



**Centaurus Metals Limited**  
and its controlled entities

ABN 40 009 468 099

**Condensed Interim Financial Report**  
**30 June 2023**

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### Directors' Report

The directors present their interim financial report for 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 half-year ended 30 June 2023.

#### Directors

The following persons were directors of the Company during the half-year and up to the date of this report:

Mr D M Murcia  
Mr D P Gordon  
Mr M D Hancock  
Mr B R Scarpelli  
Mr C A Banasik  
Dr N Streltsova

#### Review of Operations

##### Financial Position

The total comprehensive consolidated loss for the half-year was \$23,427,881 (2022: \$19,435,991). Included in the loss is exploration expenditure of \$19,343,650 (2022: \$15,912,401).

At the end of the half-year the Group had a net cash balance of \$12,825,414 (2022: \$34,047,722) and net assets of \$28,524,158 (2022: \$49,328,699).

##### Operations Review

The Company continued to advance the Definitive Feasibility Study (DFS) for the Jaguar Nickel Sulphide Project during the half year ending 30 June 2023. Open pit optimisation, mine design, refinery pilot plant testwork and all process design work has been completed with the remaining work being focussed on capital and operating cost estimation. The DFS completion is targeted for late Q4 2023, with a Final Investment Decision (FID) scheduled for Q3 2024 once all key approvals have been received, sufficient FEED work has been undertaken to order long lead capital items and the strategic partnering process has been concluded to support the funding of the Project.

Drilling at the Jaguar Nickel Sulphide Project continued to grow and de-risk the project, with step-out and deeper drilling at key deposits confirming the potential for further significant Resource growth when an updated Mineral Resource Estimate is released – presently targeted for early 2024.

Importantly, during the half year, Centaurus entered into a transaction agreement with Vale Base Metals, via its subsidiary Salobo Metais S.A (Vale), whereby Vale agreed to extinguish its right to 100% of the nickel off-take from the Jaguar Nickel Sulphide Project in exchange for an increase in their existing royalty from the Project. With this transaction completed and with the nickel units from the project now able to be used to support partnering and financing discussions, the Company commenced offtake and strategic partnering discussions following the end of the reporting period.

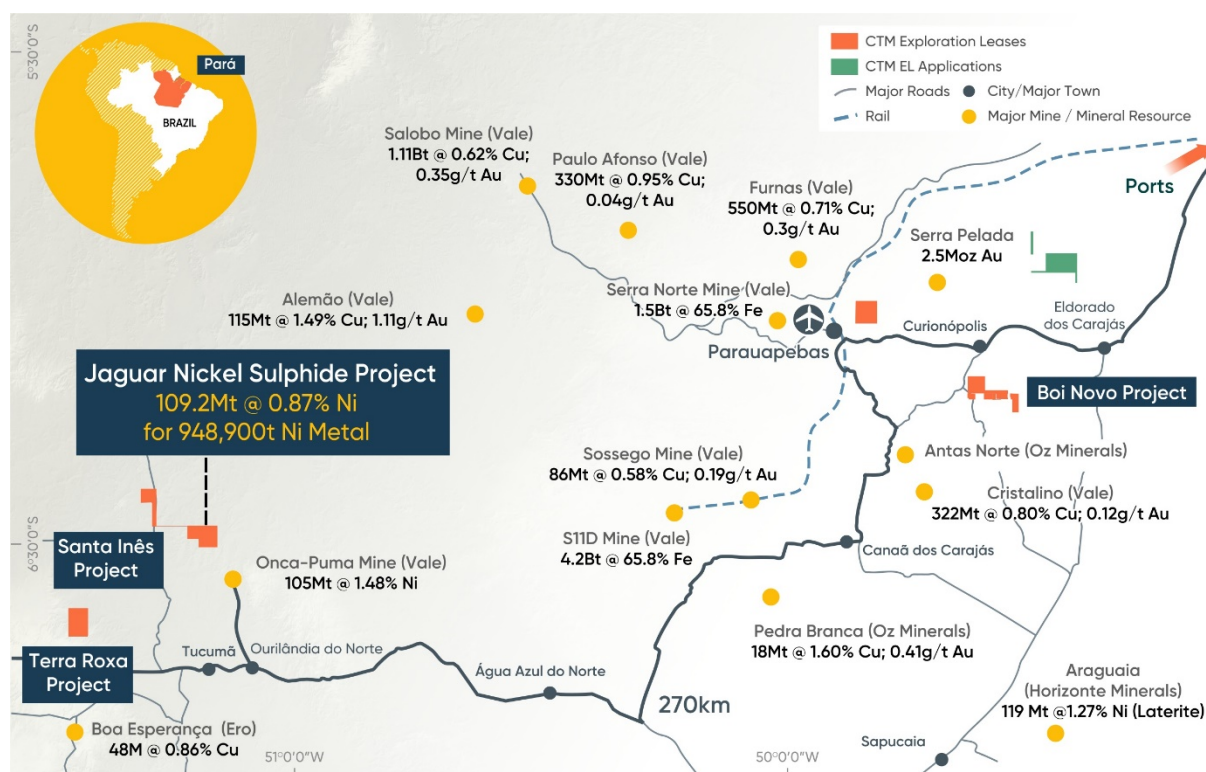
Centaurus published its inaugural Sustainability Report for 2022 and at the end of the reporting period the Company achieved an important milestone of one year without an LTI.

Subsequent to the end of the reporting period, the Company completed an institutional, corporate, and sophisticated investor placement which raised \$46.9 million (before fees) to underpin the continued de-risking, growth and development of the Jaguar Project.

## Jaguar Nickel Sulphide Project

The Jaguar Nickel Sulphide Project was acquired from global mining giant, Vale S.A. (Vale) in August 2019. The Project hosts multiple nickel sulphide deposits and exploration targets within a 30km<sup>2</sup> land package in the western portion of the world-class Carajás Mineral Province. Jaguar is ideally located close to existing infrastructure, just 35km north of the regional centre of Tucumã and Ourilandia do Norte (population +70,000) with access to hydroelectrical grid power (230kV) 20km southeast of the project near Vale’s Onca Puma Ferronickel operations (refer Figure 1).

Figure 1 – The Jaguar Nickel Sulphide Project location in the Carajás Mineral Province, Brazil



## Acquisition of Off-Take Rights

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

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

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

The increase in the Net Operating Revenue royalty of 1.20% for nickel sulphate and 1.25% for nickel concentrate and other products produced from Jaguar is designed to compensate Vale for its previous contractual rights under the SPA, while at the same time allowing Centaurus to explore funding and off-take options with a wide array of potential end-users of the nickel sulphate product from Jaguar.

Off-takes for battery raw materials are in increasingly high demand from OEMs, battery manufacturers and other groups, including traders. It is this interest that is anticipated to open up a wide variety of new funding options for the Jaguar Project. There has been notable interest from these groups in securing physical off-take of nickel products with a low carbon footprint and strong ESG credentials, as is the case with Jaguar.

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Following the transaction, Centaurus has full control and optionality over the sale and marketing of Jaguar's strategic, long-life, low-greenhouse gas emission nickel sulphate product, which is expected to be strongly aligned with the rapidly growing Western battery market.

With the close out of the offtake rights previously held by Vale, Centaurus has now been able to commence a strategic partnering process, with strong initial interest seen in the project and the nickel sulphate product targeted for production.

The partnering process will continue over the next 6 months with DFS completion being an important step in finalising any partnering/funding outcome for the project.

### Drilling & Exploration Programs

Drilling at the Jaguar Nickel Sulphide Project during the reporting period continued to grow and de-risk the project, with step-out and deeper drilling at key deposits confirming the potential for further significant Resource growth.

At the end of the reporting period, the Company had reduced its drill fleet at Jaguar to 6 rigs with the fleet to be further fine-tuned as the Jaguar Deeps drilling becomes the focus of exploration at Jaguar over the next 6 months. This work is likely to be carried out with 3 diamond rigs.

#### ***New Discovery – Twister Prospect***

During the reporting period, Greenfields exploration drilling at the Jaguar Project delivered a new nickel sulphide discovery at the Twister Prospect<sup>1</sup>. The Twister Prospect, which occurs from surface and has been delineated over a strike length of 900 metres, located in the north-eastern corner of the Jaguar tenement. Field mapping has identified multiple outcropping magnetite bodies coincident with the geophysical and soil anomalies along the structure. There had been no historical drill holes at the Twister Prospect.

The maiden Reverse Circulation (RC) drill program at Twister focused on mapped magnetite bodies and coincident magnetic signatures. Drilling intersected tabular sub-vertical mineralised zones with intersections including **8.0m at 1.20% Ni** from 63.0m in JAG-RC-22-186 and **14.0m at 1.03% Ni** from 163.0m in JAG-RC-23-190

Sufficient drilling has now been completed to bring the Twister discovery into the Inferred and Indicated Resource categories as part of the next JORC MRE update targeted for delivery in Q1 2024.

#### ***Resource Development, Step-out and Extensional Drilling***

All development drilling for geotechnical and metallurgical purposes required for the DFS has been completed.

The Company has been undertaking a dual-track strategy of targeting continued resource growth at the Jaguar Project while at the same time further de-risking the project through in-fill and development drilling and advancing the DFS.

Further drilling to contribute to continued resource growth, targeting previously untested areas within and around new pit designs that are currently considered waste was undertaken during the half year. Drilling included follow-up of high-grade material that had been identified at or near the base of current pit optimisations, as well as in-filling areas of lower geological confidence to continue to build confidence in the model and help de-risk the Project.

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<sup>1</sup> Refer ASX Releases of 15 May and 28 July 2023. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the competent persons findings were presented have not been materially modified from the original announcements.

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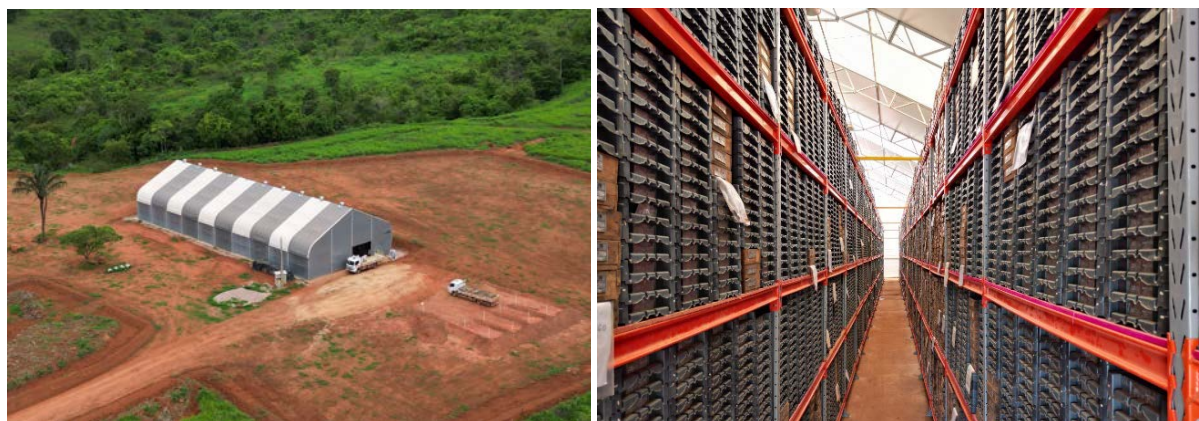
Post the end of the reporting period, some strong drill results were received from deeper drilling at the Jaguar South Deposit (**21.0m at 2.26% Ni** from 501.0m including **6.0m at 4.48% Ni** from 516.0m in JAG-DD-23-607 and **19.0m at 2.13% Ni** from 220.0m including **11.0m at 3.31% Ni** from 223.0m in JAG-DD-23-593) and the Onça Preta Deposit (**36.0m at 1.27% Ni** from 483.6m including **6.0m at 2.02% Ni** from 500.1m in JAG-DD-23-583).

The exploration program at Jaguar over the next 6-12 months will focus drilling on Jaguar Deeps. The Jaguar Deeps program is designed to step-out over 400m below the previous deepest drill holes at the Jaguar South and Onça Preta Deposits.

### ***New Site Core Shed***

The Company has now completed relocation of all diamond drill core to the new Core Storage Shed (Figure 2) located on site near the Tres Marias exploration camp.

**Figure 2 – New Core Shed at Jaguar**



## **Definitive Feasibility Study, Project Development, and Infrastructure Initiatives**

Significant activity was progressed in respect to the Definitive Feasibility Study (DFS), project development initiatives and future infrastructure access during the half year reporting period. The DFS completion is targeted for late Q4 2023, with a Final Investment Decision (FID) scheduled for Q3 2024 once all key approvals have been received, sufficient FEED work has been undertaken to order long lead capital items and the strategic partnering process has been concluded to support the funding of the Project.

### **Mining**

During the reporting period, solid progress was achieved on the open pit optimisation work and mine design. Final and stage designs were developed to allow sequencing of the life-of-mine development to commence.

All inputs for the DFS optimisation runs were finalised during the period, including dilution of the updated ore model, geotechnical parameters and mining and explosives pricing. Optimisation runs have been undertaken for a range of scenarios to assess the impact of nickel price and mining fleet selection on the potential pit size as well as to provide information for the exploration team to target future drill programs.

Given the growth in the mining inventory seen in the pit optimisations, the DFS for the Jaguar Project is being prepared solely on the basis of open pit mineralisation.

Strategic level planning commenced with a focus on minimising mining expenditure during the initial project construction period when waste is required for infrastructure construction, followed by a focus on maximising value over the operating life.

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### Metallurgy & Pilot Plant Testwork

#### Mineralogy

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

From this work Centaurus developed a detailed understanding of the ore types at the Jaguar Project, with how to best process them and the resultant concentrate quality produced.

#### Flotation Testwork

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

From the flotation testwork, Centaurus estimates that it will be able to recover approximately 94% of the sulphide nickel processed to a concentrate (which is approximately 78% of the total nickel at the average head grade in the MRE).

The 800kg of bulk concentrate used as feed for piloting of the refinery had the following product specification (Table 1 ).

**Table 1 – Pilot Bulk Concentrate Sample Analysis**

Ni (%)	Cu (%)	Co (%)	Zn (%)	Al (%)
11.2	0.72	0.31	3.07	0.44
Cl (%)	As (%)	F (%)	Fe (%)	K (%)
<0.01	<0.01	<0.01	30.3	0.13
MgO (%)	Fe/MgO	Pb (%)	S (%)	P (%)
2.56	11.9	0.05	36.7	0.42

#### Pilot Plant

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

The scope of the Refinery piloting was split into four phases of work as follows:

- Phase 1: Concentrate feed preparation, pressure leaching and copper solvent extraction.
- Phase 2: Calcium and zinc removal via solvent extraction.
- Phase 3: Cobalt/magnesium and nickel solvent extraction circuits.
- Phase 4: Nickel sulphate crystallisation plus zinc and cobalt hydroxide precipitate production.

Results from the pilot plant work was released to the market in stages during the half year<sup>2</sup>. In summary the pilot plant demonstrated that the Company has been able to produce a high-quality battery grade nickel sulphate product with various by-products (Copper Cathode, Zinc Hydroxide, Cobalt Hydroxide and Ammonium Sulphate) to enhance the Project economics.

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<sup>2</sup> Refer ASX Releases of 15 March 2023, 5 & 23 May 2023. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the competent persons findings were presented have not been materially modified from the original announcements.

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The specification of the nickel sulphate product is set out in Table 2 below. The results confirm the ability of the Jaguar Project to deliver a high-quality battery-grade nickel sulphate product with key impurities well below the low end of the target range.

**Table 2 – Target Nickel Sulphate Specification for Jaguar with Assay Result Achieved**

	Element	Measure	Target Specification	Assay Result
Nickel	Ni	%	22.0 – 22.3	>22.2
Cobalt	Co	ppm	10 – 20	0.6
Copper	Co	ppm	5 – 10	0.1
Zinc	Zn	ppm	5 – 10	2.7
Iron	Fe	ppm	5 – 10	4.4
Manganese	Mn	ppm	10 – 20	0.3
Calcium	Ca	ppm	10 – 20	2.7
Magnesium	Mg	ppm	10 – 50	2.9
Potassium	K	ppm	10 – 100	1.0
Sodium	Na	ppm	10 – 100	6.4

### Infrastructure

Early works to facilitate the construction of the project will include the upgrade of up to 60km of gravel roads, drainage culverts and two bridges between the townships of Ourilândia do Norte and Tucumã and site. Design for off-site road and drainage infrastructure for the project was completed. The necessary environmental licences required to upgrade the roads around the Jaguar site were obtained from the local municipalities.

Licensing for the 230kV power line with the Pará State Environmental Agency was progressed during the reporting period. All site-specific data collection work has been completed, except for archaeological survey, which is pending approval by the regulator.

Meetings were held with Ministry of Mines and Energy representatives, who indicated that the approval to connect to the 230kV grid should be granted in Q3 2023, with this approval being the first step in a 3-step government approval process to connect to the national grid.

A review of the Jaguar Plan of Economic Assessment (PAE) was also completed in line with the requests from the mining regulator (ANM) who is assessing the PAE report.

### Occupational Health and Safety

At the end of the reporting period the Company achieved an important milestone of one year without an LTI. The 12-month reportable injury frequency rate at the end of the quarter was 8.06 and the 12-month severity rate was zero.

### Environmental, Social & Governance

Centaurus' ESG program combines the Towards Sustainable Mining (TSM)<sup>3</sup> and Principles of Responsible Investment (PRI) guidelines with actions to be implemented during exploration and operations.

During the reporting period, Centaurus published its inaugural Sustainability Report for 2022, which outlined the Company's key sustainability initiatives and performance over the 2022 calendar year and its goals for the years ahead.

<sup>3</sup> TSM - Principles developed by the Mining Association of Canada and PRI - a global organisation that promotes responsible investment practices in the investment industry.



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### ***GHG Emissions***

Since January 2022, the Company has been monitoring Scope 2 greenhouse gas (GHG) emissions and sinks associated with the Jaguar Project. The main carbon sink is the standing forest. The main source of carbon from the Project at present is the combustion of diesel to run drill rigs. Once in operation, the Jaguar Project is expected to have GHG emissions less than 97% of global nickel production<sup>4</sup>.

### ***Local Community Support Plan***

During the reporting period, the 2023 annual plan for the works to be undertaken in partnership with the local municipalities was defined to prioritise domestic waste. This involves an educational campaign about reduction, re-use, and segregation of domestic waste.

This initiative is intended to reduce the amount of waste taken to the regional waste dumps, in addition to creating revenue streams for local waste recycling businesses.

### ***Community Consultation***

Sessions presenting information on the Jaguar project were held with the communities in each of the three municipalities in which the Company operates in January 2023 following those made to the local government organisations.

### ***Construction Training Programs***

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

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

### ***Plant Nursery***

During the period, the Company planted over 5,000 native species seedlings (Figure 3) for the revegetation program of previously cleared farmland. The planned revegetation will allow new forest corridors to be established around the site to assist with the movement, protection and biodiversity of flora and fauna.

**Figure 3 – Plant Nursery on Site at Jaguar**



<sup>4</sup> Refer ASX announcement 2 August 2021 for study by Skarn Associates.

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### Jambreiro Iron Ore Project

The Company's 100%-owned Jambreiro Project is located in south-east Brazil in the State of Minas Gerais. The Company continued the process to refresh all environmental approvals and water licenses with the new application planned to be lodged in Q3 2023. Approval is anticipated to take 12 months from lodgement.

### Corporate

#### Options Exercise

Centaurus' Non-Executive Directors collectively invested a further \$569,800 and increased their equity positions in Centaurus following the exercise of options expiring 31 May 2023.

#### Events Subsequent to Reporting Date

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

The funds will be used for the completion of the Definitive feasibility Study (DFS) on the Jaguar Project and for Front End and Engineering Design (FEED) work. Funds will also be used for priority pre-development work streams and financing activities ahead of Final Investment Decision (FID) and for the Jaguar Deeps drilling program.

There was strong demand for the Placement from global institutional, corporate, and sophisticated investors with bids being scaled to accommodate the demand. The proceeds of the Placement will increase the Company's cash balance at the time of the placement to approximately A\$59 million, significantly strengthening its balance sheet as it completes DFS activities and advances the Project through FID.

Other than these events there has not arisen, in the interval between the end of the period 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 significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 for the half-year ended 30 June 2023 is set out on page 11.



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D P Gordon  
Managing Director

12 September 2023



# 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 review of Centaurus Metals Limited for the half-year ended 30 June 2023 there have been:

- i. No contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. No contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

GL + 177

Graham Hogg  
Partner  
Perth  
12 September 2023

## Interim Financial Report - 30 June 2023

# Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 30 June 2023

	30 June 2023 \$	30 June 2022 \$
Other income	-	3,254
Exploration expenditure	<b>(19,343,650)</b>	(15,912,401)
Impairment of other receivables	5 <b>(887,751)</b>	(1,161,420)
Employee benefits expense	<b>(1,612,697)</b>	(1,101,129)
Share based payment expense	4 <b>(564,372)</b>	(585,406)
Listing and share registry fees	<b>(95,289)</b>	(98,659)
Professional fees	<b>(358,546)</b>	(345,339)
Depreciation	<b>(314,582)</b>	(125,288)
Other expenses	<b>(782,940)</b>	(377,187)
<b>Results from operating activities</b>	<b>(23,959,827)</b>	(19,703,575)
Finance income	<b>572,202</b>	273,576
Finance expense	<b>(40,256)</b>	(5,992)
<b>Loss before income tax</b>	<b>(23,427,881)</b>	(19,435,991)
Income tax benefit	-	-
<b>Loss for the period</b>	<b>(23,427,881)</b>	(19,435,991)
<b>Other Comprehensive Income</b>		
<b>Items that may be reclassified subsequently to profit or loss</b>		
Exchange differences arising on translation of foreign operations	<b>1,489,168</b>	767,611
<b>Other comprehensive income/(loss) for the period</b>	<b>1,489,168</b>	767,611
<b>Total comprehensive loss for the period</b>	<b>(21,938,713)</b>	(18,668,380)
	<b>Cents</b>	<b>Cents</b>
<b>Earnings per Share</b>		
Basic loss per share	<b>(5.48)</b>	(4.70)
Diluted loss per share	<b>(5.48)</b>	(4.70)

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

## Condensed Consolidated Statement of Financial Position

As at 30 June 2023

	Note	30 June 2023 \$	31 December 2022 \$
<b>Current assets</b>			
Cash and cash equivalents		12,825,414	34,047,722
Other receivables and prepayments	5	1,056,705	1,329,338
Inventories		15,304	58,152
<b>Total current assets</b>		<b>13,897,423</b>	<b>35,435,212</b>
<b>Non-current assets</b>			
Other receivables and prepayments	5	54,341	49,209
Property, plant and equipment	6	10,238,632	8,903,956
Exploration and evaluation assets	7	13,861,322	13,006,304
Total non-current assets		<b>24,154,295</b>	<b>21,959,469</b>
<b>Total assets</b>		<b>38,051,718</b>	<b>57,394,681</b>
<b>Current liabilities</b>			
Trade and other payables		6,545,356	4,589,016
Financial Liability	8	1,043,065	1,432,088
Employee benefits		839,108	540,419
Lease Liability	9	442,279	552,779
Total current liabilities		<b>8,869,808</b>	<b>7,114,302</b>
<b>Non-current liabilities</b>			
Financial Liability	8	-	183,926
Lease Liability	9	367,981	488,512
Employee benefits		289,771	279,242
Total non-current liabilities		<b>657,752</b>	<b>951,680</b>
<b>Total liabilities</b>		<b>9,527,560</b>	<b>8,065,982</b>
<b>Net assets</b>		<b>28,524,158</b>	<b>49,328,699</b>
<b>Equity</b>			
Share capital	10	237,073,733	236,289,294
Reserves		(3,980,269)	(5,819,170)
Accumulated losses		(204,569,306)	(181,141,425)
<b>Total equity</b>		<b>28,524,158</b>	<b>49,328,699</b>

The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

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**Condensed Consolidated Statement of Changes in Equity**

For the half-year ended 30 June 2023

	Issued Capital \$	Share-Based Payments Reserve \$	Foreign Currency Translation Reserve \$	Accumulated Losses \$	Total Equity \$
<b>Balance at 1 January 2023</b>	<b>236,289,294</b>	<b>2,267,253</b>	<b>(8,086,423)</b>	<b>(181,141,425)</b>	<b>49,328,699</b>
Loss for the period	-	-	-	(23,427,881)	(23,427,881)
Foreign currency translation difference for foreign operations	-	-	1,489,168	-	1,489,168
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>1,489,168</b>	<b>(23,427,881)</b>	<b>(21,938,713)</b>
Share-based payment transactions	-	564,372	-	-	564,372
Share options exercised	569,800	-	-	-	569,800
Transfer on exercise of options	214,639	(214,639)	-	-	-
<b>Total transactions with owners</b>	<b>784,439</b>	<b>349,733</b>	<b>-</b>	<b>-</b>	<b>1,134,172</b>
<b>Balance at 30 June 2023</b>	<b>237,073,733</b>	<b>2,616,986</b>	<b>(6,597,255)</b>	<b>(204,569,306)</b>	<b>28,524,158</b>

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

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**Condensed Consolidated Statement of Changes in Equity (Continued)**

For the half-year ended 30 June 2022

	Issued Capital \$	Share-Based Payments Reserve \$	Foreign Currency Translation Reserve \$	Accumulated Losses \$	Total Equity \$
<b>Balance at 1 January 2022</b>	<b>162,962,306</b>	<b>1,538,603</b>	<b>(9,236,393)</b>	<b>(138,513,870)</b>	<b>16,750,646</b>
Loss for the period	-	-	-	(19,435,991)	(19,435,991)
Foreign currency translation difference for foreign operations	-	-	767,611	-	767,611
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>767,611</b>	<b>(19,435,991)</b>	<b>(18,668,380)</b>
Share-based payment transactions		585,406	-	-	585,406
Share options exercised	1,052,700	-	-	-	1,052,700
Issue of ordinary shares	75,475,000	-	-	-	75,475,000
Share issue costs	(3,615,624)	-	-	-	(3,615,624)
Transfer on exercise of options	414,912	(414,912)	-	-	-
Total transactions with owners	<b>73,326,988</b>	<b>170,494</b>	<b>-</b>	<b>-</b>	<b>73,497,482</b>
<b>Balance at 30 June 2022</b>	<b>236,289,294</b>	<b>1,709,097</b>	<b>(8,468,782)</b>	<b>(157,949,861)</b>	<b>71,579,748</b>

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

## Condensed Consolidated Statement of Cash Flows

For the half-year ended 30 June 2023

	30 June 2023 \$	30 June 2022 \$
<b>Cash flows from operating activities</b>		
Exploration and evaluation expenditure	(18,523,030)	(14,650,880)
Payments to suppliers and employees (inclusive of indirect taxes)	(2,449,943)	(1,562,872)
Other receipts	517,874	265,863
Interest received	600,464	251,888
<b>Net cash used in operating activities</b>	<b>(19,854,635)</b>	<b>(15,696,000)</b>
<b>Cash flows from investing activities</b>		
Payments for property plant & equipment	(1,513,195)	(1,944,982)
Buy back of project royalty	-	(500,000)
Acquisition of exploration assets	-	(2,367,239)
Proceeds on sale of mineral assets	14,020	-
<b>Net cash used in investing activities</b>	<b>(1,499,175)</b>	<b>(4,812,221)</b>
<b>Cash flows from financing activities</b>		
Proceeds from share capital raising	-	75,000,000
Capital raising costs	-	(3,329,802)
Proceeds from the exercise of options	569,800	1,052,700
Payment for lease liability	(262,100)	(72,006)
<b>Net cash from financing activities</b>	<b>307,700</b>	<b>72,650,892</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(21,046,110)</b>	<b>52,142,670</b>
Cash and cash equivalents at the beginning of the half-year	34,047,722	8,259,389
Effect of exchange rate fluctuations on cash held	(176,198)	(269,680)
<b>Cash and cash equivalents at the end of the half-year</b>	<b>12,825,414</b>	<b>60,132,379</b>

The above Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.



## **Notes to the Condensed Consolidated Interim Financial Statements**

### **For the half-year ended 30 June 2023**

#### **Note 1. Reporting Entity**

Centaurus Metals Limited is a company domiciled in Australia. These condensed consolidated interim financial statements ('interim financial statements') as at and for the six months ended 30 June 2023 comprise the Company and its subsidiaries (together referred to as the 'Group'). The Group is primarily involved in the exploration for and evaluation and development of mineral resources.

#### **Note 2. Basis of Preparation**

##### **Statement of Compliance**

The condensed consolidated interim financial statements are general purpose financial statements prepared in accordance with AASB 134 *Interim Financial Reporting* and the Corporations Act 2001, and IAS 34 *Interim Financial Reporting*.

They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 December 2022.

These interim financial statements were authorised for issue by the Company's Board of Directors on 12 September 2023.

##### **Judgements and Estimates**

In preparing these interim financial statements, management make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty, other than the estimations required for asset acquisitions were the same as those applied to the consolidated financial statements as at and for the year ended 31 December 2022.

##### **Going Concern**

The interim financial statements for the period ended 30 June 2023 have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. Refer to note 13, subsequent events, for details of capital raising.

#### **Note 3. Significant Accounting Policies**

##### **Changes in Accounting Policy**

The accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2022. A number of new standards are effective from 1 January 2023 have not had a material effect on the Group's financial statements.

## Interim Financial Report - 30 June 2023

### Accounting Standards

The Group has adopted all of the new, revised or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. Any new, revised or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of the new and revised Standards and Interpretations has not resulted in any changes to the Group's accounting policies and has no effect on the amounts reported for current or prior periods.

### Note 4. Share Based Payments

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

During the reporting period 1,535,164 options were issued to employees and directors (2022: 1,225,220). Options issued to employees were issued under the Employee Share Incentive Plan approved by shareholders at the Annual General Meeting on 27 May 2022. Options issued to 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 2023	Number of Options 2023	Weighted Average Exercise Price 30 June 2022	Number of Options 30 June 2022
Outstanding at start of period	\$0.1212	9,723,075	\$0.2172	12,247,857
Exercised during the period	\$0.3757	(1,516,667)	\$0.2807	(3,750,002)
Forfeited during the period	-	-	-	-
Issued during the period	\$0.0000	1,535,164	\$0.0000	1,225,220
Outstanding at balance date	\$0.0625	9,741,572	\$0.1212	9,723,075
Exercisable at balance date	\$0.1704	3,574,586	\$0.1800	350,001

The options outstanding at 30 June 2023 have exercise prices ranging from \$0.000 to \$0.405 (2022: \$0.000-\$0.405) and the weighted average remaining contractual life is 1.68 years (2022: 1.88 years).

## Interim Financial Report - 30 June 2023

### Note 4. Share Based Payments (continued)

Details of the options issued during the period are as follows:

Grant Date	Number of Options	Vesting Period <sup>(1)</sup>	Option Term
<b>Directors</b>			
26/05/2023	344,388	36 months <sup>(2)</sup>	48 months
26/05/2023	344,387	36 months <sup>(3)</sup>	48 months
Total	688,775		
<b>Employees</b>			
16/02/2023	423,195	36 months <sup>(2)</sup>	48 months
16/02/2023	423,194	36 months <sup>(3)</sup>	48 months
Total	846,389		

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

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 <sup>th</sup> percentile	0%
Between 50 <sup>th</sup> and 75 <sup>th</sup> percentile	Pro-rata between 50% and 100%
>75 <sup>th</sup> 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 50<sup>th</sup> percentile.

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

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

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

## Interim Financial Report - 30 June 2023

### 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 Monte Carlo simulation 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
16/02/2023	31/12/26	\$0.000	4 years	\$1.09	50%	3.397%	\$0.8491
16/02/2023	31/12/26	\$0.000	4 years	\$1.09	50%	3.397%	\$0.6354
26/05/2023	31/12/25	\$0.000	4 years	\$0.71	50%	3.382%	\$0.4848
26/05/2023	31/12/25	\$0.000	4 years	\$0.71	50%	3.382%	\$0.2592

### Expenses Arising from Share Based Payment Transactions

	30 June 2023 \$	30 June 2022 \$
Total expense recognised as share-based payment	<b>564,372</b>	585,406

### Note 5. Other Receivables and Prepayments

	30 June 2023 \$	31 December 2022 \$
<b>Current</b>		
Prepayments	<b>664,725</b>	506,707
Other Receivables	<b>315,687</b>	228,463
Security deposits	<b>76,293</b>	76,293
R&D tax refund	-	517,875
	<b>1,056,705</b>	1,329,338
<b>Non – Current</b>		
Other Receivables	<b>4,753,423</b>	3,570,292
Provision for impairment	<b>(4,753,423)</b>	(3,563,969)
Security deposits	<b>54,341</b>	42,886
	<b>54,341</b>	49,209

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

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

An impairment expense of \$887,751 was recognised in profit and loss during the period (2022: \$1,161,420).

## Interim Financial Report - 30 June 2023

### Note 6. Property Plant and Equipment

	30 June 2023 \$	31 December 2022 \$
Opening net book value	8,903,956	6,004,233
Additions	879,981	2,658,551
Disposals	-	(13,284)
Depreciation	(463,667)	(526,404)
Effect of movements in exchange rate	918,362	780,860
	<b>10,238,632</b>	<b>8,903,956</b>

### Note 7. Exploration and Evaluation Assets

	30 June 2023 \$	31 December 2022 \$
Opening net book value	13,006,304	12,048,261
Additions	35,029	66,466
Disposals	(40,000)	-
Effect of movements in exchange rate	859,989	891,577
	<b>13,861,322</b>	<b>13,006,304</b>

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

### Note 8. Financial Liability

	30 June 2023 \$	31 December 2022 \$
<b>Current</b>		
Land possession	<b>1,043,065</b>	1,432,088
<b>Non- Current</b>		
Land possession	-	183,926

### Note 9. Lease Liability

	30 June 2023 \$	31 December 2022 \$
<b>Current</b>		
Lease Liability	<b>442,279</b>	552,779
<b>Non- Current</b>		
Lease Liability	<b>367,981</b>	488,512

## Interim Financial Report - 30 June 2023

### Note 10. Share Capital

		30 June 2023	31 December 2022
	Issue Price	Number of Shares	Number of Shares
On issue at the start of the period		427,106,273	358,291,616
Exercise of unlisted options	\$0.3920	1,400,000	-
Exercise of unlisted options	\$0.1800	116,667	116,667
Placement	\$1.1600	-	64,655,172
Placement fee	\$1.1600	-	409,483
Exercise of unlisted options	\$0.2250	-	2,233,335
Exercise of unlisted options	\$0.3780	-	1,400,000
On issue at the end of the period		<b>428,622,940</b>	427,106,273

### Note 11. 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 of 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.

	30 June 2023	31 December 2022
	Non-Current Assets	Non-Current Assets
<b>Geographical Segment Information</b>	<b>\$</b>	<b>\$</b>
Brazil	23,712,070	21,651,685
Australia	442,225	307,784
Total	<b>24,154,295</b>	21,959,469

### Note 12. Contingent Liabilities

The terms of the Jaguar Sale and Purchase Agreement and the subsequent agreement to acquire the Project's offtake rights acquisition give rise to the following contingent liabilities related to the Jaguar Project.

- ▶ US\$5.0 million on first commercial production from the project payable to Vale;
- ▶ a royalty of 1.75% on Net Operating Revenue for nickel sulphate or 2.00% on Net Operating Revenue generated from any future nickel 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 National Bank for Economic and Social Development (BNDES).

### Note 13. Subsequent Events

The Company completed an institutional, corporate, and sophisticated investor placement in August 2023 which raised \$46.9 million (before fees). There has not arisen, in the interval between the end of the period and the date of this report an item, any 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.

## Interim Financial Report - 30 June 2023

### Directors' Declaration

#### For the half-year ended 30 June 2023

In the directors' opinion:

- (a) the condensed consolidated financial statements and notes set out on pages 12 to 22 are in accordance with the Corporations Act 2001, including:
  - i. complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - ii. giving a true and fair view of the consolidated entity's financial position as at 30 June 2023 and of its performance for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that Centaurus Metals Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



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D P Gordon  
Managing Director

12 September 2023



# Independent Auditor's Review Report

To the shareholders of Centaurus Metals Limited

## Report on the Condensed Interim Financial Report

### Conclusion

We have reviewed the accompanying **Condensed Interim Financial Report** of Centaurus Metals Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Condensed Interim Financial Report of Centaurus Metals Limited does not comply with the *Corporations Act 2001*, including:

- Giving a true and fair view of the **Group's** financial position as at 30 June 2023 and of its performance for the half-year ended on that date; and
- Complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Condensed Interim Financial Report** comprises:

- Condensed consolidated statement of financial position as at 30 June 2023;
- Condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date;
- Notes 1 to 13 comprising a summary of significant accounting policies and other explanatory information; and
- The Directors' Declaration.

The **Group** comprises Centaurus Metals Limited (the Company) and the entities it controlled at the half year's end or from time to time during the half-year.

### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.





## Responsibilities of the Directors for the Condensed Interim Financial Report

The Directors of the Company are responsible for:

- The preparation of the Condensed Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*; and
- Such internal control as the Directors determine is necessary to enable the preparation of the Condensed Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

## Auditor's responsibilities for the review of the Condensed Interim Financial Report

Our responsibility is to express a conclusion on the Condensed Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Condensed Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2023 and its performance for the half-year ended on that date and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an Interim Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

KPMG

Graham Hogg

Partner

Perth

12 September 2023