AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT
& MEDIA RELEASE

2 May 2017

CENTAURUS CLOSES IN ON MAIDEN DRILLING PROGRAM AT SERRA MISTERIOSA AS SIZE OF ANOMALY CONTINUES TO GROW

Maiden exploration program on track with first drill rig now on site and ready to kick off 3,500m drill program as additional soil sampling extends strike length of +50ppb Au anomaly to 5.0km

Key Points

- **First drill rig on site at the highly prospective Serra Misteriosa Gold Project in Brazil with site access and drill pad preparation now underway as seasonal rainfall in the region subsides.**
- **Drilling of the maiden 3,500m program expected to start within the next 5-10 days.**
- **New results from the extensional soil sampling program has added a further 600m of strike length to the +50ppb Au anomaly, increasing the primary high-grade anomaly to a continuous strike length of 5.0 km.**
- **In-fill sampling on 25m spacings and additional twin sample lines have helped to validate the historical data and continues to demonstrate the consistency of the robust gold anomaly.**
- **Multiple high-grade (+100 ppb Au and +150 ppb Au) zones correlate well with the Induced Polarisation (IP) chargeability anomalies (+40mV/V) identified in the IP survey completed earlier in the year, further enhancing the excellent walk-up drill targets already identified.**
- **Serra Misteriosa is the most advanced project of the highly prospective Pará Exploration Package in Northern Brazil, which includes +750km^2 of ELs and EL applications in the State of Pará, located between the world-class Carajás IOCG province and the 5Moz Volta Grande gold deposit.**

Centaurus Metals (ASX Code: **CTM**) is pleased to announce that it is on track to commence its maiden drill program at the highly prospective **Serra Misteriosa Gold Project** in Northern Brazil within days with the first drill rig having arrived on site last week and preparations for the start of drilling now well advanced.

The site accesses and drill pads are being prepared and all geological and core processing facilities are ready. As the heavy seasonal rainfall has progressively subsided during the last few weeks the Company has been able to start the necessary site preparations, with drilling now likely to commence in the next 5-10 days.

Exploration work has continued on the target during the wet season and ongoing extensional and in-fill soil sampling programs continue to deliver excellent results. Recent results from these programs have added a further 600m of strike length to the existing 4.4km long +50ppb gold anomaly. This outstanding gold-in-soil anomaly now has a strike length of 5.0km with consistent widths of circa 150m (see Figure 1 below).

The upcoming drilling will be the first time that this exceptional greenfields gold target, which now hosts a **5.0 km long, +50ppb Au gold-in-soils anomaly**, will be drill tested.

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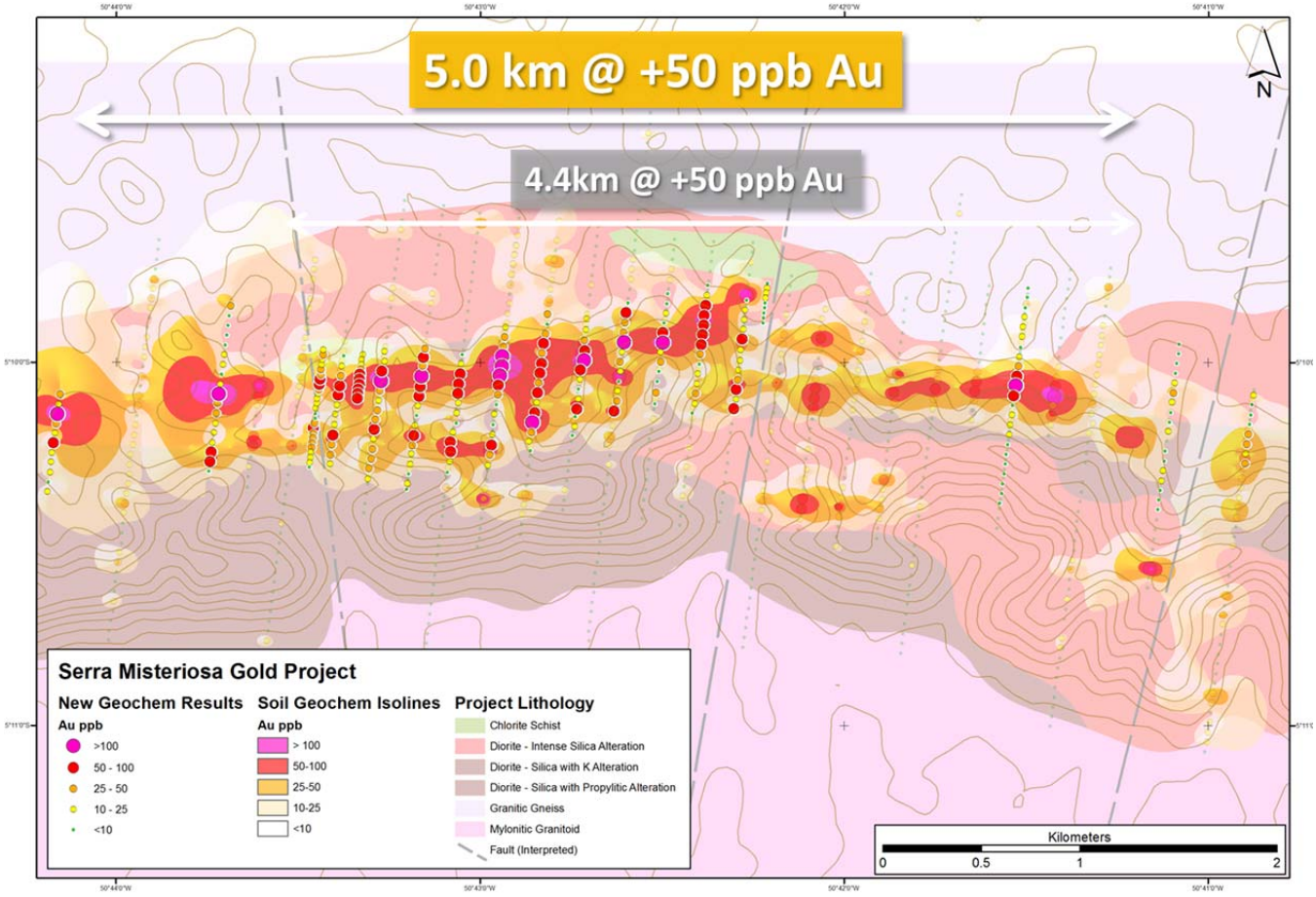
Figure 1 – Serra Misteriosa, Soil Geochemistry (Au) showing new (bold) and historical (smaller) soils results.



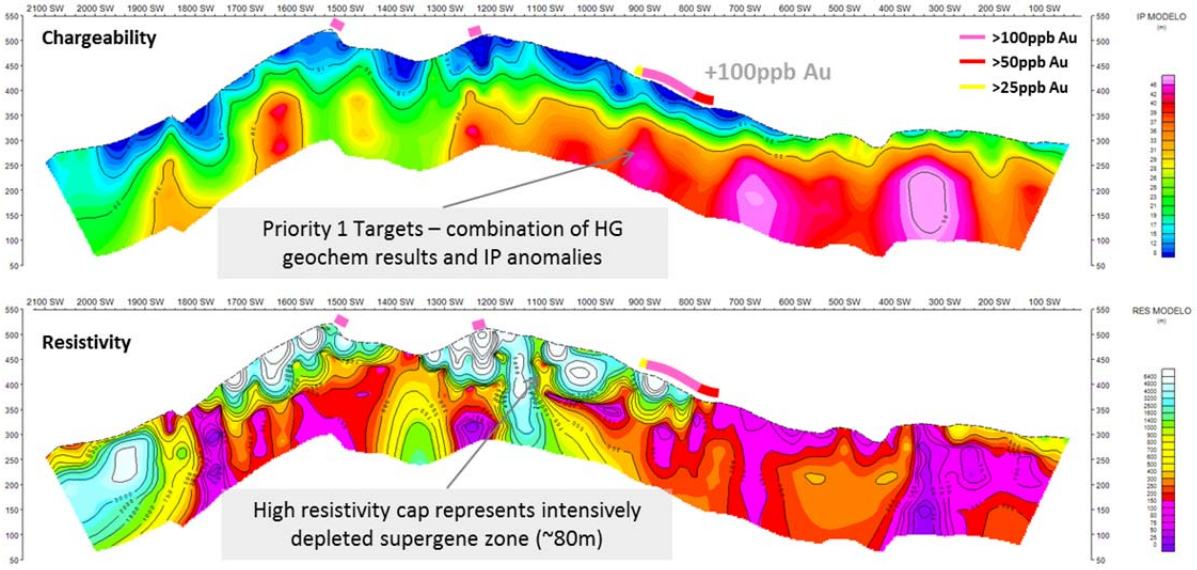
Some recent results from the ongoing soil sampling program are from new extensional sample lines, located to the west of a north-south fault which was previously understood to constrain the high grade soils anomaly to the west. It is now evident that the gold-in-soils anomaly continues to the west of this fault for at least an additional 600m. Furthermore, one of the samples from these lines returned the project's highest soils sample grade to date at 238 ppb Au.

In-fill sampling was also completed to reduce the spacing down to 25m on all sections that cover the main mineralised zone. The results continue to demonstrate the consistency of the robust gold anomaly both in terms of continuity and grade. A number of additional duplicate lines were completed with excellent results confirming the quality of the historical data.

There are 150m wide zones of +100 ppb Au and locally +150 ppb Au soil sampling results on multiple sections. All of these zones correlate well with the chargeability anomalies identified from the Induced Polarisation (IP) survey completed in January (see Figure 2 below). These zones represent the walk-up drill targets which will be a priority in the upcoming maiden drill program.

The fact that there are gold (plus arsenic and antimony) anomalies directly above these high chargeability zones potentially indicates the presence of gold-bearing disseminated sulphides at depth - a very encouraging feature. Section 1000 in Figure 2 below is an example of this relationship.

Figure 2 – Serra Misteriosa, IP Section 1000 with projected soil geochemistry (Au)



As advised previously, Centaurus commissioned highly-respected geologist, Mr Grant "Rocky" Osborne, to conduct a detailed review of the Serra Misteriosa Gold Project. Mr Osborne has extensive gold and base metals exploration experience on projects in Brazil and Australia, having worked for over 17 years in Brazil with BP Minerals and Western Mining Corp (WMC) and more recently with a number of juniors in Australia. He is responsible for gold and base metal discoveries in both countries.

Mr Osborne's independent review concluded that the Serra Misteriosa Gold Project represents a very robust geological, geochemical and geophysical target for Intrusion-related gold mineralisation hosted within a shear zone. This is supported by a consistent mineral zoning of Gold (Au), Arsenic (As), Antimony (Sb) and magnetic susceptibility over a long interval combined with relatively simple geology and geophysics (IP and Magnetics).

Centaurus' Managing Director, Mr Darren Gordon, said the Company was looking forward to the start of drilling with great anticipation.

"We have been working through all the commercial, contractual and logistical back ground work required to prepare for a greenfields drill program at Serra Misteriosa, and we're now in the final stages of preparations before drilling operations begin," he said. "The high level of rainfall seen over the last few months is declining significantly and we are confident that we will now be able to break ground within the next five to ten days.

"The size, grade and robustness of this gold-in-soils anomaly is outstanding and it has produced multiple walk-up drill targets that will be the focus of our maiden 3,500m drill program. We look forward to getting the rods turning and delivering first results by early June," he added.

-ENDS-

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Competent Person Statement

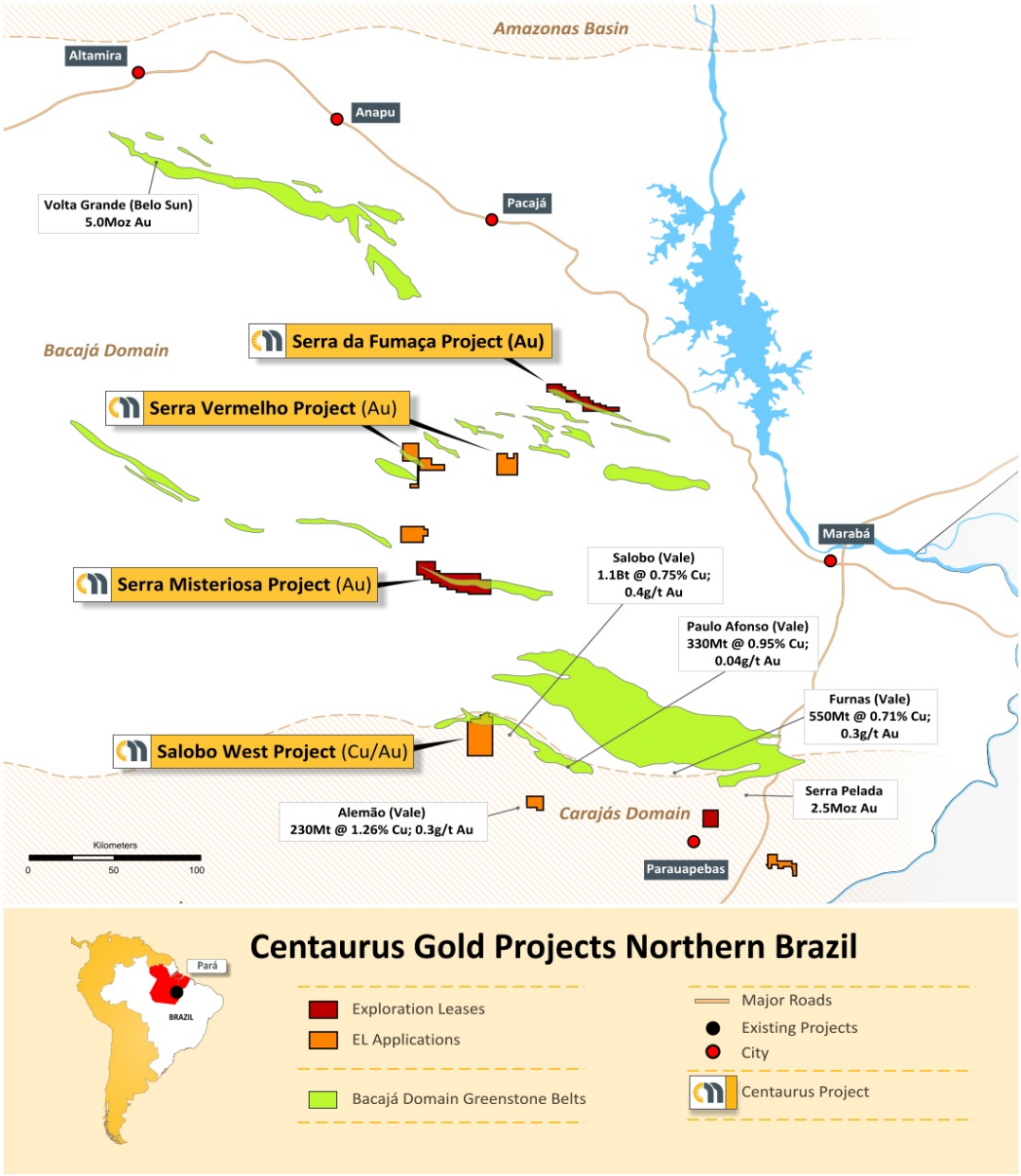
The information in this report that relates to Exploration Results is based on information compiled by Roger Fitzhardinge who is a Member of the Australasia Institute of Mining and Metallurgy. Roger Fitzhardinge is a permanent employee of Centaurus Metals Limited. Roger Fitzhardinge has sufficient experience which is relevant to the style of 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.

The Pará Exploration Package

The Serra Misteriosa Gold Project forms part of the +750 km^2 Pará Exploration Package ("Pará EP") of tenements located in Brazil's mineral-rich State of Pará[1]. The extensive tenement package is located between several world-class mineral deposits – the 5Moz Volta Grande Gold Project, owned by Belo Sun Mining, to the north and the giant Carajás IOCG province to the south (see Figure 3).

The Pará EP group of tenements include prospective gold targets for both Volta Grande-style gold and Carajás-style copper-gold deposits. The Serra Misteriosa Gold Project is the most advanced project and where the Company plans to commence its maiden drill program in early May 2017.

Figure 3 – Location of Serra Misteriosa Gold Project and the Broader Pará Exploration Package



[1] Refer to ASX announcement on 5 October 2016 for details of Serra Misteriosa Gold Project and the Pará EP agreement terms.

APPENDIX A – TECHNICAL DETAILS OF THE SERRA MISTERIOSA GOLD PROJECT, JORC CODE, 2012 EDITION – TABLE 1

SECTION 1 SAMPLING TECHNIQUES AND DATA

Criteria	Commentary
Sampling techniques	• Soil samples were collected at 25m and 50m intervals along 100 or 200m spaced grid lines along the strike of the project. 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. • Centaurus has collected 505 soil samples to date. • All 1,105 historical samples were collected by Terrativa. • Stream sediment samples were collected at selected points and sieved down to 1.0-1.5 kg samples using a 100 mesh sieve. 41 stream sediment samples were collected. • 60 surface rock chip/soil samples were collected from in situ outcrops and rolled boulders for chemical analysis.
Drilling techniques	• There is no historical drilling on the Serra Misteriosa Project.
Drill sample recovery	• No drilling was conducted.
Logging	• All outcrop, stream sediment and soil sample points were registered and logged in the Centaurus geological mapping point database.
Sub-sampling techniques and sample preparation	• All rock chip and soil samples were sent to the laboratory without any field preparation. • Stream sediment samples were sieved down to 1.0-1.5kg using a 100 mesh sieve.
Quality of assay data and laboratory tests	• Analysis of the soil samples was completed at SGS Geosol Laboratories. Samples are dried at 100^{o}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. • SGS Geosol 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. • Stream sediment samples are first dried in an oven at 60^{o}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. • Laboratory procedures are in line with industry standards. • To date no QAQC samples have been inserted by Terrativa for this project.
Verification of sampling and assaying	• All recent samples (since November 2016) 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 Terrativa field geologists. All assay results were verified by alternative Terrativa personnel.
Location of data points	• 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.

Data spacing and distribution	• Soil samples were collected on 25m or 50m spacing on section with distance between sections of 100m, 200m and 400m depending on location. • Stream sediment samples were collected at sample points planned by Terrativa geologists to represent catchment areas of between 500-1,000ha. • Sample spacing was deemed appropriate for geochemical studies but should not be considered for Mineral Resource estimations. • No sample compositing has been applied.
Orientation of data in relation to geological structure	• The extent and orientation of the mineralisation was interpreted based on field mapping. Sample orientation is perpendicular to the main geological features sequence along which mineralisation exists.
Sample security	• 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	• 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	• The Serra Misteriosa project includes two exploration leases (851.548/2011 and 850.258/2013) for a total of circa 180km^2. Granted Exploration Leases have three years of exploration rights that may be extended for a further three years. • The tenements are part of an earn-in agreement with Terrativa Minerais SA. Under the agreement Centaurus has to meet minimum expenditure of R$2.5M in 24 months to gain the right to acquire 100% of the tenements via the issue of 30M CTM shares, 90M Performance Shares (3 tranches of 30M with vesting based on certain resource based performance milestones) and a production royalty of 2%. 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 1% on gold revenue (less taxes). • Landowner royalty is 50% of the CFEM royalty. • The project is covered by a mix of cleared farm land and natural vegetation. The project is not located within any environmental protection zones and exploration and mining is permitted with appropriate environmental licences.
Exploration done by other parties	• Historically the Serra Misteriosa tenement area was explored for gold by Terrativa. All data from this exploration has been passed to Centaurus. • There has been small scale historical artisanal gold mining undertaken in this area. There is no known evidence of exploration for gold by other modern-day companies other than Terrativa.
Geology	• The Serra Misteriosa Gold Project is located in the Southern Bacaja Domain within the Eastern Amazonian Craton. The project is located on a ridge of WNW-ESE trending Upper Proterozoic greenstone between gneissic and granitic complexes that has been intruded by syntectonic dioritic and granodioritic plutons; • The project area is covered extensively by a rich red saprolite and fresh rock outcrop is limited. Gold has been identified in panning and diorite fresh rock samples where SEM results demonstrated gold is associated with arsenopyrite/pyrite; • The main gold in soils geochem target is a 10km x 600m (+25ppb Au) anomaly. The zone is also anomalous for As, Sb and magnetic soils. Within this anomaly there is a 5.0km x 250m +50ppb Au zone, with a number of smaller +150ppb Au zones. The Au geochem anomaly is associated with a sheared contact of diorite with host greenstones and granites. The diorite has been intensively silicified +/- sericite and propylitic alteration.

Criteria	Commentary
Drill hole Information	• No drilling has been conducted on the project.
Data aggregation methods	• 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	• No drilling was conducted.
Diagrams	• Refer to Figures 1 -3.
Balanced reporting	• All 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	• Historical geological mapping was carried out by Terrativa geologists. • The IP and resistivity surveys were undertaken by WSL/Geomag. The survey included +20km of survey lines and utilised a pole-dipole array with an electrode spacing of 50m. The survey was designed to measure to a depth of 250m. The QAQC and interpretation of the IP survey was undertaken by Centaurus's geophysical consultant, Mr Robert B. Ellis.
Further work	• Based on targets generated from these programs, the Company will commence the maiden exploration drilling program at the start of the dry season expected in early May 2017.