

AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT & MEDIA RELEASE



10 September 2019

\$10M CAPITAL RAISING TO ADVANCE NICKEL SULPHIDE EXPLORATION

Key Points:

- **\$10m raised via strongly supported placement at \$0.01 per share.**
- **Several new Australian and international institutional investors to join CTM register.**
- **Company now fully funded for exploration, resource definition and pre-development activities at recently acquired Jaguar Nickel Sulphide Project, Brazil.**

Centaurus Metals (ASX Code: CTM) is pleased to announce that it has raised **\$10.0 million** to underpin an aggressive exploration and development program at the recently acquired **Jaguar Nickel Sulphide Project** in Brazil.

The share placement received **strong support from a number of small-cap institutional investors in Australia and overseas, including clients and affiliates of the Sprott Group (“Sprott”)**, as well as new and existing sophisticated high net worth (HNW) investors.

The proceeds of the capital raising will ensure that Centaurus can maintain significant exploration and development momentum at Jaguar, which it is acquiring from global mining giant Vale S.A. in a transaction that was recently approved by the Vale Board. The funds raised will underpin the Company’s maiden exploration campaign, including resource definition drilling and other pre-development activities.

The Jaguar Project comes with an extensive geological and geophysical data base including **over 55,000m of diamond drill core** and numerous Fixed Loop EM (FLEM) and Down Hole EM (DHEM) surveys, immediately propelling Centaurus to the forefront of the nickel sulphide development sector with an asset capable of delivering a JORC compliant Mineral Resource in the near term plus an exceptional pipeline of exploration and growth opportunities.

Recent re-processing of the EM survey data over the Onça Preta Deposit and Onça Rosa Prospect by Southern Geoscience has shown excellent correlation between the location of the EM plates at these Deposit/Prospect areas and known high-grade nickel mineralisation seen in historical Vale drilling (see ASX Release of 29 August 2019). Re-processing of the EM survey data is ongoing in the southern portion of the tenement over the Jaguar Deposits.

Centaurus’ Managing Director, Darren Gordon, said:

“The exceptional response to this raising, including from several new sophisticated and small-cap institutional investors reflects the quality, scale and potential of the Jaguar asset. This is a transformational acquisition for Centaurus, and has been acknowledged as such by the incoming investors – who share our view that this is a rare exploration and development opportunity in the nickel sulphide sector globally.”

“We are particularly pleased to have been able to attract Sprott to the register given their North American presence and global reach. I would like to thank them and several other prominent Australian HNW and institutional investors for their support and welcome them to our share register.”

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“With the Company’s existing cash, we are now fully funded to undertake extensive in-fill and resource definition drilling on the high-grade zones of mineralisation at Jaguar over the next 12 months together with further metallurgical testwork to put ourselves in a position to report the Company’s maiden JORC Resource in Q2 2020.

“With nickel prices rising strongly in USD terms since the start of the calendar year on the back of declining stockpiles, a diminishing global supply pipeline and surging demand from the EV-lithium-ion battery sector which requires Class 1 nickel for new battery technologies, now is a great time to be able to advance a quality nickel sulphide project towards development.”

Use of Funds

The funds raised via the placement will be predominantly used on the Jaguar Nickel Sulphide Project, including:

- Resource drilling activities & JORC Resource definition
- Exploration drilling on new high priority targets
- Environmental studies and preparation of an EIA (Environmental Impact Assessment)
- Metallurgical testwork and process flow sheet definition
- Vendor payments

Details of the Equity Raise

The Offer Price of \$0.01 per share represents a discount of;

- 9.1% to the Company’s last closing price of \$0.011 per share on 6 September 2019; and
- 9.1% to the 5-day volume weighted average price of \$0.011 per share.

Under the placement, the Company will issue a total of 1 billion shares at \$0.01 under two Tranches. Tranche 1 will comprise 592,379,682 shares under the Company’s current placement capacity under ASX Listing Rule 7.1 (313,282,546 shares) and 7.1A (279,097,136 shares). Tranche 2 will comprise 407,620,318 shares and the issue of shares under this Tranche will be subject to shareholder approval at a General Meeting of Shareholders anticipated to be held on or around 21 October 2019.

Tranche 1 shares are expected to be allotted on Monday 16 September 2019. The Placement shares will rank equally with the Company’s existing fully-paid ordinary shares.

Bell Potter Securities Ltd were the Lead Manager and Bookrunner to the Placement and Orimco Pty Ltd were Co-Lead Manager.

Trading Halt

This announcement brings to an end the Company’s current trading halt.

-ENDS-

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Forward-Looking Statements

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