

9 September 2015

NEW ANOMALOUS CATCHMENT AREAS IDENTIFIED AT MOMBUCA GOLD PROJECT FROM STREAM SEDIMENT RESULTS

Soil geochem and ground-based magnetic survey over new areas well advanced with results in coming weeks

Key Points

- Three highly anomalous catchments identified by a stream sediment survey completed over the Mombuca Gold Project including the Initial Target Zone and two new priority targets.
- Stream sediment assays of up to 904ppb (0.9 g/t) Au received with nine of the 49 samples returning more than 100ppb across a 3,500ha sample area.
- Anomalous catchments are coincident with magnetic and Potassium/Thorium (K/Th) anomalies located in favourable lithologies (mafic schists and itabirites).
- Extensive regional-scale crustal structures outlined from regional aeromagnetic data within the large (4.8km by 3.5km) high intensity Mombuca magnetic anomaly on the Au-Pd belt of Minas Gerais, Brazil (Figure 3).
- Focus on Initial Target Zone (“ITZ”) where an extensive open-ended gold anomaly was identified from a recent soils survey extending over a length of 1.5km and varying in width from 50-150m. The anomaly is coincident with mineralised quartz veins that returned grades of up to 9.3g/t Au¹.

Centaurus Metals (ASX Code: **CTM**) is pleased to advise that it has further enhanced the prospectivity of its **Mombuca Gold Project** in south-east Brazil with encouraging results from a stream sediment sample program extending the occurrence of gold in a number of areas and identifying three highly prospective catchment areas.

The three anomalous catchments – the Initial Target Zone (“ITZ”) and two new additional targets, one being the previously identified Priority 1 target (see Figure 1) – will be the focus of ongoing exploration.

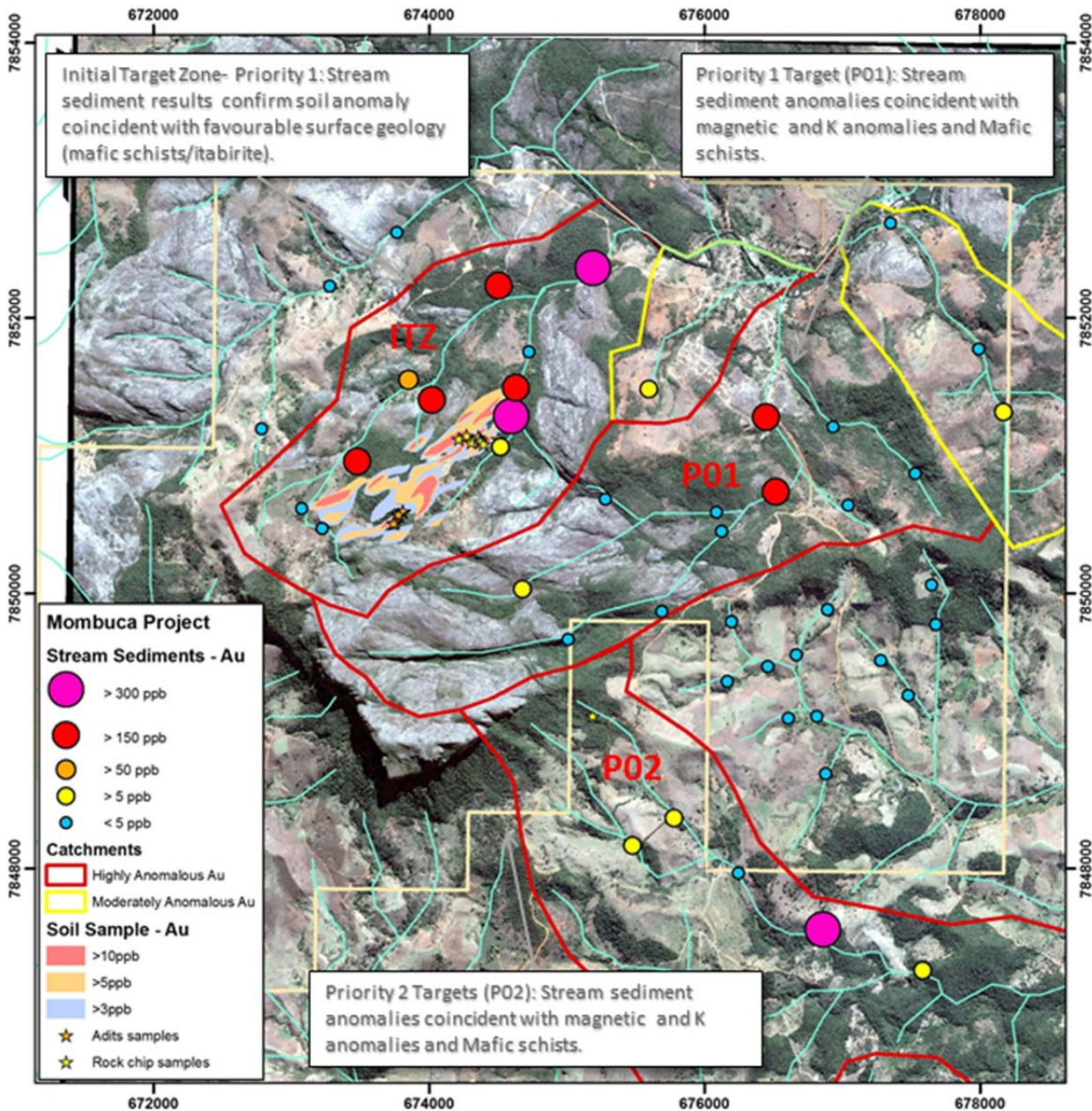
The stream sediment survey was completed to determine the extent of gold anomalous catchment areas within the greater Mombuca Project area. The highest sample grade recorded was **904ppb (0.9 g/t) Au** with nine samples returning values greater than 100ppb Au. The program covered an extensive area of over 3,500ha and included 49 samples.

In the ITZ catchment, stream sediment sample results have correlated well with earlier exploration work which returned gold values in soils of up to 0.8 g/t Au and successfully defined an open-ended anomalous zone extending over a strike length of 1,500m and varying in width from 50m to 150m. Rock chip samples from mineralized quartz veins in the ITZ returned results of up to 9.3g/t Au and historical face sampling of the adits located in the area has returned gold intercepts of up to 6m at 5.3g/t Au.

¹ Refer to ASX announcement on 9 July 2015 for full details of Mombuca soil sample and exploration program results.



Figure 1: Mombuca Stream Sediment Results

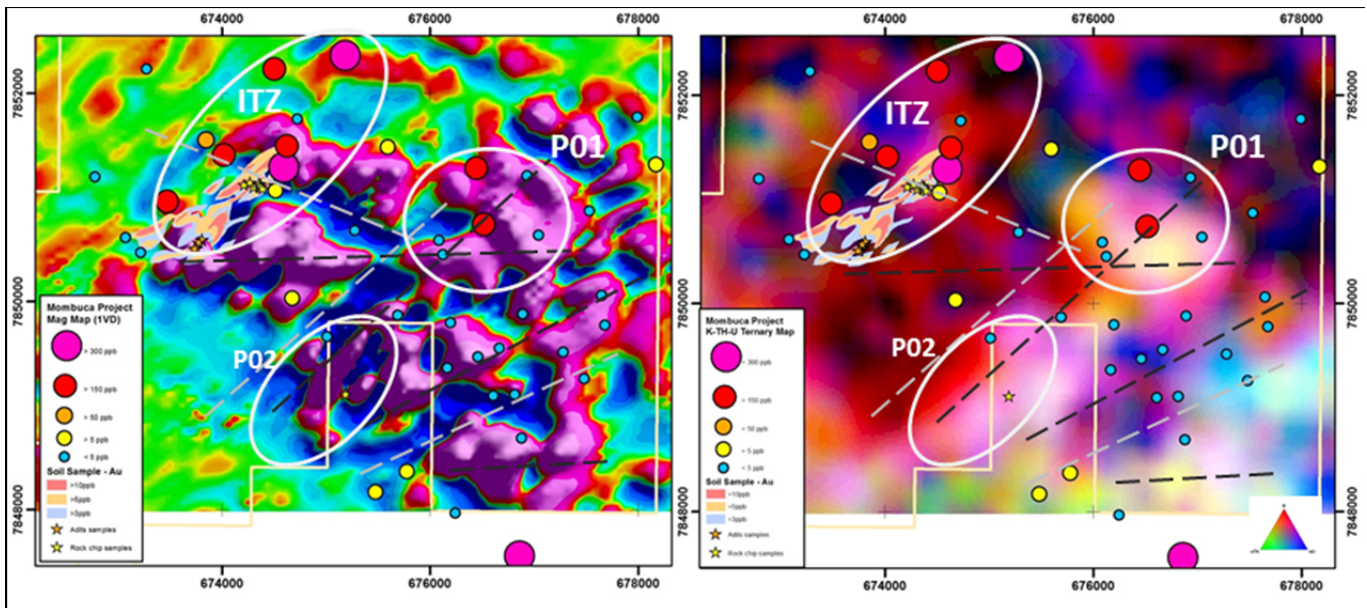


Notably, the stream sediment sampling program has identified two additional catchments with anomalous gold results. One of the anomalous catchments is coincident with the Priority 1 target (marked P01 in Figure 1 above) that was previously identified in the review of the regional aeromagnetic and gamma spectrometry data. The target is located at the convergence of two regional structures and coincident with the strong magnetic and K/Th anomalies.

Previously completed geophysical work, based on the First Vertical Derivative (“1VD”) aeromagnetic data (which emphasizes the near-surface (<200m) features), identified crustal-scale magnetic lineaments that are characterised by both high and low magnetic responses as seen in Figure 2. In conjunction with the 1VD work, results from airborne gamma spectrometry identified Potassium (“K”) and Potassium/Thorium (“K/Th”) anomalies coincident with the auriferous talc-chlorite mafic schists and hydrothermally altered zones in the Initial Target Zone – ITZ. These anomalies are repeated in the P01 and P02 targets.



Figure 2: Aeromagnetics First Vertical Derivative (left) & Gamma Spectrometry K-Th-U Ternary Map (right).



The extreme intensity of the magnetic high anomalies is potentially due to the hydrothermal magnetite development of the itabirites linked with crustal scale structures (faults and shear zones). The magnetic low features within the anomaly may be associated with either hematite-rich zones caused by hydrothermal upgrade of the itabirite or iron oxide depleted zones due to sulfidation of the itabirite.

Of particular interest to the Company is the magnetic low structure, orientated in an east-south-east direction, which traverses the ITZ and P01 targets. This trend is coincident with the auriferous quartz veins that have returned rock chip samples up to 9.3 g/t Au and is the same orientation as Brasiliano tectonic transport direction found in the Iron Quadrangle. Detailed mapping of the veins and additional sampling has been carried out.

The Mombuca Exploration Program

The ITZ remains a priority exploration target but more detailed work is already being carried out over the very exciting P01 and P02 targets in the central eastern zone of the project area where the recent stream sediment results have identified an anomalous catchment coincident with magnetic and Potassium anomalies. Close attention is being paid to the structure that extends from the auriferous quartz veins identified in the ITZ to the new P01 target.

Additional soil geochemistry and an extensive ground magnetic survey are well advanced with first results expected in the coming weeks. Results of this work will play an important role in improving the Company's geological understanding of the regional and project scale structures as well gold distribution within the project area.

Centaurus' Managing Director, Darren Gordon, said the Mombuca Project is continuing to develop as an exciting early stage gold exploration opportunity for the Company.

"Our team continues to develop the Mombuca gold targets using a combination of low cost field programs combined with processing of geophysical data that has identified some exciting targets," he said.

"The latest work confirms that there is more than one area that is anomalous for gold at Mombuca and we are now aiming to define the controls of the mineralisation in these new areas.

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“Work on the new ground magnetic survey and soil sampling program covering the new P1 and P2 target areas is well advanced and we expect the first results in the coming weeks. Based on these results we believe we will be in a strong position to undertake a maiden drilling campaign in Q4 2015.”

-ENDS-

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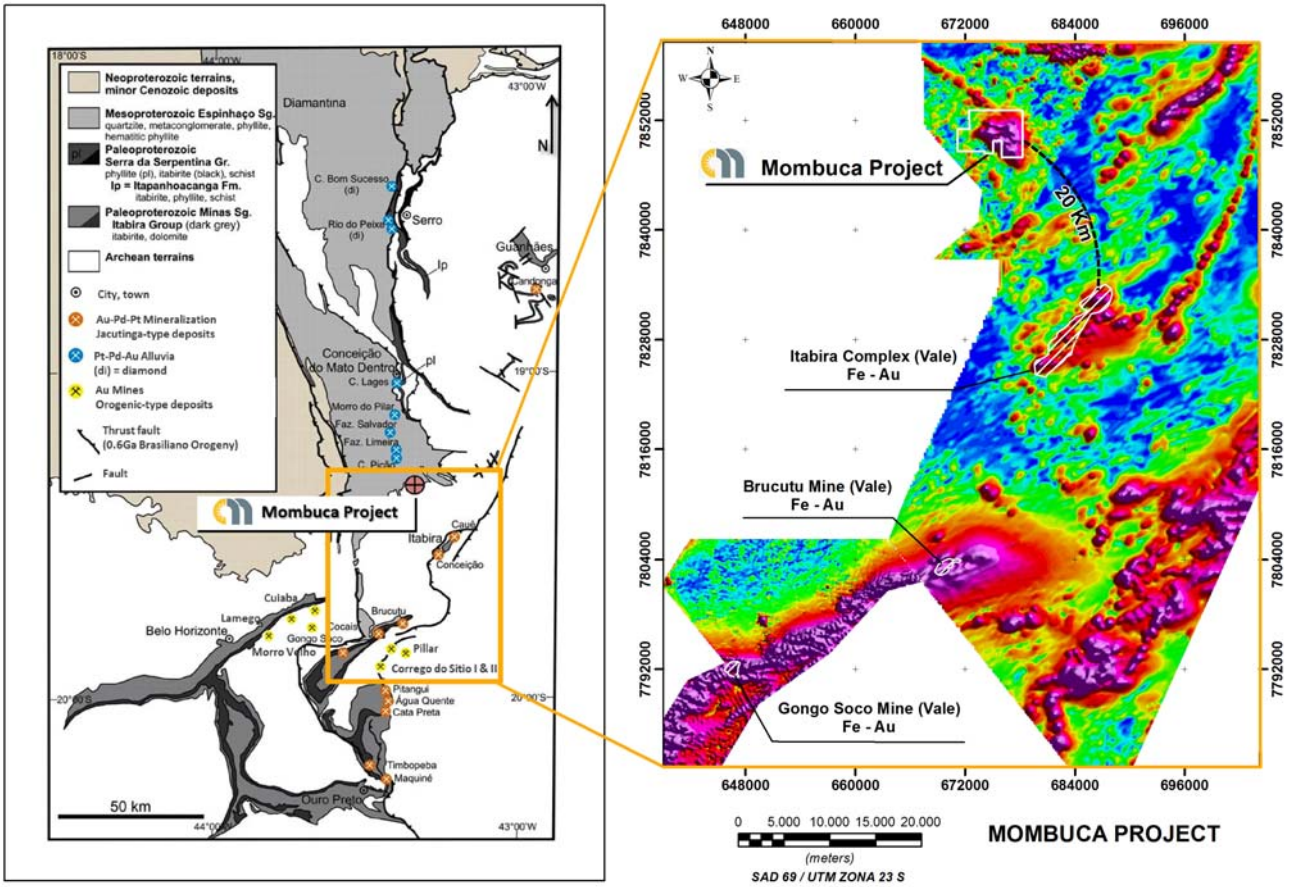
Competent Person Statement

The information in this report that relates to Exploration Results is based on information compiled by Roger Fitzhardinge who is a Member of the Australasia 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 mineralization and type of deposit under consideration and to the activity which they are 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 Reserve'. Roger Fitzhardinge consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.



Figure 3: Mombuca Project Au-Pd Belt of Minas Gerais; Mombuca and Itabira Regional Aeromagnetics Image



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APPENDIX A – TECHNICAL DETAILS OF THE MOMBUCA 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"> • Stream sediment samples were collected at selected points and sieved down to 1.0- 1.5 kg samples using a 100 mesh sieve. • Stream sediment samples were delivered to ALS laboratory wet, drying and homogenization was completed at the ALS. • Soil samples were collected at 25m intervals along 100m spaced grid lines. • Surface material was first removed and sample holes were dug to roughly 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. • The adits were sampled by continuous channel sampling along the mineralised quartz vein (15-30cm width). Chips were taken from the quartz vein and host rock approximately 20cm either side of the vein, results can be found in ASX announcement on 9 July 2015. • 14 surface rock chip / soil samples were collected from in situ outcrops and rolled boulders for chemical analysis. Results can be found in ASX announcement on 9 July 2015. • Additional samples have recently been taken by the Company and are awaiting assay results.
<i>Drilling techniques</i>	<ul style="list-style-type: none"> • There is historical drilling on one of the Mombuca tenements for iron ore. These drill results are not referred to in this announcement. No drilling of the gold targets has been conducted.
<i>Drill sample recovery</i>	<ul style="list-style-type: none"> • No drilling was conducted.
<i>Logging</i>	<ul style="list-style-type: none"> • All outcrop and soil sample points were registered and logged in the Centaurus geological mapping point database.
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> • All rock chip and soil samples were sent to the laboratory without any field preparation. • Stream sediment samples were sieved down to 1.0-15kg using a 100 mesh sieve.
<i>Quality of assay data and laboratory tests</i>	<ul style="list-style-type: none"> • Stream sediment samples are first dried in an oven at 60°C and then homogenised before crush and screening to 80 mesh. The pulp is quartered and an aliquot of 50g is sent for chemical analysis. • Analysis of the soil samples was completed at ALS Laboratories. Samples are dried at 100°C and crushed and screened to 80 mesh. The pulp is quartered and an aliquot of 50g is sent for chemical analysis. • Chemical analysis for soil and stream sediment samples was completed for gold by fire assay and ICP for limit of 0.001ppm as well as multi element using ICP. • For the historical adit sample an ore-grade sample metallic screen fire assay was applied. • ALS and SGS laboratories insert their own standards at set frequencies and monitor 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. • To date no QAQC samples have been inserted by Centaurus for this project.
<i>Verification of sampling and assaying</i>	<ul style="list-style-type: none"> • All samples were collected by Centaurus field geologists. All assay results were verified by alternative Company personnel and the Competent Person before release.
<i>Location of data points</i>	<ul style="list-style-type: none"> • The survey grid system used is SAD-69 23S. This is in line with Brazilian Mines Department requirements. All sample and mapping points are collected using a Garmin hand held GPS.
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> • Soil samples were collected with a spacing of 100m x 25m. • Stream sediment samples were collected at sample points planned by Centaurus geologist to represent catchment areas of between 500-1,000ha.

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	<ul style="list-style-type: none"> • Sample spacing was deemed appropriate for geochemical studies but should not be considered for Mineral Resource estimations. • No sample composting has been applied.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> • The extent and orientation of the mineralisation was interpreted based on field mapping and historical workings. Sample orientation is perpendicular to the main stratigraphic sequence along which mineralisation exists.
Sample security	<ul style="list-style-type: none"> • All samples are placed in pre-numbered plastic samples 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 ALS or SGS laboratories in Belo Horizonte. 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 project to date.

SECTION 2 REPORTING OF EXPLORATION RESULTS

Criteria	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> • The Mombuca Project consists of the tenements DNPM 832.316/2005 (application for Mining Lease), 833.133/2014 (Exploration Licence) and 830.668/2015 (Exploration Licence Application). Granted Exploration Leases have three years of exploration rights that may be extended for a further three years. • The tenement 833.133/2014 is part of the Terrativa Option Agreement. Centaurus will pay a production bonus royalty of US\$1.5 million to the Vendor on first product sold from this or any tenement included in the Agreement. • All mining projects in Brazil are subject to a CFEM royalty, a government royalty of 2% on iron ore revenue (less taxes) and 1% on gold revenue (less taxes). • Landowner royalty is 50% of the CFEM royalty. • The project is located circa 15km from the federal wilderness park of the Serra do Cipo. The project is outside the buffer zone and exploration and mining is permitted with appropriate environmental licences as held by Centaurus.
Exploration done by other parties	<ul style="list-style-type: none"> • Historically the 832.316/2005 tenement area was explored for iron ore by Centaurus. • Exploration for gold on the 832.316/2005 tenement was originally restricted to the adits that were worked by garimpeiros in the 1800s. Centaurus conducted some follow up mapping and sampling of the gold adits in 2009 that are reported in this announcement. • There is no known evidence of exploration for gold or iron ore done by other parties on the 833.133/2014 tenement.
Geology	<ul style="list-style-type: none"> • The Mombuca Project is located within the Espinhaço Super Group (Mesoproterozoic). • The target units are part of a metavolcanic-sedimentary sequence of quartzite, ferruginous quartzite, itabirite, mafic and ultramafic schists. This sequence has not been identified in the Brazilian Geological Survey (CPRM) regional mapping and as such it is not fully understood if the sequence is in fact part of the Espinhaço Super Group. The sequence is emplaced in Archean gneissic basement. • The sequence generally dips shallowly to the south-east and has been affected by multiple phases of folding. Late-stage thrust faulting is apparent throughout the project area. • Later stage mafic intrusives (gabbro and dolerite) are also present throughout the project area. • The auriferous quartz veins identified in the adits are generally hosted by the mafic schists and run parallel to the foliation. Iron oxide and sericite alteration is present within the host rock. • The host rocks have undergone intense weathering locally. Sericite, carbonate and talc-chlorite alteration is present in the mafic and ultra-mafic schists. The host rocks have been further softened through intense weathering process which has further concentrated the iron oxides through the weathering of sulphides. The vein orientation varies slightly

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Criteria	Commentary
	<p>across the three gold adits but is generally orientated SW-NE with varying plunge orientations to the ESE.</p> <ul style="list-style-type: none"> The itabirite is fine-medium grained and composed of quartz, hematite, magnetite, goethite with minor mica and clay minerals. Itabirite thickness varies from 5 to 20 metres and is more compact at depth. Itabirite grade is between 35-50% Fe.
Drill hole Information	<ul style="list-style-type: none"> There is historical drilling on one of the Mombuca tenements for iron ore. These drill results are not referred to in this announcement. No drilling of the gold targets has been conducted.
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 drilling was conducted.
Diagrams	<ul style="list-style-type: none"> Refer to Figures 1-3.
Balanced reporting	<ul style="list-style-type: none"> All Exploration Results received by the Company to date are included in this report.
Other substantive exploration data	<ul style="list-style-type: none"> Historical geological mapping was carried out by Centaurus geologists. Interpretation of Regional Aeromagnetic and Gamma Spectrometry data that was collected by state agency CODEMIG was completed by geophysics company Geofbras Exploração Geofísica.
Further work	<ul style="list-style-type: none"> The Company plans to complete further detailed geological mapping, soil sample programs and a ground magnetics survey on 200m N-S line spacings with measurements every 10m. Based on targets generated from these programs, the Company will consider an initial exploration drilling program.