Centaurus Metals Limited

ABN 40 009 468 099

Financial Report
31 December 2023

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 2023 together with the consolidated financial report and accompanying audit report.

1 Directors

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

Mr D M Murcia	Independent Non-Executive Chair
Mr D P Gordon	Managing Director
Mr B R Scarpelli	Executive Director
Mr M D Hancock	Independent Non-Executive Director
Mr C A Banasik	Independent Non-Executive Director
Dr N Streltsova	Independent Non-Executive Director

All directors held their office from 1 January 2023 until the date of this report.

2 Directors and Officers

Mr Didier M Murcia, AM, B.Juris, LL.B
Non-Executive Chair, Age 61

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.

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

- Alicanto Minerals Limited – Non-Executive Director (appointed 30 May 2012)
- Strandline Resources Limited – Non-Executive Chair (appointed 23 October 2014, resigned 23 November 2023)

Mr Darren P Gordon, B.Bus, FCA, AGIA, ACG, MAICD
Managing Director, Age 52

Managing Director appointed 4 May 2009. Mr Gordon is a Chartered Accountant with over 25 years' resource sector experience as a senior finance and resources executive. He is a member of both the Governance Institute of Australia and the Institute of Company Directors. He has more than 13 years' experience in Brazil and has developed an extensive network of contacts within Government, the resources industry, and the broader business community in country. He has developed significant exposure to a number of different resource commodities as Managing Director of the Company and lead the negotiations with Vale to acquire the Jaguar Project.

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

Mr Bruno R Scarpelli, M.Sc., PMP
Executive Director, Age 46

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

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

Mr Mark D Hancock, B.Bus, CA, F Fin
Non-Executive Director, Age 55

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:

- CuFe Ltd - Executive Director, part time basis (appointed 1 September 2019)
- Strandline Resources Ltd – Non-Executive Director (appointed 11 August 2020), Non-Executive Chair (appointed 23 November 2023)

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 62

Independent non-executive director appointed 28 February 2019. Mr Banasik is a geologist with more than 30 years' experience across multiple disciplines and commodities. He was a founding Director of WA gold producer Silver Lake Resources (ASX: SLR). He has held a range of senior geological and executive roles for companies including Consolidated Minerals, Reliance Nickel, and Western Mining Corporation. He has extensive experience in nickel exploration, project development and operations, having held several geological and management positions with WMC (1986-2001).

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

Mr Banasik is the Chair of the Remuneration Committee

Dr Natalia Streltsova, MSc, PhD (Chem Eng), GAICD, MSME, MCIM
Non-Executive Director, Age 62

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

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

- Australian Potash Limited – Non-Executive Chair (appointed December 2021, resigned 2 February 2024)
- Neometals Limited - Non-Executive Director (appointed April 2016)
- Ramelius Resources Limited, - Non-Executive Director (appointed October 2019), Chair of the Risk & Sustainability Committee
- Western Areas Limited - Non-Executive Director (appointed January 2017 until its takeover by IGO on 20 June 2022)

Dr Streltsova is Chair of the Technical Committee which was formed in January 2023.

Mr Johannes W Westdorp, B.Bus, CPA, MAICD, GradDip App Sc
Chief Financial Officer & Company Secretary, Age 60

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

Director & Committee Meetings

The number of meetings of the Company's Board of Directors and its Committees held during the year ended 31 December 2023 and the number of meetings attended by each director are shown in the table below.

	Board		Audit & Risk Committee		Remuneration Committee		Technical Committee	
Director	**Held[1]**	**Attended**	**Held[1]**	**Attended**	**Held[1]**	**Attended**	**Held[1]**	**Attended**
Mr D M Murcia	10	10	2	2	3	3	n/a	n/a
Mr D P Gordon	10	9	n/a	n/a	n/a	n/a	n/a	n/a
Mr B R Scarpelli	10	10	n/a	n/a	n/a	n/a	n/a	n/a
Mr M D Hancock	10	10	2	2	3	3	n/a	n/a
Mr C A Banasik	10	10	2	2	3	3	7	6
Dr N Streltsova	10	9	n/a	n/a	n/a	n/a	7	7

(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.

3 Operating and Financial Review

A summary of consolidated results is set out below

	31 December 2023 $	31 December 2022 $
Interest Income	**1,454,852**	1,348,066
Research & Development (R&D) Tax refund	**1,304,766**	517,875
Other income	**-**	6,256
	2,759,618	1,872,197
Loss before income tax	**(40,740,002)**	(42,627,555)
Loss attributable to members of Centaurus Metals Limited	**(40,740,002)**	(42,627,555)

3.1 Financial Performance

During the year ended 31 December 2023 the Group expensed Exploration and Evaluation costs totaling $34,382,991 (2022: $36,225,206) in accordance with the Group's accounting policy. The Exploration and Evaluation costs primarily comprise costs in relation to exploration and feasibility study costs at the Jaguar Nickel Sulphide Project in Brazil.

3.2 Financial Position

At the end of the year the Group had a cash balance of $34,673,852 (2022: $34,047,722) and net assets of $55,216,482 (2022: $49,328,699). Total liabilities amounted to $5,106,508 (2022: $8,065,982) and consisted of trade and other payables, financial liabilities, lease liabilities and employee benefits.

3.3 Operations Review

3.3.1 Overview

The Company continued to advance the Feasibility Study for the Jaguar Nickel Sulphide Project during the full year ending 31 December 2023. Open pit optimisation, mine design, refinery pilot plant testwork and all process design work was completed with the work remaining principally focused on capital and operating cost estimation.

Subsequent to year end, the Company decided to to reshape the Jaguar Feasibility Study – deferring the parts of the Feasibility Study relating to a fully integrated downstream nickel sulphate project and focusing instead on completing the Feasibility Study based on an initial nickel concentrate-only project. The development of a potential downstream refinery will be considered in future when market conditions improve. With this approach, the Feasibility Study is targeted for completion in Q2 2024.

The ongoing Feasibility Study work suggests that this approach will have a significantly lower capital cost compared to an integrated project and will ensure that the Jaguar Project remains robust and should deliver strong financial returns throughout the commodity price cycle given the Jaguar Project's anticipated low operating costs, stemming in large part from the clean, low-cost power (~US$0.03/kWh) that is available to the Project from the 230kV national grid in Brazil.

3.3.2 Jaguar Nickel Sulphide Project

The Jaguar Nickel Sulphide Project was acquired from global mining giant, Vale S.A. (Vale) in August 2019. The Project hosts multiple nickel sulphide deposits and exploration targets within a 30km^2 land package in the western portion of the world-class Carajás Mineral Province. Jaguar is located close to existing infrastructure, just 35km north of the regional centres of Tucumã and Ourilandia do Norte (population +70,000) with access to power from the 230kV national grid only 20km southeast of the project near Vale's Onca Puma Ferronickel operations.

3.4 Feasibility Study Activities

Significant activity was progressed in respect to the Jaguar Feasibility Study, particularly in relation to the development of capital and operating costs, project development initiatives and future infrastructure access during the reporting period. During the year, the Feasibility Study was focused on the economics of a fully integrated concentrator and refinery circuit to produce a nickel sulphate product from the project. The rationale for this approach was strong at the time of commencing the study but recent changes in the nickel market now means that the sound rationale used by the Company to support the commencement of the downstream refinery study no longer holds and that an alternate development pathway needed to be adopted.

Consequently, subsequent to year end, the Company decided to to reshape the Jaguar Feasibility Study – deferring the parts of the Feasibility Study relating to a fully integrated downstream nickel sulphate project and focusing instead on completing the Feasibility Study based on an initial nickel concentrate-only project. The development of a potential downstream refinery will be considered in future when market conditions improve.

The ongoing Feasibility Study work suggests that this approach will have a significantly lower capital cost compared to an integrated project and will ensure that the Jaguar Project remains robust and should deliver strong financial returns throughout the commodity price cycle given the Jaguar Project's anticipated low operating costs, stemming in large part from the clean, low-cost power (~US$0.03/kWh) that is available to the Project from the 230kV national grid in Brazil.

The detail outlined below highlights the work completed on the Project during the year, based on producing a nickel sulphate product. The Concentrate Feasibility Study will draw upon a significant amount of this work to deliver the economic and technical assessment of the Project.

Mining

During the reporting period, strategic mine scheduling was concluded and aligned to the expected project construction and ramp-up schedule. In the pre-operations phase, mine development will be constrained to the required production of waste for Integrated Waste Landform (IWL) and other infrastructure requirements where bulk fill is required. Due to the low strip ratio to access first ore and the shallow weathering profile providing rapid access to transitional and fresh material, it is not necessary to undertake a substantial waste pre-stripping phase to enable a stable ore production profile to be achieved.

Metallurgy & Pilot Plant Testwork

Mineralogy

Centaurus completed comprehensive testing and analysis of the mineralogy of the Jaguar Nickel Project as part of which 3km of core, drilled by Centaurus, was selected for mineralogical testing. The core was selected from geologically important areas across the entirety of the resource base of the Project, including Jaguar South, Jaguar Central, Jaguar West, Jaguar Central North, Jaguar North, Jaguar North-East, Onça Preta and Onça Rosa.

Flotation Testwork

Extensive flotation testwork was completed on the Jaguar nickel sulphide ore during the reporting period, with over 800kg of high-quality concentrate produced for feed to the Jaguar Pilot Plant. Variability composites were also prepared and tested. The flotation work provided an extensive geo-metallurgical understanding for optimisation of the mining schedule.

From the flotation testwork**,** Centaurus estimates that it will be able to recover approximately 94% of the sulphide nickel processed to a concentrate (which is approximately 75% of the total nickel at the average head grade in the MRE).

Pilot Plant

Centaurus' piloting program for the Jaguar Project was developed to provide detailed chemistry and process engineering data for the Feasibility Study and future front-end engineering design (FEED) requirements, as well as to ensure a high-quality nickel product could be achieved for marketing and off-take discussions.

Approximately 30kg of nickel sulphate, 0.9kg of cobalt hydroxide and 5.8kg of zinc hydroxide was produced from the pilot program and is available for marketing to potential off-take partners.

Engineering

Following the receipt of all information from the pilot program, the refinery process flowsheet was completed for all processing unit operations. During the reporting period, refinery design, the process plant layout – including all surface water control structures and final road layouts were finalised.

Capital Cost Estimation

By year-end, equipment sizing and selection for the Concentrator and Refinery was finalised with the selections allowing equipment and construction pricing to progress. With the Company now phasing the development of the Project, focused initially on a Concentrate only Project, the main components of capital cost for this initial phase are set out below.

Mining

The main capital cost in respect of mining is the pre-strip of waste for the construction of the Integrated Waste Facility (IWL) and ROM laydown area. Prices for Drill and Blast and Load & Haul have been received from a number of mining contractors with these prices being used to determine overall mining costs for the Project.

Processing – Concentrator

The concentrator for the Jaguar flotation circuit has been designed for an annual throughput of 3.5Mtpa.

All major equipment items for the concentrator have been priced with the key components of the circuit being:

- Jaw Crusher
- Sag Mill
- Flotation Circuits
- Thickeners for concentrate and tailings

Construction packages for the costs associated with the installation of the concentrator circuit were still being received at the end of the reporting period.

Non-Process Infrastructure (NPI)

The key components of the non-process infrastructure include:

- Earthworks & Site Roads
- Preparation of IWL site
- Non-Process Site Buildings (restaurant, offices, gatehouse, control room, laboratory, workshop, warehouse, emergency services, etc.)
- 60km of offsite road upgrades and the upgrade of three local bridges
- Power Supply, including 38km of new 230kV power line and main sub-station with 230kV to 13.8kV transformer

Operating Cost Estimation

Mining

The Feasibility Study for the Jaguar Project is being prepared solely on the basis of an open pit mining operation. It is expected that future underground operations will occur given significant mineralisation has been intersected up to 800 metres below the base of Feasibility Study open pit designs.

The main operating cost for the Jaguar Project is the mining of ore and waste from the open pits. Prices for Drill and Blast and Load & Haul have been received from a number of mining contractors with these prices being used to determine overall mining costs for the Project.

Centaurus will purchase all diesel for the project and free issue it to mining contractors. This approach will save on indirect taxes on the supply of diesel.

All pit optimisation work has been completed and a detailed pit design and mining schedule has been prepared, which has been the basis for the estimation of mining costs.

Processing – Concentrator

The concentrator circuit has been specified as a 3.5Mtpa circuit and takes the form of a traditional nickel flotation circuit. The main operating costs associated with the concentrator circuit are power, labour, grinding media and reagents.

The Company will connect to the 230kV national grid in Brazil with the network being 80% renewable energy. As a result, carbon emission levels associated with use of power from the grid will be very low. Centaurus expects that by the time it has finalised a contract for the supply of power with one of the many generators in country, the power supply for the project will be 100% renewably sourced.

Based on Feasibility Study work, the cost of power (including transmission and taxes) will be approximately US$0.03 per kWh.

Approval to access the 230kV network has been granted by the Ministry of Mines and Energy with stage 2 of the approval process to commence shortly, which is the approval of the Electricity Market Regulator (ONS).

3.5 Approvals

Technical Approval of Mining Lease Application (PAE)

Late in the reporting period, the Company received the technical approval of its Mining Lease Application – PAE by the ANM (the Brazilian National Mining Agency).

The technical approval of the PAE indicates that all technical requirements have been met in relation to the grant of the Mining Lease as well as recognition of the Company's capacity to implement the Project. The issue of the LI by SEMAS is now the final step needed before the Mining Lease is formally granted.

Environmental Approvals

In respect to the main environmental approval processes with the State Environmental Agency (SEMAS), Public Hearings required in the local municipalities to support the grant of the Preliminary Licence (LP) – the key environmental approval for the development of the Jaguar Nickel Project – were held on 10 and 11 October 2023.

The Jaguar Public Hearings went very well and the positive support seen in the Public Hearings was important in securing, subsequent to the end of the reporting period, the Pará State Environmental Committee (COEMA) approval for the Company's Environmental Impact Assessment ("EIA") and Preliminary Licence ("LP").

Issue of LP

Following the COEMA approval of the EIA and completion of the various internal process of the State Environmental Agency (SEMAS), the Company was formally granted the LP in February 2024.

The issue of the LP was a key milestone for the Company and the Jaguar Nickel Sulphide Project as it attests to the fact the overall definition of the project is both environmentally and socially sound. Historically, this is the most challenging stage of the environmental approval process in Brazil.

Environmental Agency Approval of the Jaguar Powerline Route

Concurrently with the grant of the LP for the main Jaguar Project, the Company has also received the grant of the combined Preliminary Licence ("LP") and Installation Licence ("LI") for the high-voltage powerline that will supply power to the Jaguar Nickel Sulphide Project, following approval of the environmental study for the powerline route.

3.6 Acquisition of Off-Take Rights

During the reporting period, Centaurus entered into an important agreement with Vale Base Metals, via its subsidiary Salobo Metais S.A (Vale), whereby Vale extinguished its right to 100% of the nickel off-take from the Jaguar Nickel Sulphide Project in exchange for an increase in their existing royalty from the Project.

The off-take rights stemmed from the original Jaguar Sale & Purchase Agreement (SPA) of 30 August 2019, when Centaurus acquired 100% of the Jaguar Project from Vale.

Vale agreed to extinguish the off-take rights in exchange for an additional royalty on the same terms as the royalty arrangements included as part of the original Jaguar SPA, which increased Vale's total Net Operating Revenue royalty over Jaguar to 1.75% for nickel sulphate and 2.00% for nickel concentrate and other products produced from the Jaguar Project.

The completion of the transaction allowed Centaurus to take back full control and optionality over the sale and marketing of Jaguar's strategic, long-life, low-greenhouse gas emission nickel and with this Centaurus has been able to commence a strategic partnering process in conjunction with Standard Chartered Bank.

The partnering process continued over the reporting period with the finalization of Jaguar Feasibility Study being an important step in formalising any partnering/funding outcome for the project.

3.7 Drilling & Exploration Programs

Drilling at the Jaguar Nickel Sulphide Project during the reporting period continued to grow and de-risk the project, with step-out and deeper drilling at key deposits confirming the potential for further significant Resource growth. Over 50,000 metres of drilling was completed in 2023 and this is expected to lead to an increase in the MRE when it is delivered post Feasibility Study completion in Q2 2024.

At the end of the reporting period, the Company had successfully completed its Jaguar Deeps drilling program and all drilling contractors were demobilised from site.

Onça Preta Deposit

The Onça Preta Deposit is the highest-grade deposit at the Jaguar Project, with the November 2022 MRE[1] expanding the resource to 14.2Mt at 1.23% Ni for more than 173kt of contained nickel.

Extensive drilling at Onca Preta was undertaken during the year with a number of significant intersections being received. Results from the Jaguar Deeps drilling at the Onça Preta Deposit show that the mineralisation continues more than 300m below the bottom of the current Mineral Resource Estimate (MRE) and remains open at depth.

Jaguar South Drill Results

The Jaguar South Deposit is the largest deposit at the Jaguar Project, hosting an MRE of 34.6Mt at 0.92% Ni for more than 316kt of contained nickel. The base of the November 2022 MRE continues to be constrained purely by the depth of drilling, however, step-out drilling continues to confirm that the mineralisation remains open at depth and along the +800m strike length of the deposit in both directions.

Extensive drilling at Jaguar South was undertaken during the year with a number of significant intersections being received. Jaguar Deeps drilling at the Jaguar South Deposit successfully identified new broad intervals of stringer and semi-massive nickel sulphide mineralisation between 500m to 650m deep and stringer mineralisation down to as deep as 1,000m down hole.

3.7.1 Boi Novo Copper Gold Project

During the reporting period, the Company secured the Boi Novo Copper-Gold Project, as part of Centaurus' Horizon II Business Development and Growth Strategy in northern Brazil, covering 35km^2 of highly prospective ground in the Carajás Mineral Province – the world's premier Iron-Oxide Copper-Gold (IOCG) address. The Project is located just 30km from Parauapebas (population 250k), the regional centre of the Carajás, and less than 20km from BHP's Antas Norte copper flotation plant.

The Company has completed an extensive soil sampling campaign with more than 3,000 samples taken. Results indicate that the Project hosts four distinct target areas with +500pm copper-in-soil anomalies along 12km of discontinuous strike coincident with the drone magnetic anomalies. Within the broader anomalies there are discrete zones of +1,000ppm copper-in-soil anomalies extending over a strike length of more than 1.5km.

During field mapping, Centaurus geologists identified sub-crops and blocks of partially to strongly weathered mafic and tonalitic rocks hosting copper oxide mineralisation (malachite and chrysocolla) and trace copper sulphide minerals (chalcopyrite). The best result from rock chips sampling to-date returned 2.24% Cu and 0.57g/t Au[1].

The Company has commenced, subsequent to year end, an Induced Polarization (IP) ground survey that has traditionally been the geophysical survey of choice for targeting of IOCG deposits in the Carajás as it responds well to the broad disseminated sulphide mineralisation style associated with the known IOCG deposits.

Once the ground geophysical surveys are completed, a drill program is likely to be carried out to test the priority targets, as well as any new targets generated by the Company's FLEM survey.

3.7.2 Jambreiro Iron Ore Project

The Company's 100%-owned Jambreiro Project is located in south-east Brazil in the State of Minas Gerais only 250km from the Company's head office in the city of Belo Horizonte. A new Jambreiro EIA/RIMA was lodged in September 2023 and approval is anticipated to be 12 months from lodgement. The new EIA/RIMA incorporated the following changes to the project design that was originally approved in 2012:

- Elimination of the tailings dam through the inclusion of filtration at the back end of the process flowsheet to dewater the tailings and stockpile them with the waste dumps;
- Transforming the original tailings dam into a water storage dam, with a much smaller footprint;
- Development of two additional small open pits that are feasible in the current iron ore price environment; and
- Reducing the project's overall project footprint by ~50% via the removal of the tailings dam.

[1] Refer ASX releases dated 10 November 2022 and 28 November 2023. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the original market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the competent persons findings were presented have not been materially modified from the original announcements.

3.7.3 Key ESG Initiatives

During the reporting period, Centaurus published its inaugural Sustainability Report for 2022, which outlined the Company's key sustainability initiatives and performance over the 2022 calendar year and its goals for the years ahead. A Sustainability Report is being prepared for 2023 with release due around the time of the release of the Company's 2023 Annual Report.

Occupational Health & Safety

At the end of the reporting period, the Company had worked more than 250,000 hours in the last 12 months and had achieved 15 months without an LTI. The 12-month reportable injury frequency rate at the end of the quarter was 15.95 and the 12-month severity rate was 0.

GHG Emissions

Since January 2022, the Company has been monitoring Scope 2 greenhouse gas (GHG) emissions and sinks associated with the Jaguar Project. The main carbon sink is the standing forest on land acquired by the Company to support the Project Development. The main source of carbon from the Project has been the combustion of diesel to run drill rigs. Once in operation, the Jaguar Project is expected to have GHG emissions less than 85% of global nickel production[2].

Construction Training Programs

The Company intends to train up to 1,500 people, with local resident applications prioritised, in various trades that will allow them to be able to seek employment once construction of the Jaguar Project commences. The training programs are intended to be conducted in conjunction with local industry training college (SENAI), with the training programs to commence in H1 2024.

During the reporting period, the Company further advanced the enrolment process for construction training with over 1,900 applications to date having been received from the region.

In conjunction with the planned construction programs, the Company offered nine free online training programs to local residents during the reporting period. These training programs provided qualifications in safety at work, environmental education, information technology, logistics, architectural drawing, personal finance, mechanic fundamentals, metrology, and ESG – Sustainable Industry. Since the courses commenced, 3,678 students were enrolled in the various courses and to date 2,053 students have completed the programs.

Plant Nursery

During the period, the Company planted over 5,000 native species seedlings for the revegetation program of previously cleared farmland. The planned revegetation will allow new forest corridors to be established around the site to assist with the movement, protection and biodiversity of flora and fauna. Since the start of the revegetation program in January 2022, 24.81 hectares have been revegetated with more than 10,146 seedlings of native species planted.

3.8 Corporate

Capital Raising

The Company completed an institutional, corporate, and sophisticated investor placement in August 2023 which raised $46.9 million before fees to underpin the continued de-risking, growth, and development of its 100%-owned Jaguar Nickel Sulphide Project in northern Brazil.

The funds were used for the ongoing Jaguar Feasibility Study and the Jaguar Deeps drilling program. Funds are also earmarked for priority pre-development work streams and ongoing Feasibility Study costs.

Strategic Partnering Process

Following the close out of the Vale Offtake Rights in the June 2023, Centaurus has full control and optionality over the sale and marketing of Jaguar's strategic, long-life, low-greenhouse gas emission nickel and with this Centaurus commenced a strategic partnering process in conjunction with Standard Chartered Bank, with strong initial interest seen in the project and its potential nickel products from a wide range of counterparties including Western and Asian strategic investors, global automakers, battery manufacturers, chemical companies and financial investors.

This broad range of strategic interest highlights the unique market positioning of the Jaguar Nickel Sulphide deposit as one of the very few advanced stage, large-scale nickel sulphide projects globally, underpinned by its Mineral Resource which hosts nearly one million tonnes of contained nickel in an open pittable nickel sulphide deposit.

[2] Refer ASX announcement 26 March 2024 for study by Skarn Associates.

3.9 Factors and Business Risks Affecting Future Business Performance

The current and future activities of the Company are influenced by numerous factors, many of which are impacted by events external to the control of the Company. The following factors and business risks could have a material impact on the Company's success in delivering its strategy:

Access to Funding

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

Commodity Prices

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

Exchange Rates

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

4 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.

5 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.

6 Events Subsequent to Reporting Date

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

7 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.

8 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.

9 Dividends

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

10 Directors' Interests

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

	Ordinary Shares	Options
Directors		
Mr D M Murcia	2,371,967	600,000
Mr D P Gordon	7,177,025	1,124,550
Mr B R Scarpelli	1,595,823	381,400
Mr M D Hancock	1,512,254	400,000
Mr C A Banasik	1,466,668	633,334
Dr N Streltsova	85,000	-

11 Share Options

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

		Options		Total Number of Shares Under Option
Expiry Date	Exercise Price	Vested	Unvested	
31/05/2024	$0.180	233,334	-	233,334
31/05/2024	$0.405	1,400,000	-	1,400,000
31/12/2024	-	485,543	-	485,543
31/12/2025	-	-	1,225,220	1,225,220
31/12/2026	-	-	1,535,164	1,535,164
31/12/2027	-	-	2,170,514	2,170,514
		2,118,877	**4,930,898**	**7,049,775**

12 Indemnification and Insurance of Officers and Auditors

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

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

13 Non-Audit Services

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

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

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

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

	31 December 2023 $	31 December 2022 $
Audit services		
Auditors of the Company		
Audit and review of financial reports	**66,500**	60,000
Services other than statutory audit		
Taxation compliance services	**5,304**	7,576
Other consulting services	**5,250**	10,590
	10,554	18,166

14 Auditor's Independence Declaration

The auditor's independence declaration is set out at page 24 and forms part of the directors' report for the period ended 31 December 2023.

15 Remuneration Report – Audited

15.1 Principles of Remuneration

The primary objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders.

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

The work undertaken by the remuneration advisors did not involve providing the Remuneration Committee with any remuneration recommendations as defined by the *Corporations Act 2001*.

The Board considers the recommendations of the Remuneration Committee in ensuring that executive reward satisfies the following key criteria:

- competitiveness and reasonableness;
- acceptability to shareholders;
- link to short and long term objectives which enhance shareholder value;
- transparency; and
- capital management.

The Group has structured an executive remuneration framework that is market competitive and consistent with the reward strategy of the organisation. The Board seeks to align shareholder and participant interests by ensuring the Company's remuneration framework applies the following principles;

- focuses on the creation of shareholder value and returns;
- attracts competent individuals to key executive roles;
- retains high calibre executives with an inherent knowledge of the Company's ongoing business and activities;
- rewards capability and experience;
- reflects competitive reward for contribution to growth in shareholder wealth;
- provides a clear structure for earning rewards; and
- provides recognition for contribution to the Group's objectives.

The remuneration framework consists of Total Fixed Remuneration and short and long-term incentives. Whilst intended to be settled in cash, the Board retains the discretion to settle short-term incentives with equity. An Employee Share Incentive Plan (ESIP) was approved by shareholders at the AGM in May 2022 and incentives settled in equity may be offered under this plan.

The overall level of executive reward takes into account the performance of the Group over a number of years. 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 heavily impacted by broader market factors like the surplus nickel supply out of Indonesia and the associated impact nickel price but in 2023, delays in the delivery of the Jaguar Feasibility Study have also likely impacted shareholder wealth.

The global nickel market is facing challenges due to an excess supply of nickel from Indonesia and softer demand growth from the EV section. This oversupply from Indonesia has led to a 35% reduction in nickel prices over the last 12 months which has, in turn, forced the closure of a number of nickel sulphide mines in Australia due to higher cost structures and severely impacted investor sentiment for nickel stocks listed in Australia.

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

	2023 $	2022 $	2021 $	2020 $	2019 $
Net Loss	(40,740,002)	(42,627,555)	(16,994,715)	(11,468,825)	(4,275,397)
Change in share price (1)	($0.585)	$0.010	$0.290	$0.625	$0.090
Change in share price	(52%)	1%	35%	321%	-

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

15.2 Remuneration Framework

The executive remuneration and reward framework currently has four regular components:

- Total Fixed Remuneration (TFR) - base salary plus superannuation;
- short term incentives (STIs);
- long term incentives (LTIs); and
- other benefits such as insurances.

In addition, where market circumstances require it, retention bonuses are also provided as part of the overall remuneration package of KMP.

The combination of the above regular components and occasional retention bonuses comprise the executive's total remuneration.

15.2.1 Total Fixed Remuneration

Total Fixed Remuneration is base salary inclusive of superannuation.

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

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

15.2.2 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 objectives under the STI Plan are reviewed annually by the Remuneration Committee and approved by the Board. All awards to Key Management Personnel (KMP) are assessed and recommended by the Remuneration Committee and approved by the Board.

For 2023, KMP other than the Managing Director, can earn up to 45% of Total Fixed Remuneration (TFR) under the STI Plan whilst the Managing Director can earn up to 50% of TFR. Other Managers of the Group can earn up to 20-40% of TFR under the Plan.

The annual performance targets are based on challenging goals with a mix of both Company performance and project specific targets. Given its status as a pre-revenue exploration and evaluation focused entity, the Company does not consider that financial targets such as net profit are relevant measures for a STI program. The STI Plan has a gateway with no award being made in the event of fatality, permanent disabling injury and/or material environmental breach. The Group's key STI performance measures for the year ending 31 December 2023 are summarised below;

- effective management of environmental conditions and safety performance;
- community and land owner engagement in Brazil;
- achievement of defined targets for the Jaguar Project with respect to exploration activity performance which includes achieving drilling program objectives within budget;
- achievement of key deliverables in relation to the licensing, definitive feasibility study, offtake and other development activities of the Jaguar Nickel Project; and
- achievement of value adding outcome for the Jambreiro Iron Ore project.

Details of STI incentives awarded during the year are provided in Section 15.6.

15.2.3 Long Term Incentives

LTIs may be granted from time to time to reward performance in the realisation of strategic outcomes and long-term growth in shareholder wealth and to ensure the retention of KMP. 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 15.8.

During the period, KMP were granted options with no exercise price which are subject to vesting conditions related to achieving performance targets measured over a three-year period. The options were issued under the Company's ESIP and under ASX Listing Rule 10.11 to Executive Directors. KMP, other than the Managing Director and the Brazil Country Manager, were issued with options up to the value of 60% of TFR whilst the Managing Director and the Brazil Country Manager were issued with options up the value of 100% and 70% of TFR respectively.

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

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

Grant Date	Performance Measurement period	Expiry Date	Vesting Conditions	Value per Option at grant date
Executive Directors				
26 May 2023	1 January 2023 to 31 December 2025	31 December 2026	50% of Options vest based on Total Shareholder Return relative to a peer group of companies determined by the Board	$0.4848
26 May 2023	1 January 2023 to 31 December 2025	31 December 2026	50% based upon Absolute Total Shareholder Return.	$0.2592
23 March 2022	1 January 2022 to 31 December 2024	31 December 2025	50% of Options vest based on Total Shareholder Return relative to a peer group of companies determined by the Board	$1.1485
23 March 2022	1 January 2022 to 31 December 2024	31 December 2025	50% based upon Absolute Total Shareholder Return.	$1.0496
19 February 2021	1 January 2021 to 31 December 2023	31 December 2024	50% of Options vest based on Total Shareholder Return relative to a peer group of companies determined by the Board.	$0.7833
19 February 2021	1 January 2021 to 31 December 2023	31 December 2024	50% based upon Absolute Total Shareholder Return.	$0.6756
Executives				
16 February 2023	1 January 2023 to 31 December 2025	31 December 2026	50% of Options vest based on Total Shareholder Return relative to a peer group of companies determined by the Board	$0.8491
16 February 2023	1 January 2023 to 31 December 2025	31 December 2026	50% based upon Absolute Total Shareholder Return.	$0.6354
23 March 2022	1 January 2022 to 31 December 2024	31 December 2025	50% of Options vest based on Total Shareholder Return relative to a peer group of companies determined by the Board	$1.1485
23 March 2022	1 January 2022 to 31 December 2024	31 December 2025	50% based upon Absolute Total Shareholder Return.	$1.0496
13 July 2021	1 January 2021 to 31 December 2023	31 December 2024	50% of Options vest based on Total Shareholder Return relative to a peer group of companies determined by the Board.	$0.6900
13 July 2021	1 January 2021 to 31 December 2023	31 December 2024	50% based upon Absolute Total Shareholder Return.	$0.5774
25 January 2021	1 January 2021 to 31 December 2023	31 December 2024	50% of Options vest based on Total Shareholder Return relative to a peer group of companies determined by the Board.	$0.7188
25 January 2021	1 January 2021 to 31 December 2023	31 December 2024	50% based upon Absolute Total Shareholder Return.	$0.6212

The achievement of vesting conditions will be determined at the end of the 3-year assessment period and the options will not vest or be capable of being exercised until after this assessment period has closed, other than in the case of a successful change of control transaction in which case the options will immediately vest.

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

To achieve the relative Total Shareholder Return (TSR) performance measure, the Company must outperform, on a TSR basis, at least 49.9% of the peer group established by the Board. The peer group for the LTI granted during the year ended 31 December 2023 is comprised of the following companies.

Adriatic Metals PLC	Jervois Global Limited	Panoramic Resources Limited
Arafura Rare Earths Ltd	Jupiter Mines Limited	Poseidon Nickel Limited
Argosy Minerals Limited	Lake Resources NL	Strandline Resources Limited
Blackstone Minerals Limited	Latin Resources N.L.	Talga Group Ltd
Emerald Resources NL	Magnis Energy Technologies Ltd	Tietto Minerals Limited
Galan Lithium Limited	Mincor Resources NL	
Hastings Technology Metals Ltd	Mount Gibson Iron Limited	

The assessment of the relative TSR vesting condition will occur in accordance with the table below.

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

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

The assessment of the absolute TSR vesting condition will occur in accordance with the table below.

Threshold TSR Level over Assessment Period	Amount of ZEPOs which will vest and become exercisable
Less than 25%	Zero
B/t 25% and 32.5%	50%
B/t 32.5% and 40%	75%
40% or greater	100%

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

15.2.4 Retention Bonuses

During the year, a retention bonus was awarded to four long-standing KMP to ensure continuity and stability in leadership during a pivotal period of growth and development for the Company. Fundamentally, the decision to award the retention bonus was a strategic move to retain top talent within the organization at a time when the labour market for senior resource executives was particularly tight.

Importantly, the Board wanted to ensure the Company retained the longstanding KMP that had a deep operating knowledge of Brazil that could continue to support the development of the Jaguar Nickel Sulphide Project, and also develop new growth opportunities to drive shareholder value.

During the 3-year period through to the end of 2022, the Company, under the effective leadership and strategic direction provided by the KMP, was able to deliver total shareholder return over 900%, emphasising to the Board the need to retain the services of this key group of KMP during the key pre-development stages of the Jaguar Project and to develop new opportunities, ultimately benefiting shareholders through continued growth and value creation.

The award of the retention bonus to KMP during 2023 aligns with Centaurus Metals' commitment to creating long-term shareholder value by retaining top talent, maintaining strong leadership, and building a Brazilian strategic minerals business to benefit our shareholders, our people and the communities where we operate.

The Company determined that the retention bonus would be paid in three instalments with the first instalment being paid during 2023, details of which are set out in Section 15.7 below, and the remaining two instalments to be paid during 2024.

15.3 Employment Agreements

Remuneration and other terms of employment for executives are formalised in employment agreements which are reviewed annually. The agreements provide for both fixed and variable remuneration including participation, at the discretion of the Board in short and long-term incentive plans (refer to sections 15.2.2, 15.2.3 and 15.2.4).

Other major provisions of the employment agreements, as at 31 December 2023, relating to remuneration are set out below:

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

As part of the annual remuneration review for FY2024, the Board approved a TFR review increase of 3.0% for KMP, which include the legislated superannuation increase effective from 1 July 2023. The nominal increases are less than the increase in the Consumer Price Index in the 2023 financial year. There were no changes in the STI or LTI levels as a percentage of each KMP's Total Fixed Remuneration (TFR).

15.4 Non-Executive Directors

Fees and payments to Non-Executive directors reflect the demands which are made on, and the responsibilities of, the directors. Non-Executive directors' fees and payments are reviewed at least annually by the Board. The Chair's fees are determined independently to the fees of Non-Executive directors based on comparative roles in the external market and prevailing market conditions. The advice of independent remuneration consultants is sought on an annual basis.

Non-Executive directors' remuneration consists of set fee amounts. The current level of fees Non-Executive directors is $77,000 per annum. The Non-Executive Chair's fees are $115,000 per annum. There have been no fee increases for Non-Executive directors as part of the Company's annual review in January 2024. 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 $600,000. There is no provision for retirement allowances for Non-Executive directors.

Non-Executive Directors may be granted options from time to time to provide a meaningful additional incentive for their ongoing commitment and dedication to the continued growth of the Group and to assist the Company in attracting and retaining the highest calibre of Non-Executive Director, whilst maintaining the Group's cash reserves. There were no options granted or issued to Non-Executive Directors in the current period, with the cost reported relating to prior period issues which are progressively vesting. Refer to Section 15.8 for options issued during prior periods. Prior to issuing incentives the Board considers whether the issue is reasonable in the circumstances.

15.5 Key Management Personnel Transactions

Loans to Key Management Personnel and Their Related Parties

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

Key Management Personnel and Director Transactions

Key Management Personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of these entities.

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

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

		Transaction Value		Balance Outstanding as at	
		2023	2022	**31 Dec 2023**	31 Dec 2022
Key Management Person	**Transaction**	**$**	$	**$**	$
Mr D M Murcia [(1)]	Legal fees	74,053	21,578	11,082	6,015
Natalia Streltsova[(2)]	Technical consulting	35,000	-	-	-
Total and current liabilities				11,082	6,015

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

(2) Payable to Vintage94 Pty Ltd, a company of which Dr Streltsova is a director.

15.6 Performance Based Remuneration Granted and Forfeited During the Year

Subsequent to the end of the period, the Board assessed the achievement of objectives under the STI Plan resulting in the payments noted below. There was no increase in the target STI levels (as a percentage of TFR) for any of the KMP during the period.

Executive	Target STI (% of TFR)	Target FY23 STI Quantum $	STI Quantum Earned $	STI Quantum Forfeited $
Mr D P Gordon	50%	266,500	143,910	122,590
Mr B S Scarpelli	45%	140,800	90,396	50,404
Mr W E Foote	40%	109,440	59,098	50,342
Mr J W Westdorp	40%	156,000	84,240	71,760
Mr R J Fitzhardinge	40%	170,000	91,800	78,200

15.7 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 KMP of the Group are shown in the table below:

		Short Term Benefits				Post Employment Benefits	Long Term Benefits		Share Based Payments			
	Year	Salary & Fees $	STI Bonus $	Other Benefits(1) $	Consultancy Fees(2) $	Superannuation $	Long Service Leave(3) $	Retention Bonus $	Options(4) $	Total $	S300A(1)(e)(i) Proportion of Remuneration Performance Related %	S300A(1)(e)(vi) Value of Options as Proportion of Remuneration %
Non- Executive Directors												
Mr D M Murcia	**2023**	**115,000**	**-**	**-**	**-**	**-**	**-**	**-**	**13,131**	**128,131**	**-**	**10.2%**
	2022	105,000	-	-	-	-	-	-	48,601	153,601	-	31.6%
Mr M D Hancock	**2023**	**77,000**	**-**	**-**	**-**	**-**	**-**	**-**	**8,754**	**85,754**	**-**	**10.2%**
	2022	70,000	-	-	-	-	-	-	32,401	102,401	-	31.6%
Mr C A Banasik	**2023**	**77,000**	**-**	**-**	**-**	**-**	**-**	**-**	**8,754**	**85,754**	**-**	**10.2%**
	2022	70,000	-	-	-	-	-	-	32,401	102,401	-	31.6%
Dr N Streltsova(5)	**2023**	**77,000**	**-**	**-**	**35,000**	**-**	**-**	**-**	**-**	**112,000**	**-**	**-**
	2022	26,833	-	-	-	-	-	-	-	26,833	-	-
Executive Directors												
Mr D P Gordon	**2023**	**505,500**	**143,910**	**19,653**	**-**	**27,500**	**28,635**	**204,800**	**335,167**	**1,265,165**	**54.1%**	**26.5%**
	2022	457,500	162,475	29,141	-	27,500	26,667	-	403,582	1,106,865	51.1%	36.5%
Mr B R Scarpelli	**2023**	**389,647**	**90,396**	**20,571**	**-**	**-**	**-**	**82,800**	**132,191**	**715,605**	**42.7%**	**18.5%**
	2022	339,423	79,214	11,446	-	-	-	-	155,023	585,106	40.0%	26.5%
Executives												
Mr R J Fitzhardinge	**2023**	**247,044**	**59,098**	**693**	**-**	**26,556**	**12,486**	**81,500**	**141,642**	**569,019**	**49.6%**	**24.9%**
	2022	230,750	51,134	13,330	-	23,650	16,422	-	131,508	466,794	39.1%	28.2%
Mr J W Westdorp	**2023**	**362,500**	**84,240**	**12,222**	**-**	**27,500**	**-**	**103,500**	**159,803**	**749,765**	**46.4%**	**21.3%**
	2022	322,500	70,350	14,546	-	27,500	-	-	148,561	583,457	37.5%	25.5%
Mr W E Foote	**2023**	**397,500**	**91,800**	**24,608**	**-**	**27,500**	**-**	**-**	**167,899**	**709,307**	**36.6%**	**23.7%**
	2022	346,500	75,174	18,963	-	27,500	-	-	113,105	581,242	32.4%	19.5%
Total 2023		**2,248,191**	**469,444**	**77,747**	**35,000**	**109,056**	**41,121**	**472,600**	**967,341**	**4,420,500**		
Total 2022		1,968,506	438,347	87,426	-	106,150	43,089	-	1,065,182	3,708,700		

(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 technical consulting fees for the Jaguar project.

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

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

(5) Appointed 15 August 2022

15.8 Equity Instruments

Options may be granted under the ESIP. Eligibility to participate in the ESIP (including participation by Executive and Non-Executive directors) is determined by the Board in its absolute discretion. The vesting and exercise conditions of options granted are also determined by the Board in its absolute discretion. Employees must remain in employment during the vesting period. Options may also be granted by the Company outside of the ESIP, but under similar terms and conditions.

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

15.8.1 LTI Performance for 2021 Options

The three year assessment period for the options issued under the LTIP in 2021 closed at the end of the reporting period being 31 December 2023. Subsequent to year-end an assessment was undertaken by the Board to determine the number of options that would vest. The vesting condition for tranche 1 was based on the TSR relative to a peer group of companies determined by the Board and disclosed in the 2021 Annual Report, while the vesting condition for tranche 2 was based on absolute TSR.

The Board determined that the vesting condition for tranche 1 had been met with the relative TSR of 68.8% resulting in a pro rata vesting of 91.7%. A total of 625,247 options vested and 72,479 lapsed. Tranche 2 vesting conditions were not met, and 697,726 options lapsed. The outcome for KMP is shown in the table below. The vested and lapsed options were held by each KMP at year-end and are included in the 31 December 2023 total balance in 15.8.3.

LTIP ZEPOs Issued in 2021	Vested	Lapsed
Directors		
Mr D P Gordon	215,277	(254,837)
Mr B R Scarpelli	89,164	(105,304)
Executives		
Mr R J Fitzhardinge	75,917	(121,433)
Mr J W Westdorp	104,042	(122,856)
Mr W E Foote	89,825	(106,085)

15.8.2 Analysis of Options over Equity Instruments Granted as Compensation

Details of vesting profiles of the options granted as remuneration both during the current and prior years to KMP of the Group are detailed below. During the period 2,011,151 options which were issued in 2020 lapsed. A total of 3,457,919 options previously granted as compensation with a weighted average exercise price of $0.16 were exercised raising $569,800.

	Number of Options Issued	Grant Date	Expiry Date	Exercise Price	Fair value per option at grant date	% Vest in Year	Financial Year in Which Grant Vests/Vested
Directors							
Mr D M Murcia	600,000	29/05/20	31/05/24	$0.405	$0.1667	100%	2023(1)
Mr D P Gordon	841,479	29/05/20	31/12/23	$0.000	$0.2013	100%	2023(2)
	235,307	19/02/21	31/12/24	$0.000	$0.7833	-	2024(3)
	235,307	19/02/21	31/12/24	$0.000	$0.6756	-	2024(4)
	223,030	23/03/22	31/12/25	$0.000	$1.1485	-	2025(5)
	223,029	23/03/22	31/12/25	$0.000	$1.0496	-	2025(6)
	231,357	26/05/23	31/12/26	$0.000	$0.4848		2026(7)
	231,357	26/05/23	31/12/26	$0.000	$0.2592		2026(8)
Mr B R Scarpelli	339,991	29/05/20	31/12/23	$0.000	$0.2013	100%	2023(2)
	97,234	19/02/21	31/12/24	$0.000	$0.7833	-	2024(3)
	97,234	19/02/21	31/12/24	$0.000	$0.6756	-	2024(4)
	77,670	23/03/22	31/12/25	$0.000	$1.1485	-	2025(5)
	77,669	23/03/22	31/12/25	$0.000	$1.0496	-	2025(6)
	113,031	26/05/23	31/12/26	$0.000	$0.4848	-	2026(7)
	113,030	26/05/23	31/12/26	$0.000	$0.2592	-	2026(8)
Mr M D Hancock	400,000	29/05/20	31/05/24	$0.405	$0.1667	100%	2023(1)

	Number of Options Issued	Grant Date	Expiry Date	Exercise Price	Fair value per option at grant date	% Vest in Year	Financial Year in Which Grant Vests/Vested
Directors							
Mr C A Banasik	233,334	31/05/19	31/05/24	$0.180	$0.0952	-	2021(1)
	400,000	29/05/20	31/05/24	$0.405	$0.1667	100%	2023(1)
Dr N Streltsova	-	-	-	-	-	-	-
Executives							
Mr R J Fitzhardinge	369,741	14/02/20	31/12/23	$0.000	$0.1582	100%	2023(2)
	98,675	25/01/21	31/12/24	$0.000	$0.7188	-	2024(3)
	98,675	25/01/21	31/12/24	$0.000	$0.6212	-	2024(4)
	73,117	25/03/22	31/12/25	$0.000	$1.1485	-	2025(5)
	73,117	25/03/22	31/12/25	$0.000	$1.0496	-	2025(6)
	89,070	16/02/23	31/12/26	$0.000	$0.8491	-	2026(7)
	89,070	16/02/23	31/12/26	$0.000	$0.6354	-	2026(8)
Mr J W Westdorp	424,990	14/02/20	31/12/23	$0.000	$0.1582	100%	2023(2)
	113,440	25/01/21	31/12/24	$0.000	$0.7188	-	2024(3)
	113,440	25/01/21	31/12/24	$0.000	$0.6212	-	2024(4)
	80,475	23/03/22	31/12/25	$0.000	$1.1485	-	2025(5)
	80,475	23/03/22	31/12/25	$0.000	$1.0496	-	2025(6)
	101,572	16/02/23	31/12/26	$0.000	$0.8491	-	2026(7)
	101,571	16/02/23	31/12/26	$0.000	$0.6354	-	2026(8)
Mr W E Foote	97,955	13/07/21	31/12/24	$0.000	$0.6900	-	2024(3)
	97,955	13/07/21	31/12/24	$0.000	$0.5774	-	2024(4)
	85,993	23/03/22	31/12/25	$0.000	$1.1485	-	2025(5)
	85,993	23/03/22	31/12/25	$0.000	$1.0496	-	2025(6)
	110,687	16/02/23	31/12/26	$0.000	$0.8491	-	2026(7)
	110,686	16/02/23	31/12/26	$0.000	$0.6354	-	2026(8)

(1) Options were subject to the satisfaction of service conditions.
(2) Options were subject to achievement of the relative TSR measure detailed in the 2020 Annual Report.
(3) Options will vest subject to achievement of the relative TSR measure as detailed in the 2021 Annual Report. Refer to details in Section 15.8.1 for options which vested subsequent to year end.
(4) Options will vest subject to the achievement of the absolute TSR measure as detailed in the 2021 Annual Report. Refer to details in Section 15.8.1 for options which lapsed subsequent to year end.
(5) Options will vest subject to achievement of the relative TSR measure detailed in the 2022 Annual Report.
(6) Options will vest subject to achievement of the absolute TSR measure as detailed in the 2022 Annual Report.
(7) Options will vest subject to achievement of the relative TSR measure detailed in Section 15.2.3.
(8) Options will vest subject to the achievement of the absolute TSR measure detailed in Section 15.2.3.

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

	Held 1 January 2023	Exercised	Granted	Forfeited(1)	Held 31 December 2023	Vested During the Period	Vested and Exercisable 31 December 2023
Directors							
Mr D M Murcia	1,200,000	(600,000)	-	-	600,000	600,000	600,000
Mr D P Gordon	2,599,631	(841,479)	462,714	(841,479)	1,379,387	841,479	-
Mr B R Scarpelli	1,029,790	(339,992)	226,061	(339,991)	575,868	339,992	-
Mr M D Hancock	800,000	(400,000)	-	-	400,000	400,000	400,000
Mr C A Banasik	1,150,001	(516,667)	-	-	633,334	400,000	633,334
Dr N Streltsova	-	-	-	-	-	-	-
Executives							
Mr R J Fitzhardinge	1,083,066	(334,791)	178,140	(404,691)	521,724	334,791	-
Mr J W Westdorp	1,237,808	(424,990)	203,143	(424,989)	590,972	424,990	-
Mr W E Foote	367,896	-	221,373	-	589,269	-	-

(1) Relates to options issued in 2020 which lapsed during the year.

15.8.4 Analysis of Movement in Options

The movement during the reporting period, by value, of options over ordinary shares in the Company held by each director, KMP 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)]
Director		
Mr D M Murcia	-	202,800
Mr D P Gordon	172,130	403,910
Mr B R Scarpelli	84,095	163,196
Mr M D Hancock	-	135,200
Mr C A Banasik	-	191,617
Dr N Streltsova	-	-
Executives		
Mr R J Fitzhardinge	132,224	160,700
Mr J W Westdorp	150,783	203,995
Mr W E Foote	164,314	-

(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.

15.8.5 Shareholdings of Key Management Personnel

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

	Held 1 January 2023	Received on exercise of options	Other Changes [(1)]	Held at 31 December 2023
Directors				
Mr D M Murcia	1,771,967	600,000	-	2,371,967
Mr D P Gordon	6,335,546	841,479	-	7,177,025
Mr B R Scarpelli	1,166,667	339,992	-	1,506,659
Mr M D Hancock	1,112,254	400,000	-	1,512,254
Mr C A Banasik	950,001	516,667	-	1,466,668
D N Streltsova	85,000	-	-	85,000
Executives				
Mr R J Fitzhardinge	6,150,724	334,791	-	6,485,515
Mr J W Westdorp	126,800	424,990	(193,608)	358,182
Mr W E Foote	-	-	-	-

(1) Represents shares sold to fund associated tax obligations arising on exercise of options.

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

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

D P Gordon
Managing Director
Perth
28 March 2024

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 2023 there have been:

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

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

KPMG

KPMG

Graham Hogg
Partner
Perth
28 March 2024

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2023

		31 December 2023 $	31 December 2022 $
Profit or Loss			
Other income	Note 7	**1,304,766**	534,900
Exploration expenditure		**(34,382,991)**	(36,225,206)
Impairment of other receivables	Note 15	**(1,464,249)**	(2,359,170)
Employee benefits expense	Note 8	**(3,512,685)**	(2,497,517)
Share based payments expense	Note 9	**(1,107,770)**	(1,143,562)
Listing and share registry fees		**(167,110)**	(153,333)
Professional fees		**(773,200)**	(604,165)
Depreciation		**(521,738)**	(362,832)
Other expenses		**(1,537,023)**	(1,131,348)
Results from operating activities		**(42,162,000)**	(43,942,233)
Interest income		**1,454,852**	1,348,066
Finance expense	Note 20	**(32,854)**	(33,388)
Net finance income		**1,421,998**	1,314,678
Loss before income tax		**(40,740,002)**	(42,627,555)
Income tax expense		**-**	-
Loss for the period		**(40,740,002)**	(42,627,555)
Other Comprehensive Income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences arising on translation of foreign operations		**995,690**	1,149,970
Other comprehensive loss for the period		**995,690**	1,149,970
Total comprehensive loss for the period		**(39,744,312)**	(41,477,585)
Earnings per Share		**cents**	cents
Basic loss per share	Note 12	**(8.95)**	(10.14)
Diluted loss per share	Note 12	**(8.95)**	(10.14)

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 2023

		31 December 2023 $	31 December 2022 $
Current assets			
Cash and cash equivalents	Note 13	**34,673,852**	34,047,722
Other receivables and prepayments	Note 15	**2,088,960**	1,329,338
Inventories		**48,086**	58,152
Total current assets		**36,810,898**	35,435,212
Non-current assets			
Other receivables and prepayments	Note 15	**46,226**	49,209
Property, plant and equipment	Note 16	**9,794,990**	8,903,956
Exploration and evaluation assets	Note 17	**13,670,876**	13,006,304
Total non-current assets		**23,512,092**	21,959,469
Total assets		**60,322,990**	57,394,681
Current liabilities			
Trade and other payables	Note 18	**3,351,700**	4,589,016
Financial liability	Note 19	**212,028**	1,432,088
Lease liability	Note 20	**239,075**	540,419
Employee benefits		**948,004**	552,779
Total current liabilities		**4,750,807**	7,114,302
Non-current liabilities			
Financial liability	Note 19	**-**	183,926
Lease liability	Note 20	**267,979**	488,512
Employee benefits		**87,722**	279,242
Total non-current liabilities		**355,701**	951,680
Total liabilities		**5,106,508**	8,065,982
Net assets		**55,216,482**	49,328,699
Equity			
Share capital		**281,447,226**	236,289,294
Reserves		**(4,680,448)**	(5,819,170)
Accumulated losses		**(221,550,296)**	(181,141,425)
Total equity		**55,216,482**	49,328,699

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 2023

	Issued Capital $	Share-Based Payments Reserve $	Foreign Currency Translation Reserve $	Accumulated Losses $	Total Equity $
Balance at 1 January 2023	**236,289,294**	**2,267,253**	**(8,086,423)**	**(181,141,425)**	**49,328,699**
Loss for the period	-	-	-	(40,740,002)	(40,740,002)
Foreign currency translation difference for foreign operation	-	-	995,690	-	995,690
Total comprehensive loss for the period	**-**	**-**	**995,690**	**(40,740,002)**	**(39,744,312)**
Share-based payment transactions	-	1,107,770	-	-	1,107,770
Issues of ordinary shares	46,934,212	-	-	-	46,934,212
Share options exercised	569,800	-	-	-	569,800
Share issue costs	(2,979,687)	-	-	-	(2,979,687)
Transfer on exercise of options	633,607	(633,607)	-	-	-
Transfer of options lapsed	-	(331,131)	-	331,131	-
Total transactions with owners	**45,157,932**	**143,032**	**-**	**331,131**	**45,632,095**
Balance at 31 December 2023	**281,447,226**	**2,410,285**	**(7,090,733)**	**(221,550,296)**	**55,216,482**
Balance at 1 January 2022	**162,962,306**	**1,538,603**	**(9,236,393)**	**(138,513,870)**	**16,750,646**
Loss for the period	-	-	-	(42,627,555)	(42,627,555)
Foreign currency translation difference for foreign operation	-	-	1,149,970	-	1,149,970
Total comprehensive loss for the period	**-**	**-**	**1,149,970**	**(42,627,555)**	**(41,477,585)**
Share-based payment transactions	-	1,143,562	-	-	1,143,562
Issues of ordinary shares	75,475,000	-	-	-	75,475,000
Share options exercised	1,052,700	-	-	-	1,052,700
Share issue costs	(3,615,624)	-	-	-	(3,615,624)
Transfer on exercise of options	414,912	(414,912)	-	-	-
Total transactions with owners	**73,326,988**	**728,650**	**-**	**-**	**74,055,638**
Balance at 31 December 2022	**236,289,294**	**2,267,253**	**(8,086,423)**	**(181,141,425)**	**49,328,699**

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 2023

	Note	31 December 2023 $	31 December 2022 $
Cash flows from operating activities			
Exploration and evaluation expenditure		**(37,662,227)**	(37,758,214)
Payments to suppliers and employees (inclusive of GST)		**(4,762,615)**	(3,783,579)
Other receipts		**517,874**	265,862
Interest received		**1,292,865**	1,303,051
Net cash used in operating activities	Note 14	**(40,614,103)**	(39,972,880)
Cash flows from investing activities			
Payments for property plant & equipment		**(2,233,281)**	(3,507,396)
Payment for exploration acquisitions		**(550,877)**	(2,367,239)
Buy back of project royalty		**-**	(1,000,000)
Proceeds from sale of mineral assets		**14,020**	-
Proceeds from sale of property plant & equipment		**-**	20,249
Net cash used in investing activities		**(2,770,138)**	(6,854,386)
Cash flows from financing activities			
Proceeds from issue of equity securities		**46,934,212**	75,000,000
Proceeds from the exercise of options		**569,800**	1,052,700
Capital raising costs		**(2,979,687)**	(3,329,802)
Payment of lease liability		**(572,903)**	(252,215)
Net cash from financing activities		**43,951,422**	72,470,683
Net increase/(decrease) in cash and cash equivalents		**567,181**	25,643,417
Cash and cash equivalents at the beginning of the period		**34,047,722**	8,259,389
Effect of exchange rate fluctuations on cash held		**58,949**	144,916
Cash and cash equivalents at 31 December	Note 13	**34,673,852**	34,047,722

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 2023

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 2023 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 28 March 2024.

Basis of Measurement

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

Going Concern

The financial statements for the year ended 31 December 2023 have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

During the year, the Group incurred a loss after tax of $40,740,002 with net cash inflows of $567,181. The Group has a working capital surplus of $32,060,091.

While the Group had cash on hand of $34,673,852 as at 31 December 2023, the Group is likely to need additional working capital in order to meet the Group's stated strategic objectives. Whilst there is no certainty that additional funding will be available to provide adequate working capital for the Group to achieve its planned objectives, the Directors believe that the Group will be able to secure funding based on the Company's historical success of raising capital. The form, value and timing of any future transactions that may provide funding is yet to be determined and will depend amongst other things, on capital markets, commodity prices and the outcome of planned exploration and evaluation activities.

The Directors have a reasonable expectation that further funding will be obtained to meet the Group's objectives. In addition, the Directors have considered the minimum expenditure requirements necessary in order to maintain tenements in good standing and to meet committed expenditures for the 12 month period from the date of this report and consider the going concern basis of preparation to be appropriate. In undertaking this analysis, the Directors have considered which expenditure can be reduced if necessary.

Note 3. Functional and Presentation Currency

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

Note 4. Use of Judgements and Estimates

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

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

Judgements

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

- Note 15 - Other Receivables and Prepayments; and
- Note 17 - Exploration and Evaluation Assets. The application of the Group's accounting policy for exploration and evaluation expenditure requires judgement to determine whether future economic benefits are likely, from either future exploitation or sale, or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves.

Assumptions and Estimation Uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the year ending 31 December 2023 is included in Note 17 – Exploration and Evaluation Assets. In addition to applying judgement to determine whether future economic benefits are likely to arise from the Group's Exploration and Evaluation assets or whether activities have not reached a stage that permits a reasonable assessment of the existence of Reserves, the Group has to apply a number of estimates and assumptions.

The Group is required to make estimates and assumptions as to future events and circumstances, in particular, whether successful development and commercial exploitation, or alternatively sale, of the respective areas of interest will be achieved. Critical to this assessment are estimates and assumptions as to Ore Reserves, the timing of expected cash flows, exchange rates, commodity prices and future capital requirements. Changes in these estimates and assumptions as new information about the recoverability of Ore Reserves becomes available, may impact the assessment of the recoverable amount of exploration and evaluation assets. If, after the expenditure is capitalised, information becomes available suggesting that the recovery of expenditure is unlikely, the relevant capitalised amount is written off to profit or loss in the period when that information becomes available.

Measurement of Fair Values

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

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

a) Trade and Other Receivables

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

b) Share-based Payment Transactions

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

Note 5. Material Accounting Policies

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

Basis of Consolidation

a) Subsidiaries

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

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

b) Transactions Eliminated on Consolidation

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

Foreign Currency

a) Foreign Currency Transactions

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

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

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

b) Foreign Operations

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

Foreign currency differences are recognised in other comprehensive income and presented in the foreign currency translation reserve (FCTR) within equity.

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

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

Comparative Revisions

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

Financial Instruments

The Group classifies non-derivative financial assets into the following categories at fair value through profit and loss, at fair value through other comprehensive income and measured at amortised cost.

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

a) Non- derivative Financial Assets and Financial Liabilities – Recognition and Derecognition

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

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

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

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

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

Receivables

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

Cash and Cash Equivalents

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

b) Non derivative Financial Liabilities – Measurement

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

c) Share Capital

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

Property, Plant and Equipment

a) Recognition and Measurement

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

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

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

b) Depreciation

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

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

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

Exploration and Evaluation Expenditure

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

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

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

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

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

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

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

- The term of exploration license in the specific area of interest has expired during the reporting period or will expire in the near future and is not expected to be renewed;
- Substantive expenditures on further exploration for and evaluation of mineral resources in the specific area are not budgeted nor planned;
- Exploration for and evaluation of mineral resources in the specific area has not led to the discovery of commercially viable quantities of mineral resources and the decision was made to discontinue such activities in the specified area; or
- Sufficient data exists to indicate that although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

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

Leases

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

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

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

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

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

Asset Acquisition

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

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

Inventory

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

Impairment

a) Non-derivative Financial Assets

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

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

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

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

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Group considers a financial asset to be in default when the financial asset is more than 90 days past due.

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

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

Measurement of ECLs

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

Credit-impaired financial assets

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

Presentation of allowance for ECL in the statement of financial position

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

Write-off

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

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.

Finance Income and Finance Costs

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

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

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

Income Tax

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

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

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

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

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

Goods and Services Tax and Equivalent Indirect Taxes

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

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

Earnings per Share

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

Segment Reporting

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

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

Government Grants

Government grants that compensate the Group for expenses incurred are recognised in profit or loss as other income on a systematic basis in the periods in which the expenses are recognised, 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 2023. The adoption of these amendments did not have a significant impact on the Group.

New Standards and Interpretations Not Yet Adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2023 reporting periods and have not been early adopted by the Group These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

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

Note 6. Operating Segments

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

Geographical Segment Information	**2023 Non-current Assets $**	2022 Non-current Assets $
Brazil	**23,170,736**	21,651,685
Australia	**341,356**	307,784
Total	**23,512,092**	21,959,469

Note 7. Other Income

	31 December 2023 $	31 December 2022 $
R&D tax refund	**1,304,766**	517,875
Gain on sale of property plant & equipment	**-**	10,769
Other	**-**	6,256
	1,304,766	534,900

Note 8. Employee Benefits Expense

	31 December 2023 $	31 December 2022 $
Salaries, fees and other benefits	**11,482,214**	6,760,576
Superannuation	**479,383**	293,323
Recognised in exploration expenditure expense	**(8,448,912)**	(4,556,382)
Total	**3,512,685**	2,497,517

Note 9. Share-based Payments

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

During the reporting period 1,535,164 options were issued to employees and directors (2022: 1,225,220). Options issued to employees were issued under the Employee Share Incentive Plan approved by shareholders at the Annual General Meeting on 27 May 2022. Options issued to executive directors were approved by shareholders under ASX Listing Rule 10.11.

Reconciliation of Outstanding Share Options

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

	Weighted Average Exercise Price 2023	**Number of Options 2023**	Weighted Average Exercise Price 2022	Number of Options 2022
Outstanding at start of period	**$0.1212**	**9,723,075**	$0.1822	12,247,857
Exercised during the period	**$0.1648**	**(3,457,919)**	$0.2807	(3,750,002)
Lapsed during the period	**$0.0000**	**(2,011,151)**	-	-
Issued during the period	**$0.0000**	**1,535,164**	$0.0000	1,225,220
Outstanding at balance date	**$0.1052**	**5,789,169**	$0.1212	9,723,075
Exercisable at balance date	**$0.3729**	**1,633,334**	$0.1800	350,001

The options outstanding at 31 December 2023 have exercise prices ranging from $0.000 to $0.405 (2022: $0.000 to $0.405) and the weighted average remaining contractual life is 1.58 years (2022: 1.40 years).

There were 3,457,919 options exercised during the year (2022: 3,750,002). There were 1,535,164 options issued during the year (2022: 1,225,220). Details of the options issued during the year are as follows:

Grant Date	Number of Options	Vesting Period(1)	Option Term
Directors			
26/05/23	344,388	36 months(2)	48 months
26/05/23	344,387	36 months(3)	48 months
Total	688,775		
Employees			
16/02/23	423,196	36 months(2)	48 months
16/02/23	423,193	36 months(3)	48 months
Total	846,389		

(1) From 1 January 2023 subject to continued employment.

(2) Options will vest in the future subject to performance and services based vesting conditions being met. The Company's share price performance is measured via relative Total Shareholder Return (TSR). The Company's TSR is measured against a peer group of companies. Vesting will occur subject to meeting a three-year service condition to 31 December 2025 and the performance condition tested against the relative TSR measure for the period 1 January 2023 to 31 December 2025.

(3) Vesting will occur subject to meeting a three-year service condition to 31 December 2025 and the performance condition tested against the absolute TSR measure for the period 1 January 2023 to 31 December 2025.

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

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

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

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

Assessment Table	
Threshold TSR Level over Assessment Period	**Amount of ZEPOs which will vest and become exercisable**
Less than 25%	Zero
B/t 25% and 32.5%	50%
B/t 32.5% and 40%	75%
40% or greater	100%

Inputs for Measurement of Grant Date Fair Values

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

Grant Date	Expiry Date	Exercise Price	Life of option years	Share price at grant date	Expected share price volatility	Vesting condition	Risk-free interest rate	Fair Value at grant date
16/02/23	31/12/26	$0.00	3.87	$1.09	50%	Relative TSR	3.397%	$0.8491
16/02/23	31/12/26	$0.00	3.87	$1.09	50%	Absolute TSR	3.397%	$0.6354
26/05/23	31/12/26	$0.00	3.60	$0.71	50%	Relative TSR	3.382%	$0.4848
26/05/23	31/12/26	$0.00	3.60	$0.71	50%	Absolute TSR	3.382%	$0.2592

Expenses Arising from Share Based Payment Transactions

	31 December 2023 $	31 December 2022 $
Total expense recognised as share-based payment – share options	**1,107,770**	1,143,562

Note 10. Income Tax

Numerical Reconciliation of Income Tax Expense to Prima Facie Tax Payable

	31 December 2023 $	31 December 2022 $
Loss from continuing operations before income tax expense	**(40,740,002)**	(42,627,555)
Tax at the Australian tax rate of 30% (2022: 27.5%)	**(12,222,001)**	(11,722,578)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Overseas project generation and review costs	**3,627,569**	1,997,922
Share-based payments	**332,331**	314,479
Non assessable grant income	**(391,430)**	(142,416)
Sundry items	**(728,700)**	(222,930)
	(9,382,231)	(9,775,523)
Effect of tax rates in foreign jurisdictions	**(89,821)**	(27,327)
Effect of change in tax rates	**(329,216)**	
Under provision from prior year	**(884,093)**	(326,378)
Deferred tax assets not recognised	**10,685,361**	10,129,228
Income tax benefit, being deferred tax	**-**	-

Tax Losses

	31 December 2023 $	31 December 2022 $
Tax losses	**70,390,246**	66,189,799
Potential tax benefit (between 30-34%)	**22,185,048**	19,677,571

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

Deferred Tax Assets

The following deferred tax balances have not been recognised:

	31 December 2023 $	31 December 2022 $
Deferred Tax Assets		
Exploration expenditure	**31,400,350**	21,247,510
Accrued expenses/provisions	**6,897,365**	8,992,211
Transaction costs relating to issue of capital	**361,173**	246,235
Tax losses carried forward (net of tax losses utilised)	**22,185,048**	19,677,571
	60,843,936	50,163,527

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 (2022: nil).

Note 12. Earnings/(Loss) per Share

Basic Loss per Share

The calculation of basic and diluted earnings per share at 31 December 2023 was based on the loss attributable to ordinary shareholders of $40,740,002 (2022: $42,627,555) and a weighted average number of ordinary shares outstanding of 455,019,721 (2022: 420,198,738), calculated as follows:

Loss Attributable to Ordinary Shareholders

	31 December 2023 $	31 December 2022 $
Loss attributable to the shareholders	**(40,740,002)**	(42,627,555)

Weighted Average Number of Ordinary Shares

	2023 Number	2022 Number
Issued ordinary shares at beginning of the period	**427,106,273**	358,291,616
Effect of shares issued	**27,913,448**	61,907,122
Weighted average number of ordinary shares at the end of the period	**455,019,721**	420,198,738
Loss per share (cents)	**(8.95)**	(10.14)
Diluted loss per share (cents)	**(8.95)**	(10.14)

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 2023 and the exercise of potential shares would not increase that loss.

Note 13. Cash and Cash Equivalents

	31 December 2023 $	31 December 2022 $
Cash at bank and on hand	**418,727**	760,413
Deposits - short term	**34,255,125**	33,287,309
	34,673,852	34,047,722

The deposits are bearing floating and fixed interest rates between 4.40% & 5.05% in Australia and 11.75% & 12.34% in Brazil (2022: between 3.15% & 3.81% Australia and 12.39% & 12.92% Brazil).

Note 14. Reconciliation of Cash Flows from Operating Activities

	31 December 2023 $	31 December 2022 $
Loss for the period	**(40,740,002)**	(42,627,555)
Adjustments for:		
Depreciation	**849,976**	537,137
Non-cash employee benefits expense– share based payments	**1,107,770**	1,143,562
(Profit)/Loss on sale of mineral assets	**27,277**	-
(Profit)/Loss on sale of plant and equipment	**-**	(10,769)
Operating loss before changes in working capital and provisions	**(38,754,979)**	(40,957,625)
Change in other receivables	**(762,065)**	(1,050,692)
Change in trade creditors and provisions	**(1,097,059)**	2,035,437
Net cash used in operating activities	**(40,614,103)**	(39,972,880)

Note 15. Other Receivables and Prepayments

	31 December 2023 $	31 December 2022 $
Current		
R&D tax refund	**1,304,766**	517,875
Other Receivables	**296,889**	228,463
Security deposits	**76,293**	76,293
Prepayments	**411,012**	506,707
	2,088,960	1,329,338
Non – Current		
Other Receivables	**5,296,693**	3,570,292
Provision for impairment	**(5,296,693)**	(3,563,969)
Security deposits	**46,226**	42,886
	46,226	49,209

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

The current practice of the Group is to impair PIS-Cofins assets given the pre-development status of the Jaguar Project. During the period the entity wrote off $52,005 which was previously provided for due to credits expiring (2022: $3,876). An impairment expense of $1,464,249 was recognized on indirect taxes receivable in 2023 (2022: $2,359,170). Information about the Group's exposure to credit and market risk and impairment losses for other receivables is included in Note 25.

Note 16. Property, Plant and Equipment

	31 December 2023 $	31 December 2022 $
At Cost	**11,215,343**	9,958,972
Accumulated depreciation	**(1,420,353)**	(1,055,016)
	9,794,990	8,903,956

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 2023 $	31 December 2022 $
Plant and Equipment		
Carrying amount at beginning	**1,599,340**	880,659
Additions	**964,968**	873,156
Disposals	**(73,528)**	(13,284)
Depreciation	**(311,281)**	(193,126)
Effect of movements in exchange rates	**9,799**	51,935
Carrying amount at end	**2,189,298**	1,599,340
Land and Buildings		
Carrying amount at beginning	**6,293,909**	5,010,056
Additions	**252,583**	565,807
Depreciation	**(34,909)**	(5,510)
Effect of movements in exchange rates	**622,361**	723,556
Carrying amount at end	**7,133,944**	6,293,909
Right-of-use assets (see also Note 20)		
Carrying amount at beginning	**1,010,707**	113,518
Additions	**12,578**	1,219,588
Disposals	**(125,408)**	-
Depreciation	**(485,942)**	(327,768)
Effect of movements in exchange rates	**59,813**	5,369
Carrying amount at end	**471,748**	1,010,707
Total	**9,794,990**	8,903,956

Note 17. Exploration and Evaluation Assets

	31 December 2023 $	31 December 2022 $
Opening net book value	**13,006,304**	12,048,261
Additions	**59,263**	66,466
Disposal	**(40,000)**	-
Effect of movements in exchange rate	**645,309**	891,577
	13,670,876	13,006,304

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

Note 18. Trade and Other Payables

	31 December 2023 $	31 December 2022 $
Current		
Trade and other creditors	**2,086,429**	3,286,165
Accrued expenses	**1,265,271**	1,302,851
	3,351,700	4,589,016

Note 19. Financial Liability

	31 December 2023 $	31 December 2022 $
Current		
Land possession	**212,028**	1,432,088
	212,028	1,432,088
Non-Current		
Land possession	**-**	183,926
	-	183,926

Note 20. Leases

The Group leases motor vehicles, offices and warehouse facilities. The leases are typically for a period of 1 to 5 years. During the current year a new lease was entered into for staff housing for the Jaguar Project. A right of use asset and lease liability have been recognised as a result of these lease. The Group has applied the exemptions available under AASB 16 for short term leases and leases of low value.

	31 December 2023 $	31 December 2022 $
Current	**239,075**	540,419
Non-Current	**267,979**	488,512
	507,054	1,028,931

Lease payments excluding interest are payable as follows

	31 December 2023 $	31 December 2022 $
Less than one year	**239,075**	540,419
Between one to three years	**267,979**	488,512
	507,054	1,028,931

Amounts Recognised in Profit or Loss

	31 December 2023 $	31 December 2022 $
Interest on lease liabilities	**32,854**	33,388
Expenses relating to short-term leases	**454,543**	243,837
Expenses relating to leases of low-value assets, excluding short term leases of low value assets	**17,397**	7,901

Note 21. Capital and Reserves

	2023 Number of Shares	2022 Number of Shares
On issue at beginning of period	**427,106,273**	358,291,616
Issue of ordinary shares for placement at $0.7300 per share	**64,293,441**	-
Issue of ordinary shares on exercise of unlisted zero exercise price options	**1,941,252**	-
Issue of ordinary shares on exercise of unlisted options at $0.3920 per share	**1,400,000**	-
Issue of ordinary shares on exercise of unlisted options at $0.1800 per share	**116,667**	116,667
Issue of ordinary shares for placement at $1.1600 per share	**-**	64,655,172
Issue of ordinary shares as a part of placement fee at $1.1600 per share	**-**	409,483
Issue of ordinary shares on exercise of unlisted options at $0.2250 per share	**-**	2,233,335
Issue of ordinary shares on exercise of unlisted options at $0.3780 per share	**-**	1,400,000
On issue at the end of the period – Fully paid	**494,857,633**	427,106,273

Ordinary Shares

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

Options

Information relating to options, including details of options issued, exercised or lapsed during the financial year and outstanding at the end of the financial year are set out in 0.

Share-based Payments Reserve

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

Translation Reserve

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

Note 22. Contingent Liabilities

Guarantees

The Company has given guarantees in respect of bank security bonds amounting to $122,519 (2022: $119,159), secured by cash deposits lodged as security with the bank.

Jaguar Project Acquisition

The terms of the Jaguar Sale and Purchase Agreement (as amended by the acquisition of the offtake rights by the Company in June 2023) with Vale give rise to the following contingent liabilities related to the Jaguar Project Acquisition.

- US$5.0 million on first commercial production from the project payable to Vale;
- a royalty of 1.75% on Net Operating Revenue for nickel sulphate or 2.00% on Net Operating Revenue generated from any future concentrate production from the project payable to Vale; and
- a royalty of 1.8% on Net Operating Revenue generated from any future concentrate production from the project payable to BNDES.

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

Note 23. Capital Commitments

The Group has no capital commitments as at the year ended 31 December 2023 (2022: $nil).

Note 24. Related Parties

Key Management Personnel

KMP compensation is comprised of the following:

	31 December 2023 $	31 December 2022 $
Short term employee-benefits (Salaries and STI Plan)	**2,830,382**	2,494,279
Long term employee benefits	**513,721**	43,089
Post–employment benefits	**109,056**	106,150
Share-based payments expense	**967,341**	1,065,182
	4,420,500	3,708,700

Individual Directors and Executives Compensation Disclosures

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

Key Management Personnel and Director Transactions

A member of KMP, or their related parties, held positions in other entities that resulted in them having control or significant influence over the financial or operating policies of these entities.

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

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

		Transaction Value		Balance Outstanding as at	
Key Management Person	**Transaction**	**2023 $**	2022 $	**31 Dec 2023 $**	31 Dec 2022 $
Mr D M Murcia (1)	Legal fees	**74,053**	21,578	**11,082**	6,015
Ms N Streltsova (2)	Technical Consulting	**35,000**	-	**-**	-
Total and current liabilities				**11,082**	6,015

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

(2) Payable to Vintage94 Pty Ltd, a company which Ms Streltsova is a director.

Transactions with Related Parties

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

Note 25. Financial Instruments – Fair Values and Risk Management

Financial Risk Management

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

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

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

a) Risk Management Framework

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

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

b) Credit Risk

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

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

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

	31 December 2023 $	31 December 2022 $
Cash and cash equivalents (1)	**34,673,852**	34,047,722
Other receivables	**1,724,173**	871,840
	36,398,025	34,919,562

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

Other receivables also include refundable deposits and tax credits which include Brazilian federal VAT (PIS-Cofins). The recoverability of PIS-Cofins assets is dependent upon the Group generating a federal company tax liability, which may be offset against the Groups PIS-Cofins assets. As at 31 December 2023, the PIS-Cofins tax asset has been fully impaired as taxable profits in the ordinary course of business are not considered probable though one-off taxable profits may be generated on specific transactions. The Group's maximum exposure to credit risk for other receivables at the reporting date by geographic region was:

	Carrying Amount	
	31 December 2023 $	31 December 2022 $
Australia	**1,562,251**	594,428
Brazil	**161,922**	277,412
	1,724,173	871,840

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

Liquidity Risk

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

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

As at 31 December 2023, the Group has current trade and other payables of $3,351,700 (31 December 2022: $4,589,016), Current Financial Liabilities of $212,028 (31 December 2022: $1,432,088), current lease liabilities of $239,075 (31 December 2022: $540,419), non current lease liabilities of $267,979 (31 December 2022: $488,512) and Non-Current Financial Liabilities of $nil (31 December 2022: $183,926). The Group believes it will have sufficient cash resources to meet its financial liabilities when due.page 24

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

Financial liabilities	Carrying amount	Contractual cash flows	6 mths or less	6-12 mths	1-2 years	2-5 years
31 December 2023						
Trade and other payables	3,351,700	3,351,700	3,351,700	-	-	-
Financial liabilities	212,028	212,882	212,882	-	-	-
Lease liabilities	507,054	566,803	178,850	96,790	123,699	167,464
	4,070,782	**4,131,385**	**3,743,432**	**96,790**	**123,699**	**167,464**
31 December 2022						
Trade and other payables	4,589,016	4,589,016	4,589,016	-	-	-
Financial liabilities	1,616,014	1,672,354	705,040	769,903	197,411	-
Lease liabilities	1,028,932	1,137,312	320,367	288,621	274,440	253,884
	7,233,962	7,398,682	5,614,423	1,058,524	471,851	253,884

Market Risk

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

Currency Risk

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

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

Interest Rate Risk Profile

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

	31 December 2023 $	31 December 2022 $
Fixed rate instruments		
Financial assets	**30,000,000**	20,000,000
Variable rate instruments		
Financial assets	**4,255,125**	13,287,309
	34,255,125	33,287,309

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 125 basis points in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis for 2022 was 300 basis points.

	Profit or Loss		Equity	
	Increase	Decrease	Increase	Decrease
31 December 2023				
Variable rate instruments	**33,876**	**(33,876)**	-	-
Cash flow sensitivity (net)	**33,876**	**(33,875)**	-	-
31 December 2022				
Variable rate instruments	157,200	(157,200)	-	-
Cash flow sensitivity (net)	157,200	(157,200)	-	-

Capital Management

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

There were no changes in the Group's approach to capital management during the period. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

Note 26. Group Entities

	Country of	Ownership interest	
	Incorporation	**2023**	2022
Parent Entity			
Centaurus Metals Limited			
Subsidiaries			
Centaurus Resources Pty Ltd	Australia	**100%**	100%
San Greal Resources Pty Ltd	Australia	**100%**	100%
Itapitanga Holdings Pty Ltd	Australia	**100%**	100%
Centaurus Brasil Mineração Ltda	Brazil	**100%**	100%
Centaurus Pesquisa Mineral Ltda	Brazil	**100%**	100%
Centaurus Gerenciamento Ltda	Brazil	**100%**	100%
Centaurus Niquel Ltda	Brazil	**100%**	100%
Itapitanga Mineração Ltda	Brazil	**100%**	100%

Note 27. Subsequent Events

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

Note 28. Remuneration of Auditors

	31 December 2023 $	31 December 2022 $
Audit Services		
Auditors of the Company		
Audit and review of financial reports	**66,500**	60,000
Services other than statutory audit		
Taxation compliance services	**5,304**	7,576
Other consulting services	**5,250**	10,590
	10,554	18,166

Note 29. Parent Entity Disclosures

As at, and throughout, the financial year ended 31 December 2023 the parent entity of the Group was Centaurus Metals Limited.

	31 December 2023 $	31 December 2022 $
Results of the Parent Entity		
Loss for the period (1)	**(40,019,748)**	(41,438,269)
Total comprehensive loss for the period	**(40,019,748)**	(41,438,269)

(1) During the year ended 31 December 2023 the parent entity provided for an impairment of $25,000,000 (2022: $31,000,000) (relating to loans to subsidiaries based on an assessment of recoverability).

	31 December 2023 $	31 December 2022 $
Financial Position of the Parent Entity at Year End		
Current assets	**34,531,143**	26,297,277
Non-current assets (1)	**22,695,440**	26,280,746
Total assets	**57,226,583**	52,578,023
Current liabilities	**2,186,615**	3,157,749
Non-current liabilities	**87,760**	80,413
Total liabilities	**2,274,375**	3,238,162
Net assets	**54,952,208**	49,339,861
Share capital	**281,447,226**	236,289,294
Reserves	**2,410,285**	2,267,253
Accumulated losses	**(228,905,303)**	(189,216,686)
Total equity	**54,952,208**	49,339,861

(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 2023 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 2023.

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
28 March 2024

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 2023 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 2023;
- 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 material accounting policies; and
- Directors' Declaration.
- The ***Group*** consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

Basis for Opinion

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

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

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

Key Audit Matters

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

This matter was addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

<table>
<tr><th colspan="2">Valuation of exploration and evaluation asset ($13,670,876)</th></tr>
<tr><td colspan="2">Refer to Note 17 to the Financial Report</td></tr>
<tr><th>The key audit matter</th><th>How the matter was addressed in our audit</th></tr>
<tr><td>
The Group's policy is to capitalise acquisition costs in relation to an area of interest, less any impairment charges recognised.
The valuation of exploration and evaluation assets is a key audit matter due to:

The significance of the activity to the Group's business and the significance of the balance which is 22.7% of the total assets balance; and
The greater level of audit effort to evaluate the Group's application of the requirements of the accounting standard AASB 6 Exploration for and Evaluation of Mineral Resources, in particular the presence of impairment indicators. The presence of impairment indicators would necessitate a detailed analysis by the Group of the value of exploration and evaluation assets.

Given the criticality of this to the scope and depth of our work, we involved senior team members to challenge Group's determination that no such indicators existed.
In assessing the presence of impairment indicators, we focused on those which may draw into question the commercial continuation of exploration and evaluation activities where significant carrying value of capitalised exploration and evaluation expenditure exists.
In assessing the presence of impairment indicators, we focussed on those that may draw into question the commercial continuation of the E&E activities. In addition to the assessments above, and given the volatile nickel prices and financial position of the Group, we paid particular attention to:

Documentation available regarding rights to tenure, via licensing with the government, and compliance with relevant conditions, to maintain current rights to an area of interest;
The Group's intention and capacity to continue and fund the relevant exploration and evaluation activities;
The results from latest activities regarding the existence or otherwise of economically recoverable mineral resources or reserves; and

</td><td>
Our procedures included:

Evaluating the Group's accounting policy to recognise exploration and evaluation assets against criteria of the accounting standard;
Assessing the Group's determination of its areas of interest for consistency with the definition in the accounting standards;
For the significant areas of interest, we assessed the Group's current rights to tenure. This included checking the ownership of the relevant license for mineral resources or reserves to government registries;
Evaluating the Group's documents for consistency with their stated intentions for continuing exploration and evaluation activities in certain areas. This included:

The Group's internal plans and budgets.
Minutes of board and internal meetings.
We challenged this through interviews with key operational and finance personnel.
Announcements made by the Group to the Australian Securities Exchange including results from latest activities and studies performed.

Evaluating the capacity of the Group to fund the continuation of activities by assessing underlying documentation including corporate budgets. We obtained project and corporate budgets identifying areas with existing funding and those requiring alternate funding sources. We compared this for consistency with areas with exploration and evaluation, for evidence of the ability to fund continued activities.
We analysed the Group's determination of recoupment through successful development and exploitation of the area, or through continued exploration and evaluation activities by evaluating the Group's documentation of planned future/continuing activities including work programs and project and corporate budgets for a sample of areas;
Evaluating the Group's disclosures by comparing to our understanding and the requirements of the accounting standards; and
We assessed the impact of the volatile nickel

</td></tr>
</table>

• The impact of declining nickel prices to the Group's strategy and intention.	price and their decision for commercial continuation of activities.

Other Information

Other Information is financial and non-financial information in Centaurus Metals Limited's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information. The Other Information we obtained prior to the date of this Auditor's Report was the Directors' Report and the Remuneration Report.

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

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

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

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

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

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

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

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

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

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our Auditor's Report.

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Centaurus Metals Limited for the year ended 31 December 2023, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

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

Our responsibilities

We have audited the Remuneration Report included in pages 14 to 22 included in the Directors' report for the year ended 31 December 2023.

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

KPMG

KPMG

Graham Hogg
Partner
Perth
28 March 2024