

5 September 2013

The Manager  
Company Announcements Office  
Australian Securities Exchange Limited

Dear Sir,

**CENTAURUS METALS LIMITED (ASX CODE: CTM)  
FINANCIAL RESULTS HALF-YEAR ENDED 30 JUNE 2013**

Please find attached the Interim Financial Report for the half year ended 30 June 2013 in which the Company recorded a net loss after tax of \$25.4 million. Included in the loss is a non-cash impairment charge of \$15.3 million, net of tax.

The non-cash impairment charge follows a review of the carrying values of the non-core Itambé and Passabém iron ore projects. The carrying values predominantly consisted of the allocation of goodwill following the takeover of Centaurus Resources Limited in 2010.

The projects were assessed for impairment as a result of the Company's strong focus on the development of the Jambreiro iron ore project.

Yours faithfully,

**CENTAURUS METALS LIMITED**



**JOHN WESTDORP**  
Chief Financial Officer



**Centaurus Metals Limited ABN 40 009 468 099**

And it's controlled entities

**Interim Financial Report**

**30 June 2013**

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### Directors' Report

Your directors present their report on the Consolidated Entity ("Group") consisting of Centaurus Metals Limited ("Centaurus" or "the Company") and the entities it controlled at the end of, or during, the half-year ended 30 June 2013 together with the consolidated financial report and review report thereon.

#### Directors

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

D M Murcia  
D P Gordon  
P E Freund  
R G Hill  
M Hancock  
S Zaninovich (appointed 10 January 2013)  
K McKay (resigned 10 January 2013)  
S Lyons (resigned 12 April 2013)

#### Review of Operations

##### Financial Position

The total comprehensive consolidated loss for the half-year was \$25.4m. Included in the loss is exploration expenditure of \$7.6m and the net impact of impairment of exploration and evaluation assets of \$15.3m net of tax.

At the end of the half-year the Group had a net cash balance of \$12.7m and net assets of \$19.7m.

##### Jambreiro Project

Centaurus achieved a number of important milestones during the half-year as it continued to progress Jambreiro towards financing, construction and development. Preliminary site works commenced during the period.

##### Environmental Approvals

In March 2013, the Federal Department of Mineral Production (DNPM) in Brazil approved the PAE (Economic Development Plan) for the Jambreiro Iron Ore Project. The receipt of the PAE approval represented the final approval required from the DNPM before the relevant environmental agencies could issue the Installation Licence (LI) for the Project. The Company subsequently secured the key Installation Licence ("LI") for the Jambreiro Project in April 2013, clearing the way for on-site construction to commence.

##### Initial Site Works

With the Company having secured the key environmental Installation Licence for the Jambreiro Project, Centaurus commenced some initial on-site work during the half-year. Water availability during construction and the operational phase is an important consideration for the Project.

## **Interim Financial Report - 30 June 2013**

Accordingly, a local earthmoving contractor was engaged to construct a temporary coffer dam immediately upstream from the site for the project's main tailings dam wall. The coffer dam works were completed by the end of the half-year.

### **Other Project Activities**

The Company advanced negotiations with potential customers in relation to off-take in order to facilitate a suitable debt financing package for project development.

During the half-year, Centaurus made significant progress engaging with potential debt financiers. Key terms of a joint mandate and term sheet for a project finance facility were discussed and the Financiers' Independent Engineer completed an Independent Technical Report for the Project.

Two key contracts for the Jambreiro Project, the Management Support Contract and the Detailed Engineering and Procurement Contract, were awarded during the period.

A final route for the high voltage connection to the existing State power transmission grid in conjunction with the State Energy provider, CEMIG was selected.

An in-fill RC drill program was completed, enabling some of the existing Inferred Resources falling within the current pit design to be converted to Measured and Indicated Resources. The Company's JORC Resource Inventory at Jambreiro<sup>1</sup> now stands at 128 million tonnes grading 27.8% Fe.

The Company contracted a number of environmental monitoring programs which are required under the Licence terms to be maintained during the period of site disturbance.

During the half-year, the Company entered into a Memorandum of Understanding (MOU) with the State of Minas Gerais and a group of key State Departments which will result in the provision of important fiscal concessions and project facilitation benefits for the development of the Project.

### **Exploration**

#### **Canavial Iron Ore Project (Centaurus 100%)**

Towards the end of the half-year, Centaurus delivered a maiden JORC Mineral Resource estimate for the Canavial Project<sup>2</sup> of 27.6 million tonnes at an average grade of 30.5% Fe. Canavial is a key satellite deposit located 10km to the south-west of Jambreiro.

The Resource includes a significant component (15.8 million tonnes grading 33.2% Fe) of friable itabirite mineralisation which complements that of the Jambreiro Project.

#### **Candongga Iron Ore Project (Centaurus 100%)**

During the period, the Company undertook a drilling campaign at its 100%-owned Candonga Iron Ore Project, located 33km from Jambreiro. Subsequent to the half-year end, a maiden JORC Mineral Resource<sup>3</sup> was completed. The Resource included 9.1 million tonnes at an average grade of 43.8% Fe of friable itabirite mineralisation.

It is expected that the Candonga mineralisation will be able to be upgraded to a high grade, low impurity product using a similar process flowsheet to the one that will be utilised at Jambreiro.

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<sup>1</sup> Refer to ASX Announcement of 29 July 2013 for further details

<sup>2</sup> Refer to ASX Announcement of 31 May 2013 for further details

<sup>3</sup> Refer to ASX Announcement of 8 August 2013 for further details

## Interim Financial Report - 30 June 2013

The JORC Resources defined at Canavial and Candonga, when combined with the latest Jambreiro Resource estimate, boosts the Company's total JORC compliant Resource Inventory in the Guanhões region of south-eastern Brazil<sup>4</sup> to over 167 million tonnes at an average grade of 28.9% Fe and the Company's total Resource Inventory in south-eastern Brazil to over 216 million tonnes at an average grade of 29.6% Fe. Importantly the Company's friable itabirite Resource Inventory in the Guanhaes region has been lifted to over 89 million tonnes at an average grade of 30.8% Fe.

### Corporate

In January 2013, the Company appointed experienced mining and project management executive, Mr Steven Zaninovich, as a Non-Executive Director. Mr Zaninovich filled a vacancy created by the retirement of long serving Non-Executive Director, Mr Keith McKay. On 12 April, Ms Sheila Lyons resigned as a Non-Executive Director. Ms Lyons joined the Board last year as a nominee of the Company's second largest shareholder, Liberty Metals & Mining Holdings, LLC ("LMM"), which holds a 12.8% interest in the Company.

The Annual General Meeting of Centaurus Metals Limited was held on Friday 31 May 2013. All resolutions were passed on a show of hands.

### Events Subsequent to Reporting Date

There have not been any other events that have arisen in the interval between the end of the financial half-year and the date of this report any item, transaction or event of a material or unusual nature likely, in the opinion of the directors of the Group, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial periods.

### Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 for the half-year ended 30 June 2013 is set out on page 7.



D P Gordon  
Managing Director

Perth

4 September 2013

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<sup>4</sup> Refer to ASX Announcement of 8 August 2013 for further details

**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 who is a Member of the Australasia Institute of Mining and Metallurgy and Volodymyr Myadzel 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.

Roger Fitzhardinge and Volodymyr Myadzel have sufficient experience which 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 2004 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.



***Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001***

To: the directors of Centaurus Metals Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 30 June 2013 there have been:

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

KPMG

KPMG

G + H

Graham Hogg  
*Partner*

Perth

4 September 2013



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

For the half-year ended 30 June 2013

	Note	30 June 2013 \$	31 December 2012 \$
<b>Profit or Loss</b>			
Other income	5	112	482,122
Exploration expenditure		(7,623,991)	(7,115,483)
Reversal of provision for impairment		-	136,642
Impairment of available for sale investments	4	(413,000)	(23,438)
Impairment of exploration and evaluation	4	(18,456,023)	(105,758)
Employee benefits expense		(1,331,968)	(1,457,339)
Share based payments		29,996	(267,045)
Occupancy expenses		(187,083)	(233,872)
Listing and share registry fees		(27,656)	(103,102)
Professional fees		(265,494)	(256,348)
Depreciation		(76,229)	(64,561)
Other expenses	6	(692,091)	(648,619)
<b>Results from operating activities</b>		<b>(29,043,427)</b>	<b>(9,656,801)</b>
Finance income		434,201	543,011
Finance expenses		(336)	(12,010)
<b>Loss before income tax</b>		<b>(28,609,562)</b>	<b>(9,125,800)</b>
Income tax benefit	4	3,202,719	-
<b>Loss for the period</b>		<b>(25,406,843)</b>	<b>(9,125,800)</b>
<b>Other Comprehensive Income</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
Net change in fair value of available-for-sale financial assets		(110,972)	110,972
Exchange differences arising on translation of foreign operations		855,294	(53,031)
Income tax on other comprehensive income		-	-
<b>Other comprehensive income (loss) for the period</b>		<b>744,322</b>	<b>57,941</b>
<b>Total comprehensive loss for the period</b>		<b>(24,662,521)</b>	<b>(9,067,859)</b>
<b>Earnings per Share</b>			
		Cents	Cents
Basic loss per share		(12.98)	(5.14)
Diluted loss per share		(12.98)	(5.14)

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

## Condensed Consolidated Statement of Financial Position

As at 30 June 2013

	Note	30 June 2013 \$	31 December 2012 \$
<b>Current assets</b>			
Cash and cash equivalents		12,717,274	23,402,755
Other receivables and prepayments		804,895	913,105
<b>Total current assets</b>		<b>13,522,169</b>	<b>24,315,860</b>
<b>Non-current assets</b>			
Other receivables		1,578,533	1,336,437
Other investments including derivatives	4	596,707	1,120,679
Property, plant and equipment		1,592,567	965,589
Exploration and evaluation assets	4	4,872,872	22,446,311
<b>Total non-current assets</b>	8	<b>8,640,679</b>	<b>25,869,016</b>
<b>Total assets</b>		<b>22,162,848</b>	<b>50,184,876</b>
<b>Current liabilities</b>			
Trade and other payables		1,936,330	2,321,754
Employee benefits		569,082	433,044
<b>Total current liabilities</b>		<b>2,505,412</b>	<b>2,754,798</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities		3,970	3,084,095
<b>Total non-current liabilities</b>		<b>3,970</b>	<b>3,084,095</b>
<b>Total liabilities</b>		<b>2,509,382</b>	<b>5,838,893</b>
<b>Net assets</b>		<b>19,653,466</b>	<b>44,345,983</b>
<b>Equity</b>			
Share capital	7	98,766,042	98,766,042
Reserves		260,352	(453,974)
Accumulated losses		(79,372,928)	(53,966,085)
<b>Total equity</b>		<b>19,653,466</b>	<b>44,345,983</b>

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

## Condensed Consolidated Statement of Changes in Equity

For the half-year ended 30 June 2013

Note	Issued Capital \$	Option Reserve \$	Share-Based Payments Reserve \$	Available-for- Sale Investments \$	Foreign Currency Translation \$	Accumulated Losses \$	Total Equity \$
<b>Balance at 1 January 2013</b>	<b>98,766,042</b>	<b>2,966,597</b>	<b>2,791,614</b>	<b>110,972</b>	<b>(6,323,157)</b>	<b>(53,966,085)</b>	<b>44,345,983</b>
Loss for the period	-	-	-	-	-	(25,406,843)	(25,406,843)
Net change in fair value of available-for-sale financial assets	-	-	-	(110,972)	-	-	(110,972)
Foreign currency translation difference for foreign operation	-	-	-	-	855,294	-	855,294
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(110,972)</b>	<b>855,294</b>	<b>(25,406,843)</b>	<b>(24,662,521)</b>
Share-based payment transactions	-	-	(29,996)	-	-	-	(29,996)
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>(29,996)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(29,996)</b>
<b>Balance at 30 June 2013</b>	<b>98,766,042</b>	<b>2,966,597</b>	<b>2,761,618</b>	<b>-</b>	<b>(5,467,863)</b>	<b>(79,372,928)</b>	<b>19,653,466</b>

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

## Interim Financial Report - 30 June 2013

Note	Issued Capital \$	Option Reserve \$	Share-Based Payments Reserve \$	Available-for- Sale Investments \$	Foreign Currency Translation \$	Accumulated Losses \$	Total Equity \$
<b>Balance at 1 July 2012</b>	<b>72,710,747</b>	<b>2,966,597</b>	<b>2,524,569</b>	-	<b>(6,270,126)</b>	<b>(44,840,285)</b>	<b>27,091,502</b>
Loss for the period	-	-	-	-	-	(9,125,800)	(9,125,800)
Net change in fair value of available-for-sale financial assets	-	-	-	110,972	-	-	110,972
Foreign currency translation difference for foreign operation	-	-	-	-	(53,031)	-	(53,031)
<b>Total comprehensive income for the period</b>	-	-	-	<b>110,972</b>	<b>(53,031)</b>	<b>(9,125,800)</b>	<b>(9,067,859)</b>
Issue of ordinary shares	26,200,916	-	-	-	-	-	26,200,916
Share Issue Costs	(820,621)	-	-	-	-	-	(820,621)
Issue of ordinary shares on exercise of options	675,000	-	-	-	-	-	675,000
Share-based payment transactions	-	-	267,045	-	-	-	193,429
<b>Total transactions with owners</b>	<b>26,055,295</b>	-	<b>267,045</b>	-	-	-	<b>26,322,340</b>
<b>Balance at 31 December 2012</b>	<b>98,766,042</b>	<b>2,966,597</b>	<b>2,791,614</b>	<b>110,972</b>	<b>(6,323,157)</b>	<b>(53,966,085)</b>	<b>44,345,983</b>

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

## Condensed Consolidated Statement of Cash Flows

For the half-year ended 30 June 2013

	Note	30 June 2013 \$	31 December 2012 \$
<b>Cash flows from operating activities</b>			
Exploration and evaluation expenditure		(7,548,240)	(8,290,178)
Payments to suppliers and employees (inclusive of goods and services tax)		(2,448,489)	(2,806,958)
Interest received		586,869	428,334
<b>Net cash used in operating activities</b>		<b>(9,409,860)</b>	<b>(11,298,802)</b>
<b>Cash flows from investing activities</b>			
Payments for plant & equipment		(441,295)	(153,211)
Payments for mine development		-	(33,874)
Acquisition of exploration assets		(961,467)	-
Proceeds from sale of plant & equipment		35,397	-
<b>Net cash used in investing activities</b>		<b>(1,367,365)</b>	<b>(187,085)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of equity securities		-	26,875,916
Capital Raising Costs		-	(820,621)
<b>Net cash used in financing activities</b>		<b>-</b>	<b>26,055,295</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(10,777,226)</b>	14,569,408
Cash and cash equivalents at the beginning of the half-year		23,402,755	8,845,662
Effect of exchange rate fluctuations on cash held		91,745	(12,315)
<b>Cash and cash equivalents at the end of the half-year</b>		<b>12,717,274</b>	<b>23,402,755</b>

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

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

### **For the half-year ended 30 June 2013**

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

Centaurus Metals Limited is a company domiciled in Australia. These condensed consolidated interim financial statements ('interim financial statements') as at and for the six months ending 30 June 2013 comprise the Company and its subsidiaries (together referred to as the 'Group'). The Group is primarily involved in the exploration for and development of iron ore resources.

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

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

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

They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the period ended 31 December 2012.

These interim financial statements were authorised for issue by the Company's Board of Directors on 4 September 2013.

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

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

The significant judgements made by Management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the period ended 31 December 2012.

##### **Change of financial year end**

The financial year of the Company has been changed from 30 June to 31 December to align the Company's financial year end with that of its Brazilian subsidiaries. This will improve the efficiency of the Company's financial reporting allowing the Company to co-ordinate financial reporting and the audit and review process with its subsidiaries. Accordingly, these interim financial statements of the Group cover the six month period from 1 January 2013 to 30 June 2013. Comparative figures for the financial statements cover the six month period from 1 July 2012 to 31 December 2012. The results for the period are therefore not directly comparable with the results for 30 June 2013.

### Note 3. Significant Accounting Policies

Except as described below, the accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the period ended 31 December 2012. The following changes in accounting policies are also expected to be reflected in the Group's consolidated financial statements as at and for the period ending 31 December 2013.

#### Changes in Accounting Policy

There have been no changes in accounting policies for the half-year ended 30 June 2013. The Consolidated Entity has adopted the following new and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1 January 2013.

- IFRS 10 *Consolidated Financial Statements (2011)*
- IFRS 13 *Fair Value Measurement*
- *Presentation of Items of Other Comprehensive Income (Amendments to IAS 1)*
- *IAS 19 Employee Benefits (2011)*
- *Annual Improvements to IFRS 2009-2011 Cycle*

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

### Note 4. Impairment Loss

#### Exploration and Evaluation Assets

During the half-year ending 30 June 2013 the Group recognised an impairment loss on the carrying values of two of its Iron Ore Projects, Itambé and Passabém. The projects were assessed for impairment as a result of the Group's intent to focus on the Jambreiro project.

The Group engaged the services of valuation experts both in Brazil and Australia to assist in the calculation of the recoverable amount of these underlying assets. The method applied to calculate the recoverable amount (being the fair value less cost to sell) was the Enterprise Value method. This method incorporates the entity's current market value and allocates the value on a reasonable basis to the underlying assets. This resulted in the recognition of an impairment loss as follows:

Project	30 June 2013		
	Carrying Amount	Recoverable Amount	Impairment Charge
Passabém	12,251,433	1,570,000	10,681,433
Itambé	8,254,590	480,000	7,774,590
Total	20,506,023	2,050,000	18,456,023

The impairment charge also resulted in a reversal of a recognised deferred tax liability of \$3,202,719 resulting in a net impact on the Condensed Consolidated Statement of Profit or Loss of \$15,253,304. These assets are part of the Brazil geographical reporting segment.

## Interim Financial Report - 30 June 2013

### Other Investments Including Derivatives

Significant and prolonged declines in the market value of available-for-sale financial instruments resulted in the recognition of an impairment loss of \$413,000 in the Condensed Consolidated Statement of Profit or Loss for the 6 months ending 30 June 2013.

### Note 5. Other Income

Other Income comprises the following items for the half-year.

	30 June 2013 \$	31 December 2012 \$
Net gain on disposal of mineral tenements	-	478,024
Proceeds on court settlement	112	4,098
Total	112	482,122

### Note 6. Other Expenses

Other Expenses comprises the following items for the half-year.

	30 June 2013 \$	31 December 2012 \$
Marketing expenses	203,345	297,417
Consulting services	132,095	107,851
Travel expenses	234,131	153,029
Other expenses	122,520	90,322
Total	692,091	648,619

### Note 7. Share Capital

	30 June 2013 Number of Shares	31 December 2012 Number of Shares
On issue at the start of the period	195,747,919	133,500,382
Issue of ordinary shares for share placement at \$0.44 per share	-	59,547,537
Exercise of options	-	2,700,000
On issue at the end of the period	195,747,919	195,747,919

### Note 8. Operating Segments

The Group operates in the iron ore 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.



## Interim Financial Report - 30 June 2013

The financial results and financial position from this segment are largely equivalent to the financial statements of the Group as a whole, with the exception of corporate administration expenses in Australia and Brazil \$2,256,431 (31 December 2012: \$2,699,291) and deferred tax liabilities of \$3,970 (31 December 2012: \$3,084,095) which are reviewed separately from the Group's operating segment.

	30 June 2013 Revenue \$	30 June 2013 Non-Current Assets \$	31 December 2012 Revenue \$	31 December 2012 Non-Current Assets \$
Geographical Segment Information				
Brazil	-	<b>7,821,653</b>	-	24,515,516
Australia	-	<b>819,026</b>	-	1,353,500
Total	-	<b>8,640,679</b>	-	25,869,016

### Note 9. Subsequent Events

There have not been any other events that have arisen in the interval between the end of the financial half-year and the date of this report any item, transaction or event of a material or unusual nature likely, in the opinion of the directors of the Group, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial periods.

## **Directors' Declaration**

**For the half-year ended 30 June 2013**

In the directors' opinion:

- (a) The financial statements and notes set out on pages 8 to 16 are in accordance with the Corporations Act 2001, including:
  - i. complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
  - ii. giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the half-year ended on that date, and
  
- (b) there are reasonable grounds to believe that Centaurus Metals Limited will be able to pay its debts as and when they become due and payable.

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



D P Gordon  
Managing Director

Perth

4 September 2013



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

### **Report on the financial report**

We have reviewed the accompanying interim financial report of Centaurus Metals Limited, which comprises the condensed consolidated statement of financial position as at 30 June 2013, condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, notes 1 to 9 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Consolidated Entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

#### *Directors' responsibility for the interim financial report*

The directors of the company are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the interim financial report that is free from material misstatement, whether due to fraud or error.

#### *Auditor's responsibility*

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 30 June 2013 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Centaurus Metals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

#### *Independence*

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



*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Centaurus Metals Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2013 and of its performance for the half-year ended on that date; and

(b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

KPMG

KPMG

G-H

Graham Hogg  
*Partner*

Perth

4 September 2013