Centaurus Metals Limited

ABN 40 009 468 099

Financial Report
31 December 2021

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 2021 together with the consolidated financial report and audit report thereon.

1 Directors

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

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

Unless otherwise disclosed, all directors held their office from 1 January 2021 until the date of this report.

2 Directors and Officers

Mr Didier M Murcia, AM, B.Juris, LL.B
Non-Executive Chair, Age 59

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

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

- Alicanto Minerals Limited (appointed 30 May 2012) - Non-Executive Director
- Strandline Resources Limited (appointed 23 October 2014) - Non-Executive Chair

Mr Darren P Gordon, B.Bus, FCA, AGIA, ACG, MAICD
Managing Director, Age 50

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

Mr Bruno R Scarpelli, M.Sc., PMP
Executive Director, Age 44

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 53

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

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

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

Mr Hancock is Chair of the Audit & Risk Committee

Mr Chris A Banasik, B.App.Sc (Physics), M.Sc (Geology), Dip Ed, GAICD
Non-Executive Director, Age 60

Independent non-executive director appointed 28 February 2019. Mr Banasik is a geologist with more than 30 years' experience across multiple disciplines and commodities. He was a founding Director of WA gold producer Silver Lake Resources (ASX: SLR), where he held the key role of Director of Exploration and Geology from 2007 to 2014. 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). He was also Senior Mine Geologist with Goldfields Mine Management (2001-2004) and Chief Geologist at the Beta Hunt nickel operations (2004-2007).

Mr Banasik is the Chair of the Remuneration Committee

Mr Johannes W Westdorp, B.Bus, CPA, MAICD, GradDip App Sc
Chief Financial Officer & Company Secretary, Age 58

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

3 Director & Committee Meetings

The number of meetings of the Company's Board of Directors and its Committees held during the year ended 31 December 2021 and the number of meetings attended by each director are shown in the table below.

	Board		Audit & Risk Committee		Remuneration Committee	
Director	**Held[1]**	**Attended**	**Held[1]**	**Attended**	**Held[1]**	**Attended**
Mr D M Murcia	7	7	2	2	2	2
Mr D P Gordon	7	7	n/a	n/a	n/a	n/a
Mr B R Scarpelli	7	7	n/a	n/a	n/a	n/a
Mr M D Hancock	7	7	2	2	2	2
Mr C A Banasik	7	7	2	2	2	2

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

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

The Company's remuneration policy consists of:

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

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

4 Operating and Financial Review

A summary of consolidated results is set out below

	31 December 2021 $	31 December 2020 $
Interest Income	**235,207**	174,436
Other Income	**265,862**	487,289
	501,069	661,725
Loss before income tax	**(16,994,715)**	(11,468,825)
Loss attributable to members of Centaurus Metals Limited	**(16,994,715)**	(11,468,825)

4.1 Financial Performance

During the year ended 31 December 2021 the Group expensed Exploration and Evaluation costs totalling $13,198,599 (2020: $7,288,408) in accordance with the Group's accounting policy. The Exploration and Evaluation costs primarily comprise costs in relation to exploration at the Jaguar Nickel Sulphide Project in Brazil.

Subsequent to year end the Group raised $71,959,044 net of fees, increasing the cash balance and net assets by the same amount.

4.2 Financial Position

At the end of the year the Group had a cash balance of $8,259,389 (2020: $24,089,281) and net assets of $16,750,646 (2020: $26,118,316). Total liabilities amounted to $10,099,118 (2020: $7,734,426) and consisted of trade and other payables, financial liabilities, lease liabilities and employee benefits.

4.3 Strategy

Centaurus' key focus throughout the 2021 calendar year was on the continued exploration and development of the advanced Jaguar Nickel Sulphide Project, located in the world-class Carajás Mineral Province in Brazil. Scoping studies were completed for both a base case concentrate production scenario and a value-add case producing nickel sulphate with both cases returning exceptional economic results. A JORC Resource update was completed in December 2021 and resulted in a significant increase in contained nickel metal. Early development activities continued and included securing possession of key land holdings and completing access road upgrades.

4.4 Jaguar Nickel Sulphide Project

Centaurus' key focus throughout the 2021 calendar year was on the continued exploration and development of the advanced Jaguar Nickel Sulphide Project. The Jaguar Nickel Sulphide Project hosts multiple nickel sulphide deposits and exploration targets within a 30km^2 land package in the western portion of the world-class Carajás Mineral Province in Brazil.

The Company delivered a positive Value-Added Scoping Study in May 2021 confirming strong technical parameters and outstanding financial returns from the production of nickel sulphate from a 13-year open pit and underground mining operation. The production of nickel sulphate is proposed to be delivered by a conventional nickel flotation plant, followed by a pressure oxidation circuit to produce +20,000 tonne of nickel per annum over the initial 13-year mine life.

Following the robust and compelling economics delivered by the Jaguar Value-Add Scoping Study, the Company elected to move straight to a Definitive Feasibility Study (DFS) focused on the production of a nickel sulphate product.

At the end of 2021, Centaurus updated its Mineral Resource Estimate (MRE) for the Jaguar Project to 80.6Mt @ 0.91% Ni for 730,700t of contained nickel, with 54 per cent of the MRE in the higher-confidence Indicated Resource category (43.4Mt grading 0.92% Ni for 397,000 tonnes of contained nickel).

Through the development of the Jaguar Project, Centaurus' goal is to become a new-generation nickel sulphide mining company in Brazil, capable of delivering more than 20,000 tonne per annum of Class-1 nickel to global markets over the long term, and to do so in a sustainable and responsible manner that ensures the Company meets the highest possible ESG (Environmental, Social and Governance) standards.

A geotechnical diamond drilling program commenced to support mechanical strength testwork and design parameters for open pit and underground mining. Drilling, test pitting and auger drilling commenced in October to provide information for infrastructure foundation design and to define sources for construction materials.

Significant work was completed subsequent to the release of the Value Add Scoping Study to increase the understanding of key project value drivers including mineralogy, comminution, ore sorting, flotation response and pressure leaching conditions.

Work continued on key infrastructure components of the project including the conceptual design of the Integrated Waste Landform (IWL) tailings facility. The public road infrastructure between site and Tucumã was progressively upgraded during the year in co-operation with the São Felix do Xingu Municipality. A study to finalise the power line alignment was advanced and discussions with landowners and stakeholders commenced.

The Company lodged an updated Mining Lease Application (MLA) with the ANM (Agência Nacional de Mineração/National Mining Agency), revising the original MLA lodged by Vale in 2013. The MLA update accounts for the revision of the scale and scope of the mining and processing activities based on the Jaguar Nickel Sulphate Project outlined in the Value-Add Scoping Study released in May 2021.

During the year, the Company secured possession rights over 3 key properties comprising over 2,000 hectares of land at Jaguar. Securing full possession rights to the key properties significantly de-risks the Company's development pathway at Jaguar.

4.5 Greenfields Exploration

Greenfields exploration drilling at the Jaguar Project delivered a significant new discovery at the Tigre Prospect during the second half of the year. The Tigre Prospect is interpreted to be the south-western extension of the McCandless Fault, one of the most important regional scale mineralising structures in the Carajás.

The discovery of the Tigre Deposit and the rapid conversion of the discovery into the MRE demonstrates the outstanding exploration potential that lies within economic haulage distance from the proposed Jaguar nickel sulphate plant location.

Approximately 95% of the drilling undertaken at Jaguar has taken place within the known deposit limits. Multiple prospects and targets which are located along the main mineralisation structures and characterised by ground magnetic and airborne and/or ground electromagnetic (EM) anomalies coincident with significant soil geochemical anomalies remain to be drill-tested.

Drilling of the greenfields exploration pipeline will be ongoing for the next 18 months, with additional RC rigs mobilised to increase drilling resources. Any new discoveries will be followed up immediately and, like the Tigre discovery, are expected to contribute to the next resource update that will underpin the DFS due to be completed by the end of 2022.

4.6 Health & Safety

One Lost Time Injury occurred during the year resulting in an LTIFR 12-month moving average of 2.47. The average LTI Frequency Rate for the West Australian Exploration Industry for the 2019/20 Period was 4.2. Three medical treatment injuries occurred during the year.

The Total Recordable Injury Frequency Rate for the Group's operations in Brazil was 2.87, a significant improvement compared to the prior year result of 12.50.

4.7 COVID-19 Response

The Company successfully maintained the continuity of its business for the second full year of the global COVID-19 pandemic. Working protocols designed to protect employees, their families and the local communities have resulted in the Company experiencing limited disruption to its ongoing operations in both Australia and Brazil.

4.8 Jambreiro Iron Ore Project

The Company has commenced the process to refresh all environmental licenses required to develop the project and as part of this process has applied for the renewal of the original Jambreiro Installation Licence (LI). The environmental regulator has agreed to issue a joint LP/LI for the project. The Company lodged the updated EIA/RIMA (required for the LP) and the PCA (required for the LI) in July 2021.

The main changes to the project design that was originally approved in 2012 are:

- Elimination of the tailings dam through the inclusion of centrifuges at the back end of the process flowsheet to dewater the tailings and stockpile them on 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 due to higher iron ore prices; and
- Reducing the project's overall project footprint by ~50% via the removal of the tailings dam.

The Company has also lodged the documentation to re-apply for all water permits necessary to operate the project.

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

4.9 ESG Program

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

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

The Framework addresses key issues within the domain of ESG and maps out a high level management plan for the exploration and operational and closure phases of the Jaguar Project. From an environmental perspective, the framework addresses waste and water management, land use, bio diversity and energy use and GHG reporting for the Project.

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

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

4.10 Corporate

Subsequent to the end of the period, the Company undertook a placement to raise A$75m (before fees). The placement was very well supported and demand for allocations significantly exceeded the amount raised. The register has been materially strengthened with the addition of a number of high quality institutional investors in addition to the continued support provided by existing significant shareholders.

The funds will be used to complete a Definitive Feasibility Study (DFS) for Jaguar and maintain the Company's very strong existing drilling momentum. A 90,000m drill program planned for 2022 will include significant ongoing diamond drilling designed to maximise the Measured and Indicated components of the extensive Resource inventory ready for Reserve conversion. Funds will also be used for pre-development and financing activities ahead of a planned Final Investment Decision (FID) on the Project.

Centaurus' shares commenced trading in the US on the OTCQX platform under the ticker OTCQX: CTTZF on 30 December 2021. The OTCQX Best Market is the highest tier of OTC Markets Group's market trading platforms, on which 11,000 US and global securities trade.

Trading on the OTCQX should enhance the visibility and accessibility of Centaurus to the extensive market of North American retail, high net worth and institutional investors and allows trading of Centaurus' securities in the local timezone with trades and settlements conducted in US Dollars.

The Company made two key appointments to its senior leadership team during the year as it continued to build its in-house technical, commercial, legal and operational expertise to progress the Jaguar Project towards financing, development and operations. Highly experienced international mining executive Mr Wayne Foote was appointed as General Manager - Operations, commencing with the Company in late July, while the Company's external legal counsel, Ms Júlia Oliveira, has joined Centaurus' in-house team in Brazil as Legal and Commercial Manager.

4.11 Factors and Business Risks Affecting Future Business Performance

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

4.11.1 Access to Funding

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

4.11.2 Commodity Prices

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

4.11.3 Exchange Rates

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

4.11.4 COVID-19

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

5 Significant Changes in the State of Affairs

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

6 Principal Activities

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

7 Events Subsequent to Reporting Date

The Company completed a placement on 1 February 2022 raising $75 million (before fees). There was very strong demand for the Placement from over 20 Australian and international institutional investors as well as existing substantial shareholders, including affiliates of the Sprott Group, McCusker Holdings, Dundee Goodman Merchant Partners and Harmanis Holdings. Institutional bidding under the placement significantly exceeded the $75 million Placement amount and bids were scaled to accommodate the strong demand.

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

8 Likely Developments

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

9 Environmental Regulation

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

10 Dividends

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

11 Directors' Interests

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

	Ordinary Shares	Options
Directors		
Mr D M Murcia	1,338,633	2,133,334
Mr D P Gordon	6,118,879	2,820,239
Mr B R Scarpelli	666,667	1,374,451
Mr M D Hancock	728,920	1,433,334
Mr C A Banasik	583,334	1,666,668

12 Share Options

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

		Employee Options		Total Number of Shares Under
Expiry Date	Exercise Price	Vested	Unvested	Option
31/05/2022	$0.225	2,233,335	-	2,233,335
31/05/2022	$0.378	1,400,000	-	1,400,000
31/05/2022	$0.180	116,667	-	116,667
31/05/2023	$0.180	116,667	-	116,667
31/05/2023	$0.392	-	1,400,000	1,400,000
31/05/2023	-	-	3,952,402	3,952,402
31/05/2024	$0.180	233,334	-	233,334
31/05/2024	$0.405	-	1,400,000	1,400,000
31/12/2024	-	-	1,395,452	1,395,452
		4,100,003	**8,147,854**	**12,247,857**

13 Indemnification and Insurance of Officers and Auditors

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

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

14 Non- Audit Services

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

The Board has considered the non-audit services provided during the year by the auditor and in accordance with written advice provided by resolution of the Board, 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 2021 $	31 December 2020 $
Audit Services		
Auditors of the Company		
Audit and review of financial reports – KPMG	**58,861**	52,080
Services other than statutory audit		
Taxation compliance services – KPMG	**6,986**	14,818

15 Auditor's Independence Declaration

The auditor's independence declaration is set out at page 20 and forms part of the directors' report for the period ended 31 December 2021.

16 Remuneration Report – Audited

16.1 Principles of Remuneration

The primary objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders. The Board considers the recommendations of the Remuneration Committee in ensuring that executive reward satisfies the following key criteria:

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

The Group has structured an executive remuneration framework that is market competitive and consistent with the reward strategy of the organisation. The framework seeks to align the interests of shareholders with that of programme participants as described below.

Alignment to shareholders' interests:

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

Alignment to program participants' interests:

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

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

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

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

	2021 $	2020 $	2019 $	2018 $	2017 $
Net Loss	(16,994,715)	(11,468,825)	(4,275,397)	(4,197,361)	(3,632,809)
Change in share price (1)	$0.290	$0.625	$0.090	$0.000	$0.010
Change in share price	35%	321%	86%	-	10%

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

16.2 Remuneration Framework

The executive remuneration and reward framework currently has four components:

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

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

16.2.1 Base Salary

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

16.2.2 Short Term Incentives

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

For 2021 Key Management Personnel, other than the Managing Director, can earn up to 35% of Total Fixed Remuneration (TFR) under the STI Plan whilst the Managing Director can earn up to 50% of TFR. Other Managers of the Group can earn up to 15-27.5% 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.

The Group's key STI performance measures for the year ending 31 December 2021 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, Mineral Resource definition and new target definition.
- Achievement of a number of key deliverables in relation to the licensing, feasibility study and other development activities of the Jaguar Nickel Project.
- Achievement of value adding outcome for the Jambreiro Iron Ore project.
- Market capitalisation growth targets.

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

16.2.3 Long Term Incentives

LTIs may be granted from time to time to reward performance in the realisation of strategic outcomes and long-term growth in shareholder wealth. Options or performance rights may be utilised to deliver long term incentive awards. The Board has discretion to grant options or performance rights for no consideration. Options or performance rights do not carry voting or dividend entitlements. Information on share options granted during the year is set out in Section 16.6

During the period, Key Management Personnel 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 are issued under the Company's Employee Share Option Plan and under ASX Listing Rule 10.11 for Executive Directors. Key Management Personnel, other than the Managing Director, were issued with options up to the value of 50% of TFR whilst the Managing Director was issued with options up to the value of 75% of TFR.

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				
19 February 2021	1 January 2021 to 31 December 2023	31 December 2024	50% of Options vest based on Total Shareholder Return relative to a peer group of companies determined by the Board.	$0.7833
19 February 2021	1 January 2021 to 31 December 2023	31 December 2024	50% based upon Absolute Total Shareholder Return.	$0.6756
29 May 2020	1 January 2020 to 31 December 2022	31 December 2023	50% of Options vest based on Total Shareholder Return relative to a peer group of companies determined by the Board.	$0.2482
29 May 2020	1 January 2020 to 31 December 2022	31 December 2023	50% based upon entry by the Company into the ASX300 Index.	$0.2013
Executives				
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 entry by the Company into the ASX300 Index.	$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 entry by the Company into the ASX300 Index.	$0.6212
14 February 2020	1 January 2020 to 31 December 2022	31 December 2023	50% of Options vest based on Total Shareholder Return relative to a peer group of companies determined by the Board.	$0.1582
14 February 2020	1 January 2020 to 31 December 2022	31 December 2023	50% based upon entry by the Company into the ASX300 Index.	$0.1174

Each milestone will be assessed at the end of the 3-year assessment period and the options will not vest or be capable of being exercised until after this assessment period has closed, other than in the case of a successful change of control transaction in which case the options will immediately vest. 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 2021 is comprised of the following companies.

Adriatic Metals PLC	Emerald Resources NL	New Century Resources Limited
Ardea Resources Limited	Galena Mining Limited	Panoramic Resources Limited
Australian Mines Limited	Greenland Minerals Limited	Piedmont Lithium Inc
AVZ Minerals Limited	Hot Chilli Limited	Poseidon Nickel Limited
Azure Minerals Limited	Jervois Global Limited	Red River Resources Limited
Big River Gold Ltd	Legend Mining Limited	St George Mining Limited
Blackstone Minerals Limited	Liontown Resources Limited	Stavely Minerals Limited
Clean TeQ Water Limited	Mincor Resources NL	Western Areas Limited

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

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

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

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

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

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

16.2.4 Superannuation

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

16.3 Employment Agreements

Remuneration and other terms of employment for executives are formalised in employment agreements which are reviewed annually. The agreements provide for the provision of other benefits and participation, at the discretion of the Board in Short and Long-Term Incentive Plans (refer to sections 16.2.2 and 16.2.3).

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

Name	Salary Incl of Superannuation	Notice Period Company	Notice Period Employee	Redundancy
D P Gordon	$485,000 pa	12 months	6 months	12 months
W E Foote	$374,000 pa	3 months	3 months	6 months
J W Westdorp	$350,000 pa	4 months	2 months	6 months
B R Scarpelli	$337,800 pa	2 months	2 months	6 months
R J Fitzhardinge	$254,400 pa	2 months	2 months	6 months

16.4 Non- Executive Directors

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

Non-Executive directors' remuneration consists of set fee amounts. The current level of fees, applicable from 1 January 2022, for Non-Executive directors is $70,000 per annum. The Non-Executive Chair's fees are $105,000 per annum. Directors do not receive additional committee fees. Non-Executive directors' fees are subject to an aggregate pool limit, which is periodically recommended for approval by shareholders. The approved pool limit is currently $400,000. There is no provision for retirement allowances for Non-Executive directors.

Non-Executives 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. Refer to Section 16.6 for options issued during prior periods. Prior to issuing incentives the Board considers whether the issue is reasonable in the circumstances.

16.5 Directors' and Executive Officers' Remuneration

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

		Short Term Benefits			Post Employment Benefits	Long Term Benefits	Share Based Payments			
	Year	**Salary & Fees $**	**STI Bonuses $**	**Other Benefits[1] $**	**Superannuation $**	**Long Service Leave[2] $**	**Options[3] $**	**Total $**	**S300A(1)(e)(i) Proportion of Remuneration Performance Related %**	**S300A(1)(e)(vi) Value of Options as Proportion of Remuneration%**
Non- Executive Directors										
Mr D M Murcia	**2021**	**75,000**	**-**	**-**	**-**	**-**	**98,153**	**173,153**	**-**	**56.7%**
	2020	64,800	-	-	-	-	99,137	163,937	-	60.5%
Mr M D Hancock	**2021**	**49,800**	**-**	**-**	**-**	**-**	**65,435**	**115,235**		**56.8%**
	2020	43,200	-	-	-	-	66,091	109,291		60.0%
Mr C A Banasik	**2021**	**49,800**	**-**	**-**	**-**	**-**	**70,025**	**119,825**		**58.4%**
	2020	43,200	-	-	-	-	81,421	124,621		65.3%
Executive Directors										
Mr D P Gordon	**2021**	**409,350**	**189,486**	**27,924**	**26,250**	**20,712**	**240,302**	**914,024**	**47.0%**	**26.3%**
	2020	371,000	178,200	24,639	25,000	9,300	126,082	734,221	41.4%	17.2%
Mr B R Scarpelli	**2021**	**269,835**	**82,215**	**19,067**	**-**	**-**	**98,141**	**469,258**	**38.4%**	**20.9%**
	2020	236,712	64,800	14,157	-	-	50,942	366,611	31.6%	13.9%
Executives										
Mr R J Fitzhardinge	**2021**	**226,175**	**63,868**	**(6,367)**	**21,992**	**9,313**	**77,961**	**392,942**	**36.1%**	**19.8%**
	2020	238,356	70,470	3,631	22,644	5,916	33,967	374,984	27.9%	9.1%
Mr J W Westdorp	**2021**	**288,750**	**82,215**	**4,381**	**26,250**	**-**	**89,620**	**491,216**	**35.0%**	**18.2%**
	2020	267,596	81,000	20,584	23,707	-	39,042	431,929	27.8%	9.0%
Mr W E Foote (Appointed 26 July 2021)	**2021**	**136,152**	**59,160**	**2,804**	**12,053**	**-**	**23,612**	**233,781**	**35.4%**	**10.1%**
Total 2021		**1,504,862**	**476,944**	**47,809**	**86,545**	**30,025**	**763,249**	**2,909,434**		
Total 2020		1,264,864	394,470	63,011	71,351	15,216	496,682	2,305,594		

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

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

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

16.6 Equity Instruments

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

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

16.6.1 Analysis of Options over Equity Instruments Granted as Compensation

Details of vesting profiles of the options granted as remuneration both during the current and in prior years to Key Management Personnel of the Group are detailed below. There were no options forfeited during the year. A total of 1,116,668 options previously granted as compensation with a weighted average exercise price of $0.21 were exercised in 2021 raising $234,500.

	Number of Options Issued	Grant Date	Expiry Date	Exercise Price	Fair value per option at grant date	% Vest in Year	Financial Year in Which Grant Vests/Vested (1)
Directors							
Mr D M Murcia	333,334	31/05/17	31/05/22	$0.225	$0.1080	-	2019
	600,000	29/05/20	31/05/22	$0.378	$0.1189	100%	2021
	600,000	29/05/20	31/05/23	$0.392	$0.1461	-	2022
	600,000	29/05/20	31/05/24	$0.405	$0.1667	-	2023
Mr D P Gordon	666,667	31/05/17	31/05/22	$0.225	$0.1080	-	2019
	841,479	29/05/20	31/12/23	$0.000	$0.2482	-	2022(2)
	841,479	29/05/20	31/12/23	$0.000	$0.2013	-	2022(3)
	235,307	19/02/21	31/12/24	$0.000	$0.7833		2023(4)
	235,307	19/02/21	31/12/24	$0.000	$0.6756		2023(5)
Mr B R Scarpelli	500,000	31/05/17	31/05/22	$0.225	$0.1080	-	2019
	339,992	29/05/20	31/12/23	$0.000	$0.2482	-	2022(2)
	339,991	29/05/20	31/12/23	$0.000	$0.2013	-	2022(3)
	97,234	19/02/21	31/12/24	$0.000	$0.7833		2023(4)
	97,234	19/02/21	31/12/24	$0.000	$0.6756		2023(5)
Mr M D Hancock	233,334	31/05/17	31/05/22	$0.225	$0.1080	-	2019
	400,000	29/05/20	31/05/22	$0.378	$0.1189	100%	2021
	400,000	29/05/20	31/05/23	$0.392	$0.1461	-	2022
	400,000	29/05/20	31/05/24	$0.405	$0.1667	-	2023
Mr C A Banasik	116,667	31/05/19	31/05/22	$0.180	$0.0616	-	2019
	116,667	31/05/19	31/05/23	$0.180	$0.0868	-	2020
	233,334	31/05/19	31/05/24	$0.180	$0.0952	100%	2021
	400,000	29/05/20	31/05/22	$0.378	$0.1189	100%	2021
	400,000	29/05/20	31/05/23	$0.392	$0.1461	-	2022
	400,000	29/05/20	31/05/24	$0.405	$0.1667	-	2023
Executives							
Mr R J Fitzhardinge	500,000	31/05/17	31/05/22	$0.220	$0.1080	-	2019
	369,741	14/02/20	31/12/23	$0.000	$0.1582	-	2022(2)
	369,741	14/02/20	31/12/23	$0.000	$0.1174	-	2022(3)
	98,675	25/01/21	31/12/24	$0.000	$0.7188	-	2023(4)
	98,675	25/01/21	31/12/24	$0.000	$0.6212	-	2023(5)
Mr J W Westdorp	424,990	14/02/20	31/12/23	$0.000	$0.1582	-	2022(2)
	424,989	14/02/20	31/12/23	$0.000	$0.1174	-	2022(3)
	113,440	25/01/21	31/12/24	$0.000	$0.7188	-	2023(4)
	113,440	25/01/21	31/12/24	$0.000	$0.6212	-	2023(5)
Mr W E Foote	97,955	13/07/21	31/12/24	$0.000	$0.6900	-	2023(4)
	97,955	13/07/21	31/12/24	$0.000	$0.5774	-	2023(5)

(1) Options are subject to the satisfaction of service conditions except for those issued to Mr C A Banasik which vested in 2019, these options were not subject to a service condition.

(2) Options will vest on 31 December 2022 subject to the Company gaining entry into the ASX 300 Index and to meeting a three year service condition to 31 December 2022.

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

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

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

16.6.2 Options Over Equity Instruments Granted as Compensation

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

	Held 1 January 2021	Exercised	Granted	Held 31 December 2021	Vested During the Period	Vested and Exercisable 31 December 2021
Directors						
Mr D M Murcia	2,300,001	(166,667)	-	2,133,334	600,000	933,334
Mr D P Gordon	2,682,959	(333,334)	470,614	2,820,239	-	666,667
Mr B R Scarpelli	1,429,983	(250,000)	194,468	1,374,451	-	500,000
Mr M D Hancock	1,550,001	(116,667)	-	1,433,334	400,000	633,334
Mr C A Banasik	1,666,668	-	-	1,666,668	633,334	866,668
Executives						
Mr R J Fitzhardinge	1,489,482	(250,000)	197,350	1,436,832	-	500,000
Mr J W Westdorp	849,979	-	226,880	1,076,859	-	-
Mr W E Foote			195,910	195,910	-	-

16.6.3 Analysis of Movements in Options

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

	Value of Options Granted $[(1)]	Value of Options Exercised in Year $[(2)]	Value of Options Lapsed in Year $[(3)]
Director			
Mr D M Murcia	-	89,167	-
Mr D P Gordon	343,289	178,334	-
Mr B R Scarpelli	141,855	133,750	-
Mr M D Hancock	-	62,417	-
Mr C A Banasik	-		-
Executives			
Mr R J Fitzhardinge	132,225	133,750	-
Mr J W Westdorp	152,010	-	-
Mr W E Foote	124,153	-	

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

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

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

16.6.4 Performance Based Remuneration Granted and Forfeited During the Year

Subsequent to 31 December 2021, the Board determined to pay STIs to executives in recognition of the achievement of performance targets for the year ended 31 December 2021. A summary of STIs for the period is shown below.

Executive	Target STI Quantum (% of Base Salary)	Target FY21 STI Quantum $	STI Quantum Earned $	STI Quantum Forfeited $
Mr D P Gordon	50%	217,800	189,486	28,314
Mr B S Scarpelli	35%	94,500	82,215	12,285
Mr R J Fitzhardinge	30%	73,412	63,868	9,544
Mr J W Westdorp	30%	94,500	82,215	12,285
Mr W E Foote	20%	68,000	59,160	8,840

16.6.5 Key Management Personnel Transactions

(a) Loans to Key Management Personnel and Their Related Parties

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

(b) Key Management Personnel and Director Transactions

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

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

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

Key Management Person	Transaction	Transaction Value 2021 $	2020 $	Balance Outstanding as at 31 Dec 2021 $	31 Dec 2020 $
Mr D M Murcia (1)	Legal fees	**8,156**	17,575	-	-
Total and current liabilities				-	-

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

16.6.6 Shareholdings of Key Management Personnel

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

	Held 1 January 2021	Received on exercise of options	Other Changes	Held at 31 December 2021
Directors				
Mr D M Murcia	1,171,966	166,667	-	1,338,633
Mr D P Gordon	5,785,545	333,334	-	6,118,879
Mr B R Scarpelli	416,667	250,000	-	666,667
Mr M D Hancock	612,253	166,667	-	728,920
Mr C A Banasik	316,666	266,667	-	583,333
Executives				
Mr R J Fitzhardinge	5,365,071	850,000	35,653(1)	6,250,724
Mr J W Westdorp	126,800	-	-	126,800
Mr W E Foote	-	-	-	-

(1) Relates to shares received in an off-market transfer

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

16.6.7 Listed Option Holdings of Key Management Personnel

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

	Held 1 January 2021	Purchase	Exercised	Expired	Other	Held at 31 December 2021
Directors						
Mr D M Murcia	-	-	-	-	-	-
Mr D P Gordon	-	-	-	-	-	-
Mr B R Scarpelli	-	-	-	-	-	-
Mr C A Banasik	266,667	-	(266,667)	-	-	-
Mr M D Hancock	-	-	-	-	-	-
Executives						
Mr R J Fitzhardinge	600,000	-	(600,000)	-	-	-
Mr J W Westdorp	-	-	-	-	-	-
Mr W E Foote	-	-	-	-	-	-

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

D P Gordon
Managing Director
Perth
29 March 2022

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 2021 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
29 March 2022

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2021

		31 December 2021 $	31 December 2020 $
Profit or Loss			
Other income	Note 7	**265,862**	487,289
Exploration expenditure		**(13,198,599)**	(7,288,408)
Loss on Financial Liability at fair value through the profit or loss	Note 17	**-**	(1,607,166)
Impairment of other receivables	Note 15	**(707,729)**	(289,751)
Employee benefits expense	Note 8	**(1,840,182)**	(1,632,342)
Share based payments expense	Note 9	**(781,107)**	(496,680)
Occupancy expenses		**(47,749)**	(54,632)
Listing and share registry fees		**(121,082)**	(103,107)
Professional fees		**(321,052)**	(234,821)
Depreciation		**(131,342)**	(40,866)
Other expenses		**(339,041)**	(330,485)
Results from operating activities		**(17,222,021)**	(11,590,969)
Interest income		**235,207**	174,436
Finance expense		**(7,901)**	(52,292)
Net finance income		**227,306**	122,144
Loss before income tax		**(16,994,715)**	(11,468,825)
Loss for the period		**(16,994,715)**	(11,468,825)
Other Comprehensive Income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences arising on translation of foreign operations		**(13,896)**	(1,927,839)
Other comprehensive loss for the period		**(13,896)**	(1,927,839)
Total comprehensive loss for the period		**(17,008,611)**	(13,396,664)
Earnings per Share		**cents**	cents
Basic loss per share	Note 12	**(5.04)**	(4.04)
Diluted loss per share	Note 12	**(5.04)**	(4.04)

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

Consolidated Statement of Financial Position

As at 31 December 2021

		31 December 2021 $	31 December 2020 $
Cash and cash equivalents	Note 13	**8,259,389**	24,089,281
Other receivables and prepayments	Note 15	**529,725**	201,549
Total current assets		**8,789,114**	24,290,830
Non-current assets			
Other receivables and prepayments	Note 15	**8,156**	12,765
Property, plant and equipment	Note 16	**6,004,233**	784,994
Exploration and evaluation assets	Note 17	**12,048,261**	8,764,153
Total non-current assets		**18,060,650**	9,561,912
Total assets		**26,849,764**	33,852,742
Current liabilities			
Trade and other payables	Note 18	**2,893,287**	1,940,965
Financial liability	Note 19	**5,161,448**	2,400,000
Lease liability	Note 20	**86,576**	88,599
Employee benefits – annual leave		**379,516**	317,946
Total current liabilities		**8,520,827**	4,747,510
Non-current liabilities			
Financial liability	Note 19	**1,325,267**	2,734,569
Lease liability	Note 20	**29,334**	65,510
Employee benefits – long service leave		**223,690**	186,837
Total non-current liabilities		**1,578,291**	2,986,916
Total liabilities		**10,099,118**	7,734,426
Net assets		**16,750,646**	26,118,316
Equity			
Share capital		**162,962,306**	155,905,034
Reserves		**(7,697,790)**	(8,267,563)
Accumulated losses		**(138,513,870)**	(121,519,155)
Total equity		**16,750,646**	26,118,316

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 2021

	Issued Capital $	Share-Based Payments Reserve $	Foreign Currency Translation Reserve $	Accumulated Losses $	Total Equity $
Balance at 1 January 2021	**155,905,034**	**954,934**	**(9,222,497)**	**(121,519,155)**	**26,118,316**
Loss for the period	-	-	-	(16,994,715)	(16,994,715)
Foreign currency translation difference for foreign operation	-	-	(13,896)	-	(13,896)
Total comprehensive loss for the period	**-**	**-**	**(13,896)**	**(16,994,715)**	**(17,008,611)**
Share-based payment transactions	-	781,107	-	-	781,107
Issues of ordinary shares	1,400,000	-	-	-	1,400,000
Share options exercised	5,462,629	-	-	-	5,462,629
Share issue costs	(2,795)	-	-	-	(2,795)
Transfer on exercise of options	197,438	(197,438)	-	-	-
Total transactions with owners	**7,057,272**	**583,669**	**-**	**-**	**7,640,941**
Balance at 31 December 2021	**162,962,306**	**1,538,603**	**(9,236,393)**	**(138,513,870)**	**16,750,646**
Balance at 1 January 2020	**128,538,655**	**675,904**	**(7,294,658)**	**(110,123,540)**	**11,796,361**
Loss for the period	-	-	-	(11,468,825)	(11,468,825)
Foreign currency translation difference for foreign operation	-	-	(1,927,839)	-	(1,927,839)
Total comprehensive loss for the period	**-**	**-**	**(1,927,839)**	**(11,468,825)**	**(13,396,664)**
Share-based payment transactions		496,680	-	-	496,680
Issues of ordinary shares	28,218,750	-	-	-	28,218,750
Share options exercised	310,200	-	-	-	310,200
Share issue costs	(1,307,011)	-	-	-	(1,307,011)
Transfer on exercise of options	144,440	(144,440)	-	-	-
Transfer of options lapsed	-	(73,210)	-	73,210	-
Total transactions with owners	**27,366,379**	**279,030**	**-**	**73,210**	**27,718,619**
Balance at 31 December 2020	**155,905,034**	**954,934**	**(9,222,497)**	**(121,519,155)**	**26,118,316**

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 2021

	Note	31 December 2021 $	31 December 2020 $
Cash flows from operating activities			
Exploration and evaluation expenditure		**(12,898,881)**	(6,809,988)
Payments to suppliers and employees (inclusive of GST)		**(2,560,610)**	(1,572,840)
Other receipts		**-**	105,323
Interest received		**240,659**	176,203
Net cash used in operating activities	Note 14	**(15,218,832)**	(8,101,302)
Cash flows from investing activities			
Payments for property plant & equipment		**(3,323,381)**	(284,365)
Payment for exploration acquisitions		**(1,485,458)**	(873,025)
Buy back of project royalty		**(1,000,000)**	-
Net cash from /(used in) investing activities		**(5,808,839)**	(1,157,390)
Cash flows from financing activities			
Proceeds from issue of equity securities		**-**	25,500,000
Proceeds from the exercise of options		**5,462,629**	310,200
Capital raising costs		**(2,795)**	(986,784)
Payment for lease liability		**(109,991)**	(47,100)
Net cash from financing activities		**5,349,843**	24,776,316
Net increase/(decrease) in cash and cash equivalents		**(15,677,828)**	15,517,624
Cash and cash equivalents at the beginning of the period		**24,089,281**	9,703,718
Effect of exchange rate fluctuations on cash held		**(152,064)**	(1,132,061)
Cash and cash equivalents at 31 December	Note 13	**8,259,389**	24,089,281

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 2021

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 2021 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 29 March 2022.

Basis of Measurement

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

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

Going Concern

The financial statements for the year ended 31 December 2021 have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

Note 3. Functional and Presentation Currency

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

Note 4. Use of Judgements and Estimates

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

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

Judgements

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

- Note 15 - Other Receivables and Prepayments;
- 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; and
- Note 25 - Financial Instruments – Fair Values and Risk Management.

Assumptions and Estimation Uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the year ending 31 December 2021 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 the employee share options is estimated using the applicable valuation methodology. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and performance conditions attached to vesting are not taken into account in determining fair value. Where the service period commences prior to grant date the fair value is provisionally calculated and subsequently revised upon grant date.

Note 5. Significant Accounting Policies

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

Basis of Consolidation

(a) Subsidiaries

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

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

(b) Transactions Eliminated on Consolidation

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

Foreign Currency

(a) Foreign Currency Transactions

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

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

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

(b) Foreign Operations

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

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

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

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

Financial Instruments

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

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

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

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

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

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

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

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

(i) Receivables

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

(ii) Cash and Cash Equivalents

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

(b) Non derivative Financial Liabilities – Measurement

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

(c) Share Capital

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

Property, Plant and Equipment

(a) Recognition and Measurement

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

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

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

(b) Depreciation

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

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

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

Exploration and Evaluation Expenditure

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

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

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

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

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

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

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

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

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

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

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

Asset Acquisition

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

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

Impairment

(a) Non-derivative Financial Assets

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

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

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

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

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

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

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

(i) Measurement of ECLs

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

(ii) Credit-impaired financial assets

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

Presentation of allowance for ECL in the statement of financial position

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

(iii) Write-off

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

(b) Non-financial Assets

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

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

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

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

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

Employee Benefits

(a) Defined Contribution Plans

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

(b) Other Long-term Employee Benefits

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

(c) Short-term Benefits

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

(d) Share-based Payment Transactions

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

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

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

Provisions

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

Revenue

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

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

Finance Income and Finance Costs

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

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

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

Income Tax

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

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

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

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

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

Goods and Services Tax and Equivalent Indirect Taxes

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

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

Earnings per Share

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

Segment Reporting

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

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

Government Grants

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

Changes in Accounting Policies

The Group has adopted the amendment to standards, including any consequential amendments to other standards, with a date of initial application of 1 January 2021.

New Standards and Interpretations Not Yet Adopted

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

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

Standard	Effective Date	Key Requirements
AASB 2014-10 Amendments to Australian Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture AASB 2015-10 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 AASB 2017-5 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections	1 Jan 2022	The amendments require the full gain or loss to be recognised when the assets transferred meet the definition of a "business" under AASB 3 (whether housed in a subsidiary or not).
AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments	1 Jan 2022	Amendments to existing accounting standards, particularly in relation to: • AASB 1 – simplifies the application of AASB 1 by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences. • AASB 3 – to update a reference to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations. • AASB 9 – to clarify the fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. • AASB 116 – to require an entity to recognise the sales proceeds from selling items produced while preparing property, plant and equipment for its intended use and the related cost in profit or loss, instead of deducting the amounts received from the cost of the asset. • AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* –to specify the costs that an entity includes when assessing whether a contract will be loss-making.
AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date	1 Jan 2023	Amends AASB 101 to require a liability be classified as current when companies do not have a substantive right to defer settlement at the end of the reporting period. AASB 2020-6 defers the mandatory effective date of amendments that were originally made in AASB 2020-1 so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2023 instead of 1 January 2022.

		In November 2021, the IASB published the Exposure Draft Non-current Liabilities with Covenants to propose amendments to IAS 1 Presentation of Financial Statements. The amendments specify that compliance with conditions after the reporting period would not affect whether the liability is classified as current or non-current.
AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	1 January 2023	AASB 2021-2 amendments provide a definition of and clarifications on accounting estimates and clarify the concept of materiality in the context of disclosure of accounting policies.
AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023	The amendments narrow the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences and clarify that the exemption does not apply to transactions such as leases and decommissioning obligations.

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

Note 6. Operating Segments

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

Geographical Segment Information	**2021 Non-current Assets $**	2020 Non-current Assets $
Brazil	**17,968,727**	9,402,661
Australia	**91,923**	159,251
Total	**18,060,650**	9,561,912

Note 7. Other Income

	31 December 2021 $	31 December 2020 $
R&D tax refund	**265,862**	-
Gain on sale of mineral asset	**-**	381,966
Government grants	**-**	100,000
Other	**-**	5,323
	265,862	487,289

Note 8. Employee Benefits Expense

	31 December 2021 $	31 December 2020 $
Salaries, fees and other benefits	**3,910,049**	3,110,104
Superannuation	**170,709**	128,777
Recognised in exploration expenditure expense	**(2,240,576)**	(1,606,539)
Total	**1,840,182**	1,632,342

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 1,395,452 options were issued to employees and directors (2020: 8,152,402). Options issued to employees were issued under the Employee Share Option Plan approved by shareholders at the Annual General Meeting on 31 May 2019. Options issued to directors and executive directors were approved by shareholders under ASX Listing Rule 10.11.

Reconciliation of Outstanding Share Options

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

	Weighted Average Exercise Price 2021	**Number of Options 2021**	Weighted Average Exercise Price 2020	Number of Options 2020
Outstanding at start of period	**$0.2172**	**12,085,733**	$0.2010	5,733,333
Exercised during the period	**$0.0021**	**(1,233,335)**	$0.1723	(1,800,002)
Lapsed during the period	**-**	**-**	-	-
Issued during the period	**$0.0000**	**1,395,452**	$0.2018	8,152,402
Outstanding at balance date	**$0.1822**	**12,247,857**	$0.2061	12,085,733
Exercisable at balance date	**$0.2721**	**4,100,003**	$0.2172	3,700,004

The options outstanding at 31 December 2021 have exercise prices ranging from $0.000 to $0.405 (2020: $0.000-$0.405) and the weighted average remaining contractual life is 1.61 years (2020: 2.23 years).

There were 1,233,335 options exercised during the year (2020: 1,800,002). There were 1,395,452 options issued during the year (2020: 8,152,402). Details of the options issued during the year are as follows:

Grant Date	**Number of Options**	**Vesting Period(1)**	**Option Term**
Directors			
19/02/21	332,541	36 months(2)	48 months
19/02/21	332,541	36 months(3)	48 months
Total	665,082		
Employees			
25/01/21	234,645	36 months(2)	48 months
25/01/21	234,645	36 months(3)	48 months
01/07/21	32,585	36 months(2)	48 months
01/07/21	32,585	36 months(3)	48 months
13/07/21	97,955	36 months(2)	48 months
13/07/21	97,955	36 months(3)	48 months
	730,370		

(1) From 1 January 2021 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 2023 and the performance condition tested against the relative TSR measure for the period 1 January 2021 to 31 December 2023.

(3) Vesting will occur subject to meeting a three-year service condition to 31 December 2023 and the performance condition tested against the absolute TSR measure for the period 1 January 2021 to 31 December 2023.

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

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

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

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

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

Inputs for Measurement of Grant Date Fair Values

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

Grant Date	Expiry Date	Exercise Price	Life of option	Share price at grant date	Expected share price volatility	Risk-free interest rate	Fair Value at grant date
25/01/21	31/12/24	$0.000	4 years	$0.840	100%	0.110%	$0.7188
25/01/21	31/12/24	$0.000	4 years	$0.840	100%	0.110%	$0.6212
19/02/21	31/12/24	$0.000	4 years	$0.880	100%	0.115%	$0.7833
19/02/21	31/12/24	$0.000	4 years	$0.880	100%	0.115%	$0.6756
01/07/21	31/12/24	$0.000	4 years	$0.805	100%	0.195%	$0.6212
01/07/21	31/12/24	$0.000	4 years	$0.805	100%	0.195%	$0.5738
13/07/21	31/12/24	$0.000	4 years	$0.800	100%	0.165%	$0.6900
13/07/21	31/12/24	$0.000	4 years	$0.800	100%	0.165%	$0.5774

Expenses Arising from Share Based Payment Transactions

	31 December 2021 $	31 December 2020 $
Total expense recognised as share-based payment – share options	**781,107**	496,680

Note 10. Income Tax

Numerical Reconciliation of Income Tax Expense to Prima Facie Tax Payable

	31 December 2021 $	31 December 2020 $
Loss from continuing operations before income tax expense	**(16,994,715)**	(11,468,825)
Tax at the Australian tax rate of 27.5% (2020: 27.5%)	**(4,673,547)**	(3,153,927)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Overseas project generation and review costs	**822,525**	1,037,319
Share-based payments	**214,805**	136,587
Non assessable grant income	**(73,113)**	
Sundry items	**9,918**	17,859
	(3,699,412)	(1,962,162)
Effect of tax rates in foreign jurisdictions	**(8,886)**	(92,610)
Under provision from prior year	**(761,674)**	(112,511)
Deferred tax assets not recognised	**4,469,972**	2,167,283
Income tax benefit, being deferred tax	**-**	-

Tax Losses

	31 December 2021 $	31 December 2020 $
Tax losses	**61,188,366**	61,822,922
Potential tax benefit (between 27.5-34%)	**18,096,045**	18,412,999

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 2021 $	31 December 2020 $
Deferred Tax Assets		
Exploration expenditure	**9,931,563**	5,848,075
Accrued expenses/provisions	**10,916,869**	10,249,662
Transaction costs relating to issue of capital	**80,887**	117,768
Tax losses carried forward (net of tax losses utilised)	**18,096,045**	18,412,999
	39,025,364	34,628,504

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 (2020: nil).

Note 12. Earnings/(Loss) per Share

Basic Loss per Share

The calculation of basic and diluted earnings per share at 31 December 2021 was based on the loss attributable to ordinary shareholders of $16,994,715 (2020: $11,468,825) and a weighted average number of ordinary shares outstanding of 337,081,397 (2020: 284,019,357), calculated as follows:

Loss Attributable to Ordinary Shareholders

	31 December 2021 $	31 December 2020 $
Loss attributable to the shareholders	**(16,994,715)**	(11,468,825)

Weighted Average Number of Ordinary Shares

	2021 Number	2020 Number
Issued ordinary shares at beginning of the period	**325,857,160**	252,732,392
Effect of shares issued	**11,224,237**	31,286,965
Weighted average number of ordinary shares at the end of the period	**337,081,397**	284,019,357

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 2021 and the exercise of potential shares would not increase that loss.

Note 13. Cash and Cash Equivalents

	31 December 2021 $	31 December 2020 $
Cash at bank and on hand	**9,154**	6,501
Deposits - short term	**8,250,235**	24,082,780
	8,259,389	24,089,281

The deposits are bearing floating and fixed interest rates between 0.06% and 4.79% (2020: between 0.25% and 2.8%).

Note 14. Reconciliation of Cash Flows from Operating Activities

	31 December 2021 $	31 December 2020 $
Loss for the period	**(16,994,715)**	(11,468,825)
Adjustments for:		
Depreciation	**222,395**	98,035
Non-cash employee benefits expense– share based payments	**781,107**	496,680
Loss from financial liability at fair value through profit and loss	**-**	1,607,166
Impairment of other receivables	**707,729**	289,751
Foreign currency loss	**-**	49,370
Gain on sale of mineral asset	**-**	(381,967)
(Profit)/Loss on sale of plant and equipment	**-**	4,381
Operating loss before changes in working capital and provisions	**(15,283,484)**	(9,305,409)
Change in other receivables	**(1,029,504)**	97,481
Change in trade creditors and provisions	**1,094,156**	1,106,626
Net cash used in operating activities	**15,218,832**	8,101,302

Note 15. Other Receivables and Prepayments

	31 December 2021 $	31 December 2020 $
Current		
R&D tax refund	**265,862**	-
Other Receivables	**67,446**	56,347
Security deposits	**33,648**	33,648
Prepayments	**162,769**	111,554
	529,725	201,549
Non – Current		
Prepayments	**-**	7,172
Other Receivables	**1,008,755**	372,771
Provision for impairment	**(1,000,599)**	(367,178)
	8,156	12,765

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. As at balance date taxable profits in the ordinary course of business are not considered probable though one-off taxable profits may be generated on specific transactions.

During the period the entity wrote off $3,388 which was previously provided for due to credits expiring (2020: $5,575). An impairment expense of $707,729 was recognised in profit and loss in 2021 (2020: $289,751). 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 2021 $	31 December 2020 $
At Cost	**6,526,942**	1,083,995
Accumulated depreciation	**(522,709)**	(299,001)
	6,004,233	784,994

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 2021 $	31 December 2020 $
Plant and Equipment		
Carrying amount at beginning	**457,064**	238,892
Additions	**549,727**	348,834
Disposals	**(4,105)**	(14,053)
Depreciation	**(116,079)**	(47,059)
Effect of movements in exchange rates	**(5,948)**	(69,550)
Carrying amount at end	**880,659**	457,064
Land and buildings		
Carrying amount at beginning	**175,901**	249,347
Additions	**4,885,835**	-
Depreciation	**(1,915)**	-
Effect of movements in exchange rates	**(49,765)**	(73,446)
Carrying amount at end	**5,010,056**	175,901

Right-of-use assets (see also Note 20)		
Carrying amount at beginning	**152,029**	116,356
Additions	**68,218**	119,639
Depreciation	**(104,400)**	(50,976)
Effect of movements in exchange rates	**(2,329)**	(32,990)
Carrying amount at end	**113,518**	152,029
Total	**6,004,233**	784,994

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

Note 17. Exploration and Evaluation Assets

	31 December 2021 $	31 December 2020 $
Opening net book value	**8,764,153**	2,265,049
Additions	**3,402,083**	7,762,898
Disposals	**-**	(40,000)
Effect of movements in exchange rate	**(117,975)**	(1,223,794)
	12,048,261	8,764,153

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.

During the period Centaurus secured the possession of 3 properties covering the Jaguar project.

Acquisition of Jaguar Nickel Project (Prior Year)

The Jaguar Sale & Purchase Agreement formally closed (settled) on 8 April 2020. Total consideration for the acquisition of Jaguar consisted of:

Up-front consideration on closing

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

Deferred consideration

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

A key component of the purchase consideration for the Jaguar Project acquisition was the unencumbered transfer of Centaurus' Salobo West Copper-Gold Project to Vale. The original owner of Salobo, Terrativa Minerais SA, retained a 2% production royalty over the tenements or the right to elect to receive a 25% share of sale proceeds in the event Centaurus divested the Project to a third party. Terrativa elected to convert its royalty interest and Centaurus agreed to pay Terrativa up to A$3.5 million over a period of 2.5 years via the following payment arrangement.

- A$1.0 million settled through the issue of ordinary shares in Centaurus on 9th April 2020.
- A$500k in cash every six months over 30 months.

Terrativa was also entitled to receive two bonus payments which were contingent on the achievement of market capitalisation milestones.

Milestone Payment 1 was triggered on 30 September 2020 and was settled with the issue of 2,834,008 Shares.

Milestone Payment 2 was settled via the issue of Shares which was approved by shareholders on 19 February 2021.

The transaction was not a business combination as the assets acquired did not meet the definition of a business as per AASB 3 at the date of acquisition. The fair value of the purchase consideration was allocated to the asset acquired as shown below. The fair value of the contingent consideration included in the asset was the fair value at acquisition date with the movement in fair value of $1,607,166 recognised in the consolidated statement of profit or loss in 2020.

	31 December 2020 $
Assets	
Exploration and evaluation assets additions	7,762,898
Foreign exchange	(594,205)
	7,168,693
Consideration	
Consideration settled in equity	1,000,000
Consideration settled in cash	914,482
Consideration to be settled	4,061,377
Fair value of contingent consideration at acquisition	1,192,834
Fair value of purchase consideration	7,168,693

Note 18. Trade and Other Payables

	31 December 2021 $	31 December 2020 $
Current		
Trade and other creditors	**1,270,026**	881,867
Accrued expenses	**1,623,261**	1,059,098
	2,893,287	1,940,965

Note 19. Financial Liability

	31 December 2021 $	31 December 2020 $
Current		
Consideration due to Vale for Jaguar acquisition	**2,400,840**	-
Up-front consideration due to Terrativa for Salobo West Royalty buy back	**933,534**	1,000,000
Deferred consideration due to Terrativa for Salobo West Royalty buy back	**-**	1,400,000
Land possession	**1,827,074**	-
	5,161,448	2,400,000
Non-Current		
Consideration due to Vale for Jaguar acquisition	**-**	2,734,569
Land possession	**1,325,267**	-
	1,325,267	2,734,569

Note 17 provides additional information on the consideration components relating to the acquisition of the Jaguar Nickel Project. Terrativa elected to receive the deferred consideration in shares. Shareholder approval for Milestone Payment 2 shares was received on 19 February 2021.

Note 20. Leases

The Group leases offices and warehouse facilities. The leases are typically for a period of 1 to 3 years. In 2020 the Group entered into a lease for its corporate office for a 2-year period with the option to extend for a further 2 years. A right of use asset and lease liability have been recognised as a result of this lease. The Group has applied the exemptions available under AASB 16 for short term leases and leases of low value.

	31 December 2021 $	31 December 2020 $
Current	**86,576**	88,599
Non-Current	**29,334**	65,510
	115,910	154,109

Lease payments are payable as follows

	31 December 2021 $	31 December 2020 $
Less than one year	**86,576**	88,599
Between one to three years	**29,334**	65,510
	115,910	154,109

Amounts Recognised in Profit or Loss

	31 December 2021 $	31 December 2020 $
Interest on lease liabilities	**7,901**	7,199
Expenses relating to short-term leases	**297,124**	292,195
Expenses relating to leases of low-value assets, excluding short term leases of low value assets	**41,106**	40,141

Note 21. Capital and Reserves

	2021 Number of Shares	2020 Number of Shares
On issue at beginning of period	**325,857,160**	3,790,971,362
Issue of ordinary shares for Salobo West royalty buy back at $0.6108 per share	**2,292,076**	-
Issue of ordinary shares on exercise of unlisted options at $0.21 per share	**1,233,335**	-
Issue of ordinary shares on exercise of listed options at $0.18 per share	**28,909,045**	-
Share consolidation 1-for-15	**-**	(3,538,238,970)
Issue of ordinary shares for Salobo West royalty buy back at $0.1425 per share	**-**	7,017,544
Issue of ordinary shares on exercise of unlisted options at $0.1230 per share	**-**	566,667
Issue of ordinary shares on exercise of unlisted options at $0.1950 per share	**-**	1,233,335
Issue of ordinary shares for placement at $0.4200 per share	**-**	60,714,286
Issue of ordinary shares for Salobo West royalty buy back at $0.4940 per share	**-**	2,834,008
Issue of shares as part of placement fee at $0.4200 per share	**-**	758,928
On issue at the end of the period – Fully paid	**358,291,616**	325,857,160

Ordinary Shares

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

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

Employee Share Options

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

Listed Options

There were 28,909,045 listed options exercised during the year (2020: nil). There were 30,995 options which expired during the year (2020: nil).

	Weighted average exercise price	**2021 Number of Listed Options**	Weighted average exercise price	2020 Number of Listed Options
On issue at beginning of period	**$0.18**	**28,940,040**	$0.18	28,940,040
Options exercised – CTMOC	**$0.18**	**(28,909,045)**	-	-
Options expired -CTMOC	**$0.18**	**(30,995)**	-	-
On issue at the end of the period	**-**	**-**	$0.18	28,940,040

Unlisted Options

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

Share-based Payments Reserve

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

Translation Reserve

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

Note 22. Contingent Liabilities

Guarantees

The Company has given guarantees in respect of bank security bonds amounting to $33,648 (2020: $33,648), secured by cash deposits lodged as security with the bank.

Jaguar Project Acquisition

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

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

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

Note 23. Capital Commitments

The Group has no capital commitments as at the year ended 31 December 2021 (2020: $41,406).

Note 24. Related Parties

Key Management Personnel

Key Management Personnel compensation is comprised of the following:

	31 December 2021 $	31 December 2020 $
Short term employee-benefits (Salaries and STI Plan)	**2,029,615**	1,722,345
Long term employee benefits	**30,025**	15,216
Post–employment benefits	**86,545**	71,351
Share-based payments expense	**763,249**	496,682
	2,909,434	2,305,594

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

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	2021 $	2020 $	31 Dec 2021 $	31 Dec 2020 $
Mr D M Murcia [(1)]	Legal fees	**8,156**	17,575	-	-
Total and current liabilities				-	-

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

Transactions with Related Parties

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

Note 25. Financial Instruments – Fair Values and Risk Management

Financial Risk Management

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

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

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

(a) Risk Management Framework

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

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

(b) Credit Risk

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

(c) Other Receivables

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

Other receivables also include refundable deposits and tax credits which include Brazilian federal VAT (PIS-Cofins). The recoverability of PIS-Cofins assets is dependent upon the Group generating a federal company tax liability, which may be offset against the Groups PIS-Cofins assets. As at 31 December 2021, the PIS-Cofins tax asset has been fully impaired as taxable profits in the ordinary course of business are not considered probable though one-off taxable profits may be generated on specific transactions. During the prior year the Company did utilise the PIS-Cofins asset to compensate for the PIS-Cofins liability on the sale of the Salobo West project.

Exposure to Credit Risk

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

	31 December 2021 $	31 December 2020 $
Cash and cash equivalents [1]	**8,259,389**	24,089,281
Other receivables	**375,113**	95,604
	8,634,502	24,184,885

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

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

	Carrying Amount	
	31 December 2021 $	31 December 2020 $
Australia	**299,700**	40,359
Brazil	**75,413**	55,245
	375,113	95,604

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 2021, the Group has current trade and other payables of $2,893,287 (31 December 2020: $1,940,965), Current Financial Liabilities of $5,161,448 (31 December 2020: $2,400,000) and Non-Current Financial Liabilities of $1,325,267 (31 December 2020: $2,734,569). The Group believes it will have sufficient cash resources to meet its financial liabilities when due.

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

	Carrying amount	Contractual cash flows	6 mths or less	6-12 mths	1-2 years
31 December 2021					
Financial liabilities					
Trade and other payables	2,893,287	(2,893,287)	(2,893,287)	-	-
Financial liabilities	6,486,715	(6,710,158)	(4,088,863)	(500,000)	(2,121,295)
	9,380,002	(9,603,445)	(6,982,150)	(500,000)	(2,121,295)
31 December 2020					
Financial liabilities					
Trade and other payables	1,940,965	(1,940,965)	(1,940,965)	-	-
Financial liabilities(1)	5,134,569	(3,734,569)	(500,000)	(500,000)	(2,734,569)
	7,075,534	(5,675,534)	(2,440,965)	(500,000)	(2,734,569)

(1) The Group settled $1,400,000 of the Current Financial Liabilities via the issue of ordinary shares (refer to Note 19).

Market Risk

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

Currency Risk

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

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

Interest Rate Risk Profile

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

	31 December 2021 $	31 December 2020 $
Fixed rate instruments		
Financial assets	**-**	13,900,000
Variable rate instruments		
Financial assets	**8,251,513**	10,215,399
	8,251,513	24,115,399

Fair Value Sensitivity Analysis for Fixed Rate Instruments

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

Cash Flow Sensitivity Analysis for Variable Rate Instruments

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2020.

	Profit or Loss		Equity	
	100bp Increase	100bp Decrease	100bp Increase	100bp Decrease
31 December 2021				
Variable rate instruments	**(23,207)**	**23,207**	-	-
Cash flow sensitivity (net)	**(23,207)**	**23,207**	-	-
31 December 2020				
Variable rate instruments	(17,466)	17,466	-	-
Cash flow sensitivity (net)	(17,466)	17,466	-	-

Capital Management

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

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

Note 26. Group Entities

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

Note 27. Subsequent Events

The Company completed a placement on 1 February 2022 raising $75 million (before fees).

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 2021 $	31 December 2020 $
Audit Services		
Auditors of the Company		
Audit and review of financial reports – KPMG	**58,861**	52,080
Services other than statutory audit		
Taxation compliance services - KPMG	**6,986**	14,818

Note 29. Parent Entity Disclosures

As at, and throughout, the financial year ended 31 December 2021 the parent entity of the Group was Centaurus Metals Limited.

	31 December 2021 $	31 December 2020 $
Results of the Parent Entity		
Loss for the period (1)	**(16,844,975)**	(13,086,953)
Total comprehensive loss for the period	**(16,844,975)**	(13,086,953)

(1) During the year ended 31 December 2021 the parent entity provided for an impairment of $11,000,000 (2020: $7,000,000) (relating to loans to subsidiaries based on an assessment of recoverability).

	31 December 2021 $	31 December 2020 $
Financial Position of the Parent Entity at Year End		
Current assets	5,866,948	5,190,575
Non-current assets (1)	13,581,590	6,703,406
Total assets	19,448,538	11,893,981
Current liabilities	2,502,355	3,561,436
Non-current liabilities	223,691	963,805
Total liabilities	2,726,046	4,525,241
Net assets	16,772,492	25,926,526
Share capital	162,962,306	155,905,034
Reserves	1538603	954,934
Accumulated losses	(147,778,417)	(130,933,442)
Total equity	16,772,492	25,926,526

(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 2021 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 2021.

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
29 March 2022

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 2021 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 2021;
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended;
- Notes including a summary of significant accounting policies; and
- Directors' Declaration.

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

Basis for opinion

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

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

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

Key Audit Matters

The ***Key Audit Matters*** we identified are:

- Acquisition of possessory rights; and
- Valuation of exploration and evaluation assets.

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

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

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:

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KPMG

Acquisition of possessory rights ($7,560,106)

Refer to Notes 16 and 17 to the Financial Report

The key audit matter	How the matter was addressed in our audit
The Group's acquisition of the three possessory rights as disclosed in Notes 16 and 17 to the financial report, was a significant transaction for the Group. The acquisition is a key audit matter due to: • The significance of the acquisition; and • The level of judgement required in determining the accounting approach as either; - Capitalising as land under AASB 116 *Property, Plant and Equipment* or an exploration and evaluation asset under AASB 6 Exploration for and *Evaluation of Mineral Resources*; or - To expense as exploration expenditure. We involved senior team members in assessing this key audit matter.	Our procedures included: • Inspecting the relevant deeds of assignment of possessory rights to understand the structure, key terms and conditions and nature of the purchase consideration. Using this information, we evaluated the accounting treatment of the purchase consideration against the criteria in the accounting standards, and checked the existence of the Group's rights and access to the properties; • Involving senior audit team members to assess the accounting treatment for the transactions. We analysed the conclusions reached by the Group for consistency with the requirements of the accounting standards and interpretations; • Evaluating the Group's determination of the allocation of purchase consideration between property, plant and equipment and exploration and evaluation assets against the underlying data; and • Evaluating the Group's disclosures of the transaction, by comparing these disclosures to our understanding of the acquisition and the requirements of the accounting standards.

Valuation of exploration and evaluation assets ($12,048,261)

Refer to Note 17 to the Financial Report

The key audit matter	How the matter was addressed in our audit
The Group's policy is to capitalise acquisition costs in relation to an area of interest, less any impairment charges recognised. The valuation of exploration and evaluation assets is a key audit matter due to: • The significance of the activity to the Group's business; and • The 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.	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. This involved analysing the licences in which the Group holds an interest and the exploration programs planned for those; • 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 and/or evaluating rights agreements in place with other parties;

Given the criticality of this to the scope and depth of our work, we involved senior team members to challenge the Group's assessment of the presence of impairment indicators. In assessing the presence of impairment indicators, we focused on those which may draw into question the commercial continuation of exploration and evaluation activities where significant carrying value of capitalised exploration and evaluation expenditure exists. Given the financial position of the Group, we paid particular attention to: • Documentation available regarding rights to tenure, via licensing, and compliance with relevant conditions, to maintain current rights to an area of interest; • The Group's intention and capacity to continue and fund the relevant exploration and evaluation activities; and • The results from latest activities regarding the existence or otherwise of economically recoverable mineral resources or reserves.	• Evaluating the Group's additions to exploration and evaluation assets for the year against the acquisition agreements, the capitalisation requirements of the Group's accounting policy and the requirements of the accounting standard; • 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; - Announcements made by the Group to the Australian Securities Exchange including results from latest activities and studies performed; and • Evaluating the capacity of the Group to fund the continuation of activities by assessing underlying documentation including corporate budgets.

Other Information

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

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

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

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

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

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

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 2021, 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 the Directors' report for the year ended 31 December 2021.

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

29 March 2022