

18 May 2017

MAIDEN DRILL PROGRAM UNDERWAY AT SERRA MISTERIOSA

3,500m diamond drill program now in progress on highly prospective project which has never been drill tested before – first results expected in June

Key Points

- **First diamond drill rig now operating on site at the Serra Misteriosa Gold Project in northern Brazil as the Company's maiden 3,500m drill program gets underway.**
- **Drilling to test the 5.0km long +50ppb gold-in-soils anomaly including priority targets where high grade gold-in-soils zones (+100 ppb Au) are coincident with distinct Induced Polarisation (IP) chargeability anomalies (+40mV/V).**
- **First drill results expected in mid-June with a second diamond rig due on site in early June.**
- **Serra Misteriosa is the most advanced project of the highly prospective Pará Exploration Package in Northern Brazil, which includes +750km² 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 its maiden diamond drill program at the highly prospective **Serra Misteriosa Gold Project** in Northern Brazil is underway. The program will comprise ~3,500m of diamond drilling and will test a number of excellent coincident geochemical and geophysical targets to a depth of 300m below surface.

The exceptional Serra Misteriosa greenfields target comprises a 2.0km long, +100ppb Au gold-in-soils anomaly within a broader 5.0 km long, +50ppb Au anomaly (see Figure 1 below).

The first priority holes will target distinct high chargeability features (+40mV/V) that are located immediately beneath the highest grade gold (plus arsenic and antimony) soil anomalies. This target type is understood to indicate the presence of primary gold-bearing disseminated sulphides. Section 1000 in Figure 2 is an example of this relationship.

The Serra Misteriosa Gold Project is a 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).

The 3,500m drill program has been designed to provide a comprehensive test of the intrusion-related target model that commonly involves extremely large systems with variable grade.

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The program will also include some holes to test the stratigraphy, which in turn will assist the Company's understanding of the weathering profile, supergene and primary mineral assemblages and relationships between the different intrusive phases and host rock.

Figure 1 – Serra Misteriosa, showing planned drill hole locations over soil geochemistry (Au) and project geology.

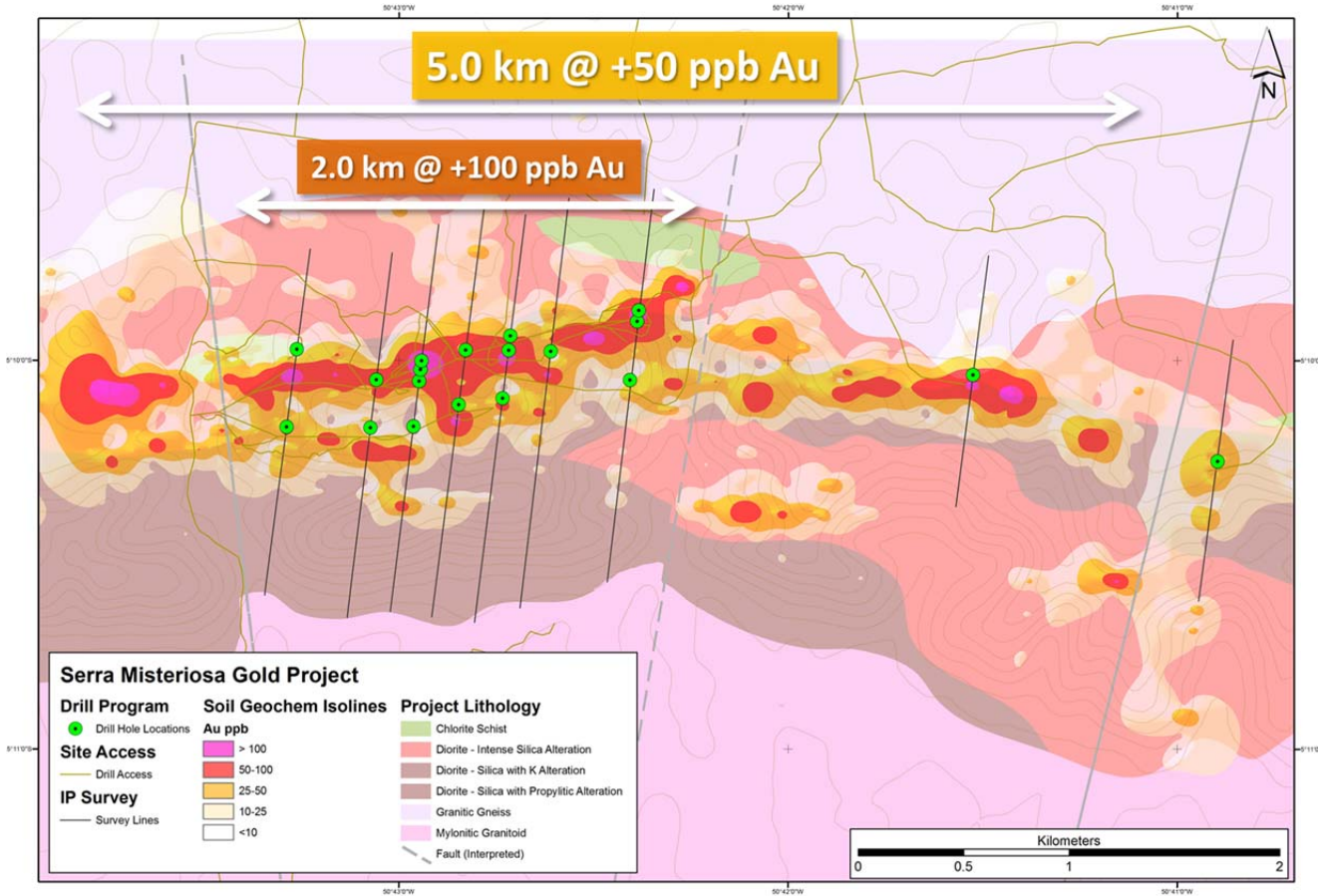
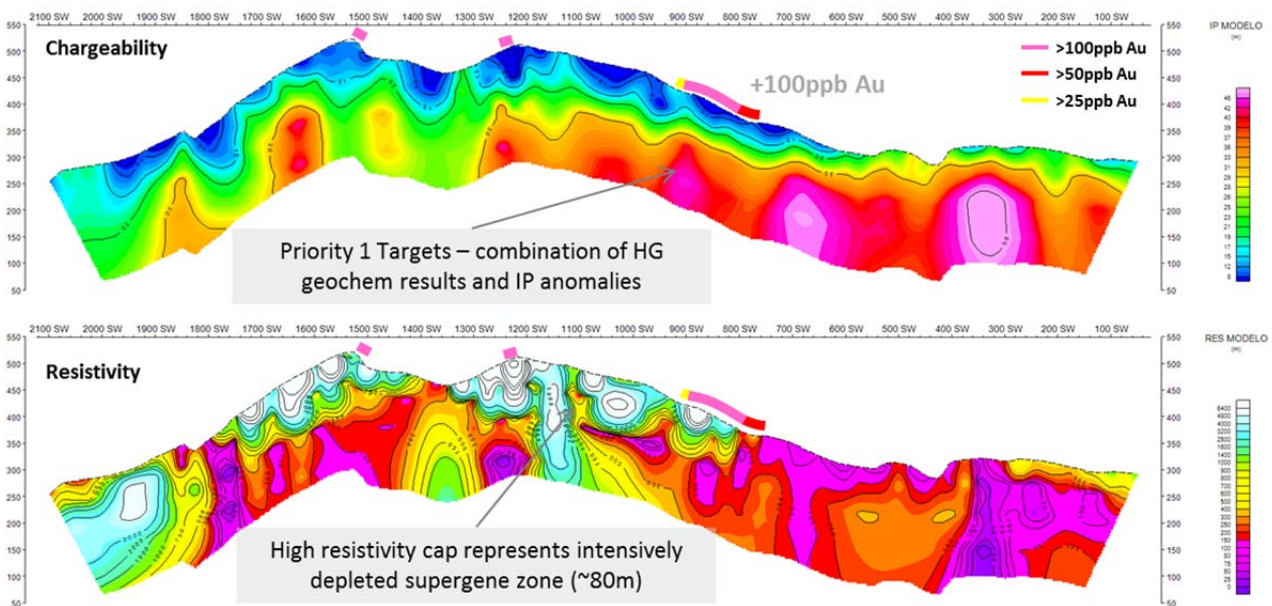


Figure 2 – Serra Misteriosa, IP Section 1000 with projected soil geochemistry (Au)



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Centaurus' Managing Director, Mr Darren Gordon, said the Company had put a lot of effort into developing the drill targets at Serra Misteriosa over the last six months during the wet season and now that the conditions have improved it is very satisfying to be able to get the drill rig in to place and commence operating.

“The sheer scale and robustness of the soils anomaly, coupled with the consistent sub-surface IP targets, makes this an outstanding drill target – and we are very much looking forward to seeing the first results of the drilling, which we expect by mid-June.” he said

“We are appreciative of the strong support received from the local community which when combined with the hard work of the exploration team has enabled the Company to gain access to commence drilling immediately after the seasonal rains subsided.”

-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.

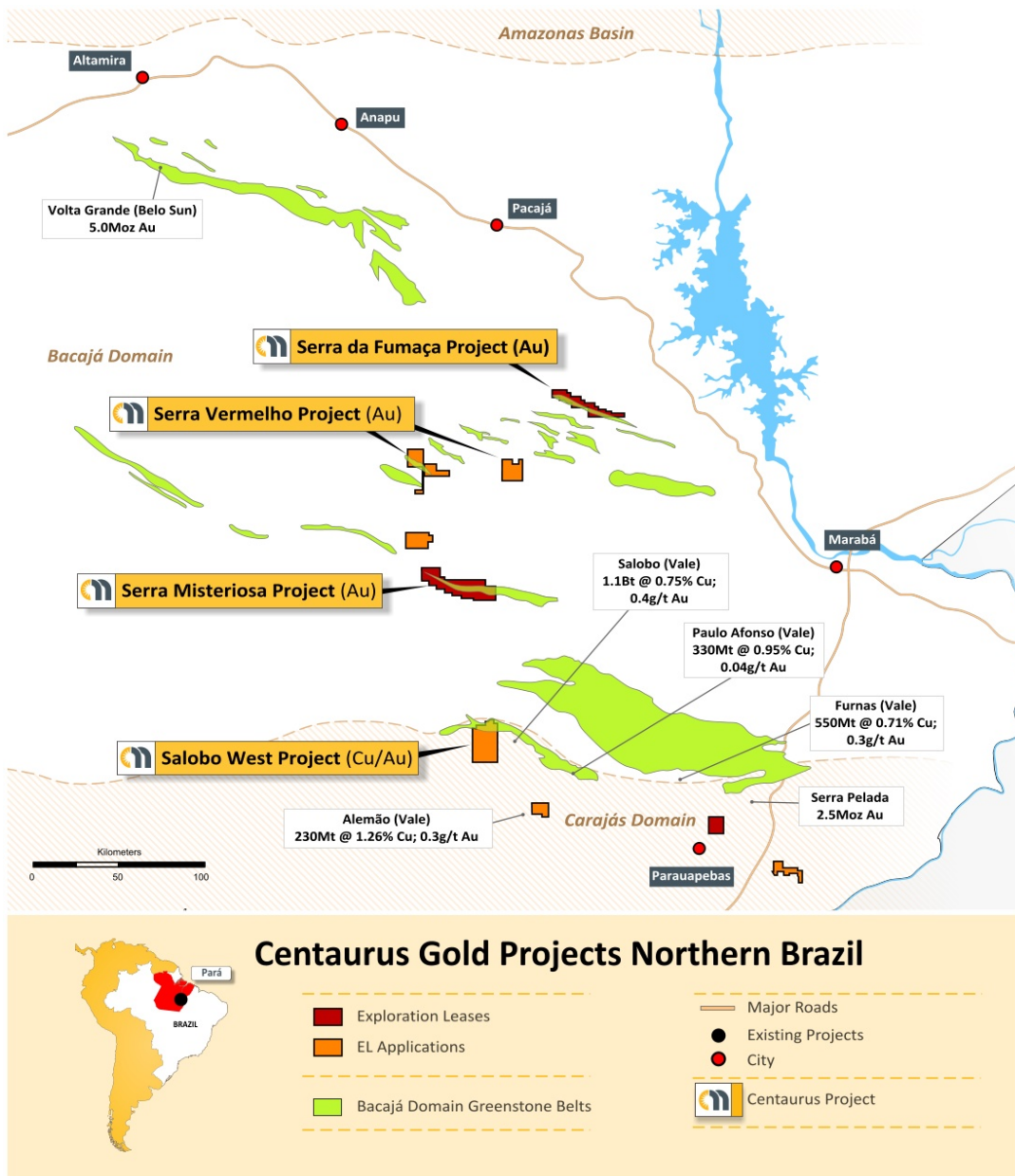


The Pará Exploration Package

The Serra Misteriosa Gold Project forms part of the +750 km² Pará Exploration Package (“Pará EP”) of tenements located in Brazil’s mineral-rich State of Pará¹. 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
<i>Sampling techniques</i>	<ul style="list-style-type: none"> • 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.
<i>Drilling techniques</i>	<ul style="list-style-type: none"> • There is no historical drilling on the Serra Misteriosa Project.
<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, stream sediment 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 1.0-1.5kg using a 100 mesh sieve.
<i>Quality of assay data and laboratory tests</i>	<ul style="list-style-type: none"> • Analysis of the soil samples was completed at SGS Geosol 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. • 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°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.
<i>Verification of sampling and assaying</i>	<ul style="list-style-type: none"> • 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.
<i>Location of data points</i>	<ul style="list-style-type: none"> • 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.

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Data spacing and distribution	<ul style="list-style-type: none"> • 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 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. Sample orientation is perpendicular to the main geological features sequence along which mineralisation exists.
Sample security	<ul style="list-style-type: none"> • 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	<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 Serra Misteriosa Project includes two exploration leases (851.548/2011 and 850.258/2013) for a total of circa 180km². 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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.

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Criteria	Commentary
<i>Drill hole Information</i>	<ul style="list-style-type: none"> No drilling has been conducted on the project. The first ever drill program on the project has just commenced.
<i>Data aggregation methods</i>	<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.
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> No drilling was conducted.
<i>Diagrams</i>	<ul style="list-style-type: none"> Refer to Figures 1 - 3.
<i>Balanced reporting</i>	<ul style="list-style-type: none"> All Exploration Results received by the Company to date are included in this report or can be referenced in previous ASX announcements.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> 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.
<i>Further work</i>	<ul style="list-style-type: none"> Based on targets generated from these programs, the Company has commenced the maiden exploration drilling program.