Mineração Ltda	Brazil	**100%**	100%
Itapitanga Mineração Ltda	Brazil	**100%**	100%

Note 25. Subsequent Events

Subsequent to the end of the year, the Company secured possession of a key part of the land that covers its 100%-owned Jaguar Nickel Sulphide Project in northern Brazil following the completion of a Possession Agreement.

The possession rights have been secured for total consideration of R$10.7 million (~A$2.5 million) with the consideration to be paid in instalments over the next 3 years. The upfront consideration in respect to the agreement amounted to R$5.0 million (~A$1.2 million).

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 26. Remuneration of Auditors

	31 December 2020 $	31 December 2019 $
Audit Services		
Auditors of the Company		
Audit and review of financial reports – KPMG	**52,080**	37,471
Services other than statutory audit		
Taxation compliance services - KPMG	**14,818**	8,907

Note 27. Parent Entity Disclosures

As at, and throughout, the financial year ended 31 December 2020 the parent entity of the Group was Centaurus Metals Limited.

	31 December 2020 $	31 December 2019 $
Results of the Parent Entity		
Loss for the period (1)	**(13,086,953)**	(5,243,390)
Total comprehensive loss for the period	**(13,086,953)**	(5,243,390)

(1) During the year ended 31 December 2020 the parent entity provided for an impairment of $7,000,000 (2019: $3,000,000) (relating to loans to subsidiaries based on an assessment of recoverability).

	31 December 2020 $	31 December 2019 $
Financial Position of the Parent Entity at Year End		
Current assets	15,761,677	5,190,575
Non-current assets (1)	14,690,090	6,703,406
Total assets	30,451,767	11,893,981
Current liabilities	3,561,436	359,833
Non-current liabilities	963,805	166,078
Total liabilities	4,525,241	525,911
Net assets	25,926,526	11,368,070
Share capital	155,905,034	128,538,655
Reserves	954,934	675,904
Accumulated losses	(130,933,442)	(117,846,489)
Total equity	25,926,526	11,368,070

(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 2020 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 2020.

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
26 March 2021

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 2020 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 2020
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended
- Notes including a summary of significant accounting policies
- Directors' Declaration.

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

Basis for opinion

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

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

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

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

Acquisition of Jaguar Nickel Project	
Refer to Note 16 to the Financial Report	
The key audit matter	**How the matter was addressed in our audit**
The Group's acquisition of the Jaguar Nickel Project for a series of up-front, deferred and contingent consideration as disclosed in Note 16 to the financial report, was a significant transaction for the Group. The acquisition is a key audit matter due to: • the significance of the acquisition; • judgements made by the Group relating to the identification and measurement of the assets acquired and liabilities assumed. The most significant assumptions the Group applied in their assessment was the measurement of purchase consideration, particularly the contingent consideration linked to the Group's future market capitalisation; and • the level of judgement required in determining the accounting approach as either a business combination (in accordance with AASB 3 *Business Combinations*) or an asset acquisition. The difference in the accounting for the acquisition as a business or an asset is significant and could impact the recognition and measurement of amounts reported in the consolidated financial statements. These conditions and the associated acquisition accounting required significant audit effort and greater involvement by senior team members and our valuation specialists.	Our audit procedures included: • inspecting the sale and purchase agreement related to the acquisition to understand the structure, key terms and conditions, and nature of the purchase consideration. Using this, we evaluated the accounting treatment of the purchase consideration and transaction costs against the criteria in the accounting standards. • involving senior audit team members to assess the accounting treatment for the transaction. We analysed the conclusions reached by the Group to accounting standards and interpretations. • assessing the scope, competence and objectivity of the Group's external expert involved in the measurement of derivatives embedded in the contingent consideration. • assessing the Group's determination of the fair value measurement of contingent consideration. This involved: o engaging our valuation specialists to challenge the key assumptions used in the Group's assessment; and o comparing key assumptions within the Group's assessment of contingent consideration to an acceptable valuation model to estimate the future market performance. • assessing the mathematical accuracy and inputs used to measure the deferred consideration to the underlying data. • evaluating the Group's disclosures of the qualitative and quantitative considerations in relation to the acquisition, by comparing these disclosures to our understanding of the acquisition and the requirements of the accounting standards.

KPMG

Other Information

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

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

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

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

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

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

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

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

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

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

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

KPMG

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Centaurus Metals Limited for the year ended 31 December 2020, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

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

Our responsibilities

We have audited the Remuneration Report included in section 16 of the Directors' report for the year ended 31 December 2020.

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

KPMG

KPMG

Trevor Hart
Partner

Perth

26 March 2021

Centaurus Metals Limited

AUSTRALIA

Level 2, 1 Ord Street
West Perth, WA 6005
PO Box 975, West Perth, WA 6872
T: +61 8 6424 8420

BRAZIL

Centaurus Brasil Mineração Ltda
Avenida Barão Homem de Melo, 4391
Salas 606 e 607 - Estoril - CEP:30.494.275
Belo Horizonte MG
T: +55 31 3194 7750

ACN 009 468 099

www.centaurus.com.au