Centaur Resources Limited and its controlled entities

ABN 85 625 184 947

Financial Report - 30 June 2019

Centaur Resources Limited and its controlled entities
Directors' report
30 June 2019

The directors of Centaur Resources Limited (“the Company”) present their report together with the consolidated financial statements of the Centaur Resources Group (“the consolidated entity”), being the Company and its controlled entities, for the year ended 30 June 2019 and the auditor’s report thereon.

Centaur Resources Limited and its wholly owned subsidiary Centaur Resources Holdings Pty Ltd were incorporated in Australia on 4 April 2018 and 21 June 2017 respectively. Centaur Resources Holdings Pty Ltd also holds the sole beneficial interest in Centaur Resources PG S.A.S. (a company incorporated in Argentina on 22 June 2018). The consolidated entity's prior period comparatives cover 21 June 2017 to 30 June 2018.

Directors
The following persons were directors of Centaur Resources Limited and its controlled entities during the whole of the financial year and up to the date of this report, unless otherwise stated:

Brian Clifford
John Dunlop (resigned 10 September 2018)
Aaron Revelle (resigned 20 July 2018)
Gregory Jones (appointed 20 July 2018)
Robert Milbourne (appointed 10 September 2018, resigned 9 November 2018)
Ivo Polovineo (appointed 10 September 2018)
Paul Anderson (appointed 11 December 2018)

Principal activities
Centaur Resources Limited was formed to identify, secure, acquire and develop lithium resource tenements in proven regions of South America and in particular Argentina.

On 29 June 2018, Centaur Resources Limited (CRL) acquired all the shares in Centaur Resources Holding Pty Limited (CRH). CRH is working on one project, Lobo Blanco (Argentina) which is comprised of purchase and sale agreements between CRH and 4 different vendor groups composing of nine tenements encompassing over 10,000ha (“the Project”). These tenements represent a strategic land position on the prospective Pastos Grandes Salar. CRH offers the compelling combination of an experienced and dedicated management team as well as an experienced Board of Directors with experience in the mining exploration industry.

Dividends
There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations
The loss for the consolidated entity after providing for income tax amounted to $3,630,104 (30 June 2018: $3,121,893).

Significant changes in the state of affairs
There were no significant changes in the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year
The company continues to explore strategies to source funds. This has been through both equity and debt in the form of convertible notes. To date, these fund-raising activities have raised $2,041,500 including issuing new shares to the value of $1,401,500 and interest free convertible notes to the value of $640,000.

A rights issue to raise up to $10,000,000 is being pursued for completion prior to 31 December. This will be at least 80% underwritten and this should place the Company in a stronger position to access further necessary funding, particularly to meet the short-term requirements to achieve its JORC Resource and PEA milestones.

A settlement in a legal matter being negotiated at 30 June was resolved with an agreement signed on 5 November 2019.

Payments to the Marmol tenement owners have been made in accordance with the contract payment schedule. Material payments have also been made to secure access to energy to the site providing the project with significant advantages.

No other matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations

Ongoing future exploration of tenement acquisitions in Argentina and quantification of the full ore reserve availability will be the key focus of the consolidated entity going forward. The board intends to raise additional capital in 2020 to meet the future tenement acquisition requirements in Argentina and ongoing exploration. The board anticipates that any capital raising will involve a conversion of existing debt to equity, investment shareholdings plus director and management equity participation.

Information on likely developments in the operations of the consolidated entity 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 consolidated entity.

Environmental regulation

The consolidated entity is subject to state, federal and international environmental legislation. The consolidated entity has complied with its environmental obligations and has not received a notification for environmental breaches by any Government agency to the date of this Directors' Report, and the directors do not anticipate any obstacles in complying with the legislation.

Information on directors

Name:	Brian Clifford
Title:	Managing Director
Qualifications:	MBA, dip Bus, MAICD
Experience and expertise:	Prior to joining Centaur, Brian was the Managing Director of AMCI Investments Pty Ltd which is responsible for AMCI's Australian and South East Asia operations, acquisitions, divestments and joint venture project interest. Brian also holds several separate directorships within the AMCI portfolio, which include; greenfield projects, operating asset and joint ventures. Brian was previously the General Manager of the AMCI's coal trading desk, a 3 million tonne a year coal trading book. Brian has 16 years of mining related experience formerly with Anglo American and 10 years with BHP Billiton across a number of geographies and commodities.
Special responsibilities:	Managing Director

Name:	Gregory Jones
Title:	Non-Executive Director
Qualifications:	BSc(Hons)Geology
Experience and expertise:	Greg is a geologist with 40 years of experience gained across a range of metalliferous commodities within Australia and overseas. Greg's technical and project management experience spans a broad spectrum from exploration through to resource definition and mine operation. Greg has held senior management positions in successful resource companies including Western Mining Corporation and Sino Gold Limited and over the last 10 years has held the role of Managing Director and Non-executive Director in a number of ASX listed entities.

Name:	Ivo Polovineo
Title:	Non-Executive Director
Qualifications:	FIPA
Experience and expertise:	Ivo Polovineo has over 45 years' experience in corporate accounting, finance and company secretarial work in a diverse range of companies. Ivo has spent the past 35 years in senior management roles in the resources sector including 7 years as company secretary (and 5 years as CFO) of Sino Gold Mining Limited. Ivo is currently a consultant and joint company secretary of Lynas Corporation and is a former director of Eastern Iron Limited and Galaxy Resources Limited.

Name:	Paul Anderson
Title:	Non-Executive Director
Age:	GAICD
Experience and expertise:	Paul Anderson is Executive Chairman of Bonython Property and Investments. He has extensive experience in property development and construction and long success in government administration as Chief Executive Officer of Gosford City Council and other senior roles in local government in NSW. He holds Master's degrees in Engineering, Management and Law.

Company secretary

Name:	Simon Lennon (appointed 15 March 2019)
Title:	Company Secretary
Qualifications:	MCom (NSW), MBA (Macq), BSc (Syd), LLB (Syd), FGIA, FCIS
Experience and expertise:	Simon Lennon has legal, financial, and company secretarial experience in a wide range of industries, including mineral exploration, mining, manufacturing, shipping, road transport, funds management, and information technology. He has worked in corporations operating in Australasia, Europe, the Americas, and Asia, including several listed on the Australian Stock Exchange and on stock exchanges in other countries. As well as being company secretary of Centaur Resources Limited, Simon is company secretary of EatClub Pty Limited. He consults to the Association of Professional Social Compliance Auditors and to Professional Edge. Details of his qualifications, professional memberships, publications, and experience are available at LinkedIn.

Meetings of directors
The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2019, and the number of meetings attended by each director were:

	Full Board	
	Attended	Held
John Dunlop	3	3
Brian Clifford	12	12
Aaron Revelle	1	1
Gregory Jones	11	11
Robert Milbourne	3	3
Ivo Polovineo	10	10
Paul Anderson	7	7

Held: represents the number of meetings held during the time the director held office.

Shares under option
There were no unissued ordinary shares of Centaur Resources Limited and its controlled entities under option outstanding at the date of this report.

Shares issued on the exercise of options
There were no ordinary shares of Centaur Resources Limited and its controlled entities issued on the exercise of options during the year ended 30 June 2019 and up to the date of this report.

Indemnity and insurance of officers
The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor
The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Auditor

HLB Mann Judd continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Brian Clifford
Director

6 December 2019

Auditor's Independence Declaration

As lead auditor for the audit of the consolidated financial report of Centaur Resources Limited for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(a) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(b) any applicable code of professional conduct in relation to the audit.

This declaration is in relation to Centaur Resources Limited and the entities it controlled during the period.

M. Muller

Sydney, NSW
6 December 2019

M D Muller
Director

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General information

The consolidated financial statements cover Centaur Resources Limited as a consolidated entity consisting of Centaur Resources Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Centaur Resources Limited's functional and presentation currency.

Centaur Resources Limited and its controlled entities is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 1, 80 Chandos Street,
St Leonards,
NSW 2065

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

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The financial statements were authorised for issue, in accordance with a resolution of directors, on 6 December 2019. The directors have the power to amend and reissue the financial statements.

Centaur Resources Limited and its controlled entities
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2019

	Note	Consolidated 2019 $	2018 $
Expenses			
Corporate, consulting and legal expenses		(1,591,245)	(2,600,659)
Net change in fair value of financial liabilities at fair value through profit or loss		336,933	(336,933)
Travel		(125,955)	(91,344)
Advertising and marketing		(1,740)	(24,150)
Exploration and evaluation expenditure		(52,898)	(4,071)
Depreciation expense		(42,000)	(3,500)
Employee benefits expense		(334,701)	(16,425)
Other expenses		(1,818,498)	(44,811)
Loss before income tax expense		(3,630,104)	(3,121,893)
Income tax expense	3	-	-
Loss after income tax expense for the year attributable to the owners of Centaur Resources Limited and its controlled entities		(3,630,104)	(3,121,893)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of Centaur Resources Limited and its controlled entities		(3,630,104)	(3,121,893)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Centaur Resources Limited and its controlled entities
Statement of financial position
As at 30 June 2019

	Note	Consolidated 2019 $	Consolidated 2018 $
Assets			
Current assets			
Cash and cash equivalents	4	160,183	300,472
Trade and other receivables	5	692,501	402,758
Total current assets		852,684	703,230
Non-current assets			
Property, plant and equipment	6	25,723	66,500
Exploration and evaluation	7	13,629,732	1,874,599
Total non-current assets		13,655,455	1,941,099
Total assets		14,508,139	2,644,329
Liabilities			
Current liabilities			
Trade and other payables	8	7,019,007	245,629
Borrowings	9	8,278,529	5,520,593
Total current liabilities		15,297,536	5,766,222
Total liabilities		15,297,536	5,766,222
Net liabilities		(789,397)	(3,121,893)
Equity			
Issued capital	10	5,962,700	100
Reserves	11	(100)	(100)
Accumulated losses		(6,751,997)	(3,121,893)
Total deficiency in equity		(789,397)	(3,121,893)

The above statement of financial position should be read in conjunction with the accompanying notes

Centaur Resources Limited and its controlled entities
Statement of changes in equity
For the year ended 30 June 2019

Consolidated	Issued capital $	Reserves $	Retained profits $	Total deficiency in equity $
Balance at 21 June 2017	-	-	-	-
Loss after income tax expense for the year	-	-	(3,121,893)	(3,121,893)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(3,121,893)	(3,121,893)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs	100	-	-	100
Reserves arising from business combination under common control	-	(100)	-	(100)
Balance at 30 June 2018	100	(100)	(3,121,893)	(3,121,893)

Consolidated	Issued capital $	Reserves $	Retained profits $	Total deficiency in equity $
Balance at 1 July 2018	100	(100)	(3,121,893)	(3,121,893)
Loss after income tax expense for the year	-	-	(3,630,104)	(3,630,104)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(3,630,104)	(3,630,104)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 10)	5,962,600	-	-	5,962,600
Balance at 30 June 2019	5,962,700	(100)	(6,751,997)	(789,397)

The above statement of changes in equity should be read in conjunction with the accompanying notes

Centaur Resources Limited and its controlled entities
Statement of cash flows
For the year ended 30 June 2019

	Note	Consolidated 2019 $	Consolidated 2018 $
Cash flows from operating activities			
Payments to suppliers (inclusive of GST)		(3,243,494)	(2,349,938)
Net cash used in operating activities	23	(3,243,494)	(2,349,938)
Cash flows from investing activities			
Payments for property, plant and equipment	6	-	(70,000)
Payments for exploration and evaluation		(5,954,264)	(1,874,598)
Net cash used in investing activities		(5,954,264)	(1,944,598)
Cash flows from financing activities			
Proceeds from issue of shares	10	207,000	100
Proceeds from issue of convertible notes and borrowings		8,850,469	4,594,908
Net cash from financing activities		9,057,469	4,595,008
Net increase/(decrease) in cash and cash equivalents		(140,289)	300,472
Cash and cash equivalents at the beginning of the financial year		300,472	-
Cash and cash equivalents at the end of the financial year	4	160,183	300,472

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted
The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern
For the period ended 30 June 2019 the consolidated entity incurred a loss after income tax of $3,630,104 and net cash outflows from operating activities of $3,243,494. At 30 June 2019 the consolidated entity had net liabilities of $789,397. These conditions give rise to a material uncertainty that may cast significant doubt about the ability of the consolidated entity to continue as a going concern.

Included in current liabilities are convertible notes of $1,018,652 which are interest free. Subsequent to June 30 further conversions to equity brought this balance to $380,000.

Secured loans totalling $7,259,877 with repayment due in December 2019 are expected to convert to equity subsequent to a proposed $10,000,000 rights issue.

It is anticipated, with secured debt being cleared from the balance sheet, that necessary short term funding will be available to complete necessary activities (JORC, PEA, etc) prior to the anticipated IPO in Q3 2020.

Fund raising activities since 30 June 2019 have including issuing new shares to the value of $1,401,500 and a new issue of interest free convertible notes to the value of $640,000.

The convertible notes will convert into equity on maturity or should a change of control or IPO event occur prior to maturity.

The Directors are currently working on an Initial Public Offering (IPO) and it is anticipated that the Company will seek to list on the Australian Securities Exchange (ASX) within 12 months of the reporting date.

The Directors are of the opinion that at the date of signature of the financial report there are reasonable and supportable grounds to believe that the consolidated entity will list on the ASX and will be able to meet its liabilities from its assets in the ordinary course of business, for a period of not less than 12 months from the date of signature of the audit report on this financial report to the date of signature of the audit report on the financial report for the year ending 30 June 2020, and has accordingly prepared the financial report on a going concern basis.

Should the consolidated entity be unable to continue as a going concern it may be required to realise its assets and discharge its liabilities other than in the normal course of business at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount of liabilities that might result should the consolidated entity be unable to continue as a going concern and meet its debts as and when they fall due.

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Note 1. Significant accounting policies (continued)

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Parent entity information
In accordance with the *Corporations Act 2001*, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 20.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Centaur Resources Limited ('company' or 'parent entity') as at 30 June 2019 and the results of all subsidiaries for the year then ended. Centaur Resources Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity 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 to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Non-derivative financial assets
Non-derivative financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted.

Note 1. Significant accounting policies (continued)

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired. Loans and receivables comprise cash and cash equivalents and, trade and other receivables.

Impairment of financial assets
The consolidated entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows.

The amount of the impairment allowance for loans and receivables carried at amortised cost is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. If there is a reversal of impairment, the reversal cannot exceed the amortised cost that would have been recognised had the impairment not been made and is reversed to profit or loss.

Non-derivative financial liabilities
The consolidated entity initially recognises debt securities issued on the date that they are originated. All other financial liabilities are recognised initially on the trade date at which the consolidated entity becomes a party to the contractual provisions of the instrument.

The consolidated entity derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. Financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the consolidated entity 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.

Non-derivative financial liabilities comprise loans and borrowings, debt securities issued and trade and other payables.

Impairment of non-financial assets
Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Note 1. Significant accounting policies (continued)

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

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

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Foreign currency transactions
Transactions and balances
Transactions in foreign currencies are translated to the functional currency of the consolidated entity at an exchange rate at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Foreign currency differences arising on retranslation are recognised in profit or loss, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the investment in a foreign operation.

Foreign operations
The assets and liabilities of foreign operations are translated to the functional currency at the foreign exchange rate ruling at the reporting date. The income and expenses of foreign operations are translated to Australian dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the foreign currency translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the consolidated entity disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests

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 items are considered to form part of the net investment in the foreign operation and are recognised in other comprehensive income, and are presented in the foreign currency translation reserve in equity

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2019. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

In particular, information about areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in the following notes:

- Note 1 – Going concern
- Note 7 – Exploration and evaluation expenditure
- Note 9 – Loans and borrowings

Note 3. Income tax

	Consolidated 2019 $	Consolidated 2018 $
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(3,630,104)	(3,121,893)
Tax at the statutory tax rate of 27.5%	(998,279)	(858,521)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Permanent differences	509,293	92,657
Current period tax losses and temporary differences not recognised	502,623	765,864
Effect of difference in tax rate in Argentina	(13,637)	-
Income tax expense	-	-

	Consolidated 2019 $	Consolidated 2018 $
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	(3,765,371)	(2,634,249)
Potential tax benefit @ 27.5%	(1,035,477)	(724,418)
Effect of difference in tax rate in Argentina	(36,857)	-
Potential tax benefit	(1,072,334)	(724,418)

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

	Consolidated 2019 $	Consolidated 2018 $
Deferred tax assets not recognised		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Unused tax losses	1,796,752	724,418
Accrued expenses	314,514	41,166
Other timing differences	(846,681)	279
Total deferred tax assets not recognised	1,264,585	765,863

The above potential tax benefit, which excludes tax losses, for deductible temporary differences has not been recognised in the statement of financial position as the recovery of this benefit is uncertain.

Accounting policy for income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Note 3. Income tax (continued)

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Note 4. Cash and cash equivalents

	Consolidated	
	2019	**2018**
	$	**$**
Current assets		
Cash at bank	160,183	300,472

Accounting policy for cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 5. Trade and other receivables

	Consolidated	
	2019	**2018**
	$	**$**
Current assets		
Other receivables	641,965	220,000
BAS receivable	50,536	182,758
	692,501	402,758

Accounting policy for trade and other receivables
Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Note 6. Property, plant and equipment

	Consolidated	
	2019	**2018**
	$	**$**
Non-current assets		
Computer equipment - at cost	1,223	-
Office equipment - at cost	70,000	70,000
Less: Accumulated depreciation	(45,500)	(3,500)
	24,500	66,500
	25,723	66,500

Accounting policy for property, plant and equipment
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Office furniture and equipment	2-10 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Note 7. Exploration and evaluation

	Consolidated	
	2019	**2018**
	$	**$**
Non-current assets		
Exploration and evaluation - at cost	13,629,732	1,874,599

Reconciliation
Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below:

	Consolidated	
	2019	**2018**
	$	**$**
Balance at the beginning of period	1,874,598	-
Additions	11,755,134	1,874,598
Balance at the end of the period	13,629,732	1,874,598

Tenements
The details of interest in tenements is as under:

Note 7. Exploration and evaluation (continued)

Mine Name	Title Owner	% of Interest	Carrying amount
Almafuerte	Centaur Resources PG SAS	100%	2,362,755
Graciela	Centaur Resources PG SAS	100%	670,184
Patovica	Centaur Resources PG SAS	100%	696,564
Fortuna II	Victor F. Marmol	100%	7,628,690
La Relojera	Victor F. Marmol	100%	-
Barreal 01	Victor F. Marmol	100%	-
Barreal 02	Victor F. Marmol	100%	-
Barreal 03	Victor F. Marmol	100%	-
Roberta	Victor F. Marmol	100%	-
			11,358,193

Marmol mining concession is under options contract with Victor Marmol. The options contract is 100% owned by Centaur Resources PG S.A.S (Centaur PG) without any royalty.

To complete the option contract Centaur PG has to pay three more instalments first in August 2019 of USD 375,000, second in March 2020 of USD 2,000,000 and third in March 2021 of USD 1,850,000 or paying USD 975,000 before 1 December 2019.

Upon payment of the above mentioned instalments, 100% of the Marmol mining concession will transfer to Centaur PG

Subsequent to 30 June 2019, Centaur PG has paid the first instalment.

Exploration and evaluation costs

Exploration and evaluation costs have been capitalised on the basis that the consolidated entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Accounting policy for exploration and evaluation assets
Exploration and evaluation costs, including the costs of acquiring licences, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the consolidated entity has obtained the legal rights to explore an area are recognised in profit or loss.

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

Exploration and evaluation assets are assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability and facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Note 7. Exploration and evaluation (continued)

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from exploration and evaluation expenditure to mining property and development assets within property, plant and equipment.

Note 8. Trade and other payables

	Consolidated	
	2019 $	2018 $
Current liabilities		
Trade payables	480,328	109,101
Accruals	6,538,679	136,528
	7,019,007	245,629

Refer to note 13 for further information on financial instruments.

Accounting policy for trade and other payables
These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 9. Borrowings

	Consolidated	
	2019 $	2018 $
Current liabilities		
Loan - Bonython Property & Investments Pty Limited	4,479,452	-
Loan - Mistlake Pty Ltd	2,150,425	-
Convertible notes payable	1,018,652	5,520,593
Loan - Clifford Superfund (BLK) Pty Ltd	630,000	-
	8,278,529	5,520,593

Refer to note 13 for further information on financial instruments.

Converting notes
The converting notes are non-interest bearing. Under the terms of the converting note agreement the converting notes will convert into ordinary shares under the following scenarios:
- Upon the occurrence of a change of control event (at the noteholder’s election). Under such a conversion the converting note will convert at the lower of the IPO price and the Change of Control price.
- Upon an IPO event. Under such a conversion the converting notes will convert at the lower of the IPO price and Capital Raising price.
- Convertible notes have varying maturity dates. Upon maturity, the converting notes will convert at a negotiated conversion price based on valuation of the Consolidated entity.

The notes do not carry a right to vote or any dividend rights.

The convertible notes were therefore deemed to contain an embedded derivative. The fair value of embedded derivative was determined to be Nil using Black-Scholes pricing model.

Note 9. Borrowings (continued)

Measurement inputs include the share price at measurement date, the expected conversion price, expected volatility of the Company's share price over the life of the instrument, expected dividend yield, the expected life of the instrument, and the risk-free rate.

Consequently, the convertible notes are carried at transaction price.

The reconciliation of movement in convertible notes is as below:

	Consolidated 2019 $	Consolidated 2018 $
Balance at the beginning of the year	5,520,593	-
Movement in fair value	(336,933)	336,933
Notes issued during the year	1,619,900	5,183,660
Notes repaid	(40,000)	-
Negotiated adjustment/corrections	10,792	-
Notes converted during the year	(5,755,700)	-
Balance at the end of the year	1,018,652	5,520,593

Loans

The loan from Bonython Property and Investments Pty Ltd is secured and matures earlier of 1 December 2019 and lodgement date of New IPO prospectus with ASIC. The interest rate on the loan is 25% per annum.

The loan from Mistlake Pty Ltd is secured and matures earlier of 20 December 2019 and the lodgement date of New IPO prospectus with ASIC. The loan is subject to fixed interest of $400,000 by the time of maturity.

The loan from Clifford Superfund (BLK) Pty Ltd is unsecured, interest free, and with no fixed maturity date.

The reconciliation of movement in loans is as below:

	Consolidated 2019 $	Consolidated 2018 $
Balance at the beginning of the year	-	-
Additions	6,630,000	-
Finance costs	629,877	-
Balance at the end of the year	7,259,877	-

Accounting policy for borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

On date of initial recognition, the fair value of convertible notes is equal to transaction price. The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

Note 9. Borrowings (continued)

The embedded derivative liability component is calculated first and the residual value is assigned to the debt host liability component. Embedded derivative liability is measured at fair value through profit or loss. Debt host liability is measured at amortised cost. The remainder of the transaction price is allocated to the conversion option that is recognised and included in shareholders equity as a convertible note reserve, net of transaction costs. The carrying amount of the conversion option recognised in equity is not remeasured in subsequent years. The interest on convertible notes is expensed in profit or loss.

Note 10. Issued capital

	Consolidated			
	2019 Shares	**2018 Shares**	**2019 $**	**2018 $**
Ordinary shares - fully paid	54,247,133	100	5,962,700	100

Movements in ordinary share capital

Details	**Date**	**Shares**	**Issue price**	**$**
Balance	21 June 2017	-		-
Shares issue on incorporation	4 April 2018	100	$1.00	100
Balance	30 June 2018	100		100
Share split	2 August 2018	24,999,900	$0.00	-
Share allotment	10 September 2018	18,000,000	$0.00	600
Shares issue, net of transaction costs and tax	18 February 2019	1,150,000	$0.18	207,000
Issue of shares on exercise of convertible notes	29 June 2019	10,097,133	$0.57	5,755,000
Balance	30 June 2019	54,247,133		5,962,700

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Capital risk management
The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity monitors capital on the basis of its working capital position (i.e. liquidity risk). The directors are actively pursuing capital raising opportunities, refer Going Concern in Note 1, so as to address the negative working capital position of the consolidated entity.

Accounting policy for issued capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Note 11. Reserves

	Consolidated 2019 $	Consolidated 2018 $
Goodwill exemption reserve	(100)	(100)

Note 12. Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 13. Financial instruments

The board monitors and manages the financial risk relating to the operations of the consolidated entity. The consolidated entity's activities to 30 June 2019 did not expose it to any significant financial risks other than credit and liquidity risk.

Credit risk
Credit risk is the risk of financial loss to the consolidated entity if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the consolidated entity's receivables.

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

	Consolidated 2019 $	Consolidated 2018 $
Consolidated		
Other Receivables	692,501	402,401
Cash and Cash Equivalent	160,183	300,472
	852,684	702,873

The aging of the consolidated entity's other receivables at the reporting date that were not impaired was:

	Consolidated 2019 $	Consolidated 2018 $
Consolidated		
Current	692,501	402,401

There have been no impairment losses recognised during the period.

Cash and cash equivalents

At 30 June 2019, the consolidated entity held cash and cash equivalents of $160,183 (2018: $300,472), which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with reputable banks and financial institution counterparties.

Liquidity risk
Liquidity risk is the risk that the consolidated entity will not be able to meet its financial obligations as they fall due. The consolidated entity's approach to managing liquidity is to ensure, where possible, that it will always have sufficient liquidity to meet its liabilities when due.

Note 13. Financial instruments (continued)

Ultimate responsibility for liquidity management rests with the directors. The consolidated entity ensures that, where possible, it has sufficient cash on demand to meet expected net cash outflows, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Remaining contractual maturities
The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the consolidated statement of financial position.

Consolidated - 2019	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	480,329	-	-	-	480,329
Accruals	-	6,538,679	-	-	-	6,538,679
Interest-bearing - variable						
Loans	23.00%	8,177,945	-	-	-	8,177,945
Total non-derivatives		15,196,953	-	-	-	15,196,953

Consolidated - 2018	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	107,121	-	-	-	107,121
Accruals	-	138,150	-	-	-	138,150
Total non-derivatives		245,271	-	-	-	245,271

Converting notes are not included in the above table as these will convert into equity on maturity.

Interest rate on the loan is fixed hence the consolidated entity is not exposed to interest rate risk.

Note 14. Fair value measurement

Accounting policy for fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Note 15. Key management personnel disclosures

Directors
The following persons were directors of Centaur Resources Limited and its controlled entities during the financial year:

Paul Anderson
Brian Clifford
John Dunlop (Resigned 10 September 18)
Gregory Jones (Appointed 20 July 2018)
Robert Milbourne (Resigned 9 November 2018)
Ivo Polovineo (Appointed 10 September 2018)
Aaron Revelle (Resigned 20 July 2018)

Other key management personnel
The following persons also had the authority and responsibility for planning, directing and controlling the major activities of the consolidated entity, directly or indirectly, during the financial year:

Alex Rodriguez
Cristian Lopez (resigned 14 December 2018)
Brendan Raftery (resigned 14 December 2018)

The Company had no other key management personnel in the year ended to 30 June 2019.

Compensation
The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated	
	2019	**2018**
	$	**$**
Short-term employee benefits	169,580	15,000
Superannuation	15,279	1,425
Short-term bonus*	150,000	-
Contractor and consulting	963,832	-
	1,298,691	16,425

*The bonus was approved but not paid at year end.

Note 16. Remuneration of auditors

During the financial period the following fees were paid or payable for services provided by HLB Mann Judd (2018: Crowe Horwath), the auditor of the Company.

	Consolidated	
	2019	**2018**
	$	**$**
Audit Service - HLB Mann Judd (2018: Crowe Horwath)		
Audit of the financial statements	29,000	15,000
Other services	2,500	-
	31,500	15,000

Note 17. Contingent liabilities

There were no contingent liabilities at 30 June 2019.

Note 18. Commitments

There were no capital or non-cancellable lease commitments at 30 June 2019.

Note 19. Related party transactions

Parent entity
Centaur Resources Limited and its controlled entities is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 21.

Key management personnel
Disclosures relating to key management personnel are set out in note 15.

Transactions with related parties
The following transactions occurred with related parties:

	Consolidated	
	2019	**2018**
	$	**$**
Payment for goods and services:		
Purchase of corporate and consulting services from related parties	-	672,727

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties
The following balances are outstanding at the reporting date in relation to loans with related parties:

	Consolidated	
	2019	**2018**
	$	**$**
Current borrowings:		
Loan from key management personnel	5,109,452	-

Out of the total related party loan balance, a loan amount of $4,479,452 is payable to Bonython Property and Investments Pty Ltd, an entity related to Paul Anderson. The remaining loan of $630,000 is payable to Clifford Superfund (BLK) Pty Ltd, an entity related to Brian Clifford.

Note 20. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2019	**2018**
	$	**$**
Loss after income tax	(2,290,508)	(71,456)
Total comprehensive income	(2,290,508)	(71,456)

Note 20. Parent entity information (continued)

Statement of financial position

	Parent 2019 $	Parent 2018 $
Total current assets	15,414	5,152
Total assets	10,581,135	(71,356)
Total current liabilities	6,980,399	-
Total liabilities	6,980,399	-
Equity		
Issued capital	5,962,700	100
Accumulated losses	(2,361,964)	(71,456)
Total equity/(deficiency)	3,600,736	(71,356)

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2019.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2019.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2019.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 21. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest 2019 %	Ownership interest 2018 %
Centaur Resources Holdings Pty Ltd (formerly Centaur Resources Pty Ltd)	Australia	100.00%	100.00%
Centaur Resources PG SAS*	Argentina	100.00%	100.00%

* Wholly owned subsidiary of Centaur Resources Holdings Pty Ltd

Note 22. Events after the reporting period

The company continues to explore strategies to source funds. This has been through both equity and debt in the form of convertible notes. To date, these fund-raising activities have raised $2,041,500 including issuing new shares to the value of $1,401,500 and interest free convertible notes to the value of $640,000.

A rights issue to raise up to $10,000,000 is being pursued for completion prior to 31 December. This will be at least 80% underwritten and this should place the Company in a stronger position to access further necessary funding, particularly to meet the short-term requirements to achieve its JORC Resource and PEA milestones.

A settlement in a legal matter being negotiated at 30 June was resolved with an agreement signed on 5 November 2019.

Payments to the Marmol tenement owners have been made in accordance with the contract payment schedule. Material payments have also been made to secure access to energy to the site providing the project with significant advantages.

No other matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 23. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	
	2019 $	2018 $
Loss after income tax expense for the year	(3,630,104)	(3,121,893)
Adjustments for:		
Converting notes issued in lieu of services provided	-	368,652
Change in fair value	(336,933)	336,933
Depreciation	42,000	3,500
Foreign exchange movement	222,435	-
Change in operating assets and liabilities:		
Increase in trade and other receivables	(287,461)	(182,401)
Increase in trade and other payables	746,569	245,271
Net cash used in operating activities	(3,243,494)	(2,349,938)

Centaur Resources Limited and its controlled entities
Directors' declaration
30 June 2019

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2019 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Brian Clifford
Director

6 December 2019

Independent Auditor's Report to the Members of Centaur Resources Limited

Opinion

We have audited the financial report of Centaur Resources Limited ("the Company") and its controlled entities ("the Consolidated entity"), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*,including:

(a) giving a true and fair view of the Consolidated entity's financial position as at 30 June 2019 and of its financial performance for the year then ended; and

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Material Uncertainty Regarding Going Concern

We draw attention to Note 1 in the financial report, which indicates that the Consolidated entity incurred a net loss of $3,630,104 during the year ended 30 June 2019 and, as of that date, the current liabilities exceeded its total assets by $789,397. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Consolidated entity's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Responsibilities of the Directors 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Consolidated entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Consolidated entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

HLB Mann Judd

M. Muller

HLB Mann Judd Assurance (NSW) Pty Ltd
Chartered Accountants

M D Muller
Director

Sydney, NSW
6 December 2019