



ACN 009 468 099

Annual Report

31 December 2015

Centaurus Metals Limited ABN 40 009 468 099

And its controlled entities

Contents

Page

3	Corporate Directory
4	Director's Report
6	Corporate Governance Statement
6	Remuneration Report
16	Operating and Financial Review
23	Auditors Independence Declaration
24	Consolidated Statement of Profit or Loss and Other Comprehensive Income
25	Consolidated Statement of Financial Position
26	Consolidated Statement of Changes in Equity
28	Consolidated Statement of Cash Flows
29	Notes to the Consolidated Financial Statements
64	Directors' Declaration
65	Independent Auditor's Report
67	Shareholder Information
70	Tenement Information
71	Mineral Resources and Ore Reserves Information

Corporate Directory

Directors

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

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

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

Mr B R Scarpelli M.Sc, PMP
Executive Director

Company Secretary

Mr G A James B.Bus, CA, AGIA

Share Registry

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

Auditors

KPMG
Chartered Accountants
235 St Georges Terrace
Perth WA 6000

Bankers

Australia

National Australia Bank
1232 Hay Street
West Perth WA 6005

Brazil

Banco Bradesco
ag: 2946. c/c:74404-2
Endereço: Rua da Bahia, 951 – 5º andar
Belo Horizonte, MG
Cep: 30130-008

Stock Exchange Listing

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

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PO Box 975
West Perth WA 6872

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Av. Barao Homem de Melo, 4391-606 and 607 - Estoril
Belo Horizonte - MG - CEP: 30494-275
BRAZIL

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Annual Report – 31 December 2015

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 2015 together with the consolidated financial report and review report thereon.

1 Directors

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

- ▶ D M Murcia Independent Non-Executive Chairman
- ▶ D P Gordon Managing Director
- ▶ M D Hancock Non-Executive Director
- ▶ B R Scarpelli Executive Director (appointed 3 September 2015)
- ▶ P E Freund Non-Executive Director (resigned 3 September 2015)

Unless otherwise disclosed, all directors held their office from 1 January 2015 until the date of this report.

2 Directors and Officers

Mr Didier M Murcia, AM, B.Juris, LL.B

Non-Executive Chairman, Age 53

Experience and Expertise

Independent non-executive director appointed 16 April 2009 and appointed Chairman 28 January 2010. Lawyer with over 25 years legal and corporate experience in the mining industry. He is currently Honorary Australian Consul for the United Republic of Tanzania. He is Chairman and founding director of Perth-based legal group MPH Lawyers.

Other Directorships

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

- ▶ Cradle Resources Limited (appointed 13 August 2013)
- ▶ Alicanto Minerals Limited (appointed 30 May 2012)
- ▶ Gryphon Minerals Limited (appointed 28 July 2006)
- ▶ Rift Valley Resources Limited (appointed 22 November 2010, resigned 4 June 2013)
- ▶ Strandline Resources Limited (appointed 23 October 2014)

Special Responsibilities

- ▶ Chairman of the Board

Mr Darren P Gordon, B.Bus, CA, AGIA, MAICD

Managing Director, Age 44

Experience and Expertise

Managing Director appointed 4 May 2009. Chartered Accountant with over 20 years resource sector experience as a senior finance and resources executive. Former Chief Financial Officer for Gindalbie Metals Limited.

Special Responsibilities

- ▶ Managing Director

Other Directorships

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

- ▶ Genesis Minerals Limited (appointed 23 March 2016)

Annual Report – 31 December 2015

Mr Mark D Hancock, B.Bus, CA, FFin

Non-Executive Director, Age 47

Experience and Expertise

Non-executive director appointed 23 September 2011. Currently Chief Financial Officer at Atlas Iron Limited. Over 20 years experience in senior financial roles across a number of leading companies in Australia and South East Asia, including Lend Lease Corporation Ltd, Woodside Petroleum Ltd and Premier Oil Plc.

Other Directorships

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

- ▶ Atlas Iron Limited (appointed 25 May 2012, resigned 2 December 2014)

Mr Bruno R Scarpelli, M.Sc., PMP

Executive Director, Age 38 (appointed to the Board on 3 September 2015)

Experience and Expertise

Executive Director appointed 3 September 2015. Engineer with over 15 years experience in the mining sector, specifically in the environmental approvals, health and safety and human resources fields. Former environmental manager for Vale's S11D Project.

Special Responsibilities

- ▶ Administrator of Brazilian subsidiaries
- ▶ Country Manager - Brazil

Mr Peter E Freund, FAusIMM(CP), F.AIM

Non-Executive Director, Age 69 (resigned 3 September 2015)

Experience and Expertise

Former Operations Director appointed 28 January 2010 until 11 July 2014 when he assumed a non-executive directors role. Mechanical Engineer with 40 years operational and project development experience in the mining industry with expertise in all aspects of iron ore mining, processing and other steel-making minerals. Former General Manager of the Karara Joint Venture between Gindalbie Metals Limited and Ansteel.

Mr Geoffrey A James, B.Bus, CA, AGIA

Company Secretary, Age 50

Experience and Expertise

Mr James was appointed as Company Secretary on 19 June 2015. Mr James is a Chartered Accountant and a member of Governance Institute. He has over 20 years experience in the resources sector.

Special Responsibilities

- ▶ Company Secretary

Annual Report – 31 December 2015

3 Directors Meetings

The number of meetings of the Company's Board of Directors and of each Board Committee held during the year ended 31 December 2015 and the number of meetings attended by each director were:

	Meetings of Directors		Meetings of Remuneration Committee	
	Held	Attended	Held	Attended
Mr D M Murcia	5	5	1	1
Mr D P Gordon	5	5	n/a	n/a
Mr M D Hancock	5	5	1	1
Mr B R Scarpelli	0	0	n/a	n/a
Mr P E Freund	5	5	1	1

Held – denotes the number of meetings held during the time the director held office or was a member of the committee during the year.

The Company does not have a formal Nomination Committee, Audit & Risk Committee or Remuneration Committee. The functions of the Audit & Risk Committee and the Remuneration Committee were transferred to the full Board during the period. Both functions are now performed by the full Board.

4 Corporate Governance Statement

A copy of Centaurus' 2015 Corporate Governance Statement, which provides detailed information about governance, and a copy of Centaurus' Appendix 4G which sets out the Company's compliance with the recommendations in the third edition of the ASX Corporate Governance Council's Principles and Recommendations is available on the corporate governance section of the Company's website at www.centaurus.com.au/corporate-governance.

5 Remuneration Report – Audited

5.1 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 ensures that executive reward satisfies the following key criteria for good reward and governance practices:

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

The Group has structured an executive remuneration framework that is market competitive and complimentary to the reward strategy of the organisation to ensure:

- (i) 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.
- (ii) 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 executives roles

The remuneration framework currently consists of base pay and long-term incentives through participation in the Employee Share Option Plan and/or the Performance Share Plan.

Annual Report – 31 December 2015

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 particularly relevant. Shareholder wealth is dependent upon exploration success and has fluctuated accordingly in addition to being influenced by broader market factors.

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

	2015 \$	2014 \$	2013 \$	Dec 2012 \$	June 2012 \$
Net Loss	(3,700,866)	(10,460,299)	(32,714,987)	(9,125,800)	(20,783,843)
Change in share price	(\$0.046)	(\$0.15)	(\$0.13)	(\$0.11)	(\$0.20)

During the financial year ended 31 December 2015, no salary or fee increases were awarded to non-executive directors, executive directors or executives of the Company. In fact, cash salary and fees were reduced by:

- ▶ Non-Executive Directors 50%;
- ▶ Managing Director 35%;
- ▶ Executives 20%-30%.

The executive pay and reward framework currently has three components:

- ▶ base pay and benefits;
- ▶ long term incentives through participation in the Employee Share Option Plan and/or the Performance Share Plan; and
- ▶ other remuneration such as superannuation and insurances.

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

Base Pay

Base pay is structured as a total employment cost package which may be delivered as a combination of cash and prescribed non-financial benefits at the executive's discretion. Executives are offered a competitive base pay that is reflective of current market conditions, comprising a fixed component of pay and rewards. Base pay for senior executives is reviewed annually to ensure the executive's remuneration is competitive with the market. An executive's base pay is also reviewed on promotion. There are no guaranteed base pay increases included in any senior executive contracts.

Expatriate Benefits

Expatriate executives located in Brazil receive benefits including housing, relocation costs and return travel. The Company's focus is to minimise the number of executives on expatriate arrangements. Currently the Company has one expatriate employee.

Retirement Benefits

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

Long Term Incentives – Options and Performance Rights

Long term incentives comprising share options and performance rights are granted from time to time to encourage exceptional performance in the realisation of strategic outcomes and growth in shareholder wealth. Options and performance rights are granted for no consideration and do not carry voting or dividend entitlements. Information on share options and performance rights granted during the year is set out in section 5.3.

Short Term Incentive Plan

No new STIs were offered in the year ended 31 December 2015. There are no short term incentives in place as at the date of this report.

Annual Report – 31 December 2015

Employment Agreements

Remuneration and other terms of employment for executives are formalised in employment agreements. The agreements provide for the provision of other benefits and participation, when eligible, in the Employee Share Option Plan and Performance Share Plan.

Other major provisions of the agreements relating to remuneration are set out below:

D P Gordon – Managing Director

- ▶ Term of agreement – commenced on 4 May 2009. Mr Gordon may terminate the agreement by giving 6 months notice. The Company may terminate the agreement by giving 12 months notice.
- ▶ Base cash salary, exclusive of superannuation at 31 December 2015 was \$252,000. A further \$48,000 was approved by shareholders on 8 October 2015 to be paid via the issue of shares in Centaurus in lieu of salary. The shares must be issued before 8 October 2016 and are issued bi-monthly at a value of \$4,000 per month. As at 31 December 2015, \$32,000 in shares remained to be issued. Effective 1 April 2015 the base salary was reduced from \$400,000 to \$360,000 and effective 1 August 2015 was further reduced to \$300,000. The combined reductions represent a 25% reduction in the base salary that was being paid at the end of 2014 to reflect market conditions and to assist in the preservation of the Company's cash reserves. Provision of four weeks annual leave.
- ▶ Long Term Incentive Performance Rights – subject to shareholder approval, performance rights may be issued under the Company's Performance Share Plan with vesting conditions. No Performance Rights were issued to the Managing Director during 2015.
- ▶ Long Term Incentive Options – subject to shareholder approval, options may be issued under the Company's Employee Share Option Plan with vesting conditions. No Options were issued to the Managing Director during 2015.

B R Scarpelli – Country Manager - Brazil (appointed 3 September 2015)

- ▶ Term of agreement – commenced on 3 December 2012 with no set term. On 3 September 2015, Mr Scarpelli was promoted to Country Manager – Brazil and appointed as a director of the Company. Mr Scarpelli or the Company may terminate the agreement by giving 2 months notice. Entitled to 6 months salary if position is made redundant.
- ▶ Base cash salary exclusive of superannuation is \$165,000 effective from 3 September 2015, reviewed annually. Provision of four weeks annual leave.
- ▶ Long Term Incentive Performance Rights – subject to shareholder approval, performance rights may be issued under the Company's Performance Share Plan with vesting conditions. No performance rights were issued to the Country Manager during 2015.
- ▶ Long Term Incentive Options – subject to shareholder approval, options may be issued under the Company's Employee Share Option Plan with vesting conditions. No options were issued to the Country Manager during 2015.

J W Westdorp – Chief Financial Officer (resigned 19 June 2015)

- ▶ Term of agreement – commenced on 3 December 2012 with no set term. Mr Westdorp terminated the agreement in April 2015 by giving 2 months notice.
- ▶ Base cash salary, exclusive of superannuation at the date of termination was \$220,000 with a further \$105,000 per annum entitled to be received in shares. As at the date of termination shares to the value of \$17,500 had been issued for the period 1 April to 31 May 2015. Provision of four weeks annual leave.
- ▶ Long Term Incentive Performance Rights – performance rights were previously issued under the Company's Performance Share Plan with vesting conditions based on performance hurdles relating to production and market capitalisation targets.
- ▶ Long Term Incentive Options – options were previously issued under the Company's Employee Share Option Plan with vesting conditions based on service conditions.

Non- Executive Directors

Fees and payments to non-executives 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 Chairman's fees are determined independently to the fees of non-executives based on comparative roles in the external market and prevailing market conditions.

Annual Report – 31 December 2015

Non-Executive directors' remuneration consists of set fee amounts and statutory superannuation. The level of fees for Non-Executive directors were reduced from \$60,000 per annum to \$40,000 per annum effective 1 April 2015 and further reduced to \$30,000 per annum effective 1 August 2015. The Non-Executive Chairman's fees were reduced from \$90,000 per annum to \$60,000 per annum effective 1 April 2015 and further reduced to \$45,000 per annum effective 1 August 2015. These fees represent a 50% reduction in the fees that were being paid at the end of 2014 to reflect market conditions and to assist in the preservation of the Company's cash reserves. Directors do not receive additional committee fees. Non-Executive directors' fees are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders. The total maximum currently stands at \$400,000. There is no provision for retirement allowances for Non-Executive directors.

Non-Executives are eligible to be granted options and performance rights to provide a material additional incentive for their ongoing commitment and dedication to the continued growth of the Group. There have been no new grants of performance rights or options to Non-Executives during the year. Prior to issuing incentives the Board considers whether the issue is reasonable in the circumstances. In the past incentives have been offered to assist the Company in attracting and retaining the highest calibre of Non-Executive, whilst maintaining the Group's cash reserves.

Annual Report – 31 December 2015

5.2 Directors' and Executive Officers' Remuneration

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

Year Ended 31 December 2015	Short Term Benefits			Post-employment Benefits	Long Term Benefits	Share-based Payments	Total \$	S300A(1)(e)(i) Proportion of Remuneration Performance Related ⁽⁴⁾ %	S300A(1)(e)(vi) Value of Options and Rights as Proportion of Remuneration %
	Salary & Fees \$	Other Benefits ⁽²⁾ \$	Shares issued in lieu of remuneration \$	Super-annuation \$	Long Service Leave ⁽³⁾ \$	Options and Rights \$			
Non- Executive Directors									
Mr D M Murcia	61,250	-	-	-	-	-	61,250	-	-
Mr M D Hancock	40,833	-	-	-	-	-	40,833	-	-
Mr P E Freund (resigned 3 September 2015)	28,919	-	-	2,747	-	-	31,666	-	-
Executive Directors									
Mr D P Gordon	336,738	(2,599)	20,000 ⁽⁵⁾	15,937	(7,043)	(96,978)	266,055	(36.4%)	(36.4%)
Mr B R Scarpelli ⁽¹⁾	55,530	5,767	-	-	-	4,946	66,243	7.5%	7.5%
Executives									
Mr J W Westdorp (resigned 19 June 2015)	157,483	(19,583)	17,500	11,235	-	(104,694)	61,941	(169%)	(169%)
Total	680,753	(16,415)	37,500	29,919	(7,043)	(196,726)	527,988		

(1) Effective 3 September 2015 Mr Scarpelli was appointed to the Board in an executive role as well as being promoted to the role of Country Manager – Brazil.

(2) Other benefits includes 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.

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

(4) The vesting of performance rights and options is conditional on the achievement of future targets which if not achieved will result in the forfeiture of the related rights or options. The proportion of performance related remuneration consists of short term incentives and long term incentives. The percentages disclosed include the value of options and performance rights expensed during the year in accordance with Australian Accounting Standards. Details of the vesting conditions related to the options and rights have been disclosed in section 5.3.

(5) The value of shares issued to Mr Gordon in lieu of remuneration during the period includes an accrual of \$4,000 in relation to shares for December 2015 remuneration which were not issued until January 2016.

Annual Report – 31 December 2015

Year Ended 31 December 2014	Short Term Benefits		Post-employment Benefits	Redundancy Benefits	Long Term Benefits	Share- based Payments ⁽⁴⁾	Total	S300A(1)(e)(i) Proportion of Remuneration Performance Related ⁽⁵⁾	S300A(1)(e)(vi) Value of Options and Rights as Proportion of Remuneration
	Salary & Fees	Other Benefits ⁽²⁾	Super-annuation		Long Service Leave ⁽³⁾	Options and Rights			
	\$	\$	\$	\$	\$	\$	\$	%	%
Non- Executive Directors									
Mr D M Murcia	90,000	-	-	-	-	-	90,000	-	-
Mr P E Freund ⁽¹⁾	26,062	-	2,476	-	-	-	28,538	-	-
Mr M D Hancock	60,000	-	-	-	-	-	60,000	-	-
Mr R G Hill (resigned 4 July 2014)	27,460	-	2,540	-	-	-	30,000	-	-
Mr S E Zaninovich (resigned 4 July 2014)	30,000	-	-	-	-	-	30,000	-	-
Executive Directors									
Mr D P Gordon	400,000	23,736	25,000	-	53,260	34,567	536,563	6.4%	6.4%
Mr P E Freund ⁽¹⁾	254,115	22,830	23,701	182,649	-	-	483,295	-	-
Executives									
Mr J W Westdorp	325,000	18,750	25,000	-	-	73,722	442,472	16.7%	16.7%
Total	1,212,637	65,316	78,717	182,649	53,260	108,289	1,700,868		

(1) Effective 11 July 2014 Mr Freund stepped down from his executive position but remained on the Board as a Non-Executive Director.

(2) Other benefits includes annual leave entitlements, measured on an accruals basis, and reflects the movement in entitlement over the 12 month period and non-cash benefits and expatriate benefits for executives located in Brazil.

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

(4) The fair value of the options is calculated at the date of grant using the Black Scholes option-pricing model and allocated to each reporting period evenly over the period from grant date to vesting date. The fair value of the rights is calculated using the 5 day volume weighted average share price prior to date of grant. The value disclosed is the portion of the fair value of the options and rights recognised in this reporting period.

(5) The vesting of performance rights and options is conditional on the achievement of future targets which if not achieved will result in the forfeiture of the related rights or options. The proportion of performance related remuneration consists of short term incentives and long term incentives. The percentages disclosed include the value of options and performance rights expensed during the year in accordance with Australian Accounting Standards. Details of the vesting conditions related to the options and rights have been disclosed in section 5.3.

Annual Report – 31 December 2015

5.3 Equity Instruments

A Performance Share Plan (PSP) was adopted by the Board on 23 July 2012 and was approved by shareholders on 31 August 2012. Under the PSP, the Board may from time to time in its absolute discretion grant performance rights to eligible persons including executives and employees, subject to such terms and conditions as the Board determines. Performance rights are, in effect, options to acquire unissued shares in the Company, the exercise of which is subject to certain performance milestones and remaining in employment during the vesting period. Performance rights are granted under the PSP for no consideration and are granted for a period not exceeding 5 years. The performance rights will only vest into shares if the performance conditions relating to the targets are met.

Options are granted under the Employee Share Option Plan (ESOP) which was approved by shareholders at the 2013 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. Where provided, options granted under the ESOP are for no consideration and are granted for a period of up to 5 years. 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 and performance rights as part of their remuneration from entering into arrangements that limit their exposure to losses that would result from share price decreases.

Shares issued in lieu of remuneration

During the reporting period the Company received shareholder approval and an ASX Listing Rule waiver to enable it to issue up to 12,000,000 fully paid ordinary shares to Mr Gordon in lieu of \$48,000 worth of salary over the 12 month period up to 8 October 2016.

As at the end of the reporting period the Company had issued the following shares:

Tranche	Period of Remuneration	Issue Date of Shares	Number of Shares	Issue price	Value of Shares \$
1	1 August 2015 – 30 September 2015	13 October 2015	1,333,333	\$0.0060	8,000
2	1 October 2015 – 30 November 2015	2 November 2015	1,018,684	\$0.00785	8,000
Total			2,352,017		16,000

The issue price of the shares is determined using the volume weighted average price of the shares for the five trading days prior to the issue date.

Shares remaining to be issued before 8 October 2016 total \$32,000 in value. The exact amount of shares still to be issued is unknown as the issue price is dependent upon the volume weighted average price of the shares for the five trading days prior to the issue date, however the amount of shares remaining to be issued cannot exceed 9,647,983.

Shares were also issued to Mr Westdorp in lieu of remuneration as follows:

Tranche	Period of Remuneration	Issue Date of Shares	Number of Shares	Issue price	Value of Shares \$
1	1 April 2015 – 31 May 2015	30 April 2015	1,590,909	\$0.011	17,500
Total			1,590,909		17,500

Rights over Equity Instruments Granted as Compensation

Details on options and rights over ordinary shares in the Company that were granted as remuneration to each key management personnel during the reporting period and details of options and rights that vested during the period are detailed below.

Annual Report – 31 December 2015

Analysis of Rights over Equity Instruments Granted as Compensation

Details of vesting profiles of the rights held by each key management person of the Group are detailed below:

PERFORMANCE RIGHTS	Number Of Performance Rights Issued	Grant Date	Fair value per right at grant date	% Vest In Year	% Expired In Year	% Forfeited In Year
Directors						
Mr D P Gordon	400,000	31/08/12	\$0.2853	-	100%	-
Executives						
Mr J W Westdorp	200,000	03/12/12	\$0.2926	-	-	100%
	200,000	03/12/12	\$0.2926	-	-	100%
	300,000	25/08/14	\$0.0770	-	-	100%
	200,000	25/08/14	\$0.0770	-	-	100%

Performance rights have a nil exercise price.

Analysis of Options over Equity Instruments Granted as Compensation

Details of vesting profiles of the options granted as remuneration to key management personnel of the Group are detailed below:

OPTIONS	Number Of Options Issued	Grant Date	Expiry Date	Exercise Price	Fair value per option at grant date	% Vest In Year	% Expired In Year	% Forfeited In Year	Financial Year In Which Grant Vests
Directors									
Mr D P Gordon	125,000	31/03/10	31/03/15	\$0.6400	\$0.5360	-	100%	-	-
	125,000	31/08/10	31/03/15	\$0.6400	\$0.5360	-	100%	-	-
Mr D M Murcia	62,500	30/11/10	30/11/15	\$0.88	\$0.6030	-	100%	-	-
	62,500	30/11/10	30/11/15	\$0.88	\$0.6030	-	100%	-	-
Mr B R Scarpelli	250,000	25/08/14	31/08/18	\$0.125	\$0.0446	-	-	-	2014
	250,000	25/08/14	31/08/18	\$0.125	\$0.0446	-	-	-	2016 ¹
	500,000	25/08/14	31/08/18	\$0.125	\$0.0446	-	-	-	2017 ¹
Executives									
Mr J W Westdorp	250,000	25/08/14	31/08/18	\$0.1250	\$0.0446	-	-	100%	-
	250,000	25/08/14	31/08/18	\$0.1250	\$0.0446	-	-	100%	-
	500,000	25/08/14	31/08/18	\$0.1250	\$0.0446	-	-	100%	-

(1) Options vest on completion of service conditions.

Exercise of Options Granted as Compensation

There were no shares issued on exercise of options which were previously granted as compensation to key management personnel.

Options and Rights Over Equity Instruments

The movement during the reporting period, by *number* of rights and 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:

Annual Report – 31 December 2015

	Held 1 January 2015	Granted as Compensation	Exercised	Other Changes ⁽¹⁾	Held 31 December 2015	Vested During the Period	Vested and Exercisable 31 December 2015
Directors							
Mr D M Murcia	125,000	-	-	(125,000)	-	-	-
Mr D P Gordon	650,000	-	-	(650,000)	-	-	-
Mr M D Hancock	-	-	-	-	-	-	-
Mr B R Scarpelli	-	-	-	1,000,000	1,000,000	-	250,000
Mr P E Freund	-	-	-	-	-	-	-
Executives							
Mr J W Westdorp	1,900,000	-	-	(1,900,000)	-	-	-

(1) Other changes represent options and/or rights that expired (Mr Murcia and Mr Gordon) or were forfeited (Mr Westdorp) during the year. The 1,000,000 options in relation to Mr Scarpelli represents his holding upon his appointment to the Board on 3 September 2015.

Analysis of Movements in Options and Rights

The movement during the reporting period, by *value*, of options and rights 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 \$(A)	Value Of Performance Rights Granted \$(B)	Value Of Options Exercised In Year \$(C)	Value Of Options Lapsed In Year \$(D)	Value Of Performance Rights Lapsed In Year \$(E)
Director					
Mr D M Murcia	-	-	-	-	-
Mr D P Gordon	-	-	-	-	96,978
Mr M D Hancock	-	-	-	-	-
Mr B R Scarpelli	-	-	-	-	-
Mr P E Freund	-	-	-	-	-
Executives					
Mr J W Westdorp	-	-	-	5,203	99,491

- (A) The value of options granted in the year is the fair value of the options calculated at grant date using the Black Scholes 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.
- (B) The value of performance rights granted in the period is the fair value calculated using the 5 day volume weighted average share price prior to grant date. This amount is allocated to remuneration over the vesting period.
- (C) 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.
- (D) 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.
- (E) The value of unvested performance rights that lapsed during the year represents the benefit forgone and is calculated based on the share price at the date the performance rights lapsed assuming the performance criteria had been achieved.

Annual Report – 31 December 2015

5.4 Key Management Personnel Transactions

Loans to Key Management Personnel and Their Related Parties

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

Key Management Personnel and Director Transactions

One of the 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		Balance Outstanding As At	
		2015	2014	2015	2014
		\$	\$	\$	\$
Mr D M Murcia ⁽¹⁾	Legal fees	66,268	25,335	1,250	-
Total and current liabilities				1,250	-

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

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 2015	Purchases	Received in lieu of remuneration	Sales	Other ⁽¹⁾	Held at 31 December 2015
Director						
Mr D M Murcia	1,733,405	3,571,575	-	-	-	5,304,980
Mr D P Gordon	6,889,791	8,892,374	2,352,017	-	-	18,134,182
Mr M D Hancock	153,333	1,324,124	-	-	-	1,477,457
Mr B R Scarpelli	-	-	-	-	-	-
Mr P E Freund	65,000	32,500	-	-	(97,500)	-
Executives						
Mr J W Westdorp	-	-	1,590,909	-	(1,590,909)	-

(1) Other changes represent balances held on resignation.

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.

Listed Option Holdings of Key Management Personnel

On 25 February 2015 the Company announced a share placement and entitlements issue that included an issue of 1 for 3 free attaching listed options. The listed options (ASX: CTMO) have an exercise price of \$0.05 and an expiry date of 31 March 2017.

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

Annual Report – 31 December 2015

	Held 1 January 2015	Purchases	Sales	Other ⁽¹⁾	Held at 31 December 2015
Director					
Mr D M Murcia	-	343,067	-	-	343,067
Mr D P Gordon	-	2,116,666	-	-	2,116,666
Mr M D Hancock	-	158,888	-	-	158,888
Mr B R Scarpelli	-	-	-	-	-
Mr P E Freund	-	10,833	-	(10,833)	-
Executives					
Mr J W Westdorp	-	-	-	-	-

(1) Other changes represent balances held on resignation.

6 Principal Activities

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

7 Operating and Financial Review

A summary of consolidated results is set out below

	31 December 2015 \$	31 December 2014 \$
Interest Income	39,907	252,806
Other Income	1,431,425	318,180
	1,471,332	570,986
Loss before income tax	(3,704,222)	(10,460,299)
Income tax benefit	3,356	-
Loss attributable to members of Centaurus Metals Limited	(3,700,866)	(10,460,299)

Financial Performance

During the year ended 31 December 2015 the Group recognised proceeds from the grant of a future lease of mineral rights over the Candonga project of \$1,467,500. The Group also determined to fully impair the value of its Brazilian federal VAT ("PIS-Cofins") tax asset of \$879,180. Recoverability of PIS-Cofins assets levied on the Group's purchases, is dependent upon the Group generating a federal company tax liability, which may be offset against the Groups PIS-Cofins assets if the Group elects to do so. As at balance date taxable profits in the ordinary course of business are not considered probable though one off taxable profits may be generated on specific transactions. As at 31 December 2015 no such transactions have been entered into. Exploration and Evaluation costs totalling \$2,283,873 (2014 \$5,136,663) were expensed in accordance with the Group's accounting policy. The Exploration and Evaluation costs primarily comprise costs in relation to exploration at the Candonga and Conquista iron ore projects, the Mombuca gold project and the Aurora copper project in Brazil.

Financial Position

At the end of the year the Group had a cash balance of \$541,871 (2014: \$891,990) and net assets of \$3,874,330 (2014: \$6,507,522). Total liabilities amounted to \$926,767 (2014: \$1,019,303) and consisted of trade and other payables, provisions, employee benefits and deferred tax liabilities.

Strategy

The 2015 calendar year was an important period of transition for Centaurus Metals, as the Company sought to reposition itself outside of the bulk commodities sector, commence the realisation of value from its existing iron ore assets and refocus on projects capable of delivering acceptable returns to its shareholders within a reasonable timeframe.

Annual Report – 31 December 2015

In keeping with this strategy, the key outcome for the reporting period was the formation of a multi-faceted Strategic Alliance with Terrativa Minerai SA (“Terrativa”) announced on 24 September 2015, which significantly advanced Centaurus’ strategy to diversify its portfolio and reposition for future growth.

Centaurus has developed an excellent long-standing relationship with Terrativa. The positive working relationship between the two companies’ and their strong focus on quality exploration have culminated in Centaurus and Terrativa forming the Strategic Alliance to underpin future exploration efforts in Brazil.

Project Activities

Aurora Copper Project

Centaurus secured a 100% interest in the Aurora Copper Project during the reporting period under the strategic alliance with Terrativa. Aurora is located in the north-eastern region of Brazil in the State of Ceará, approximately 350km south of the State capital Fortaleza.

The Project has outstanding access to infrastructure, being located just 10km from the Transnordestina Rail (which is currently under construction and scheduled for completion in 2016) and with high-voltage power lines running through the project area.

Exploration work commenced at Aurora in December 2015.

Validation and reinterpretation of the historical geophysical data, which includes ground magnetics, gravity and Induced Polarisation (IP) data has commenced. This will enable 3D inversions of the data to be produced and compared against 3D representations of historical drill results, to provide a significantly more detailed understanding of the structure and controls of the geological features and mineralisation at Aurora.

Based on the outcomes of this work, Centaurus will then commence new geophysical survey work, under the guidance of highly credentialed US-based geophysicist, Mr Robert B. Ellis, which is likely to comprise ground-based (surface) IP and/or electromagnetics (EM) to better define the key targets for the Company’s maiden drilling program. The geophysical surveys are expected to commence early in H1 2016.

Mombuca Gold Project

During the reporting period Centaurus secured the grant of the highly prospective Mombuca Project – an exciting multi-commodity exploration target with the potential for both high-grade gold and iron ore mineralisation in the State of Minas Gerais, Brazil.

Initial exploration activities at Mombuca comprised low-cost soil sampling, stream sediment sampling, and a ground magnetic survey.

Rock chip sampling returned a number of high-grade assay results, including 12.2g/t Au, 9.3g/t Au, 5.6g/t Au and 3.2g/t Au. A stream sediment survey confirmed that the Initial Target Zone (“ITZ”) catchment is the most gold anomalous of the catchments that cover the project area.

Initial results from the detailed ground magnetic survey also highlighted strong magnetic structures coincident with the location of the gold-bearing quartz veins in the ITZ, providing valuable assistance with exploration targeting.

Trench work completed subsequent to the end of the reporting period confirmed the presence of a stacked gold-bearing quartz vein system extending continuously over a significant strike length within the ITZ.

The ITZ is defined by a large gold-in-soils geochemical anomaly that extends over a trend of approximately 1.5km coincident with crustal scale structures delineated from a detailed ground magnetic survey as well as several historical artisanal workings and adits. Face sampling from these adits has returned gold intercepts of up to 6m at 5.3g/t Au and 8m and 1.8g/t Au.

The ITZ continues to be the priority exploration target at Mombuca. A ground-based Induced Polarisation (IP) survey is being planned over the ITZ to assist in the identification of sulphide mineralisation at depth given the association of sulphides (pyrite) with the high-grade gold identified at surface and in adits and trenches. The IP survey, if it can successfully define deeper sulphide mineralisation, will be an important tool in defining the preferred location for future drilling.

Candongá DSO Iron Ore Project

Consistent with the Company’s strategy to realise value from its iron ore assets, during the year Centaurus entered into a commitment to lease its 100% owned Candonga DSO Iron Ore Project to a private Brazilian

Annual Report – 31 December 2015

group, Ecosinter – Indústria de Beneficiamento de Resíduos Ltda (“Ecosinter”), for R\$4 million (~A\$1.6 million) to be paid in 10 equal monthly instalments through to May 2016. The Candonga DSO JORC Reserve comprised 1.2Mt grading 60.5% Fe.

The Company received total payments to the end of December 2015 of R\$2.0M (\$776,500). The final R\$2.0M will be received in equal monthly instalments through to May 2016.

Conquista DSO Iron Ore Project

The Conquista Project comprises a portfolio of highly prospective tenements with Direct Ship Ore (DSO) mineralisation.

The Company has established an Exploration Target for the Conquista tenements of 3.5-8Mt of high-grade DSO grading 64-67% Fe, with a further 20-40Mt of itabirite mineralisation grading 35-45% Fe. The Exploration Target is based on detailed geological mapping, auger drill-hole results and an extensive ground magnetic survey. The Exploration Target quantity and grade is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

The Company sees significant value in the Project which also has the potential to be a strong future supplier of high quality product to the domestic steel and pig iron markets.

The execution of the Strategic Alliance with Terrativa has resulted in Centaurus completing an early exercise of its Option over the Conquista Iron Ore Project on revised favourable terms, such that the Company has now issued Centaurus shares instead of having to make any up-front cash option exercise payment. This will allow Centaurus to direct any future expenditure on the Conquista Project towards value-adding exploration activities.

The shares issued to Terrativa for the option exercise were made at \$0.009, representing a 30% premium to the 5-day VWAP of Centaurus’ shares at the relevant calculation date, and were also voluntarily escrowed for 12 months through to 9 December 2016.

Centaurus believes that the Conquista DSO Iron Ore Project has the ability to deliver a strong return for the Company in the near future. This is demonstrated by a continued strong level of interest shown by local operators in the Project. A key piece of the Company’s corporate strategy moving forward will be to unlock the value of its existing iron ore portfolio in south-eastern Brazil to support its broader growth and diversification strategy.

Jambreiro Iron Ore 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 due to its advanced engineering and licencing.

Centaurus intends to pursue opportunities to extract value from the Jambreiro Project via either an outright sale or joint development proposition. A formal process has commenced to extract value from the asset and discussions are continuing with a number of interested parties.

The Company also believes that the strategic alliance in place with Terrativa has the potential to open doors to assist Centaurus to extract value from the Jambreiro Iron Ore Project.

Corporate

Strategic Alliance

During the reporting period, the Company finalised terms to form a Strategic Alliance with Terrativa Minerais SA (“Terrativa”), one of Brazil’s pre-eminent private exploration groups.

Under the deal structure with Terrativa, Centaurus acquired 100% of the Aurora Project tenements, with consideration comprising the issue of A\$150,000 of Centaurus shares to Terrativa. The shares were issued, after shareholder approval for the issue was obtained on 10 December 2015, at a price of \$0.009, which represented a 30% premium to the 5-day VWAP share price on the relevant calculation date. Terrativa voluntarily escrowed the shares for a period of 12 months and this escrow period will run until 9 December 2016.

Annual Report – 31 December 2015

Further, the Strategic Alliance facilitated a favourable restructure of the existing Option Agreement between Centaurus and Terrativa over the Conquista DSO Project and Mombuca Gold Project, and enabled Centaurus to secure a private equity injection into the Company from the President of Terrativa, Mr Ingo Wender.

Following completion of these transactions, Terrativa and its shareholders now hold a stake of approximately 15.3% in Centaurus, making them the Company's largest shareholder.

Competent Person's Statement

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Roger Fitzhardinge, a Competent Person who is a Member of the Australasia Institute of Mining and Metallurgy and Volodymyr Myadzel, a Competent Person who is a Member of the Australian Institute of Geoscientists. Roger Fitzhardinge is a permanent employee of Centaurus Metals Limited and Volodymyr Myadzel is the Senior Resource Geologist of BNA Consultoria e Sistemas Limited, independent resource consultants engaged by Centaurus Metals Limited.

Roger Fitzhardinge and Volodymyr Myadzel have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Roger Fitzhardinge and Volodymyr Myadzel consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Exploration Targets

This Report comments on and discusses Centaurus Metals Limited's exploration in terms of target size and type. The information in relation to Exploration Targets should not be misunderstood or misconstrued as an estimate of Mineral Resources or Ore Reserves. The potential quantity and quality of material discussed as Exploration Targets is conceptual in nature since there has been insufficient work completed to define them as Mineral Resources or Ore Reserves. It is uncertain if further exploration work will result in the determination of a Mineral Resource or Ore Reserve.

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:

Access to Funding

The Company's ability to 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 an appropriate funding solution.

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.

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.

Project Implementation

The implementation of new projects on time and on budget is critical to maximising shareholder returns.

Operating Risks

Once in operations, the Company will be exposed to a number of factors and business risks including mining, beneficiation of ore, health and safety and environmental issues.

Sale of Iron Ore Projects

The Company's strategy in relation to its remaining iron ore assets is to divest them to realise value rather than developing the assets in its own right. Whilst iron ore projects with high grade, low impurity product remain profitable in the domestic market, broader market conditions may impact on the Company's ability to divest the assets for a value that is reflective of the historical cost of the projects and there is no definitive certainty that the Company will be able to enter into suitable project sale arrangements in line with the timetable established by the Company.

Annual Report – 31 December 2015

Emphasis of Matter

The audit opinion for the year ended 31 December 2015 contains an emphasis of matter in relation to potential uncertainty regarding continuation as a going concern. The Financial Statements have been prepared on the basis of going concern. The Group will require funding in order to continue its exploration activities and iron ore divestment process. Refer to Note 2 of the Financial Report for further details.

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.

8 Dividends

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

9 Events Subsequent to Reporting Date

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

10 Likely Developments

Other than likely developments contained in the “Operating and Financial Review” and events subsequent, 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.

11 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 significant breaches of these regulations during the year.

12 Directors’ Interests

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

	Ordinary Shares	Employee Options	Listed Options
Directors			
Mr D M Murcia	5,304,980	-	343,067
Mr D P Gordon	21,248,316	-	2,116,666
Mr M D Hancock	1,477,457	-	158,888
Mr B R Scarpelli	-	1,000,000	-

13 Share Options & Rights

Options & Rights Granted to Directors and Executives of the Company

There have been no options or performance rights granted to directors and executives of the Company during the financial year.

Annual Report – 31 December 2015

Unissued Share Options and Performance Rights

At the date of this report unissued ordinary shares of the Company under option (issued under the ESOP) are:

Expiry Date	Exercise Price	Employee Options		Total Number Of Shares Under Option
		Vested	Unvested	
31/08/2018	\$0.125	500,000	1,500,000	2,000,000

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

Expiry Date	Exercise Price	Total Number Of Shares Under Option
31/03/2017	\$0.050	20,300,666

The listed options were issued as 1 for 3 free attaching options as part of the share placement and entitlements issue announced on ASX on 25 February 2015. The full terms of the options are set out in the Prospectus lodged by the Company with ASX on 6 March 2015.

At the date of this report there are no unissued ordinary shares of the Company under performance rights.

14 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 Consolidated Entity, 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.

15 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.

Annual Report – 31 December 2015

	31 December 2015 \$	31 December 2014 \$
Audit Services		
<i>Auditors of the Company</i>		
Audit and review of financial reports - KPMG	<u>91,827</u>	<u>139,240</u>
Services other than statutory audit		
Taxation compliance services - KPMG	<u>11,420</u>	<u>24,775</u>

16 Lead Auditor's Independence Declaration

The lead auditor's independence declaration is set out on page 23 and forms part of the directors' report for the period ended 31 December 2015.

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



D P Gordon
Managing Director
Perth
31 March 2016



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 for the year ended 31 December 2015 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

G-T H

Graham Hogg
Partner

Perth

31 March 2016

Annual Report – 31 December 2015

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2015

	Note	31 December 2015 \$	31 December 2014 \$
Profit or Loss			
Other income	7	1,431,425	318,180
Exploration expenditure		(2,283,873)	(5,136,663)
Impairment of available for sale investments		-	(302,272)
Impairment of exploration and evaluation	19	(101,389)	(1,397,191)
Impairment of other receivables	25	(879,180)	-
Net reversal of impairment on receivables		-	109,672
Employee benefits expense	8	(1,262,458)	(2,190,911)
Share based payments (expense)/ reversal	11	404,415	(84,972)
Occupancy expenses		(170,334)	(360,114)
Listing and share registry fees		(56,515)	(63,918)
Professional fees		(280,642)	(704,756)
Depreciation	9	(93,357)	(178,663)
Net loss on disposal of property, plant & equipment		(93,172)	-
Other expenses		(341,889)	(718,131)
Results from operating activities		(3,726,969)	(10,709,739)
Finance income		39,907	252,806
Finance expenses		(17,160)	(3,366)
Net finance income	10	22,747	249,440
Loss before income tax		(3,704,222)	(10,460,299)
Income tax benefit	12	3,356	-
Loss for the period		(3,700,866)	(10,460,299)
Other Comprehensive Income			
Items that may be reclassified subsequently to profit or loss			
Net change in fair value of available-for-sale financial assets		(35,556)	(33,368)
Exchange differences arising on translation of foreign operations		(1,123,109)	(361,446)
Other comprehensive income (loss) for the period		(1,158,665)	(394,814)
Total comprehensive loss for the period		(4,859,531)	(10,855,113)
Earnings per Share			
Basic loss per share	14	(0.84)	(5.03)
Diluted loss per share	14	(0.84)	(5.03)

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

Annual Report – 31 December 2015

Consolidated Statement of Financial Position

As at 31 December 2015

	Note	2015 \$	2014 \$
Current assets			
Cash and cash equivalents	15(a)	541,871	891,990
Other receivables and prepayments	16	846,359	763,631
Total current assets		1,388,230	1,655,621
Non-current assets			
Other receivables and prepayments	16	210,300	1,484,123
Other investments including derivatives	17	89,851	243,089
Property, plant and equipment	18	450,367	1,070,606
Exploration and evaluation assets	19	2,662,349	3,073,386
Total non-current assets		3,412,867	5,871,204
Total assets		4,801,097	7,526,825
Current liabilities			
Trade and other payables	20	235,182	250,821
Employee benefits	21	126,103	314,224
Provisions	22	7,776	63,866
Total current liabilities		369,061	628,911
Non-current liabilities			
Provisions	22	511,489	386,688
Employee benefits	21	46,217	-
Deferred tax liabilities	12 (c)	-	3,704
Total non-current liabilities		557,706	390,392
Total liabilities		926,767	1,019,303
Net assets		3,874,330	6,507,522
Equity			
Share capital		106,666,191	104,035,437
Reserves		(7,245,604)	(386,544)
Accumulated losses		(95,546,257)	(97,141,371)
Total equity		3,874,330	6,507,522

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

Annual Report – 31 December 2015

Consolidated Statement of Changes in Equity

For the year ended 31 December 2015

	Issued Capital \$	Option Reserve \$	Share-Based Payments Reserve \$	Fair Value Reserve \$	Foreign Currency Translation Reserve \$	Accumulated Losses \$	Total Equity \$
Balance at 1 January 2015	104,035,437	2,966,597	2,796,173	35,556	(6,184,870)	(97,141,371)	6,507,522
Loss for the period	-	-	-	-	-	(3,700,866)	(3,700,866)
Net change in fair value of available-for-sale financial assets	-	-	-	(35,556)	-	-	(35,556)
Foreign currency translation difference for foreign operation	-	-	-	-	(1,123,109)	-	(1,123,109)
Total comprehensive loss for the period	-	-	-	(35,556)	(1,123,109)	(3,700,866)	(4,859,531)
Share-based payment/(reversal) transactions	-	-	(404,415)	-	-	-	(404,415)
Issues of ordinary shares	2,816,704	-	-	-	-	-	2,816,704
Share issue costs	(186,167)	-	-	-	-	-	(186,167)
Share options exercised	217	-	-	-	-	-	217
Transfer to accumulated losses	-	(2,966,597)	(2,329,383)	-	-	5,295,980	-
Total transactions with owners	2,630,754	(2,966,597)	(2,733,798)	-	-	5,295,980	2,226,339
Balance at 31 December 2015	106,666,191	-	62,375	-	(7,307,979)	(95,546,257)	3,874,330

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.

Annual Report – 31 December 2015

	Issued Capital \$	Option Reserve \$	Share-Based Payments Reserve \$	Fair Value Reserve \$	Foreign Currency Translation Reserve \$	Accumulated Losses \$	Total Equity \$
Balance at 1 January 2014	98,766,042	2,966,597	2,711,201	68,924	(5,823,424)	(86,681,072)	12,008,268
Loss for the period	-	-	-	-	-	(10,460,299)	(10,460,299)
Net change in fair value of available-for-sale financial assets	-	-	-	(33,368)	-	-	(33,368)
Foreign currency translation difference for foreign operation	-	-	-	-	(361,446)	-	(361,446)
Total comprehensive loss for the period				(33,368)	(361,446)	(10,460,299)	(10,855,113)
Share-based payment/ (reversal) transactions	-	-	84,972	-	-	-	84,972
Issues of ordinary shares	5,530,000	-	-	-	-	-	5,530,000
Share issue costs	(260,605)	-	-	-	-	-	(260,605)
Total transactions with owners	5,269,395	-	84,972	-	-	-	5,354,367
Balance at 31 December 2014	104,035,437	2,966,597	2,796,173	35,556	(6,184,870)	(97,141,371)	6,507,522

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.

Annual Report – 31 December 2015

Consolidated Statement of Cash Flows

For the year ended 31 December 2015

	Note	31 December 2015 \$	31 December 2014 \$
Cash flows from operating activities			
Exploration and evaluation expenditure		(2,321,745)	(5,717,946)
Payments to suppliers and employees (inclusive of goods and services tax)		(1,537,469)	(4,009,970)
Proceeds from court settlement		272,570	512,270
Interest received		20,521	173,707
Net cash used in operating activities	15(b)	(3,566,123)	(9,041,939)
Cash flows from investing activities			
Payments for plant & equipment		(17,270)	(63,220)
Proceeds from grant of future lease of mining rights		745,679	-
Proceeds from sale of investments		208,752	-
Proceeds from sale of plant & equipment		202,882	60,396
Acquisition of exploration assets		-	(137,040)
Net cash from/(used in) investing activities		1,140,043	(139,864)
Cash flows from financing activities			
Proceeds from issue of equity securities		2,307,698	5,530,000
Capital raising costs		(186,167)	(260,605)
Net cash from financing activities		2,121,531	5,269,395
Net increase/(decrease) in cash and cash equivalents		(304,549)	(3,912,408)
Cash and cash equivalents at the beginning of the period		891,990	4,843,508
Effect of exchange rate fluctuations on cash held		(45,570)	(39,110)
Cash and cash equivalents at 31 December	15(a)	541,871	891,990

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

Annual Report – 31 December 2015

Notes to the Consolidated Financial Statements

For the year ended 31 December 2015

Note 1. Reporting Entity

Centaurus Metals Limited (“the Company”) is a company domiciled in Australia. The Company’s registered office is at Level 3, 10 Outram Street, West Perth WA 6005. The consolidated financial statements of the Company as at and for the year ended 31 December 2015 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 (IFRSs) adopted by the International Accounting Standards Board (IASB).

The consolidated financial statements were authorised for issue by the Board of Directors on 31 March 2016.

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;
- ▶ Available-for-sale financial assets 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 2015 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 \$3,700,866 with net cash outflows of \$304,549. The Group has a working capital surplus of \$1,019,169. During the year the company further restructured its workforce in Brazil and Australia in order to achieve cost savings.

The Group’s strategy is to divest its remaining iron ore projects in south-eastern Brazil following the successful divestment of the Candonga DSO Iron Ore Project during the year. Monthly cash instalments from the divestment of Candonga are forecast to continue to be received through to May 2016. These proceeds provide funding for exploration, continuing the divestment process of the other iron ore assets and other working capital requirements in Brazil. As at 31 December 2015, R\$2,000,000 (A\$691,000) remained to be received. The divestment process of the remaining iron ore assets is underway.

The Group plans to continue exploration work on its other gold and copper projects during 2016 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 maintain its tenements and meet ongoing costs of the business. The Group intends to fund further exploration with a combination of the proceeds of the Candonga DSO Project divestment, new equity issues or via the divestment of the Company’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
- ▶ The Group has commenced a formal divestment process in respect to its remaining iron ore assets and is engaged in discussions with a number of interested parties.

Annual Report – 31 December 2015

The form, value and timing of any transaction that may provide funding is yet to be determined and will depend amongst other things, on capital markets, iron ore 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, which includes raising additional funds to meet forecast minimum expenditure required to maintain tenements and meet ongoing costs. The ability of the Company to achieve its forecast cash flows, including the raising of additional funds, represents material uncertainty that may cast significant doubt about whether the Company 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. 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.

(a) 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 16 - Other Receivables and Prepayments;
- ▶ Note 19 - 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.

(b) Assumptions and Estimation Uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 December 2015 is included in Note 19 – 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.

(c) 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.

Annual Report – 31 December 2015

When measuring the fair value of an asset or a liability, the Group uses market observable data where possible and relevant. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the value techniques as follows:

- ▶ *Level 1*: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- ▶ *Level 2*: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- ▶ *Level 3*: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(i) Investments in Equity Securities

The fair value of available-for-sale financial assets is determined by reference to their quoted closing bid price at the reporting date.

(ii) Derivatives

The fair value of listed options is determined by reference to their quoted closing bid price at the reporting date. The fair value of unlisted options is determined using a valuation model.

(iii) 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.

(iv) Share-based Payment Transactions

The fair value of the employee share options are 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. The fair value of employee performance rights is measured using the 5 day weighted average share price prior to grant date. 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.

(a) Basis of Consolidation

(i) Business Combinations

The Group accounts for business combinations using the acquisition method as at the acquisition date, which is the date control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired.

Any goodwill that arises is tested annually for impairment. Transaction costs such as legal fees, due diligence fees and other professional and consulting fees, are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity.

Annual Report – 31 December 2015

Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

For every business combination, the Group identifies the acquirer, which is the combining entity that obtains control of the other combining entities or businesses. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another.

(ii) 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.

(iii) 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.

(b) Foreign Currency

(i) 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 available-for-sale equity 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.

Annual Report – 31 December 2015

(ii) 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.

(c) Financial Instruments

The Group classifies non-derivative financial assets into the following categories at fair value through profit and loss, held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.

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

(i) 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, cash and cash equivalents and available-for-sale financial assets.

Receivables

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

Cash and Cash Equivalents

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

Available-for-sale Financial Assets

These assets are recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses (refer Note 5(g)) and foreign currency differences on available-for-sale equity instruments (see Note 5(b)(i)), are recognised in other comprehensive income and accumulated in the fair value reserve. When an investment is derecognised, the cumulative gain or loss in equity is reclassified to profit or loss.

The Group's investments in equity securities are classified as available-for-sale financial assets.

Annual Report – 31 December 2015

(ii) 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.

(iii) 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.

(iv) Derivative Financial Instruments

Derivatives are recognised initially at fair value and any directly attributable transactions costs are recognised in profit and loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value and changes therein are recognised immediately in profit or loss.

(d) Property, Plant and Equipment

(i) 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. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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.

(ii) Subsequent Expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit and loss as incurred.

(iii) 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. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives of property, plant and equipment are as follows:

▶ Plant & equipment	10-15 years
▶ Motor Vehicles	3-5 years
▶ Furniture, fittings and equipment	3-8 years
▶ Software	1-3 years
▶ Leasehold improvements	5 years

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

Annual Report – 31 December 2015

(e) 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 Accounting Policy 5(g)(ii).

Farm-out Arrangements

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

(f) Leases

(i) Determining Whether an Arrangement Contains a Lease

At inception of an arrangement, the Group determines whether the arrangement is or contains a lease.

(ii) Leased Assets

Assets held by the Group under leases that transfer to the Group substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Annual Report – 31 December 2015

Assets held under other leases are classified as operating leases and are not recognised in the Group's statement of financial position.

(iii) Lease Payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

(g) Impairment

(i) Non- derivative Financial Assets

Financial assets not classified at fair value through profit or loss are assessed at each reporting date to determine whether there is objective evidence of impairment. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include:

- ▶ Default or delinquency by a debtor;
- ▶ Restructuring of an amount due to the Group on terms that the Group would not consider otherwise;
- ▶ Indications that a debtor or issuer will enter bankruptcy;
- ▶ Adverse changes in the payment status of borrowers or issuers;
- ▶ The disappearance of an active market for a security; or
- ▶ Observable data indicating that there is measurable decrease in expected cash flows from a group of financial assets.

In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment. The Group considers a decline of 20% to be significant and a period of 9 months to be prolonged.

For Financial Assets measured at amortised cost the Group considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified.

Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

In assessing collective impairment the Group uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve to profit or loss. The amount reclassified is the difference between the acquisition cost (net of any principal repayment and amortisation) and the current fair value, less any impairment loss previously recognized in profit or loss.

If the fair value of an impaired available-for-sale debt security subsequently increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed through profit or loss; otherwise, it is reversed through other comprehensive income.

Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available-for-sale are not reversed through profit or loss.

Annual Report – 31 December 2015

(ii) 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.

(h) Non-current Assets Held For Sale

Non-current assets, or disposal groups comprising assets and liabilities, that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group first is allocated to goodwill, and then to remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property and biological assets, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on re-measurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

(i) Employee Benefits

(i) 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. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(ii) Other Long-term Employee Benefits

The Group's net obligation in respect of long-term employee benefits other than defined benefit plans 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.

Annual Report – 31 December 2015

(iii) Termination Benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting period, then they are discounted to their present value.

(iv) 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.

(v) 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-market 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.

(j) 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.

(k) Revenue

Revenue is measured at the fair value of the consideration received or receivable, net of returns, trade allowances and duties and taxes paid. Interest revenue is recognised using the effective interest method.

Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of the sold item can be estimated reliably, there is no continuing management involvement with the sold item, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

(l) Finance Income and Finance Costs

Finance income comprises interest income on funds invested (including available-for-sale financial assets), dividend income, gains on the disposal of available-for-sale financial assets, changes in the fair value of financial assets at fair value through profit or 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.

Annual Report – 31 December 2015

Finance costs comprise interest expense on borrowings, 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.

(m) 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 not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and differences relating to investments in subsidiaries and associates and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. 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.

(n) 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.

(o) 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.

Annual Report – 31 December 2015

(p) Segment Reporting

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

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

(q) Changes in accounting policies

The Group has adopted the following amendment to standards, including any consequential amendments to other standards, with a date of initial application of 1 January 2015. AASB 2014-1 Part A – Annual Improvements 2010-2012 and 2011-2013 Cycles and AASB 2014-1 Part B – Defined Benefit Plans: Employee Contributions. The adoption of these amendments has had no material impact on the Group's financial statements.

(r) New Standards and Interpretations Not Yet Adopted

The following standards, amendments to standards and interpretations have been identified as those which may impact the entity in the period of initial application. They may be available for early adoption at 31 December 2015, but have not been applied in preparing this financial report.

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
AASB 9	Financial Instruments	<p>AASB 9 includes requirements for the classification and measurement of financial assets. It was further amended by AASB 2010-7 to reflect amendments to the accounting for financial liabilities.</p> <p>These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are described below:</p> <p>(a) Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows.</p> <p>(b) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.</p>	1 January 2018	The Group has not yet determined the extent of the impact of the amendments, if any.	1 January 2018

Annual Report – 31 December 2015

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
AASB 9 continued	Financial Instruments	<p>(c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.</p> <p>(d) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:</p> <ul style="list-style-type: none"> - The change attributable to changes in credit risk are presented in other comprehensive income (OCI); and - The remaining change is presented in profit or loss. <p>If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.</p> <p>Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7 & 2010-10.</p> <p>The AASB issued a revised version of AASB 9 (AASB 2013-9) during December 2013. The revised standard incorporates three primary changes:</p> <ol style="list-style-type: none"> 1. New hedge accounting requirements including changes to hedge effectiveness testing, treatment of hedging costs, risk components that can be hedged and disclosures; 2. Entities may elect to apply only the accounting for gains and losses from own credit risk without applying the other requirements of AASB 9 at the same time; and 3. The mandatory effective date moved to 1 January 2017. 	1 January 2017	The Group has not yet determined the extent of the impact of the amendments, if any.	1 January 2017
AASB 2014-3	Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations	<p>AASB 2014-3 amends AASB 11 to provide guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business. The amendments require:</p> <p>(a) the acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in AASB 3 Business Combinations, to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and</p> <p>(b) the acquirer to disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations.</p>	1 January 2016	The Group has not yet determined the extent of the impact of the amendments, if any.	1 January 2016

Annual Report – 31 December 2015

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
AASB 2014-4	Clarification of Acceptable Methods of Depreciation and Amortisation	AASB 116 and AASB 138 both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The amendment also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.	1 January 2016	The Group has not yet determined the extent of the impact of the amendments, if any.	1 January 2016
AASB 15	Revenue from Contracts with Customers	The core principle of this standard is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps: (a) Step 1: Identify the contract(s) with a customer (b) Step 2: Identify the performance obligations in the contract (c) Step 3: Determine the transaction price (d) Step 4: Allocate the transaction price to the performance obligations in the contract (e) Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.	1 January 2017	The Group has not yet determined the extent of the impact of the amendments, if any.	1 January 2017
AASB 2014-9	Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements	AASB 2014-9 amends AASB 127 Separate Financial Statements and AASB 128 Investments in Associates and Joint Ventures, to allow entities to use the equity method of accounting for investments in subsidiaries, joint ventures and associates in their separate financial statements.	1 January 2016	The Group has not yet determined the extent of the impact of the amendments, if any.	1 January 2016
IFRS 16	Leases	IFRS 16 removes the classification of leases as either operating leases or finance leases – for the lessee – effectively treating all leases as finance leases. Short-term leases (less than 12 months) and leases of low value assets (such as personal computers) are exempt from the lease accounting requirements. There are also changes in accounting over the life of the lease. In particular, companies will now recognise a front-loaded pattern of expense from most leases, even when they pay constant annual rentals. Lessor accounting remains similar to current practice – i.e. lessors continue to classify leases as finance and operating leases.	1 January 2017	The Group has not yet determined the extent of the impact of the amendments, if any.	1 January 2017

Annual Report – 31 December 2015

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	2015 Non-current Assets \$	2014 Non-current Assets \$
Brazil	2,889,020	5,565,106
Australia	523,847	306,098
Total	3,412,867	5,871,204

Note 7. Other Income

	31 December 2015 \$	31 December 2014 \$
Grant of future lease of mineral rights (net of land access payments)	1,340,355	-
Gain on sale of investments	4,960	-
Gain on revaluation of derivatives	86,110	-
Gain on court settlement	-	330,652
Profit/(loss) on sale of property plant and equipment	-	(12,472)
Total	1,431,425	318,180

During the year ended 31 December 2015 the Group recognised the grant of a future lease of mineral rights over the Candonga project of \$1,467,500. The proceeds have been offset by land access payments totalling \$127,145 that have been written off. As at 31 December 2015, R\$2,000,000 (A\$776,500) of the sale proceeds had been received with a further R\$2,000,000 (A\$691,000) to be received in equal instalments through to May 2016.

The gain on court settlement in the prior year relates to award of damages against Mineração Marsil Ltda a former Joint Venture partner in the Liberdade Iron Ore Project. Centaurus was awarded damages which were adjusted for interest and inflation components.

Note 8. Employee Benefits Expense

	31 December 2015 \$	31 December 2014 \$
Salaries, fees and other benefits	2,283,438	5,209,477
Superannuation	189,945	341,190
Recognised in exploration expenditure expense	(1,210,925)	(3,359,756)
Total	1,262,458	2,190,911

Note 9. Depreciation

	31 December 2015 \$	31 December 2014 \$
Depreciation	125,068	236,704
Recognised in exploration expenditure expense	(31,711)	(58,041)
Total	93,357	178,663

Annual Report – 31 December 2015

Note 10. Finance Income and Expense

	31 December 2015 \$	31 December 2014 \$
Finance income		
Interest income on bank deposits	39,907	252,806
	<u>39,907</u>	<u>252,806</u>
Finance expense		
Net foreign exchange loss	(17,030)	(3,270)
Interest expense	(130)	(96)
	<u>(17,160)</u>	<u>(3,366)</u>
Net finance income recognised in profit or loss	<u><u>22,747</u></u>	<u><u>249,440</u></u>

Note 11. Share-based Payments

Employee Share Option Plan

The Employee Share Option Plan (“ESOP”) was approved by shareholders at the 2013 annual general meeting. All employees (including directors) are eligible to participate in the ESOP. 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. There were no new options granted during the year (2014: nil).

Reconciliation of Outstanding Share Options

The number and weighted average exercise prices of share options issued under the employee share option plan and issued to consultants are as follows:

	Weighted Average Exercise Price 2015	Number of Options 2015	Weighted Average Exercise Price 2014	Number of Options 2014
Outstanding at start of period	\$0.248	3,650,000	\$0.809	6,950,000
Forfeited during the period	\$0.125	(1,000,000)	\$0.797	(1,212,500)
Expired during the period	\$0.818	(650,000)	\$0.811	(5,087,500)
Issued during the period	-	-	\$0.125	3,000,000
Outstanding at balance date	\$0.125	<u>2,000,000</u>	\$0.248	<u>3,650,000</u>
Exercisable at balance date	\$0.125	<u>500,000</u>	\$0.273	<u>925,000</u>

The options outstanding at 31 December 2015 have an exercise price of \$0.125 (2014: \$0.125 to \$1.04) and the weighted average remaining contractual life is 2.67 years (2013: 3.13 years).

There were no ESOP options exercised during the year (2014: nil). There were no ESOP options issued during the year (2014: 3,000,000).

Performance Share Plan

A Performance Share Plan (PSP) was adopted by the Board of Directors on 23 July 2012 and was approved by shareholders on 31 August 2012. Under the PSP, the Board may from time to time in its absolute discretion grant performance rights to eligible persons including executives and employees, in the form and subject to terms and conditions determined by the Board. Performance rights are, in effect, options to acquire unissued shares in the Company, the exercise of which is subject to certain performance milestones and remaining in employment during the vesting period. Performance rights are granted under the PSP for no consideration and are granted for a period not exceeding 5 years. The fair value at grant date is measured using the 5 day weighted average share price.

Annual Report – 31 December 2015

The number of performance rights on issue are as follows:

Reconciliation of Outstanding Performance Rights

	Number of Performance Rights 2015	Number of Performance Rights 2014
Outstanding at start of period	2,955,000	2,080,000
Issued during the period	-	1,700,000
Forfeited during the period	(2,955,000)	(525,000)
Expired during the period	-	(300,000)
Balance at 31 December	-	2,955,000

Expenses Arising From Share based Payment Transactions

	2015 \$	2014 \$
Share options	(63,604)	(8,899)
Performance rights	(340,811)	93,871
Total expense/(reversal) recognised as share based payment	(404,415)	84,972

During the year a number of options and performance rights were forfeited due to failure to meet vesting conditions. Share based payment expenses in relation to the options and performance rights were reversed during the period.

Note 12. Income Tax

(a) Numerical Reconciliation of Income Tax Expense to Prima Facie Tax Payable

	2015 \$	2014 \$
Loss from continuing operations before income tax expense	(3,704,222)	(10,460,299)
Tax at the Australian tax rate of 30%	(1,111,267)	(3,138,090)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Overseas project generation and review costs	128,168	458,701
Share-based payments	(121,325)	25,492
Sundry items	5,233	17,603
	(1,099,191)	(2,636,294)
Effect of tax rates in foreign jurisdictions	(77,031)	(42,407)
Under provision from prior year	(36,175)	84,725
Deferred tax assets not recognised	1,215,753	2,593,976
Income tax benefit, being deferred tax	3,356	-

(b) Tax Losses

	2015 \$	2014 \$
Tax losses	49,620,794	48,535,699
Capital losses	2,473,264	2,473,264
	52,094,058	51,008,963
Potential tax benefit (between 30-34%)	16,298,234	16,083,990

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

Annual Report – 31 December 2015

(c) Deferred Tax Assets and Liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$
Receivables	-	-		(673)	-	(673)
Available-for-sale financial assets	-	765,636	(26,955)	-	(26,955)	765,636
Exploration	8,771,844	12,210,508	-	(3,704)	8,771,844	12,206,804
Accrued expenses/provisions	6,302,785	975,750	-	-	6,302,785	975,750
Transaction costs relating to issue of capital	122,691	217,635	-	-	122,691	217,635
Tax losses carried forward	16,298,234	16,083,990	-	-	16,298,234	16,083,990
Set off of tax	(26,955)	(673)	26,955	673	-	-
	31,468,599	30,252,846	-	(3,704)	31,468,599	30,249,142
Less DTA not recognised	(31,468,599)	(30,252,846)		-	(31,468,599)	(30,252,846)
Net tax asset/(liabilities)	-	-	-	(3,704)	-	(3,704)

The deferred tax liability relates to Brazil exploration assets acquired through a business combination. During the year an impairment charge was raised resulting in the reversal of a recognised deferred tax liability of \$3,356. Potential deferred tax assets of the same amount in Brazil have not been recognised on the basis that the ability to utilise these losses has not yet been determined probable.

(d) Income Tax Recognised Directly in Equity

Recovery of net tax assets is not considered probable. Accordingly, net deferred tax credited directly to other comprehensive income for changes in the fair value of available-for-sale financial assets is nil: (2014: \$nil).

Note 13. Dividends

There were no dividends paid or declared during the period (2014: nil).

Note 14. Earnings/(Loss) Per Share

Basic Loss per Share

The calculation of basic and diluted earnings per share at 31 December 2015 was based on the loss attributable to ordinary shareholders of \$3,700,866 (2014: \$10,460,299) and a weighted average number of ordinary shares outstanding of 441,026,957 (2014: 207,963,481), calculated as follows:

Loss Attributable to Ordinary Shareholders

	2015	2014
	\$	\$
Loss attributable to the shareholders	(3,700,866)	(10,460,299)

Weighted Average Number of Ordinary Shares

	2015	2014
	Number	Number
Issued ordinary shares at beginning of the period	239,987,919	195,747,919
Effect of shares issued	201,039,038	12,215,562
Weighted average number of ordinary shares at the end of the period	441,026,957	207,963,481

Annual Report – 31 December 2015

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 2015 and the exercise of potential shares would not increase that loss.

Note 15 (a). Cash and Cash Equivalents

	2015	2014
	\$	\$
Cash at bank and on hand	478,291	68,843
Deposits - short term	63,580	823,147
	<u>541,871</u>	<u>891,990</u>

Deposits

The deposits are bearing floating and fixed interest rates between 2.0% and 13.97% (31 December 2014: between 2.5% and 11.47%).

Note 15 (b). Reconciliation of Cash Flows from Operating Activities

	2015	2014
	\$	\$
Loss for the period	(3,700,866)	(10,460,299)
Adjustments for:		
Depreciation	125,068	236,704
Non-cash employee benefits expense/(reversal) – share based payments	(404,415)	84,972
Impairment losses		
Exploration and evaluation assets	101,389	1,397,191
Available-for-sale financial assets	(35,556)	302,272
Other receivables	879,180	(109,672)
Change in fair value of derivative instruments	(50,554)	-
Gain on grant of future lease of mineral rights	(1,340,355)	-
Gain on sale of investments	(4,960)	-
(Profit)/loss on sale of plant and equipment	93,172	12,472
Income tax expense/(benefit)	(3,356)	-
Operating loss before changes in working capital and provisions	(4,341,251)	(8,536,360)
Change in other receivables	893,055	65,198
Change in trade creditors and provisions	(117,927)	(570,777)
Net cash used in operating activities	(3,566,123)	(9,041,939)

Annual Report – 31 December 2015

Note 16. Other Receivables and Prepayments

	2015	2014
	\$	\$
Current		
Receivable from grant of future lease of mineral rights	691,000	-
Other Receivables	77,012	648,371
Security deposits	30,133	30,133
Prepayments	48,214	85,127
	846,359	763,631
Non – Current		
Prepayments	210,300	328,333
Other Receivables	764,762	1,227,391
Provision for impairment	(764,762)	(71,601)
	210,300	1,484,123

Non-current other receivables include Brazilian federal VAT (“PIS-Cofins”) levied on the Groups purchases. Recoverability of PIS-Cofins assets is dependent upon the Group generating a federal company tax liability, which may be offset against the Groups PIS-Cofins assets if the Group elects to do so. As at balance date taxable profits in the ordinary course of business are not considered probable though one off taxable profits may be generated on specific transactions, however, as at 31 December 2015 no such transactions have been entered into. As such the Group has determined to fully impair the value of its PIS-Cofins tax asset. Information about the Group’s exposure to credit and market risk and impairment losses for other receivables is included in Note 25(c).

Note 17. Other Investments, Including Derivatives

	2015	2014
	\$	\$
Available-for-sale financial assets ⁽¹⁾	-	203,792
Derivative instruments ⁽²⁾	89,851	39,297
	89,851	243,089

During the year ended 31 December 2015 no impairment (2014: \$302,272) was recognised.

- (1) Consists of listed ordinary shares in ASX listed entities.
- (2) Consists of unlisted options in ASX listed entities. The fair value of the unlisted options is determined using the Black-Scholes methodology taking into account the terms and conditions upon which the instruments were granted.

Annual Report – 31 December 2015

Note 18. Property, Plant and Equipment

	Software \$	Plant & Equipment \$	Motor Vehicles \$	Furniture & Fixtures \$	Leasehold Improvements \$	Land \$	Total \$
Cost							
Balance at 1 January 2015	347,971	458,774	392,876	175,301	212,687	322,101	1,909,710
Additions	9,793	(7,768)	-	1,878	5,548	-	9,451
Disposals	(3,394)	(86,376)	(166,338)	(100,083)	(165,749)	-	(521,940)
Effect of movements in exchange rates	(28,605)	(53,508)	(67,100)	(23,360)	(21,445)	(78,089)	(272,107)
Balance at 31 December 2015	325,765	311,122	159,438	53,736	31,041	244,012	1,125,114
Balance at 1 January 2014	330,089	458,023	489,336	184,686	445,791	382,368	2,290,293
Additions	26,559	38,356	-	443	-	-	65,358
Disposals	-	(24,869)	(77,674)	(2,081)	(223,594)	(45,094)	(373,312)
Effect of movements in exchange rates	(8,677)	(12,736)	(18,786)	(7,747)	(9,510)	(15,173)	(72,629)
Balance at 31 December 2014	347,971	458,774	392,876	175,301	212,687	322,101	1,909,710

Annual Report – 31 December 2015

Note 18. Property, Plant and Equipment (continued)

	Software	Plant & Equipment	Motor Vehicles	Furniture & Fixtures	Leasehold Improvements	Land	Total
	\$	\$	\$	\$	\$	\$	\$
Depreciation							
Balance at 1 January 2015	286,971	259,565	177,836	54,214	60,518	-	839,104
Depreciation for the year	35,331	49,620	23,075	9,142	7,900	-	125,068
Disposals	(2,376)	(50,144)	(63,400)	(28,288)	(49,495)	-	(193,703)
Effect of movements in exchange rates	(20,285)	(24,448)	(36,122)	(8,546)	(6,321)	-	(95,722)
Balance at 31 December 2015	299,641	234,593	101,389	26,522	12,602	-	674,747
Balance at 1 January 2014	234,957	212,638	181,989	39,119	208,039	-	876,742
Depreciation for the year	55,122	74,697	36,044	18,810	52,031	-	236,704
Disposals	(14)	(22,860)	(32,148)	(1,621)	(197,208)	-	(253,851)
Effect of movements in exchange rates	(3,094)	(4,910)	(8,049)	(2,094)	(2,344)	-	(20,491)
Balance at 31 December 2014	286,971	259,565	177,836	54,214	60,518	-	839,104
Carrying amounts							
At 1 January 2015	61,000	199,209	215,040	121,087	152,169	322,101	1,070,606
At 31 December 2015	26,124	76,529	58,049	27,214	18,439	244,012	450,367
At 1 January 2014	95,132	245,385	307,347	145,567	237,752	382,368	1,413,551
At 31 December 2014	61,000	199,209	215,040	121,087	152,169	322,101	1,070,606

Annual Report – 31 December 2015

Note 19. Exploration and Evaluation Assets

	2015	2014
	\$	\$
Opening net book value	3,073,386	4,523,348
Additions	418,513	137,040
Impairment of capitalised exploration expenditure	(101,389)	(1,397,191)
Effect of movements in exchange rate	(728,161)	(189,811)
	2,662,349	3,073,386

During the reporting period, the Company finalised terms to form a Strategic Alliance with Terrativa Minerais SA, a Brazilian private exploration group. Under the deal structure with Terrativa, Centaurus acquired 100% of the Aurora Project tenements for \$150,000, with consideration comprising the issue of 16,666,667 Centaurus shares at \$0.009. The Company also completed an early exercise of its Option over the Conquista and Mombuca Projects with Terrativa for \$268,513 via the issue of 29,834,809 shares at \$0.009.

During the year the Group also recognised an impairment loss on the carrying value of its Curral Velho, Cenibra Guanhaes and Guanhaes Projects. The projects were assessed for impairment as a result of the decline in market conditions and in line with the Group's divestment and diversification plan. In assessing the recoverable amount of the Projects the Group considered that in the current market and with the Group's intent to focus on its other projects that the assets values were nil.

During the year ended 31 December 2014 the Group recognised an impairment loss on the carrying value of its Passabém Iron Ore Project. The project was assessed for impairment as a result of the decline in market conditions and due to the Group's intent to focus on the Candonga project. In assessing the recoverable amount of Passabém the Group considered that in the current market and with the Group's intent to focus on its other projects that the assets value was nil.

These assets form part of the Brazil geographical reporting segment.

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 20. Trade and Other Payables

	2015	2014
	\$	\$
Trade and other creditors	218,484	213,869
Accrued expenses	16,698	36,952
	235,182	250,821

Note 21. Employee Benefits

	2015	2014
	\$	\$
Current		
Liability for annual leave	126,103	314,224
Non-Current		
Liability for long service leave	46,217	-

Annual Report – 31 December 2015

Note 22. Provisions

	2015 \$	2014 \$
Balance at beginning of the period	450,554	-
Provisions made during the year	205,245	450,554
Effect of movements in exchange rate	(136,534)	-
Balance at end of the period	519,265	450,554
Current	7,776	63,866
Non-Current	511,489	386,688
	519,265	450,554

A provision has been raised for tax obligations, the timing and amount of which are uncertain.

Note 23. Capital and Reserves

	2015 Number of Shares	2014 Number of Shares
On issue at beginning of period	239,987,919	195,747,919
Issue of ordinary shares for share placements ⁽¹⁾	129,298,305	44,240,000
Issue of ordinary shares for entitlements issue at \$0.025 per share	7,715,251	-
Issue of ordinary shares on listed option conversion at \$0.05 per share	4,333	-
Issue of ordinary shares for share purchase plan at \$0.0059 per share	85,152,603	-
Issue of ordinary shares for mineral asset acquisition ⁽²⁾	46,501,476	-
Issue of ordinary shares in lieu of remuneration at various prices ⁽³⁾	12,803,542	-
On issue at the end of the period – Fully paid	521,463,429	239,987,919

(1) During the reporting period the Company undertook three share placements issuing 44,200,000 shares at \$0.025 per share, 51,200,000 shares at \$0.006 per share and 33,898,305 shares at \$0.0059 per share.

(2) During the reporting period, the Company finalised terms to form a Strategic Alliance with Terrativa Minerais SA, a Brazilian private exploration group. Under the deal structure with Terrativa, Centaurus acquired 100% of the Aurora Project tenements, with consideration comprising the issue of 16,666,667 Centaurus shares at \$0.009. The Company also issued 29,834,809 shares at \$0.009 to Terrativa to complete an early exercise of its Option over the Conquista and Mombuca Projects on revised favourable terms. Both tranches of shares were issued, after shareholder approval for the issues was obtained on 10 December 2015. Terrativa voluntarily escrowed the shares for a period of 12 months and this escrow period will run until 9 December 2016.

(3) During the reporting period the Company received shareholder approval and an ASX Listing Rule waiver to enable it to issue fully paid ordinary shares to Mr Gordon in lieu of remuneration. A total of 1,333,333 shares at \$0.006 and 1,018,684 shares at \$0.0079 were issued to Mr Gordon. A total of 1,590,909 shares at an issue price of \$0.011 per share were issued to Mr Westdorp in lieu of remuneration. A further 8,860,616 shares at prices ranging between \$0.011 and \$0.004 were issued to other employees of the Group in lieu of remuneration.

Ordinary Shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. 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 and Performance Rights

Information relating to the Employee Share Option Plan and Performance Share Plan, including details of options and rights issued, exercised or lapsed during the financial year and outstanding at the end of the financial year are set out in Note 11.

Annual Report – 31 December 2015

Listed Options

During the year ended 31 December 2015 in addition to the unissued shares under options and performance rights disclosed in Note 11, the Company issued 20,304,999 listed options with an exercise price of \$0.05 and an expiry date of 31 March 2017 (ASX: CTMO). As at 31 December 2015, 20,300,666 listed options remain unexercised.

Nature and purpose of reserves

Option Reserve

The option reserve was used to recognise the fair value of options issued in the year ended 30 June 2010 in exchange for the Centaurus existing Bid and Replacement Options. During the year the balance of this reserve was transferred to accumulated losses.

Share-based Payments Reserve

The share-based payments reserve is used to recognise the fair value of options and performance rights issued but not exercised. During the year the expired portion of this reserve was transferred to accumulated losses.

Available-for-sale Investments Revaluation Reserve

Changes in the fair value of investments, such as equities, classified as available-for-sale financial assets, are taken to the available-for-sale investments revaluation reserve as described above. Amounts are recognised in profit and loss when the associated assets are sold or impaired.

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 24. Related Parties

(a) Key Management Personnel

(i) Key management personnel compensation is comprised of the following:

	31 December 2015	31 December 2014
	\$	\$
Short term employee-benefits	664,338	1,277,953
Shares issued in lieu of remuneration	37,500	
Redundancy benefits	-	182,649
Long term employee benefits	(7,043)	53,260
Post-employment benefits	29,919	78,717
Share-based payments expense/(reversals)	(196,726)	108,289
	<u>527,988</u>	<u>1,700,868</u>

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

One of the 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.

Annual Report – 31 December 2015

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		Balance Outstanding As At	
		2015	2014	2015	2014
		\$	\$	\$	\$
Mr D M Murcia ⁽¹⁾	Legal fees	66,268	25,335	1,250	-
Total and current liabilities				1,250	-

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

(b) 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.

Annual Report – 31 December 2015

Note 25. Financial Instruments – Fair Values and Risk Management

(a) Accounting Classifications and Fair Values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31 December 2015	Note	Carrying amount					Fair Value			
		Held for Trading	Loans and Receivables	Available-for-sale	Other Financial Liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value										
Derivative instruments (i)	17	89,851	-	-	-	89,851	-	89,851	-	89,851
		89,851	-	-	-	89,851	-	89,851	-	89,851
Financial assets not measured at fair value										
Trade and other receivables (ii)	16	-	798,145	-	-	798,145				
Cash and cash equivalents	15	-	541,871	-	-	541,871				
		-	1,340,016	-	-	1,340,016				
Financial liabilities not measured at fair value										
Trade and other payables	20	-	-	-	235,182	235,182				
		-	-	-	235,182	235,182				

There have been no transfers of assets from Levels during the year ended 31 December 2015.

- (i) Valuation technique used in measuring Level 2 fair values is Black Scholes Option Pricing Model.
- (ii) The carrying amount of all receivables is deemed to approximate fair value.

Annual Report – 31 December 2015

31 December 2014	Note	Carrying amount					Fair Value			
		Held for Trading	Loans and Receivables	Available-for-sale	Other Financial Liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value										
Equity securities	17	-	-	203,792	-	203,792	203,792	-	-	203,792
Derivative instruments (i)	17	39,297	-	-	-	39,297	-	39,297	-	39,297
		39,297	-	203,792	-	243,089	203,792	39,297		243,089
Financial assets not measured at fair value										
Trade and other receivables (ii)	16	-	1,834,294	-	-	1,834,294				
Cash and cash equivalents	15	-	891,990	-	-	891,990				
		-	2,726,284	-	-	2,726,284				
Financial liabilities not measured at fair value										
Trade and other payables	20	-	-	-	250,821	250,821				
		-	-	-	250,821	250,821				

There have been no transfers of assets from Levels during the period ended 31 December 2014.

- (i) Valuation technique used in measuring Level 2 fair values is Black Scholes Option Pricing Model.
- (ii) Fair value relates to non-current receivables which have been discounted at a rate of 11% for all other receivables the carrying amount is deemed to approximate fair value.

Annual Report – 31 December 2015

(b) Measurement of Fair Values

The following table shows the valuation technique used in measuring Level 2 fair values as well as significant unobservable inputs used.

Type	Valuation Technique	Significant Unobservable Inputs	Inter-relationship Between Significant Unobservable Inputs and Fair Value Measurement
Derivative instruments	Black-Scholes	Volatility	The estimated fair value would increase (decrease) if there was an increase (decrease) in the volatility rate used, as well as movements in the underlying security price.

(c) Financial Risk Management

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

- ▶ Credit Risk (see (c)(ii))
- ▶ Liquidity Risk (see (c)(iii))
- ▶ Market Risk (see (c)(iv))
- ▶ Currency Risk (see (c)(v)).

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.

(i) 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.

(ii) 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.

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.

Included in other receivables are the proceeds outstanding from the grant of future lease of mineral rights over the Candonga project totalling \$691,000. The Group believes that the creditworthiness of the counterparty is such that the default risk is low.

The 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 2015, 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. As at 31 December 2015 no such transactions have been entered into.

Annual Report – 31 December 2015

Investments

The Group limits its exposure to credit risk by investing predominantly in liquid securities listed on the Australian Securities Exchange.

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:

	2015	2014
	\$	\$
Cash and cash equivalents (i)	541,871	891,990
Other receivables	793,763	1,692,693
	1,335,634	2,584,683

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

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

	Carrying Amount	
	2015	2014
	\$	\$
Australia	30,133	32,375
Brazil	763,630	1,660,318
	793,763	1,692,693

These balances are net of provision for impairment (refer to Note 16).

Provision for Impairment

The movement in the provision in respect of other receivables during the year was as follows.

	2015	2014
	\$	\$
Opening balance	71,601	182,009
Reversal of provision for impairment	-	(181,618)
Provision for impairment	879,180	71,946
Effects of movements in exchange rate	(186,019)	(736)
	764,762	71,601

During the year \$879,180 (2014: \$71,946) was provided for in relation to indirect tax credits which are not considered to be recoverable. The tax credits relate to Brazilian federal VAT ("PIS-Cofins") levied on the Groups purchases. Recoverability of PIS-Cofins assets is dependent upon the Group generating a federal company tax liability, which may be offset against the Groups PIS-Cofins assets if the Group elects to do so. As at balance date taxable profits in the ordinary course of business are not considered probable though one off taxable profits may be generated on specific transactions. As at 31 December 2015 no such transactions have been entered into. As such the Group has determined to fully impair the value of its PIS-Cofins tax asset.

During the year ended 31 December 2014 proceeds of \$512,270 were received from the Liberdade Court Settlement which resulted in the reversal of a provision for impairment of \$181,618 resulting in a net gain of \$330,652 recorded in other income.

None of the Company's other receivables are past due (31 December 2014: nil). The Group believes that no impairment allowance is necessary in respect of the other receivables not past due.

(iii) 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.

Annual Report – 31 December 2015

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 2015, the Group has current trade and other payables of \$235,182 (31 December 2014: \$250,821). The Group believes it will have sufficient cash resources to meet its financial liabilities when due. Refer to Note 2 Going Concern.

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

	Carrying amount	Contractual cash flows	6 mths or less	6-12 mths	1-2 years	2-5 years	More than 5 years
31 December 2015							
Non- derivative financial liabilities							
Trade and other payables	235,182	(235,182)	(235,182)	-	-	-	-
31 December 2014							
Non- derivative financial liabilities							
Trade and other payables	250,821	(250,821)	(250,821)	-	-	-	-

(iv) 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.

(v) 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 is 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:

	2015	2014
	\$	\$
Variable rate instruments		
Financial assets	541,871	891,990

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 2014.

Annual Report – 31 December 2015

	Profit or Loss		Equity	
	100bp Increase	100bp Decrease	100bp Increase	100bp Decrease
31 December 2015				
Variable rate instruments	5,418	(5,418)	-	-
Cash flow sensitivity (net)	5,418	(5,418)	-	-
31 December 2014				
Variable rate instruments	8,910	(8,910)	-	-
Cash flow sensitivity (net)	8,910	(8,910)	-	-

Other Market Price Risk

Equity price risk arises from available-for-sale equity securities held. These financial assets were acquired as a result of the sale of tenements to Clancy Exploration Limited, Southern Crown Resources Limited, Antipa Minerals Limited and Orinoco Gold Ltd. All of the securities were disposed of during the period.

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. Contingent Liabilities

Guarantees

Guarantees given in respect of bank security bonds amounting to \$30,133 (2014: \$30,133), secured by cash deposits lodged as security with the bank.

No material losses are anticipated in respect of any of the above contingent liabilities.

There are no other contingent liabilities that require disclosure.

Note 27. Operating Leases

Leases as Lessee

The Group leases its Perth and Brazil offices under operating lease. The leases run for a period of one to two years, with an option to renew the lease after that date.

The Brazil office lease is a combined lease of land and buildings. Since the land title does not pass, the rent paid to the landlord of the building is increased to market rent at regular intervals, and the Group does not participate in the residual value of the building, it was determined that substantially all the risks and rewards of the building are with the landlord. As such, the Group determined that the leases are operating leases.

(i) Future Minimum Lease Payments

	2015 \$	2014 \$
Non-cancellable operating lease rentals are payable as follows:		
Less than one year	109,631	308,179
Between one and five years	2,686	72,866
More than five years	-	-
	112,317	381,045

Annual Report – 31 December 2015

Note 28. Capital Commitments

The Group had the following capital commitments:

	2015 \$	2014 \$
Contracted for but not provided and payable:		
Less than one year	-	526,820
Between one and five years	-	-
More than five years	-	-
	-	526,820

The agreement to which the prior year commitment related was terminated without financial consequence.

During the period the Company secured a 100% interest in the Aurora Copper Project under the strategic alliance with Terrativa Minerais SA. Under the deal structure Centaurus will manage all exploration activities on the project area and commit to spend a minimum of R\$1 million (A\$350,000) on exploration over an 18 month period. If Centaurus does not meet its minimum obligations within the required time period, its equity interest will revert to a 15% project interest.

Note 29. Group Entities

	Country of Incorporation	Ownership interest	
		2015	2014
Parent Entity			
Centaurus Metals Limited			
Subsidiaries			
Centaurus Resources Pty Ltd	Australia	100%	100%
San Greal Resources Pty Ltd	Australia	100%	100%
Glengarry Sabah 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%

Note 30. Subsequent Events

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 31. Remuneration of Auditors

	31 December 2015 \$	31 December 2014 \$
Audit Services		
Audit and review of financial reports – KPMG	91,827	139,240
Services other than statutory audit		
Auditors of the Company		
Taxation compliance services - KPMG	11,420	24,775

Annual Report – 31 December 2015

Note 32. Parent Entity Disclosures

As at, and throughout, the financial year ended 31 December 2015 the parent entity of the Group was Centaurus Metals Limited.

	Company	
	31 December 2015 \$	31 December 2014 \$
Results of the Parent Entity		
Loss for the period ⁽¹⁾	(4,908,137)	(26,863,098)
Other comprehensive loss	(13,333)	(33,368)
Total comprehensive loss for the period	(4,921,470)	(26,896,466)

- (1) During the current year the parent entity provided for an impairment of \$2,700,000 (2014: \$18,100,000) relating to loans to subsidiaries based on an assessment of recoverability.

	2015 \$	2014 \$
Financial Position of the Parent Entity at Year End		
Current assets	513,586	768,809
Non-current assets ⁽¹⁾	3,599,617	6,065,814
Total assets	4,113,203	6,834,623
Current liabilities	259,756	332,262
Non-current liabilities	46,217	-
Total liabilities	305,973	332,262
Net assets	3,807,230	6,502,361
Share capital	106,666,191	104,035,436
Reserves	62,375	5,776,104
Accumulated losses	(102,921,336)	(103,309,179)
Total equity	3,807,230	6,502,361

- (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.

Parent Entity Contingencies

The parent entity had no contingent liabilities as at 31 December 2015 (2014: nil).

Parent Entity Capital Commitments

The parent entity had no capital commitments at 31 December 2015 (2014: nil).

Annual Report – 31 December 2015

Parent Entity Lease Commitments

The parent entity has the following lease commitments:

Leases as Lessee

	2015	2014
	\$	\$
Non-cancellable operating lease rentals are payable as follows:		
Less than one year	54,473	70,981
Between one and five years	2,686	56,899
More than five years	-	-
	<u>57,159</u>	<u>127,880</u>

Annual Report – 31 December 2015

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 2015 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 2015.
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
31 March 2016



Independent auditor's report to the members of Centaurus Metals Limited

Report on the financial report

We have audited the accompanying financial report of Centaurus Metals Limited (the company), which comprises the consolidated statement of financial position as at 31 December 2015, and 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 ended on that date, notes 1 to 32 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement whether due to fraud or error. In note 2, the directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements of the Group comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Group's financial position and of its performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Independence

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

Auditor's opinion

In our opinion:

- (a) the financial report of the Group is 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 2015 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2.

Material uncertainty regarding continuation as a going concern

Without modifying our opinion expressed above, attention is drawn to note 2 in the financial report. The matters set forth in note 2 indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

Report on the remuneration report

We have audited the Remuneration Report included in section 5 of the directors' report for the year ended 31 December 2015. 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 responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with auditing standards.

Auditor's opinion

In our opinion, the remuneration report of Centaurus Metals Limited for the year ended 31 December 2015, complies with Section 300A of the *Corporations Act 2001*.

KPMG

KPMG

G-T H77

Graham Hogg
Partner

Perth

31 March 2016

Shareholder Information

The shareholder information set out below was applicable as at 14 March 2016.

Substantial Shareholders

The names of substantial shareholders are:

- ▶ Atlas Iron Limited ⁽¹⁾ – 60,320,264 shares (11.45%)
- ▶ Terrativa Minerais SA – 46,501,476 shares (8.83%)
- ▶ JP Morgan Nominees Australia Limited – 38,918,032 shares (7.39%)
- ▶ Tavarua International Inc – 33,898,305 shares (6.44%)

⁽¹⁾ On 27 July 2011, the Company announced it had entered into a strategic alliance with Atlas Iron Limited (“Atlas”) pursuant to which Atlas agreed to take a strategic 19.9% stake in the Company, and for Atlas to provide technical, development and product marketing support as the Company develops its export and domestic iron ore businesses in Brazil. Centaurus and Atlas entered into a subscription agreement with respect to the strategic alliance. Pursuant to the strategic alliance, and subject to meeting various conditions including Atlas continuing to hold a 5% interest in the share capital in the Company, ASX Limited have granted Centaurus a waiver from the listing rules to permit Atlas to have a right to maintain its equity interest in the Company in the event that further equity issues are undertaken for future funding requirements or as a means of securing further assets (other than by a takeover bid or scheme of arrangement). Atlas will be given the opportunity to participate in these future equity issues of the Company on the same terms as those being offered to third parties.

Class of Shares and Voting Rights

There were 3,653 holders of ordinary shares in the Company as at the above date. The voting rights attaching to the ordinary shares, set out in Clause 41 of the Company’s Constitution, are:

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

The Company has 261 holders of listed options over 20,300,666 unissued ordinary shares as at the above date. The options have an exercise price of \$0.05 and expire on 31 March 2017. There are no voting rights attached to the unissued ordinary shares. Voting rights will be attached to the unissued ordinary shares when the options have been exercised.

There were 2 holders of unlisted options over 2,000,000 unissued ordinary shares. The options have an exercise price of \$0.125 and expire on 31 August 2018. There are no voting rights attached to the unissued ordinary shares. Voting rights will be attached to the unissued ordinary shares when the options have been exercised.

There were 13 holders of unlisted options over 10,240,000 unissued ordinary shares. The options have an exercise price of \$0.025 and expire on 30 September 2016. The options were issued in July 2015 as free attaching options to a share placement.

Annual Report – 31 December 2015

Distribution of Equity Securities

The distribution of numbers of equity security holders by size of holding is shown in the table below. There were 3,203 holders of less than a marketable parcel (being a minimum \$500 parcel at \$0.06 per share) of ordinary shares.

			Class of Equity Security		
			Ordinary Shares	Listed Options	Options
1	-	1,000	571	73	-
1,001	-	5,000	1,220	99	-
5,001	-	10,000	506	31	-
10,001	-	100,000	981	34	-
100,001	and over		375	24	15
			3,653	261	15

Shareholders

The names of the twenty largest shareholders are listed below:

Name	Ordinary Shares	
	Number Held	Percentage of Issued Shares (%)
1 Atlas Iron Limited	60,320,264	11.45
2 Terrativa Minerais SA	46,501,476	8.83
3 J P Morgan Nominees Australia Limited	38,918,032	7.39
4 Tavarua International Inc	33,898,305	6.44
5 Mr Darren Gordon	21,248,316	4.04
6 Mr Bradley Bolin	19,200,000	3.65
7 Lomacott Pty Ltd	12,075,226	2.29
8 Mr Roger Fitzhardinge	12,024,213	2.28
9 Mr Ianaki Semerdziev	8,790,458	1.67
10 Matzo Consulting Pty Ltd	7,394,130	1.40
11 Lion Selection Group Limited	6,545,455	1.24
12 Mrs Liliana Teofilova	5,775,458	1.10
13 Bridgelane Capital Pty Ltd	5,576,375	1.06
14 Mr Warren Le Febour	5,346,816	1.02
15 Australian Executor Trustees Limited	5,306,518	1.01
16 Prof Anthony Watson & Mrs Stephanie Watson	5,000,000	0.95
17 Tohei Pty Ltd	4,429,980	0.84
18 Mr Antonio Aceti	4,016,780	0.76
19 Summerheat Pty Ltd	4,000,000	0.76
20 Wilclaire Investments Pty Ltd	3,932,766	0.75
Total Top 20 Shareholders	310,300,568	58.93
Other Shareholders	216,353,344	41.07
Total Number of Issued Shares	526,653,912	100.00

Annual Report – 31 December 2015

Listed Option Holders

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

Name	Listed Options	
	Number Held	Percentage of Listed Options (%)
1 Goffacan Pty Ltd	3,373,332	16.62
2 Atlas Iron Limited	3,333,333	16.42
3 CG Nominees (Australia) Pty Ltd	3,000,000	14.78
4 Mr Darren Gordon	2,116,666	10.43
5 Citicorp Nominees Pty Limited	1,014,763	5.00
6 Lomacott Pty Ltd	733,333	3.61
7 Lion Selection Group Limited	666,666	3.28
8 Bergen Global Opportunity Fund LP	666,666	3.28
9 Mr Bradley Bolin	433,333	2.14
10 Mr Roger Fitzhardinge	400,000	1.97
11 JP Morgan Nominees Australia Limited	372,916	1.84
12 Tohei Pty Ltd	343,067	1.69
13 EAS Advisors LLC	333,333	1.64
14 Stelc Pty Ltd	333,333	1.64
15 Mr Gregory Beirne & Ms Josephine Beirne	266,666	1.31
16 Matzo Consulting Pty Ltd	160,000	0.79
17 Engelhard Enterprises Pty Ltd	133,333	0.66
18 Mr Geoffrey Laurence	133,333	0.66
19 Mr Mark Hancock	133,333	0.66
20 Mr Robert Smakman	133,333	0.66
Total Top 20 Optionholders	18,080,739	89.08
Other Optionholders	2,219,927	10.92
Total Number of Listed Options	20,300,666	100.00

Restricted Securities

During the reporting period, the Company finalised terms to form a Strategic Alliance with Terrativa Minerais SA, a Brazilian private exploration group. Under the deal structure with Terrativa, Centaurus acquired 100% of the Aurora Project tenements, with consideration comprising the issue of 16,666,667 Centaurus shares at \$0.009. The Company also issued 29,834,809 shares at \$0.009 to Terrativa to complete an early exercise of its Option over the Conquista and Mombuca Projects on revised favourable terms. Both tranches of shares were issued, after shareholder approval for the issues was obtained on 10 December 2015. Terrativa voluntarily escrowed the 46,501,476 shares for a period of 12 months and this escrow period will run until 9 December 2016.

On-market Buy Back

There is no current on-market buy back.

Tenement Information

Brazilian Tenements

Tenement	Project Name	Location	Interest
831.638/2004	Canavial	Minas Gerais	100%
831.639/2004	Canavial	Minas Gerais	100%
831.629/2004	Candongá	Minas Gerais	100%
832.183/2014	Conquista	Minas Gerais	100%
832.776/2006	Conquista	Minas Gerais	100%
833.185/2006	Conquista	Minas Gerais	100%
833.624/2006	Conquista	Minas Gerais	100%
832.316/2005	Itambé	Minas Gerais	100%
833.133/2014	Mombuca	Minas Gerais	100%
831.649/2004	Jambreiro (Mining Lease)	Minas Gerais	100%
833.409/2007	Jambreiro (Mining Lease)	Minas Gerais	100%
834.106/2010	Jambreiro (Mining Lease)	Minas Gerais	100%
831.645/2006	Passabém	Minas Gerais	100%
830.588/2008	Passabém	Minas Gerais	100%
870.028/2014	Pitu	Bahia	100%
874.226/2011	Pitu	Bahia	100%
832.249/2006	Regional Guanhães	Minas Gerais	100%
832.902/2012	Regional Guanhães	Minas Gerais	100%
833.410/2007	Regional Guanhães	Minas Gerais	100%
833.808/2013	Regional Guanhães	Minas Gerais	100%
831.363/2014	Tenda I	Minas Gerais	100%
831.364/2014	Tenda II	Minas Gerais	100%

Australian Tenements

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

- (1) Subject to a Farm-Out and Joint Venture Exploration Agreement with Summit Resources (Aust) Pty Ltd. Summit has earned a 90% interest in the Project. Aeon Metals Limited has earned 80% of Summit's interest in the Project.

Annual Report – 31 December 2015

Mineral Resources & Ore Reserves Information

Total Mineral Resource Inventory

Following a revised Resource estimate for the Jambreiro Project during the year, the Company's total resource base at the end of the reporting period is shown in the table below.

Project	Million Tonnes	Fe %	SiO ₂ %	Al ₂ O ₃ %	P	LOI
Jambreiro*	127.2	28.0	51.4	3.7	0.05	1.5
Canavial*	27.6	30.5	37.0	6.0	0.07	6.4
Guanhães Region	154.8	28.5	48.9	4.1	0.05	2.4
Passabém**	39.0	31.0	53.6	0.8	0.07	0.1
Itambé***	10.0	36.6	39.1	4.0	0.05	2.4
TOTAL	203.8	29.4	49.3	3.5	0.05	1.9

* 20% Fe cut-off grade applied; ** 27% Fe cut-off grade applied; *** 25% Fe cut-off grade applied

Mineral Resources & Ore Reserves Statement

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

Ore Reserves

Project	Ore Reserves as at 31 December 2015						Ore Reserves as at 31 December 2014					
	Million Tonnes	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %	LOI %	Million Tonnes	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %	LOI %
Jambreiro Project *												
Proved	35.4	28.5	49.6	4.3	0.04	1.7	35.4	28.5	49.6	4.3	0.04	1.7
Probable	13.1	27.2	49.0	5.3	0.04	2.4	13.1	27.2	49.0	5.3	0.04	2.4
TOTAL	48.5	28.1	49.4	4.6	0.04	1.9	48.5	28.1	49.4	4.6	0.04	1.9
Candongga Project**												
Proved	-	-	-	-	-	-	0.8	59.9	10.5	1.9	0.03	0.7
Probable	-	-	-	-	-	-	0.4	61.5	9.1	1.4	0.03	0.4
TOTAL	-	-	-	-	-	-	1.2	60.5	10.0	1.7	0.03	0.6
TOTAL COMBINED	48.5	28.1	49.4	4.6	0.04	1.9	49.7	28.9	48.5	4.5	0.04	1.8

*20% Fe cut-off grade applied; Mine Dilution - 2% ; Mine Recovery - 98%; **45.0% Fe cut-off grade applied; Mine Dilution - 3% ; Mine Recovery - 98%

Annual Report – 31 December 2015

Mineral Resources

Project	Mineral Resources as at 31 December 2015						Mineral Resources as at 31 December 2014					
	Million Tonnes	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %	LOI %	Million Tonnes	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %	LOI %
Jambreiro Project*												
Measured	44.3	29.2	50.5	3.9	0.04	1.6	45.3	29.2	50.3	3.9	0.04	1.5
Indicated	37.7	27.5	51.1	3.7	0.04	1.7	37.7	27.5	51.0	3.7	0.04	1.7
Inferred	45.1	27.3	52.7	3.3	0.05	1.3	45.5	27.3	52.6	3.4	0.05	1.3
TOTAL	127.2	28.0	51.4	3.7	0.05	1.5	128.5	28.0	51.3	3.7	0.05	1.5
Candonga Project*												
Measured	-	-	-	-	-	-	0.8	60.4	10.1	1.7	0.03	0.6
Indicated	-	-	-	-	-	-	3.1	43.8	29.0	3.5	0.08	2.7
Inferred	-	-	-	-	-	-	5.5	41.3	30.9	4.1	0.08	3.3
TOTAL	-	-	-	-	-	-	9.4	43.7	28.5	3.7	0.07	2.9
Canavial Project*												
Indicated	6.5	33.6	33.6	7.1	0.10	7.9	6.5	33.6	33.6	7.1	0.10	7.9
Inferred	21.1	29.6	38.0	5.7	0.07	5.9	21.1	29.6	38.0	5.7	0.07	5.9
TOTAL	27.6	30.5	37.0	6.0	0.07	6.4	27.6	30.5	37.0	6.0	0.07	6.4
Passabém Project**												
Indicated	2.8	33.0	48.8	1.9	0.03	0.6	2.8	33.0	48.8	1.9	0.03	0.6
Inferred	36.2	30.9	54.0	0.7	0.07	0.1	36.2	30.9	54.0	0.7	0.07	0.1
TOTAL	39.0	31.0	53.6	0.8	0.07	0.1	39.0	31.0	53.6	0.8	0.07	0.1
Itambé Project***												
Indicated	4.7	37.1	37.0	4.5	0.06	2.7	4.7	37.1	37.0	4.5	0.06	2.7
Inferred	5.3	36.2	40.9	3.5	0.04	2.1	5.3	36.2	40.9	3.5	0.04	2.1
TOTAL	10.0	36.6	39.1	4.0	0.05	2.4	10.0	36.6	39.1	4.0	0.05	2.4
TOTAL COMBINED	203.8	29.4	49.3	3.5	0.05	2.0	214.5	30.0	48.3	3.5	0.05	2.0

* 20% Fe cut-off grade applied; ** 27% Fe cut-off grade applied; *** 25% Fe cut-off grade applied

- (a) Mineral Resources are reported inclusive of Ore Reserves.
(b) Rounding may generate differences in last decimal place.

Mineral Resources and Ore Reserves Annual Statement and Review

The Company carries out an annual review of its Mineral Resources and Ore Reserves as required by the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code) 2012 edition and the ASX Listing Rules. The review was carried out as at 31 December 2015. The Jambreiro Resources estimate has been reported in accordance with the JORC Code 2012 edition and the ASX Listing Rules. The remaining Ore Reserve and Mineral Resource estimates were prepared and disclosed under the JORC Code 2004 edition.

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

The adjustment in the Jambreiro Mineral Resource estimate was due to re-interpretation of the Jambreiro drilling and geology carried out during the year. There was no additional drilling data used in the Mineral Resource update. The work resulted in the preparation of an updated Mineral Resource estimate compliant with the JORC Code 2012.

Annual Report – 31 December 2015

The Jambreiro Ore Reserve was completed in November 2012 using highly conservative iron ore price and exchange rate assumptions to determine the mine gate price. As of 31 December 2015 the mine gate price remained appropriate. There were no further changes to the modifying factors for the Jambreiro Ore Reserve. Given there was no material change in the Mineral Resource estimate or to the modifying factors for the Ore Reserve, the Ore Reserve has not been updated to comply with the JORC Code 2012 edition.

The Candonga Resource and Reserve have been removed from the table as the Project was divested during the period.

There has been no additional work or change to the Canavial, Itambé and Passabém Mineral Resource estimates during the year. Information prepared and disclosed under the JORC Code 2004 Edition and which has not materially changed since last reported has not been updated.

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

Estimation Governance Statement

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

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

Approval of Mineral Resources and Ore Reserve Statement

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

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

Competent Person's Statement

The information in this Annual Report that relates to Exploration Results and Mineral Resources is based on information compiled by Roger Fitzhardinge, a Competent Person who is a Member of the Australasia Institute of Mining and Metallurgy and Volodymyr Myadzel, a Competent Person who is a Member of Australian Institute of Geoscientists. Roger Fitzhardinge is a permanent employee of Centaurus Metals Limited and Volodymyr Myadzel is the Senior Resource Geologist of Micromine BNA Consultoria e Sistemas Limited, independent resource consultants engaged by Centaurus Metals.

Roger Fitzhardinge and Volodymyr Myadzel have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Roger Fitzhardinge and Volodymyr Myadzel consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Annual Report – 31 December 2015

The information in this Annual Report that relates to Ore Reserves is based on information compiled by Beck Nader, a Competent Person who is a professional Mining Engineer and a Member of Australian Institute of Geoscientists. Beck Nader is the Managing Director of Micromine BNA Consultoria e Sistemas Ltda and is a consultant to Centaurus.

Beck Nader has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Beck Nader consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.