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CENTAURUS SECURES HIGHLY PROSPECTIVE MULTI-COMMODITY TARGET WITH HIGH-GRADE GOLD POTENTIAL IN BRAZIL

Initial low-cost exploration activities underway

Highlights:

- **Centaurus has secured the grant of a new tenement (Mombuca) that hosts a regionally significant magnetic anomaly with significant high-grade gold and iron ore potential.**
- **The anomaly is of similar magnitude to that covering the world-class Itabira Iron Ore Complex, located just 20km to the south-east – a mining complex that has historically produced considerable high grade gold from dedicated zones within the broader iron ore deposits.**
- **The new tenement is located on the gold-palladium (Au-Pd) belt of Minas Gerais, Brazil, which is delineated by major north-south trending regional thrust faults.**
- **Aeromagnetics has identified a convergence of large regional scale faults coincident with an extensive magnetic anomaly, which has dimensions of 4.8km by 3.5km.**
- **Historical gold workings have been identified in three locations on the Company's adjoining Itambé tenement with 10 adits also being identified to date. Historical gold results from face sampling within three of the adits include 6m at 5.3g/t Au, 8m at 1.8g/t Au and 4m at 3.4g/t Au.**

Centaurus Metals (ASX Code: **CTM**) is pleased to announce that it has secured the tenure over an exciting new multi-commodity exploration target with potential for both **high-grade gold and iron ore mineralisation** in the State of Minas Gerais, Brazil. Initial exploration activities have already commenced over the new **Mombuca Project**, which covers an extensive regional-scale magnetic anomaly.

The recently granted Mombuca tenement is located immediately to the east of the Company's 100%-owned Itambé tenement and roughly 100km north-east of the State capital of Belo Horizonte. The tenement, which Centaurus has been trying to secure for more than five years, hosts a **regionally significant magnetic anomaly**.

Centaurus explored the Itambé tenement during 2009-2010 with the work predominantly focused on iron ore at the time. The area of previous work covered less than 5 per cent of the regional magnetic anomaly, which lies predominantly within the newly granted Mombuca tenement. While initial exploration in 2009 did not focus on the gold potential of the area, historical face sampling of the adits located on the Itambé tenement returned **gold intercepts of up to 6m at 5.3g/t Au**.

Sampling of the adits was undertaken via a continuous face sampling method along the auriferous vein. Initial fire assay results indicated the presence of coarse gold in the samples and as such the samples were then re-submitted for screen fire assay. The results of the historical sampling are presented in Table 1 below:

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Table 1: Mombuca Project – Historical Face Sampling of Adits

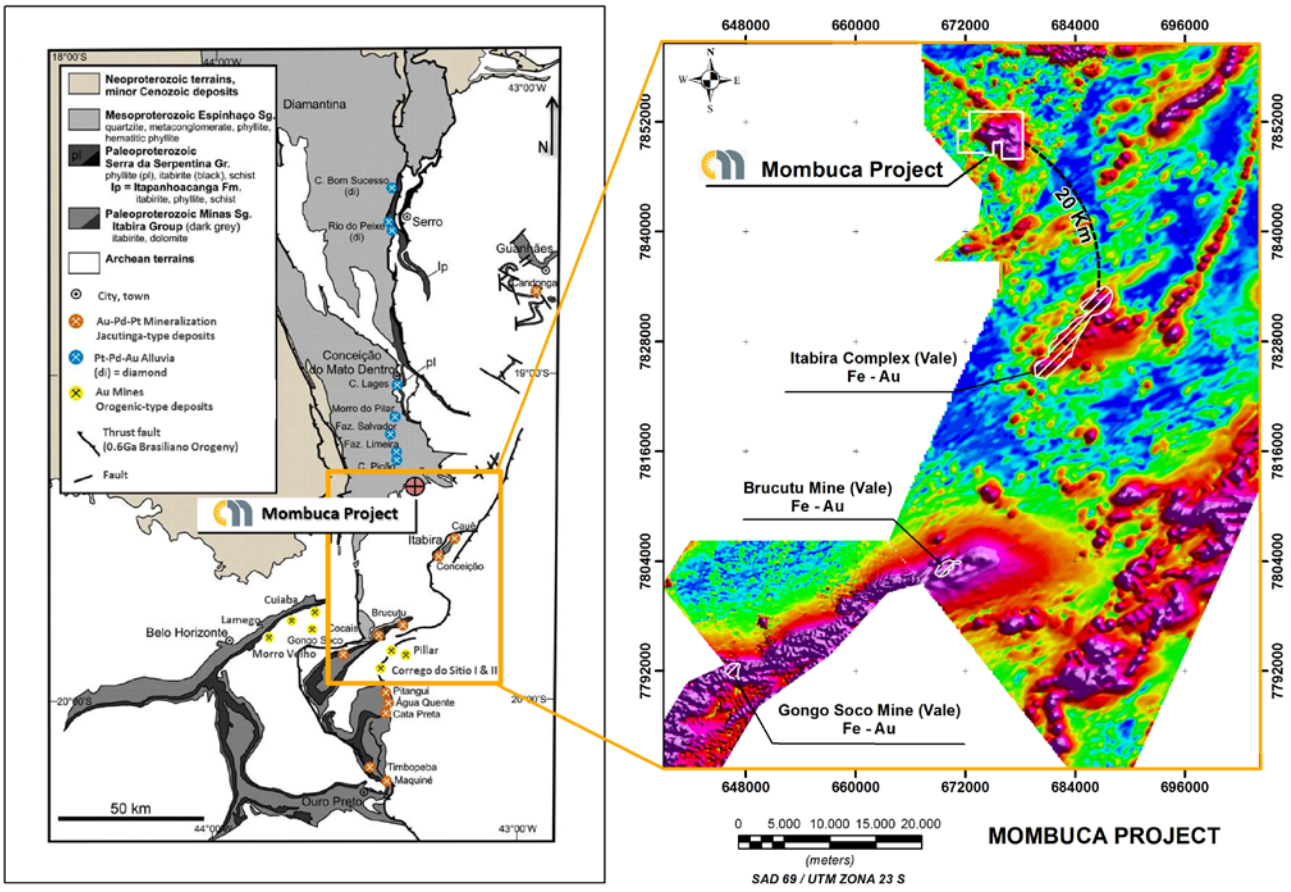
Adit Number	East	North	RL	Dip	Azimuth	Intersection
IBP-GA-0003	673807	7850604	975	0	160	8m @ 1.8 g/t Au
						incl. 2m @ 5.6 g/t Au
IBP-GA-0004	673770	7850578	987	0	110	6m @ 5.3 g/t Au
						incl. 2m @ 9.6 g/t Au
IBP-GA-0009	673717	7850501	935	0	125	4m @ 3.4 g/t Au
						incl. 2m @ 6.4 g/t Au

The Mombuca and Itambé tenements will now be collectively known as the Mombuca Project. Centaurus intends to explore the Mombuca Project for both gold mineralisation and high-grade itabirite iron ore.

The Minas Gerais Au-Pd Belt and the High-grade Jacutinga Gold Lode

The Mombuca Project is located in the southern segment of the Au-Pd belt of Minas Gerais, Brazil. This belt is roughly defined by a series of north-south trending lineaments of thrust faults of Brasiliano orogeny (~0.6 Ga), coincident with occurrences of Au-Pd-Pt mineralisation, artisanal workings and in some cases, iron ore and gold mines (Itabira, Gongo Soco) as shown in Figure 1.

Figure 1: Mombuca Project Au-Pd Belt of Minas Gerais; Mombuca and Itabira Regional Aeromagnetics Image



The world-class Itabira Iron Ore Complex is located less than 20km south-east of the Mombuca Project. The Cauê Mine (one of three mines that make up the Itabira Complex) is understood to have produced approximately 300,000 ounces of gold by gravity method as part of its iron ore operations in the period 1985-1999. Centaurus understands that that the gold-bearing veins were mined visually during iron ore mining.

The Cauê mine and other mines in the region (Conceição, Brucutu, Gongo Soco) host high-grade gold (up to 1,000 g/t) associated with specular hematite-rich quartz lodes which are referred to locally as the Jacutinga lode. The auriferous veins generally cross-cut but can be found running parallel to the foliation of the Paleoproterozoic friable itabirite host. Gold mineralisation related to the Jacutinga lode is normally related to elongated fault and shear zones within the itabirite and high grade hematite bodies.

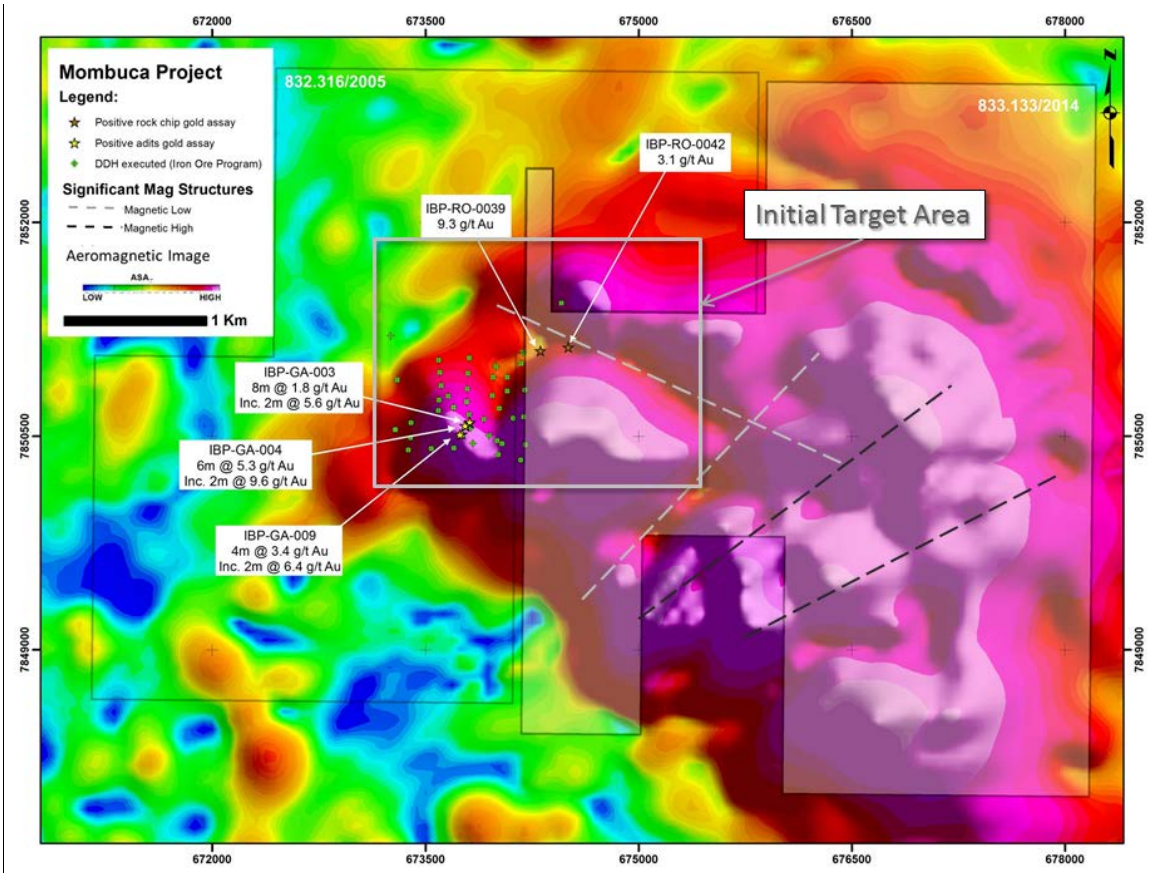
Regional Magnetics and Geology

The magnetic anomaly on the newly acquired Mombuca tenement is regionally significant. It has dimensions of 4.8km by 3.5km and is one of the strongest anomalies in the region. It is of a similar scale to and located just 20km north of the world-class Itabira Iron Ore mine (operated by Vale), which has been operating for over 60 years and still produces lump and sinter feed products at a rate of over 30Mtpa.

Processing of the aeromagnetic data indicates that the depth of the anomaly is reasonably shallow at less than 200m.

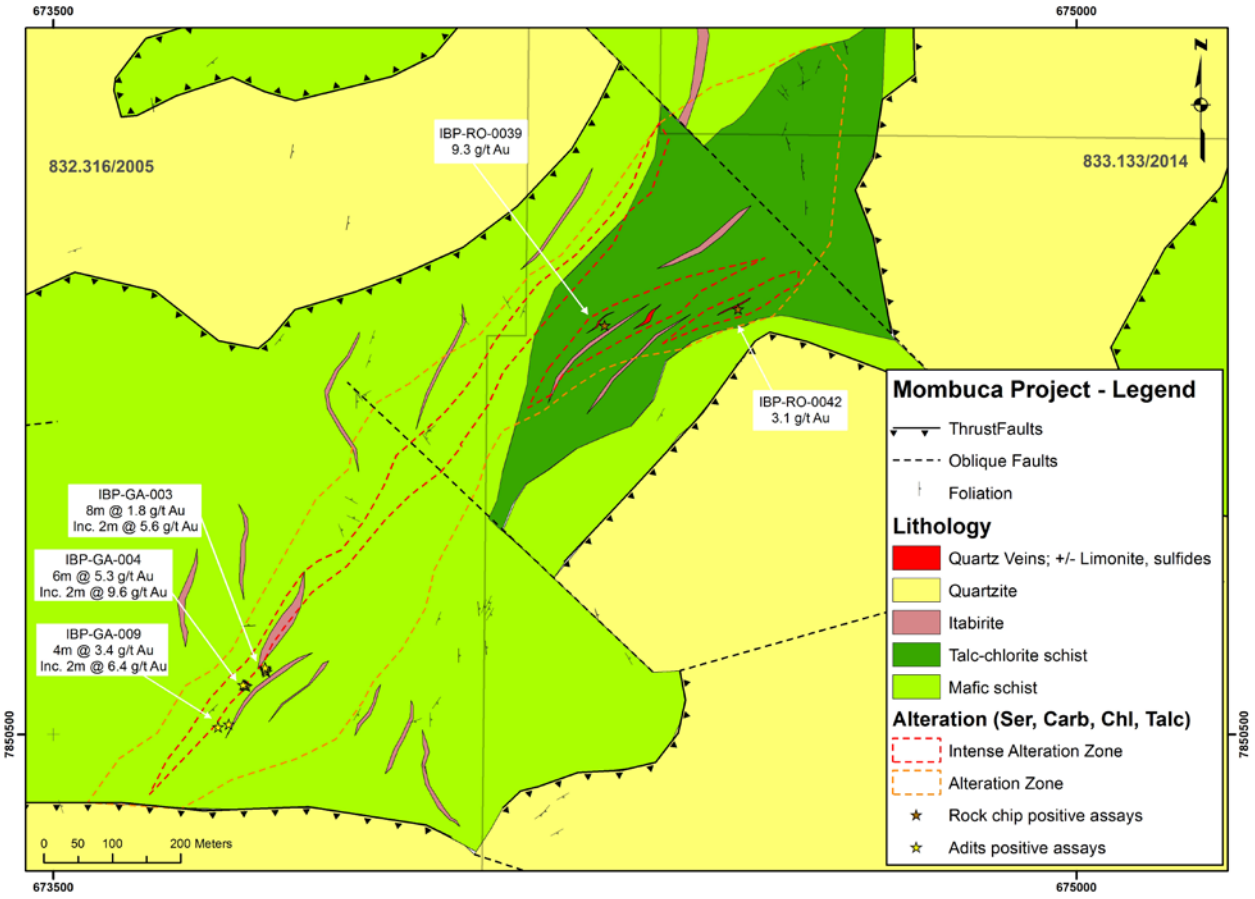
Interestingly, the regional magnetic anomaly identifies a number of convergent regional scale structures running E-W, NW-SE and SW-NE (Figure 2). There are also a number of structures associated with magnetic low responses that may indicate hematite-rich zones within the itabirite or zones of sulfidation of the iron oxides.

Figure 2: Mombuca Project Gold Occurrences on Regional Aeromagnetic Image



The preliminary exploration target on the Mombuca Project is a metavolcanic-sedimentary sequence consisting of quartzites, iron formations (itabirite), mafic and ultra-mafic schists (Figure 3). The sequence dips shallowly to the east-southeast, in the direction of the untested regional anomaly. The sequence has been affected by multiple phases of folding as well as late-stage thrust faulting. Later stage mafic intrusives have been identified in the historical drilling.

Figure 3: Mombuca Project Geology – Initial Target Area



Quartz veins with limonite, iron oxides, boxworks after weathered sulphides and occasional fresh sulphides (mainly pyrite) have been identified at surface, in the adits along the schist-itabirite contacts and within the talc-chlorite mafic schist (see photos in Figures 4 and 5). Visible gold has been identified in surface samples of the veins. Historical rock chip samples IBP-RO-0039 and IBP-RO-0042 were taken from quartz veins in this area and returned results of 9.3g/t Au and 3.1g/t Au respectively.

Strong sericite-carbonate and talc-chlorite hydrothermal alteration is present in the mafic and ultra-mafic schists respectively. Alteration is moderately extensive albeit concentrated around the quartz veins. Boxworks after weathered sulphides or iron oxides are common throughout the mafic and ultra-mafic schists, more so when proximal to the mineralized quartz veins.

The favourable host sequence and alteration system coupled with the presence of mafic intrusions and the presence of regional scale structures (folds and faults) provide strong targets for future exploration.

The Mombuca Exploration Program

The Mombuca tenement has always been of considerable interest to Centaurus. However, it has until recently been tied up in administrative processes in the Brazilian Department of Mines. The tenement has now been granted as a 3-year Exploration Lease.

Centaurus has commenced initial exploration of the Mombuca Project with its small exploration team. This initial work includes detailed geological surface mapping of the target sequence to be followed by mapping of the recently granted and previously unmapped Mombuca tenement. A soil geochemical sampling program is underway covering the target sequence. A stream sediment sample and pan-concentrate gold colour count program is planned for the larger area.

Based on results from these programs, a ground magnetic survey is planned to be carried out to improve the Company's geological understanding of the regional-scale structures within the project area.

Key targets will be the structural features including fold hinge zones, fault and shear zones. Additionally, the ground magnetic survey should identify magnetic lows that 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. Both are key target features for future gold exploration.

Centaurus' Managing Director Darren Gordon said the Company was pleased to have finally secured the grant of the Mombuca tenement.

"This represents the culmination of a lengthy process and enables us to finally get our hands on an exceptional multi-commodity exploration target located just 20km from one of the world's largest iron ore mines which has also produced a considerable amount of high-grade gold historically as part of its operations," Mr Gordon said.

"The Mombuca tenement covers high-quality gold and iron ore targets of considerable scale and regional importance located immediately adjacent to our Itambé tenement. This new area is largely under-explored and we believe that, with detailed geological mapping, stream and soils geochemical programs and ground magnetics, we can cost effectively generate some exciting targets for future drilling," he said.

"Importantly, we have been able to secure this high-quality exploration opportunity for no upfront cost, and we can progress initial exploration activities very cost effectively.

"Results from historical sampling of the adits indicate that there is gold in the system and now that we have secured the tenement covering the regionally significant magnetic anomaly we are looking forward to getting some positive results in the coming months," Mr Gordon said.

-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 4 – Quartz vein with abundant fresh sulphides (pyrite) and limonite (674359mE, 7851089mN).

Figure 5 - Outcropping quartz vein, 15m width, can be traced at surface for 50m (674377mE, 7851107mN)

Table 2: Mombuca Project – Historical Field samples

Field Sample*	East	North	RL	Sample Description	Au (ppb)
IBP-RO-0038	674292	7851099	877	Quartz vein with iron oxides	40
IBP-RO-0039	674308	7851100	870	Quartz vein with pyrite and iron oxides	9300
IBP-RO-0040	674419	7851120	829	Low grade Itabirite	< 5
IBP-RO-0041	674419	7851120	829	Low grade Itabirite	< 5
IBP-RO-0042	674504	7851124	803	Quartz vein with iron oxides	3195
IBP-RO-0043	675275	7851164	858	Soil	< 5
IBP-RO-0044	671730	7849169	751	Soil	20

**Only samples analysed for Au are shown*

APPENDIX A – TECHNICAL DETAILS OF THE CANDONGA WEST PROJECT, JORC CODE, 2012 EDITION – TABLE 1

SECTION 1 SAMPLING TECHNIQUES AND DATA

Criteria	Commentary
Sampling techniques	• All results in this announcement are from historical results completed by Centaurus in 2009. • 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 are shown in Table 1. • 7 surface rock chip / soil samples were collected from in situ outcrops and rolled boulders for chemical analysis, results are shown in Table 2. • Additional samples have recently been taken by the Company and are awaiting assay results.
Drilling techniques	• Not Applicable
Drill sample recovery	• Not Applicable
Logging	• All historical outcrop and sample points were registered and logged in the Centaurus geological mapping point database.
Sub-sampling techniques and sample preparation	• All historical samples were sent to the laboratory without preparation.
Quality of assay data and laboratory tests	• Chemical analysis of the historical samples was completed at SGS Laboratories. Samples are dried at 100^{o}C and crushed to 9 mesh in a jaw crusher. Then a 500g sample is pulverized to 150 mesh. The pulp is quartered and an aliquot of 50g is analysed by fire assay. • For the historical adit sample an ore-grade samples metallic screen fire assay was applied. • The SGS lab inserts its own standards at set frequencies and monitors 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.
Verification of sampling and assaying	• Historical samples were collected by Centaurus field geologists. All assay results were verified by alternative Company personnel and the Competent Person before release.
Location of data points	• 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.
Data spacing and distribution	• Not Applicable
Orientation of data in relation to geological structure	• The extent and orientation of the mineralisation was interpreted based on field mapping and historical workings.
Sample security	• 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 SGS lab 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	• Not Applicable

SECTION 2 REPORTING OF EXPLORATION RESULTS

Criteria	Commentary
Mineral tenement and land tenure status	• 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	• 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 grimpeiros 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	• 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. Some 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 been softened through intense weathering process which has further concentrated the iron oxides through the weathering of sulphides. The vein orientation varies slightly across the three gold adits but is generally orientated SW-NE shallowly plunging to the ESE. • 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. No high grade lenses have been identified to date.
Drill hole Information	• Not Applicable
Data aggregation methods	• Not Applicable
Relationship between mineralisation widths and intercept lengths	• Not Applicable
Diagrams	• Refer to Figures 1-3.
Balanced reporting	• All Exploration Results received by the Company to date are included in this report.

Criteria	Commentary
Other substantive exploration data	• Historical geological mapping was carried out by Centaurus geologists. • Interpretation of Regional Aeromagnetic data that was collected by state agency CODEMIG was completed by geophysics from Intergeo.
Further work	• The Company plans to complete further detailed geological mapping, stream sediment sample and pan-concentrate gold colour count program 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.