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CENTAURUS CONFIRMS EXTENSIVE IOCG COPPER-GOLD TARGET AT SALOBO WEST

Initial soils program outlines +6.5km copper-gold-cobalt anomaly at SW1-B Prospect

Key Points

- Mapping and soil sampling from the SW1-B Prospect have delineated an extensive IOCG anomaly that is 6.5km long and up to 600m wide, with a geochemical signature comparable to other known IOCG deposits in the Carajás Mineral Province (“Carajás”).
 - Three distinct target zones have been identified within the SW1-B Prospect, all of which display similar geological, structural, geochemical and geophysical characteristics to these known IOCG deposits.
 - Multiple high priority walk-up copper-gold drill targets now defined from the mapping and soil sampling work at the SW1-B Prospect.
 - Field exploration activities have now advanced to the SW1-A Prospect area, which is located in the same stratigraphic sequence as Vale’s giant Salobo Copper-Gold Mine.
 - The Salobo West Project is located in the world-class Carajás Mineral Province, less than 15km along strike from Vale’s giant Salobo Copper-Gold Mine, arguably the second-biggest IOCG in the world.
 - Licencing for drilling is being advanced with the environmental agency responsible for the region (ICMBio), with the relevant approvals anticipated to be available early in 2018 to facilitate the commencement of drilling following the end of the regional wet season.
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Centaurus Metals (ASX Code: **CTM**) is pleased to announce that it has outlined a highly significant IOCG-style copper-gold target at its 100%-owned **Salobo West Project** in the world-class Carajás Mineral Province (“Carajás”) in northern Brazil, with results from initial soil sampling and field mapping confirming the prospectivity of the SW1-B IOCG Prospect.

The soil geochemical results have delineated **an extensive +6.5km long Cu-Au(-Co) anomaly at the SW1-B Prospect that is up to 600m wide** with soil values of up to 412ppm Cu, 108ppb Au and 299 ppm Co. The soil signature for the SW1-B Prospect is comparable to a number of the known IOCG deposits in the Carajás.

Within the broader SW1-B anomaly, which is located in the Itacaiúnas Supergroup (host to all known IOCG deposits in the Carajás), the Company has identified **three distinct target zones** – all displaying geological, structural, geochemical and geophysical characteristics similar to the known IOCG deposits of the region.

Australian Office

Centaurus Metals Limited
Level 3, 10 Outram St
WEST PERTH WA 6005

Brazilian Office

Centaurus Brasil Mineração Ltda
Avenida Barão Homem de Melo, 4391
Salas 606 e 607 - Estoril
Belo Horizonte - MG - CEP: 30.494.275
BRAZIL

ASX: CTM

ACN 009 468 099
office@centaurus.com.au
Telephone: +61 8 9420 4000

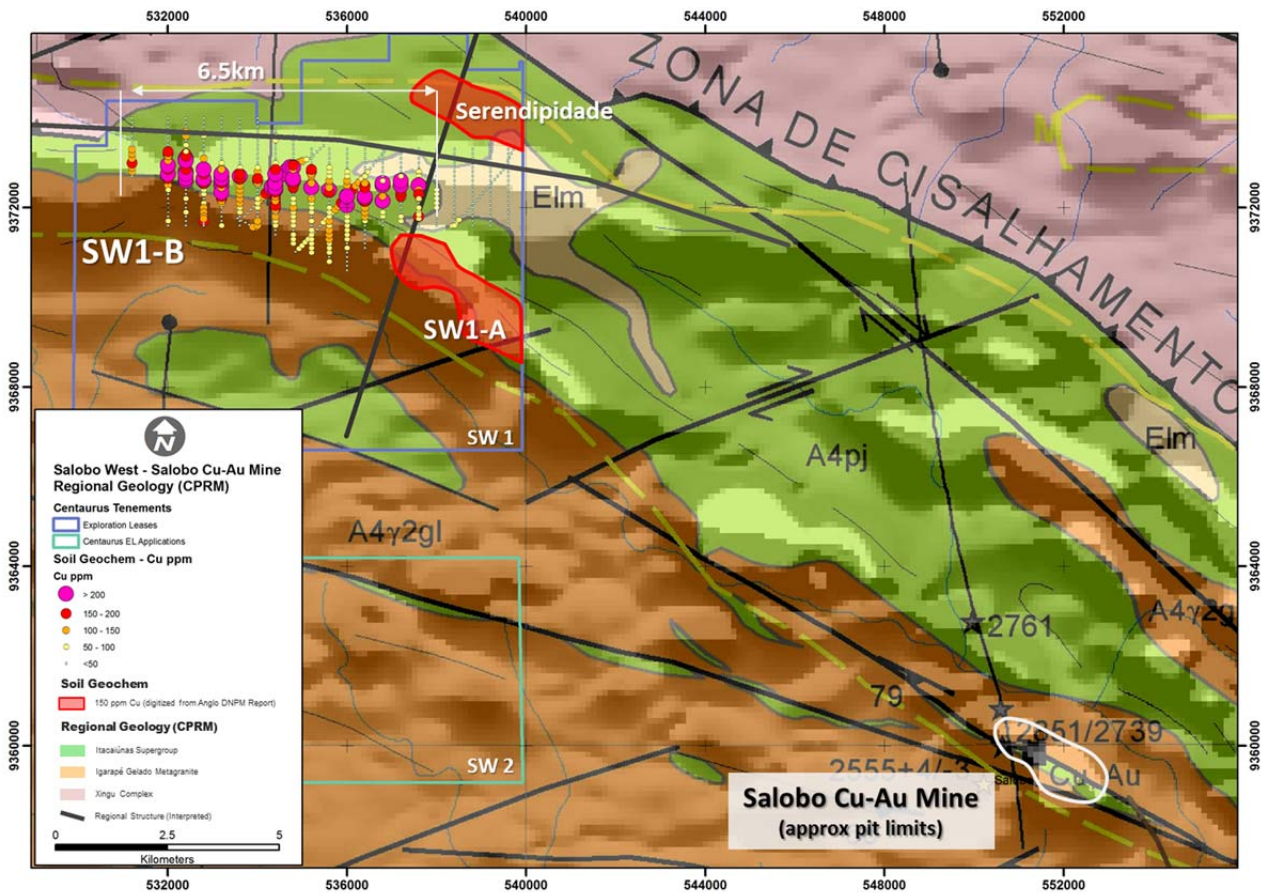
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All three zones at the SW1-B Prospect now have multiple walk-up drill targets for copper-gold mineralisation.

The Carajás is considered to be one of the world's premier mining addresses and hosts nine IOCG deposits with resources of +100 million tonnes of copper-gold ore. **The Salobo West Project is located approximately 15km along strike from Vale's giant Salobo Cu-Au Mine** (see Figure 1), arguably the second-biggest IOCG in the world behind BHP's Olympic Dam Mine. Salobo has Reserves of 1.2 billion tonnes at 0.63% Cu and 0.4g/t Au and produced approximately 176kt of copper and 317koz of gold in calendar year 2016¹.

Figure 1 – SW1-B copper in soils geochemistry anomaly over CPRM Regional geology with Regional Aeromagnetics image in the background (Pink circles represent +200 ppm copper).



The Company is currently working with the Federal Environmental Agency (ICMBio) responsible for the Carajás region to secure drilling permits early next year to facilitate the commencement of drilling following the end of the regional wet season. In the meantime, additional non-ground disturbing exploration will be undertaken to further refine these targets ahead of drilling.

¹ Vale Data sourced from "Vale Production in 4Q16" Report, its 20-F Annual Report for 2016 and other public reports



The three distinct target zones referred to above are briefly outlined below.

Cruzamento Zone

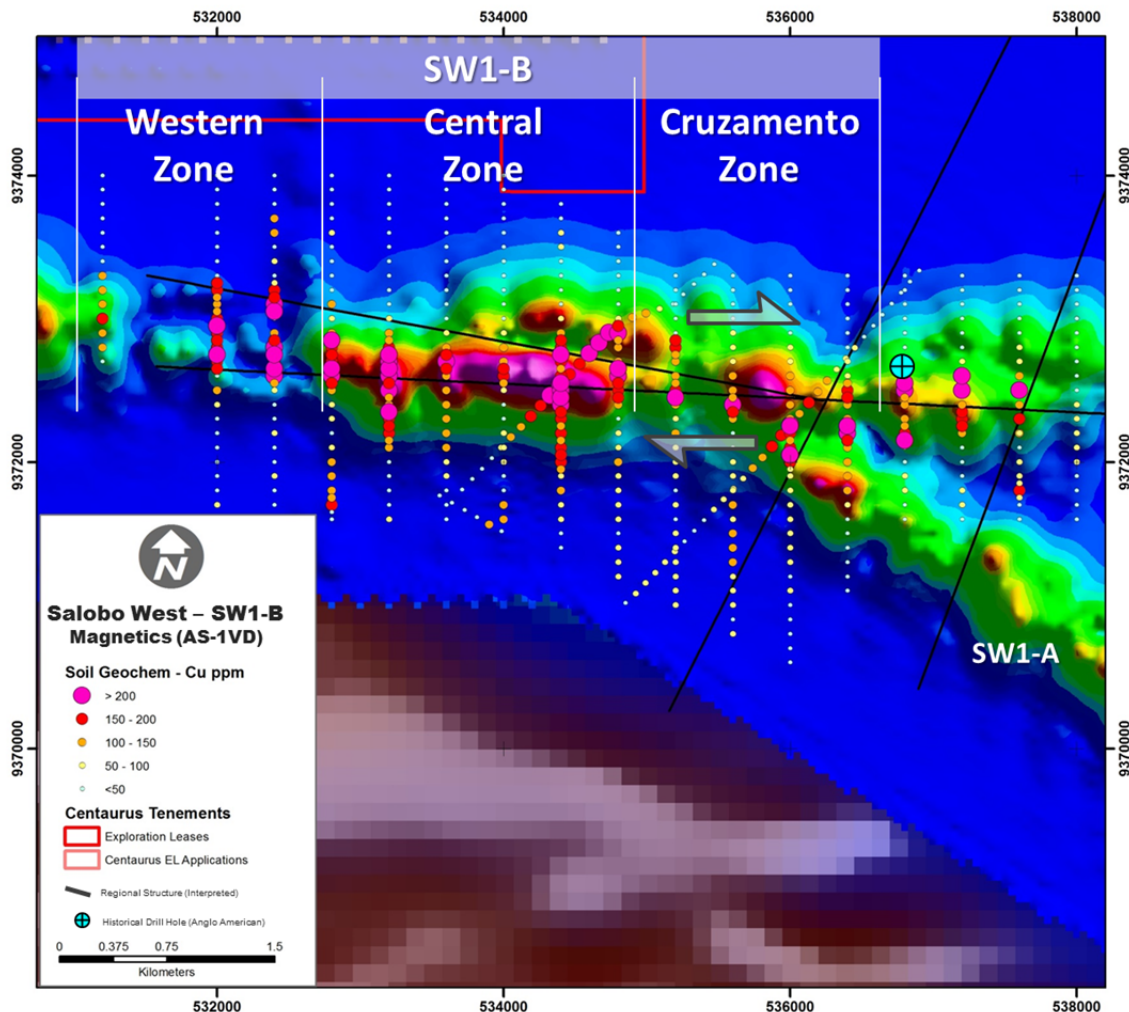
In Portuguese, *Cruzamento* means “intersection” and the Cruzamento Zone is exactly that. Cruzamento is located exactly where the east-west Banded Iron Formation (BIF) unit is intersected by the north-west trending BIF unit of the SW1-A Prospect (Figure 2), which is interpreted to be part of the north-west extension of the same Itacaiúnas Supergroup that hosts the Salobo Mine.

Structural control is particularly important with IOCG mineralisation in the Carajás, with most deposits associated with shear zones and intersections of major W-NW and SW-trending lineaments.

Furthermore, the detailed magnetic image below shows dextral shearing on the east-west BIF unit. Periods of dextral shearing occurred twice in the Carajás and both time periods are intimately associated with IOCG mineralisation events.

The Cu-Au(-Co) geochemical signature is continuous across the Cruzamento Zone, where convergent trends are clear (Figure 2). Additionally, the highest gold and sulphur values are located at the convergence point, representing an excellent target for future drilling.

Figure 2 – SW1-B Prospect, copper in soils geochemistry anomaly over detailed Aeromagnetics (AS-1VD) image showing three distinct target zones



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Central Zone

The Central Zone is a continuous +2.5km distinct magnetic signature that is coincident with the strongest and most consistent Cu-Au(-Co) geochemical signature of the SW1-B Prospect. Although outcrops along this zone are scarce, mapping was able to identify BIFs and highly altered intermediate and mafic schists along the anomaly. This zone represents a strong target for future drilling.

Western Zone

The Western Zone hosts the highest grade copper (412ppm) and cobalt (299 ppm) soil sampling values from the SW1-B Prospect so far. This zone is delineated by the continuation of the Cu-Au(-Co) geochemical signature beyond the western end of the magnetic signature.

The magnetic low response here is understood to be due to the demagnetisation of the BIF host, either via the formation of hematite or sulphides, and this therefore represents another strong target for future drilling within the SW1-B Prospect.

During the course of the exploration program at SW1-B, the field team identified a number of tracks in the forest and two drill holes along the SW1-B trend. The first hole was identified just east of the Cruzamento Zone and the other was located to the east, well outside of the copper-gold soil anomaly. The Company is in the process of retrieving this historical drill-hole data.

SW1-A Prospect

Work is now underway at the SW1-A Prospect (Figure 1). The SW1-A Prospect is a quality target hosted in the same stratigraphic sequence with similar magnetic susceptibility to the Salobo mine, and has a favourable structural orientation with the north-west extent of the prospect intersecting the east-west trending BIF unit of the SW1-B Prospect.

Historical Mines Department (DNPM) reports indicate that the target displays a distinct Cu-Au-Fe soil geochemical signature. Results from exploration on the SW1-A Prospect are expected in early December.

Serendipidade Prospect

Once exploration over the SW1-A Prospect is complete, attention will turn to the Serendipidade Prospect, where archived Anglo American DNPM Reports show a 2.5km long and up to 700m wide Cu-Au-Ag-Co geochemical signature.

The Serendipidade Prospect displays no magnetic signature, which may indicate that it is a hematite-rich zone or that the prospect is not an IOCG target but rather another deposit type (possibly a SEDEX or VMS).

-ENDS-

Released by:
Nicholas Read
Read Corporate
M: +61 419 929 046

On behalf of:
Darren Gordon
Managing Director
Centaurus Metals Limited
T: +618 9420 4000

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Competent Person Statement

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

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APPENDIX B – TECHNICAL DETAILS OF THE SALOBO WEST IOCG PROJECT, JORC CODE, 2012 EDITION – TABLE 1

SECTION 1 SAMPLING TECHNIQUES AND DATA

Criteria	Commentary
<i>Sampling techniques</i>	<ul style="list-style-type: none"> • Soil samples were collected at 50m intervals along 200m or 400m spaced grid lines along the strike of the project. • Surface material was first removed and sample holes were dug to roughly 20-30cm depth. A 4-5kg sample was taken from the subsoil. The sample was placed in a plastic sample bag with a sample tag before being sent to the lab. • Surface rock chip/soil samples were collected from in situ outcrops and rolled boulders and submitted for chemical analysis. • Historical sampling was completed by Anglo American. Soil samples were collected in two phases; initially on SE-NW lines 2.5km apart with samples every 100m, then on N-S lines 400m apart with samples every 50m. A 3-5kg sample was taken from the B horizon with the <6mm fraction sent for assay.
<i>Drilling techniques</i>	<ul style="list-style-type: none"> • There is no historical drilling on the Salobo West Project mentioned in this report.
<i>Drill sample recovery</i>	<ul style="list-style-type: none"> • No drill results are included in the release.
<i>Logging</i>	<ul style="list-style-type: none"> • All outcrop and soil sample points were registered and logged in the Centaurus geological mapping points database.
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> • All geological samples were received and prepared by SGS Geosol Laboratories in Parauapebas, Brazil as 0.5-5kg samples. They were dried at 105°C until the sample was completely dry (6-12hrs), crushed to 90% passing 3mm and reduced to 200-300g. The samples were pulverised to 95% passing 150µm and split further to 50g aliquots for chemical analysis.
<i>Quality of assay data and laboratory tests</i>	<ul style="list-style-type: none"> • Chemical analysis for soil samples was completed for gold by fire assay and ICP for limit of 0.001ppm as well as multi element using ICP. • Chemical analysis for metal oxides is determined using XRF analysis (XRF79C). Fusion disks are made with pulped sample and the addition of a borate based flux. Analysis at ALS is for a 10 element suite. FeO is determined using titration and LOI using loss determination by thermo-gravimetric analysis at 1000°C. • The SGS lab inserts its own standards at set frequencies and monitors the precision of the XRF analysis. These results reported well within the specified 2 standard deviations of the mean grades for the main elements. Additionally the labs perform repeat analyses of sample pulps at a rate of 1:20 (5% of all samples). These compare very closely with the original analysis for all elements. • Laboratory procedures are in line with industry standards and are appropriate for iron ore. • To date no QAQC samples were inserted by Centaurus for this project.
<i>Verification of sampling and assaying</i>	<ul style="list-style-type: none"> • All recent samples were collected by Centaurus field geologists. All assay results were verified by alternative Company personnel and the Competent Person before release. • All historical samples were collected by Anglo American field geologists/technicians.
<i>Location of data points</i>	<ul style="list-style-type: none"> • The survey grid system used is SAD-69 22S. This is in line with Brazilian Mines Department requirements. All sample and mapping points were collected using a Garmin hand held GPS.
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> • Soil samples were collected on 50m spacing on section with distance between sections of 200m and 400m depending on location. • Sample spacing was deemed appropriate for geochemical studies but should not be considered for Mineral Resource estimations. • No sample compositing has been applied.
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> • The extent and orientation of the mineralisation was interpreted based on field mapping and review of regional geological and geophysical data. Sample orientation is perpendicular to the main geological features sequence along which mineralisation exists.

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Criteria	Commentary
Sample security	<ul style="list-style-type: none"> All samples were placed in pre-numbered plastic sample bags and then a sample ticket is placed within the bag as a check. Bags are sealed and placed in larger bags (10 samples per bag) and then transported by courier to the SGS Geosol laboratories in Parauapebas, PA. Sample request forms are sent with the samples and via email to the labs. Samples are checked at the lab and a work order is generated by the lab which is checked against the sample request.
Audits or reviews	<ul style="list-style-type: none"> No audit or review has been conducted on the projects to date.

SECTION 2 REPORTING OF EXPLORATION RESULTS

Criteria	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> The Salobo West project includes the exploration lease (850.430/2016) and an exploration lease application (850.429/2016) for a total of circa 120km². The tenements are part of an earn-in agreement with Terrativa Minerai SA. Centaurus has now met the minimum earn in obligations under the Agreement and perfected 100% title to the Salobo West tenements. Only the SW1 tenement has been transferred at this stage as the SW2 tenement is yet to be granted. Terrativa retain a production royalty of 2% over any minerals extracted from the tenements. The royalty may be converted to a 25% project interest should it be sold to a third party. All mining projects in Brazil are subject to a CFEM royalty, a government royalty of 2% on copper and gold revenues and 2-4% on iron ore revenues. Landowner royalty is 50% of the CFEM royalty. The project is covered by the Tapirape-aquiri National Forest. Exploration and mining is allowed in the forest with the correct licences. The Company has received the key environmental licences for non-ground disturbing exploration activities.
Exploration done by other parties	<ul style="list-style-type: none"> Historically the Salobo West tenements have been held by Anglo American and before that Vale. Reports recovered from the Department of Mines demonstrate that Anglo American completed extensive mapping, soils sampling and local geophysical surveys. Geological mapping and soils sample results mentioned in this release were used to validate data from historical reports.
Geology	<ul style="list-style-type: none"> The Salobo West tenements are located in the Carajás Mineral Province, located in the south-eastern part of the Amazon craton in northern Brazil. The CMP represents an Archean block divided into two distinct tectonic domains. Salobo West is located in the northern Carajás domain within the Cinzento Shear Zone. The Salobo West tenements cover a portion of the Itacaiúnas Supergroup where it is contact with Xingu basement rock. The Company is targeting IOCG deposits. These deposits are generally structurally controlled, brittle-ductile shears zones hosted within the highly prospective volcanic and sedimentary rocks of the Itacaiúnas Supergroup. IOCG deposits in the Carajás are generally massive replacement bodies, associated with the magnetite-rich rocks that are the product of intense Fe-K hydrothermal alteration at high temperatures. This style of mineralisation is highly amenable to modern geophysical exploration techniques, especially EM, radiometric and gravity surveys.
Drill hole Information	<ul style="list-style-type: none"> Two drill holes have been identified on the site. The Company is in the process of trying to retrieve and validate data from these holes. No drill results are included in this release.
Data aggregation methods	<ul style="list-style-type: none"> No cut-offs have been applied in reporting of the exploration results. No aggregate intercepts have been applied in reporting of the exploration results.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> No drill results are included in this release.

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Criteria	Commentary
Diagrams	<ul style="list-style-type: none"> Refer to Figures 1-2.
Balanced reporting	<ul style="list-style-type: none"> All validated exploration results received by the Company to date are included in this report or can be referenced in previous ASX announcements.
Other substantive exploration data	<ul style="list-style-type: none"> The Company is working with the CPRM geological and geophysical regional data sets. The Company has recovered historical Mines Department reports and is in the process of retrieving and validating additional historical data from the project area.
Further work	<ul style="list-style-type: none"> The Company has engaged Grant “Rocky” Osborne and Southern Geoscience Consultancy to carry out additional work on historical information found in Mines Department Reports. The Company mobilized its field team to the Salobo West project to carry out survey line clearing, geological mapping and soils geochemical sampling.