

17 June 2016

CENTAURUS TO DRILL PRIORITY MOMBUCA GOLD TARGETS WITHIN WEEKS FOLLOWING SUCCESSFUL CAPITAL RAISE

2,500m diamond drill program set to commence in early July to test significant new gold targets

Key Points

- **\$650,000 raised through successful share placement at 0.5c per share**
 - **Funds to be used to accelerate a 2,500m diamond drilling program at the Mombuca Gold Project, SE Brazil with work planned to commence in July**
 - **Capital raising follows highly encouraging results from recent IP geophysical surveys**
 - **Recently identified targets include large-scale coincident chargeability target and magnetic low**
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Centaurus Metals Limited (ASX: CTM) (“Centaurus” or “the Company”) is pleased to announce that it has successfully raised \$0.65 million to accelerate the maiden drilling program at its **Mombuca Gold Project** in Brazil, where it has recently identified a series of compelling new gold exploration targets.

The share placement – which was undertaken at an issue price of 0.5 cents per share to sophisticated private clients of CPS Capital, as well as some long-standing major shareholders of the Company – will allow it to immediately commence preparations for a planned 2,500m diamond drilling program at Mombuca.

The share placement will be completed in one tranche only, within the Company’s existing 25% placement capacity.

A recent highly successful Induced Polarisation (IP) geophysical survey at Mombuca has significantly upgraded the potential of the project, resulting in the identification of a number of strong gold targets which will be tested in the upcoming drill program (*see ASX Announcements of 16 May, 2 May and 2 February 2016*).

The delineation of these targets stemmed from the integration of the IP survey with 3D inversion work from a ground magnetic survey completed in November 2015. The recent IP survey (*see ASX Announcement on 16 May*) identified a number of open-ended high chargeability zones that extend to more than 250m depth.

These chargeability anomalies, which indicate the likely presence of sulphides, correlate extremely well with the gold-bearing sulphide mineralisation identified at surface and magnetic lows within broader magnetic highs at depth (an excellent indicator of sulphide replacement of iron oxides).

Centaurus’ Managing Director, Mr Darren Gordon, said the upcoming drill program was a pivotal opportunity for the Company, representing the first comprehensive test of what has emerged as an outstanding greenfields opportunity in recent months.

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“As we’ve said previously, these targets stand out in terms of their strength, potential size and quality – ticking virtually every box from a geophysicist’s perspective. This is an exciting time for Centaurus and we are very much looking forward to the start of this upcoming drill program,” Mr Gordon added.

The Company is also very excited about the establishment of a new funded joint venture (announced separately this morning) with substantial shareholder and private international investment company, Tavarua International Inc., to explore for potash opportunities in Australia and south-east Asia.

Significantly for Centaurus, initial funding of \$190,000 for this new joint venture, to be known as Nova Potash (“Nova”), will be provided by Tavarua.

Tavarua has undertaken extensive study work over the last 4 years in Brazil with the leading Brazilian agricultural research institute Embrapa to identify a solution for the low-cost delivery of potash fertiliser to the extensive Cerrado agricultural region of Brazil.

Nova will be in the unique position of being able to leverage off the significant amount of information generated by Tavarua in Brazil and apply this knowledge to identify and fast track suitable potash project opportunities for the joint venture to advance in Australia and south-east Asia. Centaurus will manage Nova on behalf of the joint venture participants.

Share Placement and Use of Funds

The share placement, comprising 130 million fully-paid ordinary shares at an issue price of \$0.005 per share, has been undertaken within the Company’s available placement capacity under ASX Listing Rules 7.1 and 7.1A. The shares have been placed to sophisticated private clients of CPS Capital and some existing major shareholders of the Company.

The funds raised will be used for the following purposes:

- To provide funds for the 2,500m diamond drilling program planned for the 100%-owned Mombuca Gold Project; and
- To provide general working capital.

Trading Halt

This is the announcement that was referred to in the Company’s request for a Trading Halt on 15 June 2016.

-ENDS-

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Competent Person’s 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.