

JUNE 2018 QUARTERLY ACTIVITIES REPORT

Centaurus makes significant nickel-cobalt discovery at Itapitanga with extensive zones of mineralisation already outlined and drilling continuing to further expand the project's scale and potential

23 July 2018



JUNE QUARTER HIGHLIGHTS

ITAPITANGA NICKEL-COBALT PROJECT

- ▶ Initial results from the Company's maiden 5,000m RC drilling program indicate a significant nickel-cobalt discovery at the Northern Target. Assay results include:
 - ▶ 30.0m @ 0.92% Ni and 0.02% Co from 10.0m
 - ▶ 24.0m @ 0.94% Ni and 0.08% Co from surface
 - ▶ 19.0m @ 1.04% Ni and 0.07% Co from surface
 - ▶ 18.0m @ 1.05% Ni and 0.11% Co from surface
 - ▶ 13.0m @ 1.08% Ni and 0.17% Co from 2.0m
 - ▶ 12.0m @ 0.94% Ni and 0.19% Co from 2.0m
- ▶ Within the broad zones of mineralisation reported to date, a clear high-grade cobalt zone (at 0.08% Co cut-off) has been defined which generally starts at or very close to surface. Better intersections in this zone include:
 - ▶ 9.0m @ 0.77% Ni and 0.23% Co from 2.0m
 - ▶ 10.0m @ 1.03% Ni and 0.21% Co from surface
 - ▶ 12.0m @ 0.94% Ni and 0.19% Co from 2.0m
 - ▶ 13.0m @ 1.08% Ni and 0.17% Co from 2.0m
 - ▶ 11.0m @ 0.92% Ni and 0.14% Co from surface
 - ▶ 16.0m @ 1.06% Ni and 0.12% Co from surface
- ▶ Northern Target now has a total strike length of +3.5km with section widths of up to 650m and the mineralisation open to the west and north-west. The Southern Target (strike length of over 2.0km and up to 400m wide) and the newly identified Western Target (strike length of 1.0km and up to 200m wide) are currently being drilled.
- ▶ Outstanding leach testwork results received subsequent to Quarter-end with recoveries of 98% for nickel, 94% for cobalt and 99% for scandium. All drill holes at Itapitanga will now be assayed for scandium given the strong leach test work results achieved.

SALOBO WEST COPPER-GOLD PROJECT (CTM: 100%)

- ▶ Positive steps taken to overturn the preliminary ICMBio decision to deny the drilling and clearing licence for the planned initial 30-hole drill program at Salobo West, with strong indicative support coming from the Ministry of Mines for Centaurus' right to explore and mine the area.

PEBAS COPPER GOLD PROJECT (CTM: 100%)

- ▶ Drilling licence granted for the project with RC drilling planned to commence in the September Quarter.

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CORPORATE

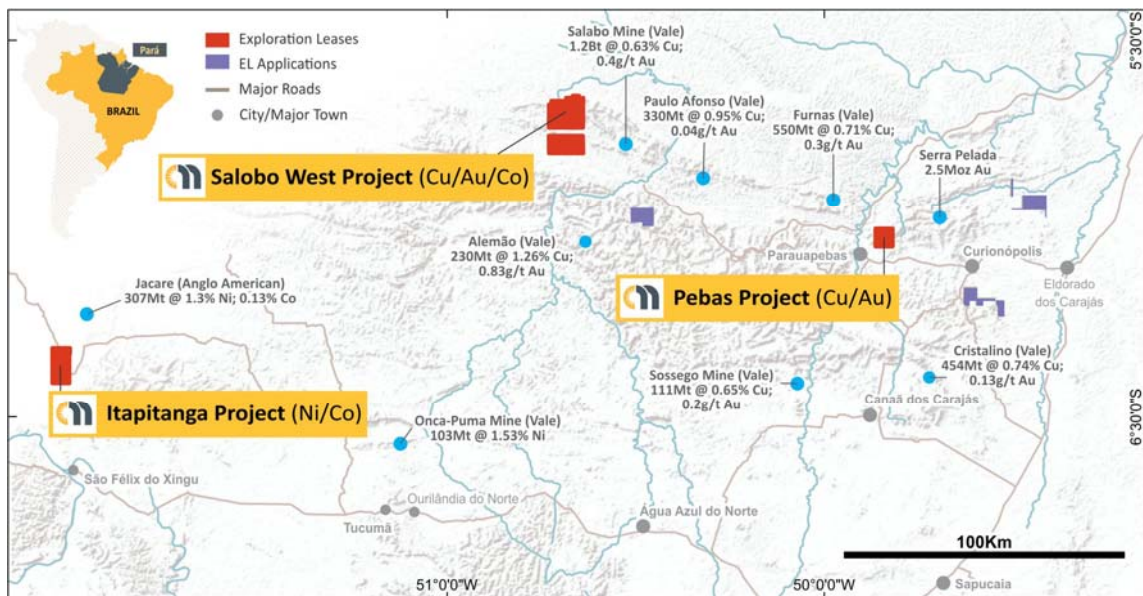
- ▶ Cash reserves of \$3.75M at end of June 2018.

EXPLORATION

The Carajás Mineral Province

Centaurus’ Itapitanga Nickel-Cobalt Project, the Salobo West Copper-Gold Project and the Pebas Copper-Gold Project are all located in the Carajás Mineral Province (“Carajás”), which is considered to be one of the world’s premier mining addresses (see Figure 1).

Figure 1 – Regional location map of the Carajás Mineral Province showing the location of Centaurus’ key projects.



The prospectivity of the Carajás Mineral Province – and Brazil as a favourable mining jurisdiction – has recently been recognised by ASX-100 copper-gold producer Oz Minerals (ASX: OZL) completing its \$418 million takeover of ASX-listed Avanco Resources.

More than 20 world-class mineral deposits lie within an area of just 300 x 100km, including 10 Iron Oxide Copper-Gold (“IOCG”) deposits with resources of +100 million tonnes of copper-gold ore. These IOCG mines and deposits – in addition to several other IOCG prospects that are under exploration – collectively contain resources of more than 4.0 billion tonnes of copper-gold ore.

Furthermore, the Carajás region hosts multiple world-class, large-tonnage nickel-cobalt projects including the Onça-Puma nickel mine and the Jacaré nickel-cobalt project, in addition to some of the world’s best iron ore deposits at S11D and Serra Norte.

The sheer size and scale of projects in the Carajás has resulted in significant investment in key infrastructure for the region, which will provide significant benefits to Centaurus as it looks to grow its business in Brazil.

Table 1 below outlines a number of these world-class deposits with geologically analogous Australian counterparts (IOCG and nickel-cobalt laterite deposits) provided for scale comparison.



**Table 1 – World Class Mineral Projects of the Carajás Mineral Province
(Analogous Australian projects included in blue for comparison – ranked by metal content).**

Company	Deposits	Commodity	Mineral Reserves	Mineral Resources	Annual Production	Distance from CTM Projects (Km)
BHP ¹	Olympic Dam	Copper-Gold	505Mt @ 1.99% Cu, 0.72 g/t Au	6.0Bt @ 0.93% Cu, 0.34 g/t Au	166kt Cu cathode & 100koz Au	Australia
Vale ²	Salobo	Copper-Gold	1,193Mt @ 0.61% Cu, 0.3 g/t Au	1,556Mt @ 0.64% Cu, 0.40 g/t Au	176kt Cu & 317koz Au	12
Vale	Sossego	Copper-Gold	120Mt @ 0.68% Cu, 0.20 g/t Au	355Mt @ 1.0% Cu, 0.28 g/t Au	93kt Cu & 67koz Au	70
Vale	Furnas	Copper-Gold		550Mt @ 0.71% Cu; 0.30 g/t Au		70
Vale	Alemao	Copper-Gold		230Mt @ 1.26% Cu, 0.83 g/t Au		12
Vale	Cristalino	Copper-Gold		454Mt @ 0.74% Cu, 0.13 g/t Au		90
Vale	Gameleira	Copper-Gold		535Mt @ 0.57% Cu, 0.12 g/t Au		70
Vale	Paulo Afonso	Copper-Gold		330Mt @ 0.95% Cu, 0.04 g/t Au		35
Oz Minerals ³	Prominent Hill	Copper-Gold	74Mt @ 1.0% Cu, 0.60 g/t Au	140Mt @ 1.2% Cu, 0.50 g/t Au	100kt Cu & 120koz Au	Australia
Vale	Pojuca Group	Copper-Gold		350Mt @ 0.57% Cu, 0.04 g/t Au		4
Oz Minerals	Carrapateena	Copper-Gold	79Mt @ 1.8% Cu, 0.70 g/t Au	134Mt @ 1.5% Cu, 0.60 g/t Au		Australia
Vale	Estrela	Copper-Gold		230Mt @ 0.50% Cu, 0.01 g/t Au		80
Glencore ⁴	Ernest Henery	Copper-Gold	51.4Mt @ 1.1% Cu, 0.54 g/t Au	95.3Mt @ 1.2% Cu, 0.63 g/t Au	70kt Cu & 100koz Au	Australia
Vale	Breves	Copper-Gold		50Mt @ 1.22% Cu, 0.75 g/t Au		2
Vale	118	Copper-Gold		51Mt @ 1.30% Cu, 0.20 g/t Au		75
Ero Copper ⁵	Boa Esperanca	Copper-Gold	19.5Mt @ 0.95% Cu	67Mt @ 0.73% Cu		80
Oz Minerals (Avanco) ⁶	Antas Norte	Copper-Gold	2.8Mt @ 2.4% Cu, 0.55 g/t Au	19Mt @ 1.1% Cu, 0.20 g/t Au	14kt Cu & 11koz Au	30
Oz Minerals (Avanco)	Pedra Branco	Copper-Gold		17.7Mt @ 2.4% Cu, 0.60 g/t Au		50
Vale	Onca Puma	Nickel	106.5Mt @ 1.53% Ni	235Mt @ 1.5% Ni	24kt Ni	80
Anglo American ⁷	Jacaré	Nickel-Cobalt		307Mt @ 1.3% Ni, 0.13% Co		15
Glencore	Murrin Murrin	Nickel-Cobalt	104Mt @ 1.05%Ni, 0.08% Co	218Mt @ 1.0% Ni, 0.08% Co	34kt Ni & 3kt Co	Australia
Clean Teq ⁸	Sunrise	Nickel-Cobalt	96Mt @ 0.65% Ni, 0.10% Co	109Mt @ 0.65% Ni, 0.10% Co		Australia
Vale	Carajas	Iron Ore	2.4Bt @ 66% Fe		150 Mtpa Fe	30
Vale	S11D	Iron Ore	4.2Bt @ 66% Fe		40-90Mtpa Fe	45

1 – Mineral Resource, Reserve and Production figures from BHP 2017 Operations and Annual Reports;
 2 – Reserve and Production figures from Vale 2017 Annual Report (20-F); Resource estimates from multiple sources (mainly technical reports and presentations)
 3 – Mineral Resource, Reserve and Production figures from Oz Minerals 2017 Annual Report and Resource and Reserves statements;
 4 – Mineral Resource, Reserve and Production figures from Glencore 2017 Results and Annual Reports;
 5 – Mineral Resource and Reserve figures from Ero Copper website;
 6 – Mineral Resource, Reserve and Production figures from Avanco website
 7 – Mineral Resource from Anglo American 2016 Mineral Resources Report
 8 – Mineral Resource and Reserve from Clean Teq website

ITAPITANGA NICKEL-COBALT PROJECT

The Itapitanga Project covers an area of approximately 50km² and is located in the Carajás Mineral Province of northern Brazil. The Project covers the southern extension of the same ultramafic-mafic intrusive complex that hosts both the Jacaré Ni-Co deposit and several unpublished nickel-cobalt resources held by Vale (see Figure 2 below).

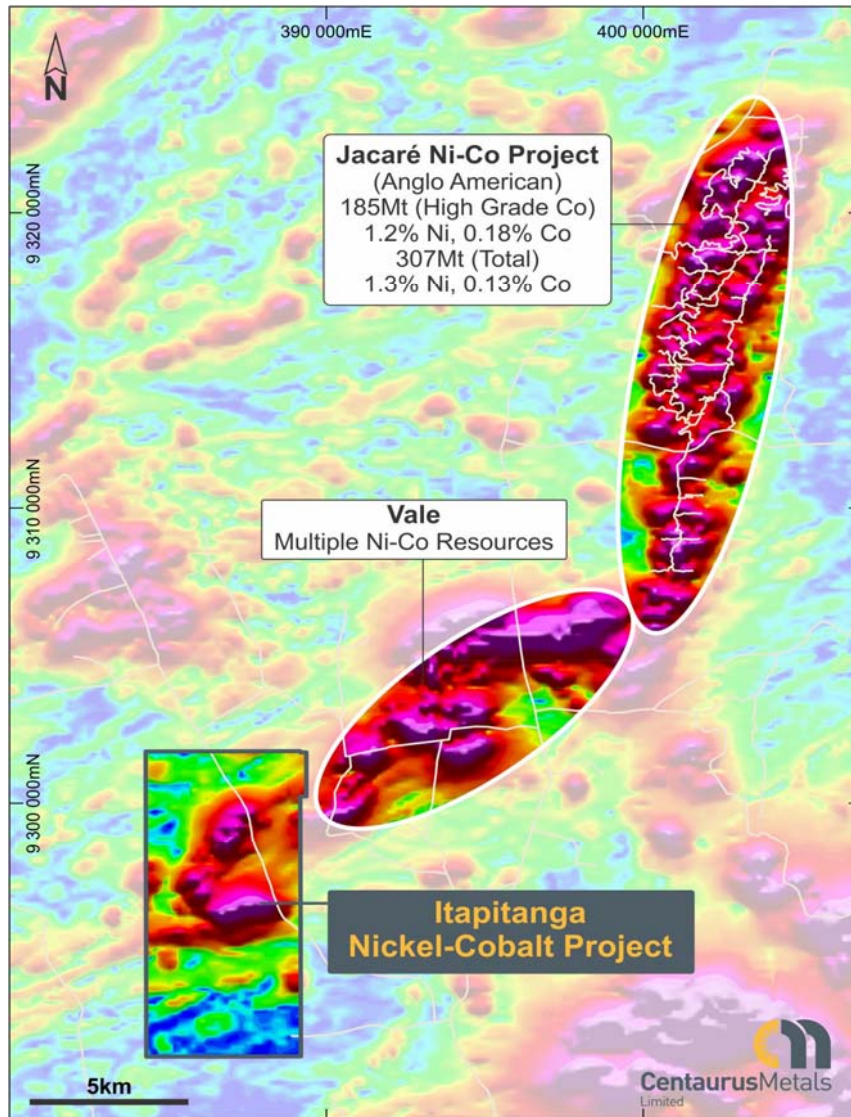
Anglo American’s neighbouring world-class Jacaré Ni-Co Deposit is one of the highest grade, large-tonnage nickel-cobalt deposits in the world, with a Mineral Resource of 307Mt at 1.3% Ni and 0.13% Co, including a high-grade cobalt resource of 185Mt at 1.2% Ni and 0.18% Co¹.

The Itapitanga Project is located primarily on farm land 50km north-east of the regional centre of São Felix de Xingu and is accessible all year via an unpaved road. The project is located 110km from Vale’s operating nickel mine, Onça-Puma.

¹ Resource data sourced from Anglo American Presentations “O Depósito de Níquel Laterítico do Jacaré (PA), Brasil” – Simexmin 2010 and Ore Reserves and Mineral Resources Report 2016



Figure 2 – Location of the Itapitanga Nickel-Cobalt Project. The regional magnetic signature (AS) is coincident with the ultramafic intrusive that hosts the nickel-cobalt mineralisation.



During the first half of the Quarter, the Company completed an auger drilling program which began last Quarter. Collectively, the auger drilling was successful in defining significant zones of high grade nickel-cobalt mineralisation from surface and also indicating the interpreted limits of the mineralisation.

Towards the end of May, the Company mobilised a Reverse Circulation (RC) drill rig to site to undertake a 5,000m drill program to follow up the positive results received from the auger drilling.

A more detailed summary of the quarterly activities at Itapitanga is provided below.

Auger Drilling
Northern Target

The hand-held auger continued to test the 3.5km long and 650m wide zone of mineralisation at the Northern Target area, where 30 of the first 34 holes started and finished in high-grade nickel and cobalt mineralisation.

The auger drill holes completed during the Quarter at the Northern Target focused on delineating the limits of the nickel-cobalt mineralisation to optimise the RC drill program.



Holes were drilled at the interpreted laterite contacts, with some holes intersecting similar high-grade mineralisation to that seen in previously reported auger holes and some intersecting the basement rock and returning no mineralisation.

As such, a number of outstanding intersections continued to be delivered from the most recent auger drilling work at the Northern Target. Highlights of auger drill results in the current quarter from the Northern Target included the following complete hole intersections (surface to end-of-hole). All of these intersections finished in mineralisation (see ASX Announcement 2 May 2018 for a full list of auger assay results):

- 6.5m @ 0.92% nickel and 0.20% cobalt from surface in ITAP-AG00046;
- 9.6m @ 0.85% nickel and 0.12% cobalt from surface in ITAP-AG00042;
- 11.0m @ 0.64% nickel and 0.10% cobalt from surface in ITAP-AG00051;
- 10.9m @ 0.92% nickel and 0.07% cobalt from surface in ITAP-AG00049;
- 6.8m @ 0.60% nickel and 0.06% cobalt from surface in ITAP-AG00034; and
- 6.0m @ 0.72% nickel and 0.05% cobalt from surface in ITAP-AG00048.

The auger drilling at the Northern Target has demonstrated that nickel-cobalt laterite mineralisation occurs from surface, with high grades of both nickel and cobalt mineralisation intersected to depths of 12m prior to drill refusal occurring.

Southern Target

Seven auger holes were drilled into the Southern Target near a gossanous outcrop during the quarter. Five of the holes were able to pass through a 5-10m zone of low-grade (<0.5%Ni) cover and intersect the top of a zone of high-grade nickel-cobalt laterite mineralisation between depths of 5.0-14.7m. The remaining two holes were not able to reach this mineralised zone. Highlights of the initial assay results from the Southern Target included the following end-of-hole intersections, all of which finished in mineralisation (see ASX Announcement 2 May 2018 for a full list of auger assay results):

- 3.0m @ 0.84% nickel and 0.12% cobalt from 6.0m to 9.0m (EOH) in ITAP-AG00043;
- 2.0m @ 1.15% nickel and 0.05% cobalt from 9.0m to 11.0m (EOH) in ITAP-AG00040;
- 2.7m @ 1.05% nickel and 0.03% cobalt from 12.0m to 14.7m (EOH) in ITAP-AG00038; and
- 4.0m @ 0.56% nickel and 0.06% cobalt from 5.0m to 9.0m (EOH) in ITAP-AG00039.

The thin layer of cover above the nickel-cobalt mineralisation at the Southern Target is common in nickel laterite profiles and is present in a number of the mineralised zones at the neighbouring world-class Jacaré deposit. The full extent of the Southern Target mineralisation is now being tested using the RC rig (see below).

Reverse Circulation Drilling

As noted above, a maiden 5,000m Reverse Circulation (RC) drill program commenced at Itapitanga during the Quarter to test beneath extensive high-grade nickel-cobalt mineralisation identified in the hand-held auger drilling.

Northern Target

Drilling commenced during the Quarter at the Northern Target, with initial results confirming the presence of broad nickel-cobalt zones from surface, along with high-grade cobalt zones grading over 0.20% Co. Results received to date have defined a strike extent of 3.5km, up to 650m wide with the mineralisation open to the west and north-west.



Highlights of the assay results received from the Northern Target during the reporting period included (see ASX Announcements dated 29 May and 2 July 2018 for a full list of significant assay results):

- 30.0m @ 0.92% nickel and 0.02% cobalt from 10.0m in ITAP-RC-18-042;
- 24.0m @ 0.94% nickel and 0.08% cobalt from surface in ITAP-RC-18-006;
- 19.0m @ 1.04% nickel and 0.07% cobalt from surface in ITAP-RC-18-046;
- 18.0m @ 1.05% nickel and 0.11% cobalt from surface in ITAP-RC-18-004;
- 15.0m @ 0.61% nickel and 0.05% cobalt from surface in ITAP-RC-18-030;
- 14.0m @ 0.73% nickel and 0.09% cobalt from 1.0m in ITAP-RC-18-026;
- 14.0m @ 1.73% nickel and 0.05% cobalt from 4.0m in ITAP-RC-18-011;
- 13.0m @ 1.08% nickel and 0.17% cobalt from 2.0m in ITAP-RC-18-001;
- 12.0m @ 0.94% nickel and 0.19% cobalt from 2.0m in ITAP-RC-18-002;
- 11.0m @ 1.05% nickel and 0.04% cobalt from 3.0m in ITAP-RC-18-043;
- 10.0m @ 1.03% nickel and 0.21% cobalt from surface in ITAP-RC-18-025;
- 10.0m @ 0.98% nickel and 0.04% cobalt from surface in ITAP-RC-18-036; and
- 10.0m @ 0.90% nickel and 0.04% cobalt from surface in ITAP-RC-18-039.

Within these broader intervals, there are consistent zones of higher-grade cobalt mineralisation, with highlights including:

- 9.0m @ 0.77% nickel and 0.23% cobalt from 2.0m in ITAP-RC-18-003;
- 10.0m @ 1.03% nickel and 0.21% cobalt from surface in ITAP-RC-18-025;
- 12.0m @ 0.94% nickel and 0.19% cobalt from 2.0m in ITAP-RC-18-002;
- 13.0m @ 1.08% nickel and 0.17% cobalt from 2.0m in ITAP-RC-18-001;
- 11.0m @ 0.92% nickel and 0.14% cobalt from surface in ITAP-RC-18-007;
- 16.0m @ 1.06% nickel and 0.12% cobalt from surface in ITAP-RC-18-004;
- 11.0m @ 0.85% nickel and 0.13% cobalt from surface in ITAP-RC-18-006;
- 8.0m @ 0.97% nickel and 0.12% cobalt from surface in ITAP-RC-18-014; and
- 10.0m @ 0.70% nickel and 0.11% cobalt from 1.0m in ITAP-RC-18-026.

Importantly, the thickest mineralised zones (and often the zones carrying the highest nickel and cobalt grades) are found close to both structural features as well as at the limits of the ultra-mafic intrusion (the protore of the laterite mineralisation).

This is especially evident in the central part of the Northern Target, where Daniel's Creek splits the target (see Figure 3). This creek is interpreted to be a regional-scale fault and is where the thickest and highest grade cobalt intersections have been identified either side of the fault.

There is currently an 800m gap between the sections hosting the highest cobalt grade intercepts: drill holes ITAP-RC-18-003 (9.0m @ 0.77% nickel and 0.23% cobalt) on the southern side of the creek, and ITAP-RC-18-025 (10.0m @ 1.03% nickel and 0.21% cobalt) on the northern side of the creek.

The Company considers this 800m zone to be extremely prospective for additional high-grade cobalt mineralisation. Assay results from the drill holes on the sections immediately north and south of Daniel's Creek are shown below:

- 13.0m @ 1.08% nickel and 0.17% cobalt from 2.0m in ITAP-RC-18-001 (South);
- 12.0m @ 0.94% nickel and 0.19% cobalt from 2.0m in ITAP-RC-18-002 (South);
- 9.0m @ 0.77% nickel and 0.23% cobalt from 2.0m in ITAP-RC-18-003 (South);
- 10.0m @ 0.70% nickel and 0.11% cobalt from 1.0m in ITAP-RC-18-026 (North); and
- 10.0m @ 1.03% nickel and 0.21% cobalt from surface in ITAP-RC-18-025 (North).



The RC rig is currently unable to access this area due to surface water levels. Landowners have indicated that these areas dry up during July and, in light of this, the Company will plan to drill these areas as soon as access allows.

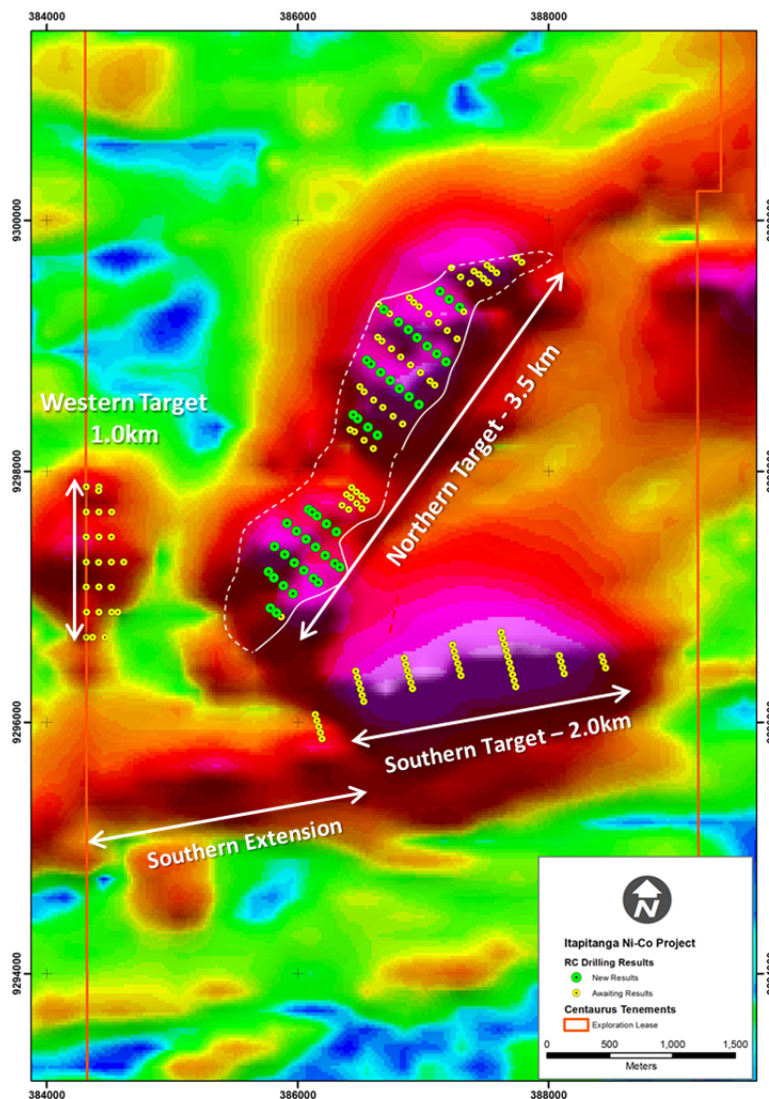
Similar swampy ground also covers the western contact of the Northern Target, from drill hole **ITAP-RC-18-042 (30.0m @ 0.92% nickel and 0.02% cobalt)** all the way down to the southern limit of the target. This area is also being monitored and will be drilled once access is available.

Southern and Western Target Drilling

At Quarter-end, drilling was progressing at the Southern Target, where previous auger drilling intersected the top of nickel-cobalt mineralisation under 5-10m of overburden. The Southern Target is a +2.0km long magnetic feature, locally up to 400m wide. Further drilling has been planned along the western extension of the Southern Target to test the lateral extent of the aeromagnetic signature.

Once drilling at the Southern Target is complete, the RC rig will move across to the Western Target, where recent mapping and soil sampling by the exploration team has been successful in defining this target. The Western Target has around 1.0km of strike and is up to 200m wide within the Centaurus tenure, which abuts ground held to the west by Vale.

Figure 4 – The Itapitanga Project RC program – (CRPM Regional Aeromagnetic Image-AS)





Scandium

To date Centaurus has not reported scandium grades from the RC drilling as ICP assay results were not at hand. The metallurgical sample delivered to Simulus for testing had a scandium head grade of 24ppm and, as can be seen below, the scandium recovery rates in the leach testwork are very good.

Re-analysis of mineralised zones using ICP analysis is now underway and this will allow the Company to understand the extent and grade of scandium in the mineralised zone.

Metallurgical Testing

The high-grade nickel-cobalt ferruginous laterite mineralisation found at the Itapitanga Project is considered highly amendable to both Atmospheric Acid Leach (AL) and High-Pressure Acid Leach (HPAL) processing. Preliminary leach testwork on samples from the Northern Target was completed by Simulus Engineers in Perth during the Quarter, with results delivered in early July. These results are set out below.

Simulus Engineers is considered to be a specialist in the field of nickel-cobalt laterite mineralisation, and is currently handling the testwork, pilot plant operations and process design project development activities for Australian Mines and Ardea Resources, amongst others.

Initial leach test work on high-grade material from Itapitanga has returned outstanding results, with metal extractions for nickel consistently over 98% and cobalt over 94%.

Importantly, the success of the leach tests demonstrates that the Itapitanga mineralisation is amenable to multiple leaching processes, which will provide flexibility to the Company when considering the future development of the Project.

The preliminary bench-scale test work was completed on samples of the nickel-cobalt laterite taken from the Northern Target at Itapitanga. High Pressure Acid Leach (HPAL) and Atmospheric Leach (AL) was undertaken. The AL tests were completed using both sulphuric (H₂SO₄) and hydrochloric (HCl) acids as the solvents.

High Pressure Acid Leach

Preliminary results from the HPAL testing were outstanding, with the leach **tests returning extractions of 98% of nickel, 94% of cobalt and 99% of scandium** when reacting for 30 minutes under standard HPAL test conditions. Metal extraction results are outlined in the Table 2 below.

Table 2 – The Itapitanga Project metal extraction results for High Pressure Acid Leach (HPAL) test work.

Test	Solvent	Pressure (kPa)	Temp (°C)	Time (mins)	Metal Extraction		
					Ni (%)	Co (%)	Sc (%)
T1	H ₂ SO ₄	3875	250	30	98	94	99
T2	H ₂ SO ₄	3875	250	60	98	94	71
T3	H ₂ SO ₄	3875	250	90	98	93	99
D1	H ₂ SO ₄	3875	250	90	97	92	97

Atmospheric Leach

Results from both Atmospheric test lines were also outstanding. Preliminary outcomes indicate that hydrochloric acid digestion is more efficient than sulphuric acid under lower acid dosage levels and cooler temperatures. **The hydrochloric leach test returned extractions of 99% of nickel, 99% of cobalt and 94% of scandium** when reacting for 24 hours at 60°C with an 1100kg/t dosage. Metal extraction results are outlined in Table 3 below.



Table 3 – The Itapitanga Project metal extraction results for atmospheric leach test work using hydrochloric acid (HCl).

Test	Solvent	Dosage (kg/t)	Temp (°C)	Time (hrs)	Metal Extraction		
					Ni (%)	Co (%)	Sc (%)
5a	HCl	800	60	24	90	95	80
5b	HCl	950	60	24	97	98	92
5c	HCl	1100	60	24	99	99	94
5d	HCl	1250	60	24	99	99	96

Tests completed using a sulphuric acid digestion also returned excellent results. **The sulphuric acid test returned extractions of 98% of nickel, 97% of cobalt and 94% of scandium** when reacting for 24 hours at 85°C with a 1600kg/t dosage. Metal extraction results are outlined in the Table 4 below.

Table 4 – The Itapitanga Project metal extraction results for atmospheric leach test work using sulphuric acid (H₂SO₄).

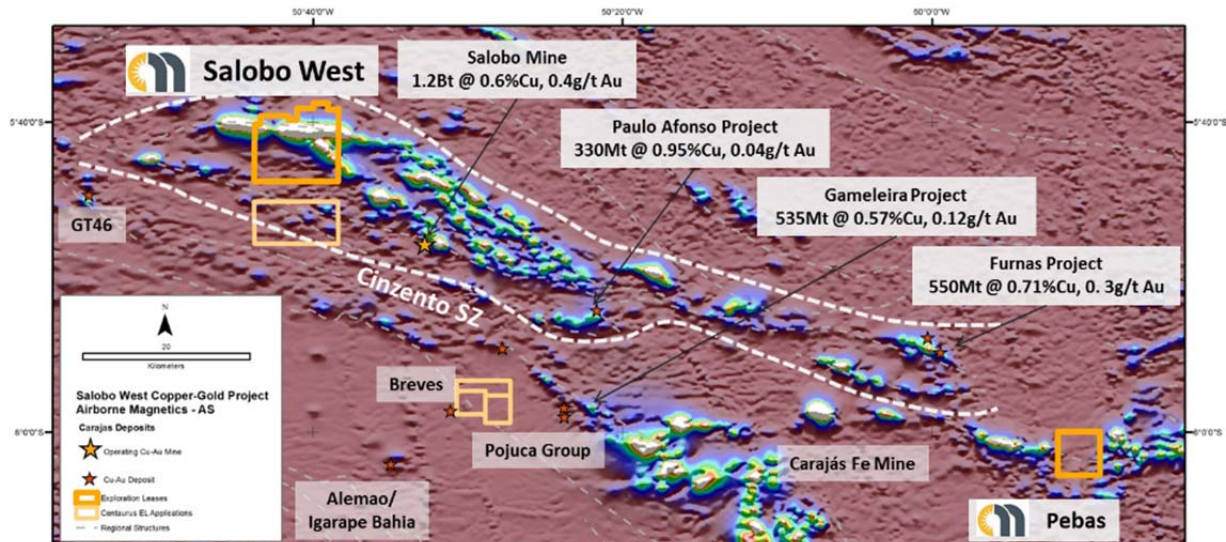
Test	Solvent	Dosage (kg/t)	Temp (°C)	Time (hrs)	Metal Extraction		
					Ni (%)	Co (%)	Sc (%)
4a	H ₂ SO ₄	1200	85	24	91	90	88
4b	H ₂ SO ₄	1400	85	24	95	95	93
4c	H ₂ SO ₄	1600	85	24	98	97	94
4d	H ₂ SO ₄	1800	85	24	99	99	96

This first round of tests was carried out on samples taken from the auger drilling. The sample was taken from the Northern Target from five different auger holes at depths down to 8m. The sample was homogenised and the grade of the sample was 1.17% Ni and 0.14% Co. Additional samples are now being collected from the ongoing RC drill program to support further testwork.

SALOBO WEST COPPER GOLD PROJECT

Three of the top five known IOCG deposits in the Carajás (all with resources +300Mt Cu-Au ore), as well as multiple exploration targets, are located along the Cinzento Shear Zone (see Figure 5). These deposits are structurally controlled by regional-scale W-NW striking, brittle-ductile shear zones hosted within the highly prospective volcanic and sedimentary rocks of the Itacaiúnas Supergroup.

Figure 5 – Tier-1 IOCG deposits in the Cinzento Shear Zone over the Regional Magnetics (AS).

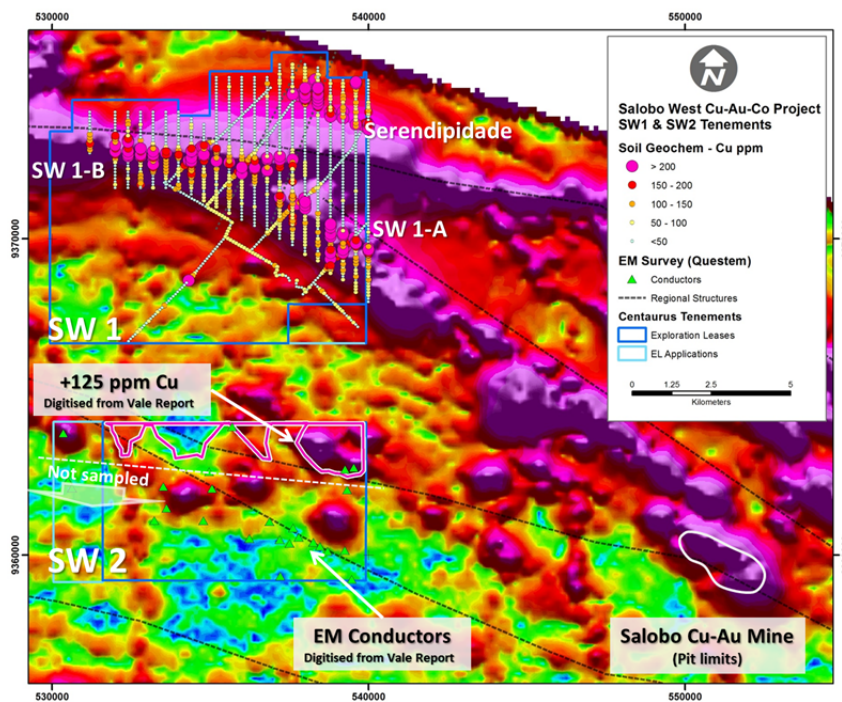




Vale’s giant Salobo Copper-Gold Mine is one of these deposits and is arguably the second-biggest IOCG in the world behind BHP’s Olympic Dam Mine. Salobo has Reserves of 1.2 billion tonnes at 0.61% Cu and 0.3g/t Au and produced approximately 193kt of copper and 346koz of gold in calendar year 2017². Centaurus’ Salobo West Cu-Au Project includes multiple distinct targets that display similar geochemical and geophysical characteristics and are located in the same geological context as the Salobo mine, just 12km along strike.

The Salobo West Copper-Gold Project comprises two tenements – SW1 in the north and SW2 in the south of the project area (Figure 6), both of which have multiple walk-up drill targets.

Figure 6 – Salobo West Project showing SW1 targets and SW2 targets where +125 ppm Cu (pink lines) and EM conductors (green triangles) have been digitised from historical exploration reports.



SW1 Tenement

Three large prospect areas have been defined on the SW1 tenement, namely SW1-A, SW1-B and Serendipidade. A number of drill targets have been defined on all three prospect areas with one of the high-priority targets being the Cruzamento (convergence) Zone at the SW1-B Prospect (Figure 7), where a coincident soil, magnetic and IP anomaly was historically tested by Anglo American with one drill hole in 2010, Hole DRI10-FD0010.

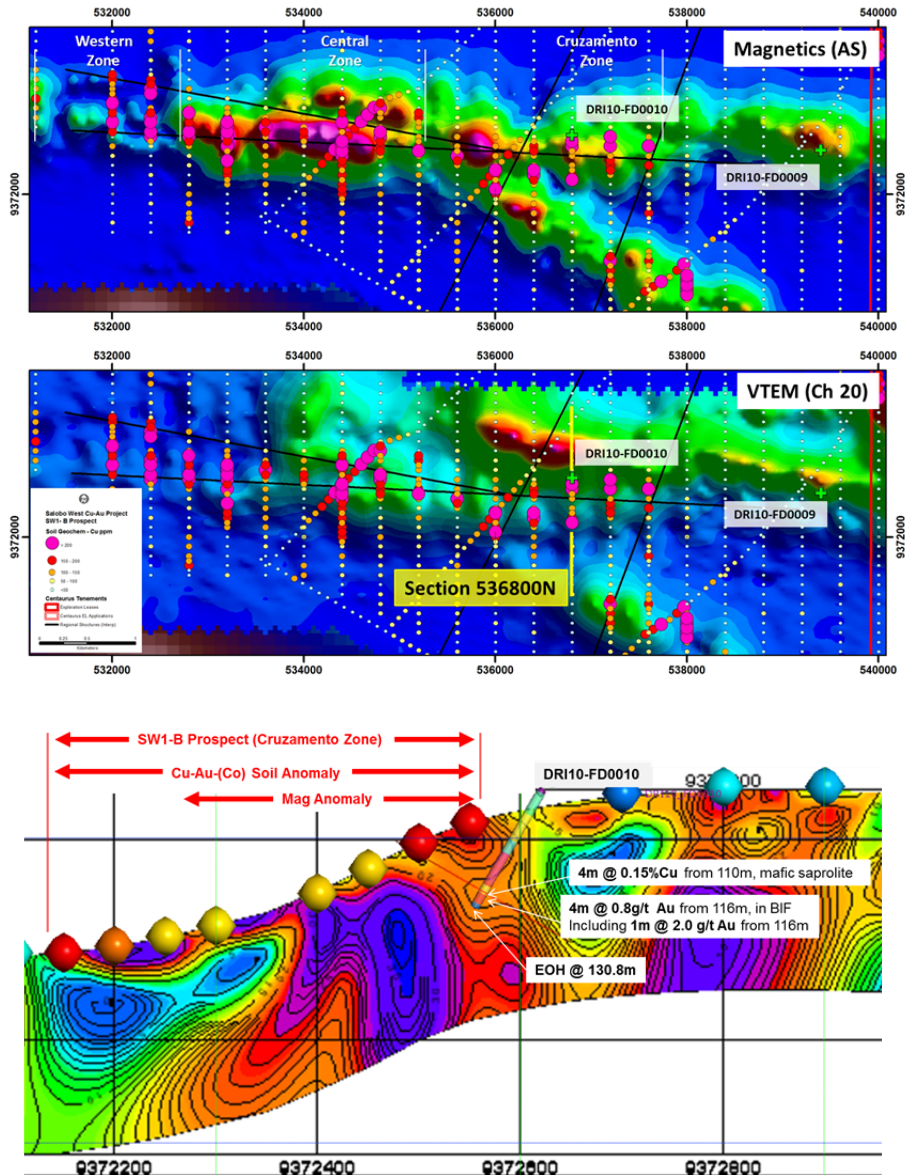
This hole encountered copper, gold and iron ore mineralisation (all excellent indicators of IOCG mineralisation) at the end of the hole (4m @ 0.8g/t Au including 1m @ 2.0g/t Au with 55% Fe from 116m-120m, preceded by an interval from 110m-115m with copper values between 0.07-0.2% Cu).

The hole stopped about 50m short of the strong IP chargeability anomaly (Figure 7). This hole is the only hole drilled to date into the SW1-B Prospect area.

² Vale Data sourced from “Vale Production in 4Q17” Report, its 20-F Annual Report for 2017 and other public reports



Figure 7 – The SW1-B Prospect Area at Salobo West Project showing Magnetic and VTEM anomalies as well as the location of Anglo American’s historical drill hole DRI10-FD0010 (green cross) which stopped in mineralisation approximately 50m short of a strong IP chargeability anomaly.



Based on the extensive project dataset, Centaurus’ exploration team has generated multiple walk-up drill targets. The priority-1 targets focus on coincident geological, structural, geochemical and geophysical targets. The Company’s preliminary plan allowed for 30 diamond drill holes to test these targets.

Last quarter, the Company lodged its application to clear and drill with the environmental agency responsible for the area (the Chico Mendes Institute for Biodiversity Conservation (ICMbio)) for the first phase of drilling.

During the Quarter, Centaurus was advised by ICMbio’s local field office that the Company’s application for a drilling and clearing licence at the Project had initially been denied based on a recent change of interpretation of the relevant environmental regulations.



The Company has since taken steps to elevate consideration of its drilling licence application to higher levels of the ICMBio environmental agency and has discussed the ICMBio initial decision with the National Mining Agency (ANM) and the 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.

Subsequent to the end of the Quarter, the Ministry of Mines has indicated its strong support for Centaurus' valid right to explore and mine on the Salobo West tenements. The Ministry has also indicated that it will support the Company wherever possible in having the initial ICMBio decision reviewed and overturned.

It should be noted that the ICMBio decision has no impact on the ownership of the Salobo West tenements, with the tenements held 100% in the name of Centaurus. Subject to receipt of a drilling and clearing licence from ICMBio, the Company will be able to commence ground disturbing activities on the project area. The Company retains the environmental licence that permits non-ground disturbing exploration to be carried out on the tenements.

PEBAS COPPER-GOLD PROJECT

The Pebas Project is located approximately 8km outside of the regional city of Parauapebas and 20km north of the operating Antas Norte copper-gold mine, operated by ASX-100 copper-gold miner Oz Minerals (ASX: OZL), which recently completed a takeover of fellow ASX-listed miner Avanco Resources.

The Project is hosted within the highly prospective Itacaiúnas Supergroup, which hosts all IOCG deposits within the Carajás Mineral Province. The Pebas Project area is wedged between the regionally important Cigano and Estrela Granite Complexes.

Specific drill targets are currently being finalised, with the next round of drilling to commence following the conclusion of the drilling program at the Itapitanga Nickel-Cobalt Project. The Company anticipates that drilling will start at Pebas sometime in mid-to-late August. The licence to drill is at hand, having been granted in April 2018.

There are multiple target areas at the project including a +2km long, Cu-Au-Co-P soil anomaly at the Main Zone and a number of satellite soil anomalies to the north-east.

A TSX-listed company, INV Metals Inc. (INV), completed nine reconnaissance diamond holes over the Main Zone of the Project back in 2010. **Highlights of the historical results included 146.9m at 0.21% Cu and 0.08g/t Au and 105.0m at 0.23% Cu³**, as shown in Figure 9 below. There is a distance of more than 300m between these holes.

The faulted contact between the siliceous quartzite (north) and the altered mafic schists (south) remains untested. This fault may have served as a feeder structure for the mineralising fluids and is the potential high-grade, fault-related copper-gold target.

³ Refer INV NI 43-101 Technical Report dated March 2012



Figure 8 – The Pebas Project – Copper-in-soils (400m lines spacing) over Regional Aeromagnetic image (AS).

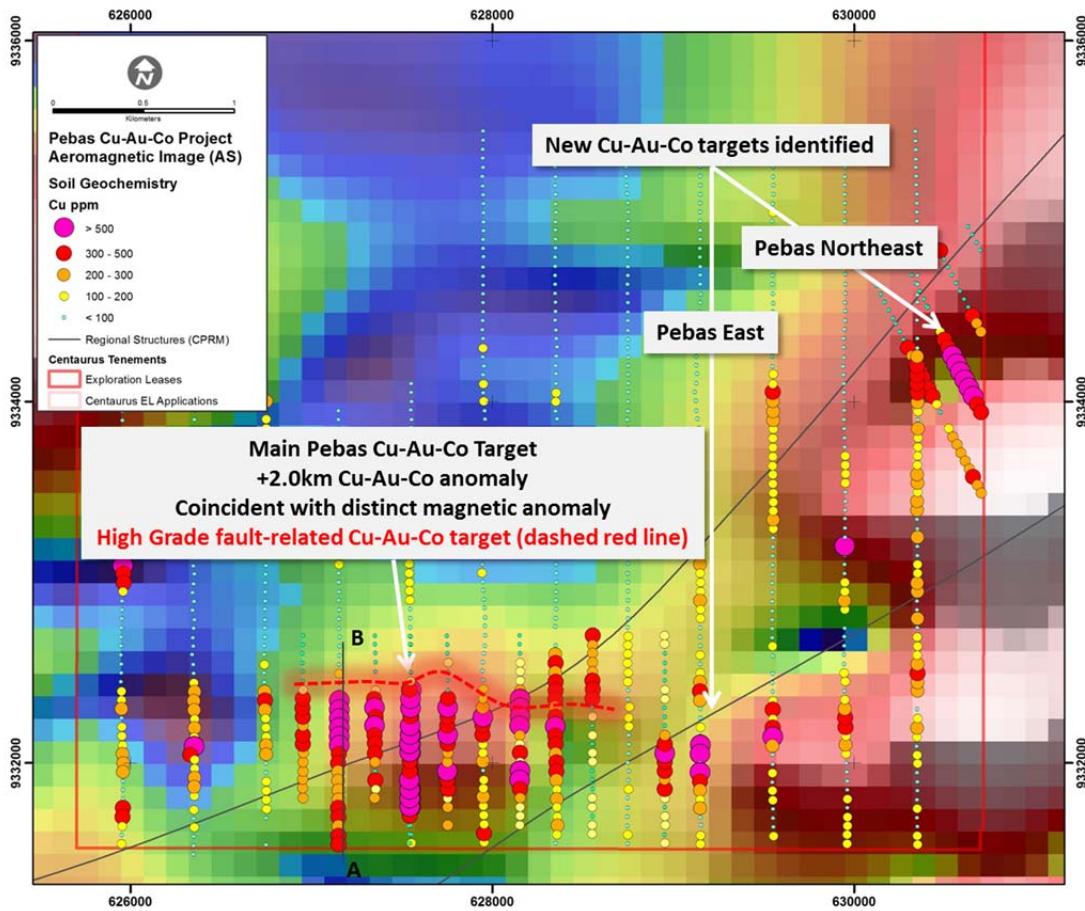
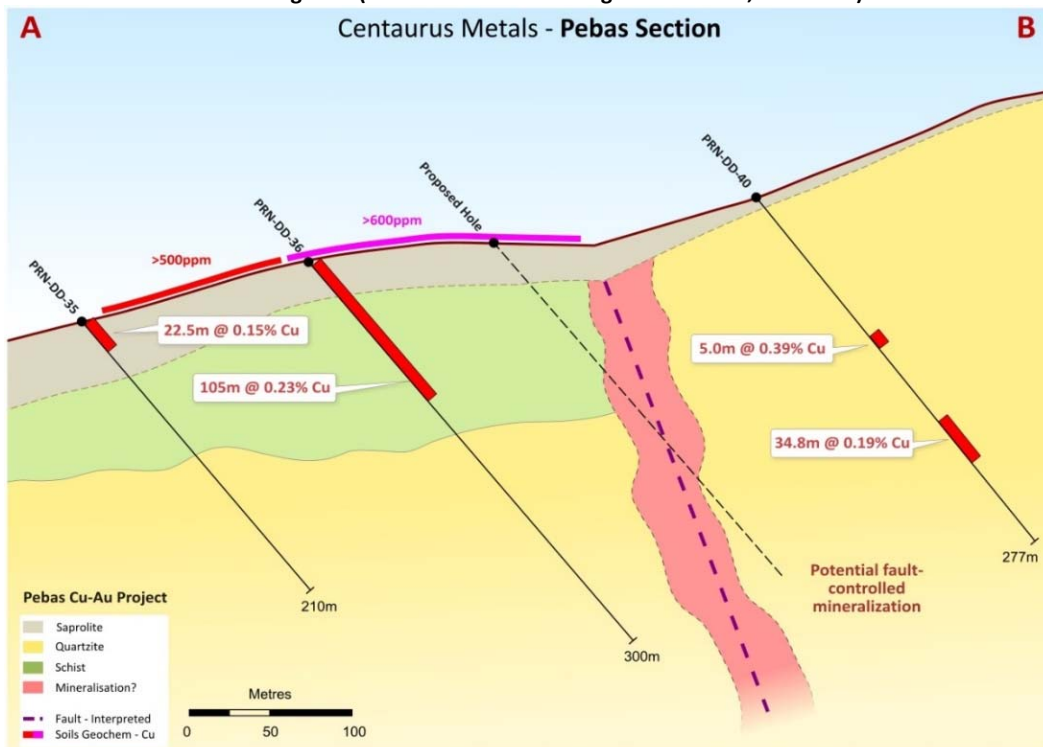


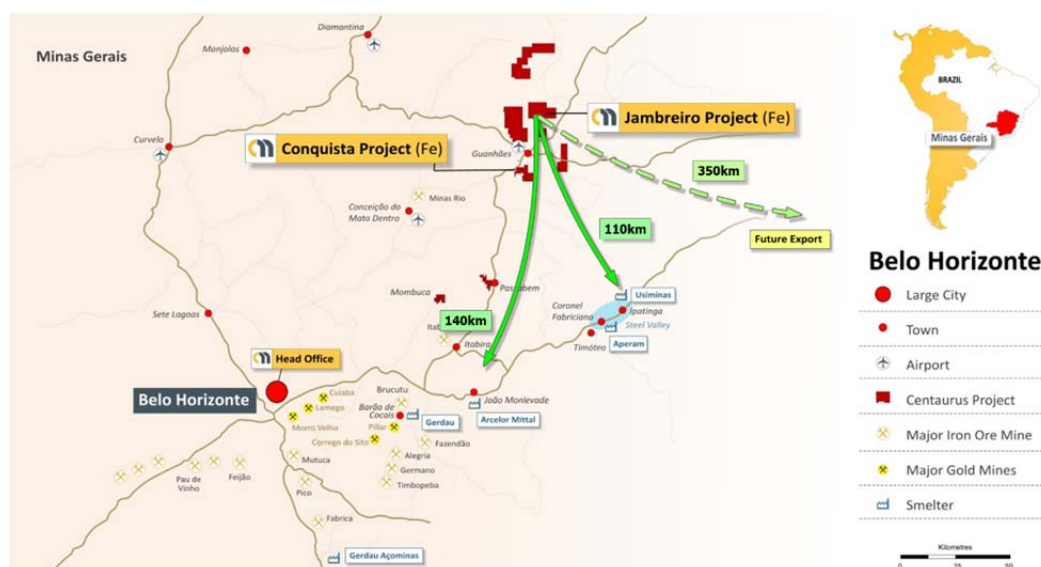
Figure 9 – The Pebas Copper-Gold Project – Drill Section (from INV NI 43-101 Technical Report of March 2012). Section location can be seen on Figure 8 (the N-S section including drill-holes 40, 36 and 35).





IRON ORE PROJECTS

Figure 10 – Centaurus Iron Ore Project Locations in south-eastern Brazil.



Jambreiro Project

The Company’s 100%-owned Jambreiro Project, located in south-east Brazil (Figure 10), is a shovel-ready development project that is licenced for 3Mtpa of wet production and which represents a strategic asset in the Brazilian domestic iron ore and steel sector, particularly with the premium pricing that exists in the market for high grade ore (+65% Fe) such as that which could be produced at Jambreiro.

In the March quarter, Centaurus prepared and delivered a new product sample from Jambreiro to potential steel mill customers in Brazil for testing. **The delivered product graded 64.6% Fe with very low impurities (4.7% SiO₂, 0.7% Al₂O₃ and 0.02% P).**

Initial feedback from potential customers who tested the product confirm the high grade, low impurity nature of the Jambreiro product and have indicated that the product would be a sought-after source of supply if it was available for purchase in the domestic market. With this information, the Company is now further considering how best to realise value from the Jambreiro Project.

Conquista DSO Project

The Conquista Project comprises a portfolio of highly prospective tenements with extensive Direct Ship Ore (DSO) mineralisation located just 8km along well-maintained gravel roads from the Company’s previously divested Candonga DSO Iron Ore Project.

Centaurus has agreed to extend the option over the Project to R3M Mineração Ltda (R3M), a privately-owned Brazilian mining group, until such time as exploration of the area can be completed.

Should R3M exercise the option, they will be required to pay Centaurus R\$3 million (~A\$1.2 million) as a non-refundable advance of a 12% production royalty.



CORPORATE

\$2.25M Raised Through Exercise of Listed Options and Underwriting

During the Quarter, Centaurus raised \$2.06 million from the exercise of 206,036,511 CTMOA listed options which were exercisable at \$0.01 on or before 30 April 2018. This represented a take-up of 92% of the options available to be exercised.

Under an underwriting agreement entered into with Peloton Capital Limited (Peloton) in early April, the small shortfall of 18,526,153 options not exercised by existing option-holders was taken up by the Underwriter.

Funds raised from the exercise and underwriting of the options, together with existing cash reserves, are being used to advance ongoing exploration activities at the Company's highly prospective projects in the Carajás Mineral Province of northern Brazil.

Cash Position

At 30 June 2018, the Company held cash reserves of A\$3.75 million.

Shareholder Information

At the end of the reporting period the Company had 2,304,982,165 shares on issue with the Top 20 holding 28% of the total issued capital. Directors and Senior Management held approximately 6% of the total issued capital.

The Company's capital structure is as follows:

Quoted Securities

Security	Number
Fully paid ordinary shares (CTM)	2,304,982,165
Listed options, exercise price \$0.01, expiry date 31 August 2019 (CTMOB)	623,049,575

Unquoted Options

Expiry date	Exercise price	Employee Options		Options	Total number of shares under option
		Vested	Unvested		
31/08/2018	\$0.1250	2,000,000	-	-	2,000,000
10/06/2019	\$0.0082	8,500,000	-	-	8,500,000
10/06/2020	\$0.0082	8,500,000	-	-	8,500,000
31/05/2020	\$0.0130	18,500,000	-	-	18,500,000
31/05/2021	\$0.0140	18,500,000	-	-	18,500,000
31/05/2022	\$0.0150	-	37,000,000	-	37,000,000
31/01/2020	\$0.0150	-	-	167,500,000	167,500,000
Total		56,000,000	37,000,000	167,500,000	260,500,000

Unquoted Performance Rights

The following Performance Rights were issued on 5 September 2017 and are held by Terrativa Minerais SA under the terms of the Company's Agreement with Terrativa signed in December 2016 in relation to the acquisition of 100% of the Para Exploration Package in Brazil.



Each tranche of Performance Rights will be converted into Ordinary Shares upon the achievement in full of the following vesting conditions:

- Tranche A – 30,000,000 Performance Rights will be converted into 30,000,000 Ordinary Shares if, within a period of 5 years after the date of issue of the Performance Rights, a JORC-compliant Inferred Resource of 500,000oz of gold or gold equivalent is defined on the Pará Exploration Package Project tenements;
- Tranche B – 30,000,000 Performance Rights will be converted into 30,000,000 Ordinary Shares if, within a period of 5 years after the date of issue of the Performance Rights, a JORC-compliant Inferred Resource of 1,000,000oz of gold or gold equivalent is defined on the Pará Exploration Package Project tenements;
- Tranche C – 30,000,000 Performance Rights will be converted into 30,000,000 Ordinary Shares if, within a period of 5 years after the date of issue of the Performance Rights, a JORC-compliant Inferred Resource of 1,500,000oz of gold or gold equivalent is defined on the Pará Exploration Package Project tenements.

During the Quarter none of the Performance Rights were converted or cancelled and no vesting conditions were met.

DARREN GORDON
MANAGING DIRECTOR

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.