Centaurus Metals Limited

and its controlled entities

ABN 40 009 468 099

Interim Financial Report
30 June 2018

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 half-year ended 30 June 2018 together with the consolidated financial report and review report thereon.

Directors

The following persons were directors of Centaurus Metals Limited 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 S A Parsons

Review of Operations

Financial Position

The total comprehensive consolidated loss for the half-year was \$2,472,605 (2017: \$1,815,549). Included in the loss is exploration expenditure of \$1,209,148 (2017: \$896,284).

At the end of the half-year the Group had a net cash balance of \$3,755,526 (2017: \$822 132) and net assets of \$5,803,986 (2017: \$3,482,197).

Overview

The half year ending 30 June 2018 was an important period for Centaurus, with the acquisition of the Itapitanga Nickel-Cobalt project in the Carajás Mineral Province of northern Brazil. The strategic acquisition further expanded and strengthened Centaurus' existing mineral portfolio in the Carajás Mineral Province and opened up an exciting new front for its exploration activities in 2018 alongside its existing Salobo West Copper-Gold-Cobalt Project and Pebas Copper-Gold Project.

Itapitanga Nickel-Cobalt Project

During the period, Centaurus secured a 100% interest in the Itapitanga Nickel-Cobalt Project, a highly prospective nickel-cobalt exploration project in the Carajás Mineral Province of northern Brazil located immediately along strike from world-class nickel-cobalt deposits owned by global majors Anglo American and Vale. The Itapitanga Project is located primarily on farm land, covers an area of approximately 50km^2 and is located 50km north-east of the regional centre of São Felix de Xingu and 110km west of Vale's operating nickel mine, Onça-Puma.

The Project covers the southern extension of the same ultramafic-mafic intrusive complex that hosts both the Jacaré Ni-Co deposit and several unpublished nickel-cobalt resources held by Vale.

Since securing the Project in late January 2018 the Company has extensively explored the project area, initially commencing with an auger drill program and more recently completing a 5,000 metre RC drill program.

The auger drilling was successful in defining significant zones of high grade nickel-cobalt mineralisation from surface and also indicating the interpreted limits of the mineralisation. At the Northern Target the hand-held auger defined a 3.5km long and 650m wide zone of mineralisation. The auger drilling at the Northern Target also demonstrated that the nickel-cobalt laterite mineralisation occurs from surface, with high grades of both nickel and cobalt mineralisation intersected to depths of 12m prior to drill refusal occurring.

At the Southern target, seven auger holes were drilled near a gossanous outcrop. Five of the holes were able to pass through a 5-10m zone of low-grade (<0.5%Ni) cover and intersect the top of a zone of high-grade nickel-cobalt laterite mineralisation between depths of 5.0-14.7m.

Following the positive auger drilling results the Company commenced its maiden 5,000m Reverse Circulation (RC) drilling campaign to test beneath extensive high-grade nickel-cobalt mineralisation identified in the hand-held auger drilling. Drilling was ongoing at the reporting date but was completed in late July 2018.

Drilling commenced at the Northern Target, with initial results confirming the presence of broad nickel-cobalt zones from surface, along with high-grade cobalt zones grading over 0.20% Co. Results received to date have defined a strike extent of 3.5km, up to 650m wide, with the mineralisation open to the west and north-west.

Drilling has intersected mineralised profiles up to 30m thick. The nickel grades are consistently above 0.90% nickel across the sections and the highest cobalt grades (+0.20% cobalt) are consistently encountered at or near-surface, which bodes well for a low-strip mining case.

Importantly, the thickest mineralised zones (and often the zones carrying the highest nickel and cobalt grades) are found close to both structural features as well as at the limits of the ultra-mafic intrusion (the protore of the laterite mineralisation).

With the completion of the drill program at Itapitanga post half year end the Company was able to establish a maiden Exploration Target.

Pebas Copper Gold Project

The Pebas Project is located in the world-class Carajás Mineral Province of northern Brazil, one of the world's premier mining addresses, approximately 8km outside of the regional city of Parauapebas and 20km north of the operating Antas Norte copper-gold mine, operated by ASX-100 copper-gold miner Oz Minerals (ASX: OZL), which recently completed a takeover of fellow ASX-listed miner Avanco Resources.

The Project is hosted within the highly prospective Itacaiúnas Supergroup, which hosts all Iron Oxide Copper-Gold (IOCG) deposits within the Carajás Mineral Province. The Pebas Project area is wedged between the regionally important Cigano and Estrela Granite Complexes.

Historical drill results at the Pebas Project by TSX listed INV Metals in 2010 included 146.9m at 0.21% Cu and 0.08 g/t Au from surface in drill hole PRN-DD-37 and 105.0m at 0.23% Cu from surface in drill hole PRN-DD-36. (Refer ASX Announcement dated 10 September 2018).

Specific drill targets for Centaurus' maiden drill program were finalised, with drilling commencing in September 2018.

The licence to drill was granted in April 2018.

Salobo West Copper-Gold Project

The Salobo West Copper-Gold Project consists of two tenements, SW1 and SW2, covering a combined total area of 120km^2 of highly prospective ground only 12km along strike from Vale's giant Salobo Cu-Au Mine. The project is also located in the world-class Carajás Mineral Province of northern Brazil. A total of fifteen (15) world-class mineral deposits lie within an area of just 150 x 100km, including nine IOCG deposits with resources of +100 million tonnes of copper-gold ore.

Whilst the SW1 tenement was granted in June 2017, the SW2 tenement was only granted in November 2017. Following the grant of SW2, Centaurus reviewed historical geological, geochemical and geophysical survey data over the tenement and based on the review work generated multiple walk-up drill targets which the Company will look to drill in conjunction with the targets it previously generated on the SW1 tenement. Generally, the priority-1 targets at both SW1 and SW2 focus on coincident geological, structural, geochemical and geophysical targets.

The Company's preliminary drill plan allows for 30 diamond drill holes to test the targets on the SW1 and SW2 tenements.

Centaurus lodged an application to clear and drill with the environmental agency responsible for the area (the Chico Mendes Institute for Biodiversity Conservation (ICMBio)) for the first 30-hole phase of drilling. ICMBio previously granted Centaurus an environmental license that permits non-ground disturbing exploration to be carried out on the tenement. Centaurus was advised, however, by ICMBio's local field office that the Company's application for a drilling and clearing license at the project had initially been denied based on a recent change in their interpretation of the relevant environmental regulations.

Subsequent to this initial advice Centaurus took steps to elevate consideration of its drilling license application to higher levels of the ICMBio environmental agency given that there has been no new environmental legislation or regulations introduced relevant to the project area since it was last drilled in 2010 by Anglo American. Centaurus has discussed the decision with the National Mining Agency and the Ministry of Mines, and has received strong indicative support from the Ministry of Mines for its valid right to explore and mine the area.

The initial ICMBio decision on the Company's drilling licence application has no impact on the ownership of the Salobo West tenements. Subject to receipt of a drilling and clearing license from ICMBio, the Company will be able to commence ground disturbing activities on the project area.

Iron Ore Assets

The Company retains ownership of the shovel ready Jambreiro Iron Ore Project and the Conquista DSO Iron Ore Project.

Jambreiro Project

The Company's 100%-owned Jambreiro Project, located in south-east Brazil, is a shovel-ready development project that is licenced for 3Mtpa of wet production and which represents a strategic asset in the Brazilian domestic iron ore and steel sector, particularly with premium pricing that exists in the market for high grade ore (+65% Fe) such as that which could be produced at Jambreiro.

During the period Centaurus prepared and delivered a new product sample from Jambreiro to potential steel mill customers in Brazil for testing. The delivered product graded 64.6% Fe with very low impurities (4.7% SiO_2, 0.7% Al_2O_3 and 0.02% P).

Initial feedback from potential customers who tested the product confirm the high grade, low impurity nature of the Jambreiro product and have indicated that the product would be a sought-after source of supply if it was available for purchase in the domestic market. With this information, the Company is now further considering how best to realise value from the Jambreiro Project.

Conquista DSO Project

The Conquista Project comprises a portfolio of highly prospective tenements with extensive Direct Ship Ore (DSO) mineralisation located just 8km along well maintained gravel roads from the previously divested Candonga DSO Project.

During the period Centaurus extended the option over the Project to R3M Mineração Ltda (R3M), a privately-owned Brazilian mining group, until such time as exploration of the area can be completed.

Should R3M exercise the option, they will be required to pay Centaurus R$3 million (~A$1.2 million) as a non-refundable advance of a 12% production royalty.

Competent Person Statement

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

ASX Waivers in regard to Issue of Shares and Performance Rights - Pará Exploration Package

Unquoted Performance Rights

The following Performance Rights were issued on 5 September 2017 and are held by Terrativa Minerais SA under the terms of the Company's Agreement with Terrativa signed in December 2016 in relation to the acquisition of 100% of the Para Exploration Package in Brazil.

Each tranche of Performance Rights will be converted into Ordinary Shares upon the achievement in full of the following vesting conditions:

- Tranche A – 30,000,000 Performance Rights will be converted into 30,000,000 Ordinary Shares if, within a period of 5 years after the date of issue of the Performance Rights, a JORC-compliant Inferred Resource of 500,000oz of gold or gold equivalent is defined on the Pará Exploration Package Project tenements;
- Tranche B – 30,000,000 Performance Rights will be converted into 30,000,000 Ordinary Shares if, within a period of 5 years after the date of issue of the Performance Rights, a JORC-compliant Inferred Resource of 1,000,000oz of gold or gold equivalent is defined on the Pará Exploration Package Project tenements;
- Tranche C – 30,000,000 Performance Rights will be converted into 30,000,000 Ordinary Shares if, within a period of 5 years after the date of issue of the Performance Rights, a JORC-compliant Inferred Resource of 1,500,000oz of gold or gold equivalent is defined on the Pará Exploration Package Project tenements.

During the reporting period none of the Performance Rights were converted or cancelled and no vesting conditions were met.

Events Subsequent to Reporting Date

Other than as disclosed above there has not arisen in the interval between the end of the reporting period and the date of this report any item, transaction or event of a material or unusual nature likely, in the opinion of the directors of the Group, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial periods.

Auditor's Independence Declaration

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 2018 is set out on page 8.

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Darren Gordon
Managing Director

13 September 2018

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 2018 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

Trevor Hart
Partner

Perth

13 September 2018

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 30 June 2018

	30 June 2018 $	30 June 2017 $
Profit or Loss		
Other income	-	104,562
Exploration expenditure	**(1,209,148)**	(896,284)
Impairment of other receivables	**(40,211)**	(19,578)
Loss on investments	-	(20,609)
Employee benefits expense	**(348,848)**	(289,997)
Share based expense	**(124,604)**	(163,508)
Occupancy expenses	**(24,586)**	(25,341)
Listing and share registry fees	**(62,199)**	(37,392)
Professional fees	**(219,854)**	(156,186)
Depreciation	**(5,684)**	(9,188)
Other expenses	**(168,724)**	(107,091)
Results from operating activities	**(2,203,858)**	(1,620,612)
Finance income	**34,559**	36,861
Loss before income tax	**(2,169,299)**	(1,583,751)
Income tax benefit	-	-
Loss for the period	**(2,169,299)**	(1,583,751)
Other Comprehensive Income		
Items that may be reclassified subsequently to profit or loss		
Exchange differences arising on translation of foreign operations	**(303,306)**	(231,798)
Other comprehensive loss for the period	**(303,306)**	(231,798)
Total comprehensive loss for the period	**(2,472,605)**	(1,815,549)
Earnings per Share	**Cents**	Cents
Basic loss per share	**(0.10)**	(0.14)
Diluted loss per share	**(0.10)**	(0.14)

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

Interim Financial Report - 30 June 2018

Condensed Consolidated Statement of Financial Position

As at 30 June 2018

	Note	30 June 2018 $	31 December 2017 $
Current assets			
Cash and cash equivalents		**3,755,526**	822,132
Other receivables and prepayments		**168,911**	170,165
Total current assets		**3,924,437**	992,297
Non-current assets			
Other receivables and prepayments		**113,271**	148,119
Property, plant and equipment		**330,303**	361,473
Exploration and evaluation assets		**2,380,828**	2,560,225
Total non-current assets		**2,824,402**	3,069,817
Total assets		**6,748,839**	4,062,114
Current liabilities			
Trade and other payables		**638,396**	314,169
Employee benefits		**205,668**	163,548
Total current liabilities		**844,064**	477,717
Non-current liabilities			
Trade and other payables		**-**	7,298
Employee benefits		**100,789**	94,902
Total non-current liabilities		**100,789**	102,200
Total liabilities		**944,853**	579,917
Net assets		**5,803,986**	3,482,197
Equity			
Share capital	4	**116,384,461**	111,776,626
Reserves		**(6,671,211)**	(6,554,464)
Accumulated losses		**(103,909,264)**	(101,739,965)
Total equity		**5,803,986**	3,482,197

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

Condensed Consolidated Statement of Changes in Equity

For the half-year ended 30 June 2018

	Issued Capital $	Share-Based Payments Reserve $	Foreign Currency Translation Reserve $	Accumulated Losses $	Total Equity $
Balance at 1 January 2018	**111,776,626**	**414,399**	**(6,968,863)**	**(101,739,965)**	**3,482,197**
Loss for the period	-	-	-	(2,169,299)	(2,169,299)
Foreign currency translation difference for foreign operations	-	-	(303,306)	-	(303,306)
Total comprehensive loss for the period	**-**	**-**	**(303,306)**	**(2,169,299)**	**(2,472,605)**
Share-based payment transactions	-	197,814	-	-	197,814
Shares options exercised	2,317,199	-	-	-	2,317,199
Issue of ordinary shares	2,655,000	-	-	-	2,655,000
Share issue costs	(375,619)	-	-	-	(375,619)
Transfer on exercise of options	11,255	(11,255)	-	-	-
Total transactions with owners	**4,607,835**	**186,559**	**-**	**-**	**4,794,394**
Balance at 30 June 2018	**116,384,461**	**600,958**	**(7,272,169)**	**(103,909,264)**	**5,803,986**

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

Condensed Consolidated Statement of Changes in Equity

For the half-year ended 30 June 2018

	Issued Capital $	Share-Based Payments Reserve $	Foreign Currency Translation Reserve $	Accumulated Losses $	Total Equity $
Balance at 1 January 2017	**109,419,656**	**110,551**	**(6,671,762)**	**(98,107,156)**	**4,751,289**
Loss for the period	-	-	-	(1,583,751)	(1,583,751)
Foreign currency translation difference for foreign operation	-	-	(231,798)	-	(231,798)
Total comprehensive loss for the period	**-**	**-**	**(231,798)**	**(1,583,751)**	**(1,815,549)**
Share-based payment transactions	-	163,508	-	-	163,508
Share issue costs	(1,763)	-	-	-	(1,763)
Total transactions with owners	**(1,763)**	**163,508**	**-**	**-**	**161,745**
Balance at 30 June 2017	**109,417,893**	**274,059**	**(6,903,560)**	**(99,690,907)**	**3,097,485**

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 2018

	30 June 2018 $	30 June 2017 $
Cash flows from operating activities		
Exploration and evaluation expenditure	**(1,046,069)**	(890,555)
Payments to suppliers and employees (inclusive of indirect taxes)	**(664,465)**	(524,084)
Cash receipts from joint venture partners	**-**	79,402
Interest received	**29,378**	38,249
Net cash used in operating activities	**(1,681,156)**	(1,296,988)
Cash flows from investing activities		
Payments for plant & equipment	**(14,547)**	(8,408)
Acquisition of exploration assets	**(38,264)**	-
Proceeds from grant of option over tenement	**-**	84,390
Proceeds from sale of plant & equipment	**3,995**	5,759
Net cash (used in)/from investing activities	**(48,816)**	81,741
Cash flows from financing activities		
Proceeds from the exercise of options	**2,317,199**	-
Proceeds from issue of equity securities	**2,655,000**	-
Capital raising costs	**(302,409)**	(35,561)
Net cash from/(used in) financing activities	**4,669,790**	(35,561)
Net increase/(decrease) in cash and cash equivalents	**2,939,818**	(1,250,808)
Cash and cash equivalents at the beginning of the half-year	**822,132**	1,891,367
Effect of exchange rate fluctuations on cash held	**(6,424)**	(52,514)
Cash and cash equivalents at the end of the half-year	**3,755,526**	588,045

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 2018

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 ending 30 June 2018 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 2017.

These interim financial statements were authorised for issue by the Company's Board of Directors on 13 September 2018.

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 were the same as those applied to the consolidated financial statements as at and for the year ended 31 December 2017.

Going Concern

The interim financial statements for the period ended 30 June 2018 have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

During the year, the Group incurred a loss after tax of $2,169,299 with net cash used in operating activities of $1,681,156. The Group has a working capital surplus of $3,080,373.

The Group's strategy is to realise maximum value for its remaining iron ore projects in south-eastern Brazil which may include some form of joint development or outright divestment.

The Group plans to continue exploration work on its nickel and copper projects during 2018 to the extent that funding is available. The Group has the ability to accelerate its work programs or to reduce or defer expenditure.

The Group will require further funding in order to continue its exploration plans and meet planned ongoing costs of the business. The Group intends to fund further exploration with new equity issues or via the joint venture or divestment of the Group's remaining iron ore assets. The Directors believe that the Group will be able to secure funding sufficient to meet requirements to continue as a going concern due to the following:

- The Group has successfully raised equity capital in the past and raised $2.65 million in a share placement and $2.32 million from the exercise of listed options during the period;
- Commodity prices relevant to all of the Company's main projects (nickel, copper and iron ore) have improved over the course of the last 12 months, making raising equity for future exploration more appealing to investors; and
- The Group has an ongoing value realisation process in place in respect to its remaining iron ore assets and is engaged in preliminary discussions with potential customers for the high-grade Jambreiro product as well as potential joint venture funding partners for the Jambreiro development capital.

The form, value and timing of any future transactions that may provide funding is yet to be determined and will depend amongst other things, on capital markets, commodity prices and the outcome of planned exploration and evaluation activities.

The Directors consider the going concern basis of preparation to be appropriate based on forecast cash flows for the next 12 months to meet forecast minimum expenditure required to maintain tenements and meet ongoing costs. The ability of the Group to achieve its forecast cash flows, represents material uncertainty that may cast significant doubt about whether the Group can continue as a going concern in which case it may not be able to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Note 3. Significant Accounting Policies

Changes in Accounting Policy

There have been no changes in accounting policies for the half-year ended 30 June 2018. 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 2017.

Accounting Standards

The Consolidated Entity 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 Capital

	30 June 2018 Number of Shares	30 June 2017 Number of Shares
On issue at the start of the period	**1,777,272,235**	1,123,246,437
Issue of ordinary shares for share placement at $0.009 per share	**295,000,000**	-
Issue of ordinary shares on exercise of options at $0.01 per share	**227,209,930**	-
Issue of ordinary shares on exercise of options at $0.0082 per share	**5,500,000**	-
On issue at the end of the period	**2,304,982,165**	1,123,246,437

Note 5. 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.

Geographical Segment Information	**30 June 2018 Non-Current Assets $**	31 December 2017 Non-Current Assets $
Brazil	**2,818,639**	3,065,314
Australia	**5,763**	4,503
Total	**2,824,402**	3,069,817

Note 6. Subsequent Events

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

Directors' Declaration

For the half-year ended 30 June 2018

In the directors' opinion:

(a) The condensed consolidated financial statements and notes set out on pages 9 to 16 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 2018 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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Darren Gordon
Managing Director

13 September 2018

Independent Auditor's Review Report

To the shareholders of Centaurus Metals Limited

Conclusion

We have reviewed the accompanying ***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 Interim Financial Report of Centaurus Metals Limited is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Group's*** financial position as at 30 June 2018 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 ***Interim Financial Report*** comprises:

- Condensed consolidated statement of financial position as at 30 June 2018
- 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 6 comprising a summary of significant accounting policies and other explanatory information
- 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.

Material uncertainty related to going concern – emphasis of matter

We draw attention to Note 2, "Going Concern" in the Interim Financial Report. The conditions disclosed in Note 2, indicate a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, whether it will realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the Interim Financial Report. Our conclusion is not modified in respect of this matter.

Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

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

Auditor's responsibility for the review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. We conducted our review in accordance with *Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the Interim Financial Report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 30 June 2018 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*. As auditor of Centaurus Metals Limited, *ASRE 2410* requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an Interim Period 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

KPMG

Trevor Hart
Partner

Perth

13 September 2018