

28 May 2018

SALOBO WEST COPPER-GOLD PROJECT – UPDATE ON DRILLING LICENCE APPLICATION

Centaurus Metals (ASX Code: CTM) has been advised by the local office of the Chico Mendes Institute for Biodiversity Conservation (ICMBio) that the Company's application for a drilling and clearing licence at the Salobo West Copper-Gold Project in northern Brazil has initially been denied based on a recent change of interpretation of the relevant environmental regulations.

The Company has already taken steps to elevate consideration of our drilling licence application to higher levels of the ICMBio environmental agency and will discuss the initial ICMBio decision with the National Mining Agency (ANM) and Ministry of Mines, given that there has been no new environmental legislation or regulation introduced relevant to the project area since it was last drilled at the end of 2010 by Anglo American.

The current interpretation and ICMBio's decision likely means that the process to secure the required clearing and drilling licence for the area will take longer than originally anticipated, and therefore the Company is unlikely to be in a position to commence its maiden diamond drill program at Salobo West in August 2018 as planned.

The Company will continue to advance the Project by undertaking further non-ground disturbing activities. This work, which is permitted under the current access licences as granted by ICMBio in the second half of 2017, will include further soil sampling and ground-based geophysical work with the aim of identifying additional new drill targets and further enhancing the existing drill targets over the extensive and highly prospective project area.

This work will proceed in parallel with the ongoing exploration program at the Itapitanga Nickel-Cobalt Project, where a major RC drilling program is well underway with first assays expected shortly, and with the upcoming drilling program at the Pebas Copper-Gold Project where a drilling licence has already been granted.

Centaurus' Managing Director, Mr Darren Gordon, said the Company would continue to progress its planned sequence of exploration activities at the Itapitanga and Pebas Projects through the course of the year, while undertaking additional non-ground disturbing exploration at Salobo West.

"We are looking forward to seeing the first results from Itapitanga, where the current drill program is making excellent progress," he said. "The likely delay at Salobo West is something we will work around in a constructive way, given we have plenty of work to do in the meantime at Itapitanga and a planned upcoming program at Pebas.

"We will also continue to add value at Salobo West, which remains a world-class exploration opportunity, concurrently with advancing our assessed valid right to secure a drilling licence for the project as quickly as possible."

-ENDS-

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