

21 March 2017

## CENTAURUS ALMOST DOUBLES SIZE OF HIGH-GRADE GOLD-IN-SOILS ANOMALY AT SERRA MISTERIOSA TO 4.4km

*Strike length of +50ppb Au anomaly increased from 2.4km to 4.4km as a result of detailed mapping and geochemical sampling program ahead of maiden drilling program in April*

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### Key Points:

- Initial assays results from recent geochemical sampling program at Serra Misteriosa define high-grade +50ppb Au soil anomaly over 4.4km strike length.
  - The high-grade zone lies within a broader +25 ppb Au anomaly with a total strike length of 10km.
  - In-fill and twin sample lines have helped to validate the historical data, and have extended the gold-in-soil geochemical anomaly in terms of both its continuity and strength.
  - Multiple high-grade (+100 ppb Au) zones correlate well with the Induced Polarisation (IP) chargeability anomalies (+40mV/V) identified in the recently completed IP survey, further enhancing the excellent walk-up drill targets already identified.
  - A comprehensive technical review of the project undertaken by highly-respected independent geological expert, Mr Grant “Rocky” Osborne, indicates a robust geological, geochemical and geophysical target for an Intrusion-related gold mineralisation model with drilling recommended.
  - Mapping and additional soil sampling focusing on the central target zone at Serra Misteriosa continues ahead of the maiden drill program, which is planned to commence in the second half of April 2017, towards the end of the regional wet season.
  - Exploration mapping, stream sediment sampling and a soil sampling program will also be carried out along the extensions of the Serra Misteriosa ridge.
  - Serra Misteriosa is the most advanced project of the highly prospective Pará Exploration Package in Northern Brazil, which includes +750km<sup>2</sup> 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.
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Centaurus Metals (ASX Code: **CTM**) is pleased to announce that it has almost doubled the strike extent of the high-grade (+50ppb Au) gold-in-soils anomaly at its highly prospective **Serra Misteriosa Gold Project** in Northern Brazil with initial assay results from an ongoing soil sampling program both validating historical data and enhancing the overall continuity of the anomaly.

The soil sampling results also correlate well with the chargeability anomalies identified from the recent Induced Polarisation (IP) survey, supporting the walk-up drill targets which the Company will test as part of its upcoming maiden drill program, scheduled for the second half of April 2017.

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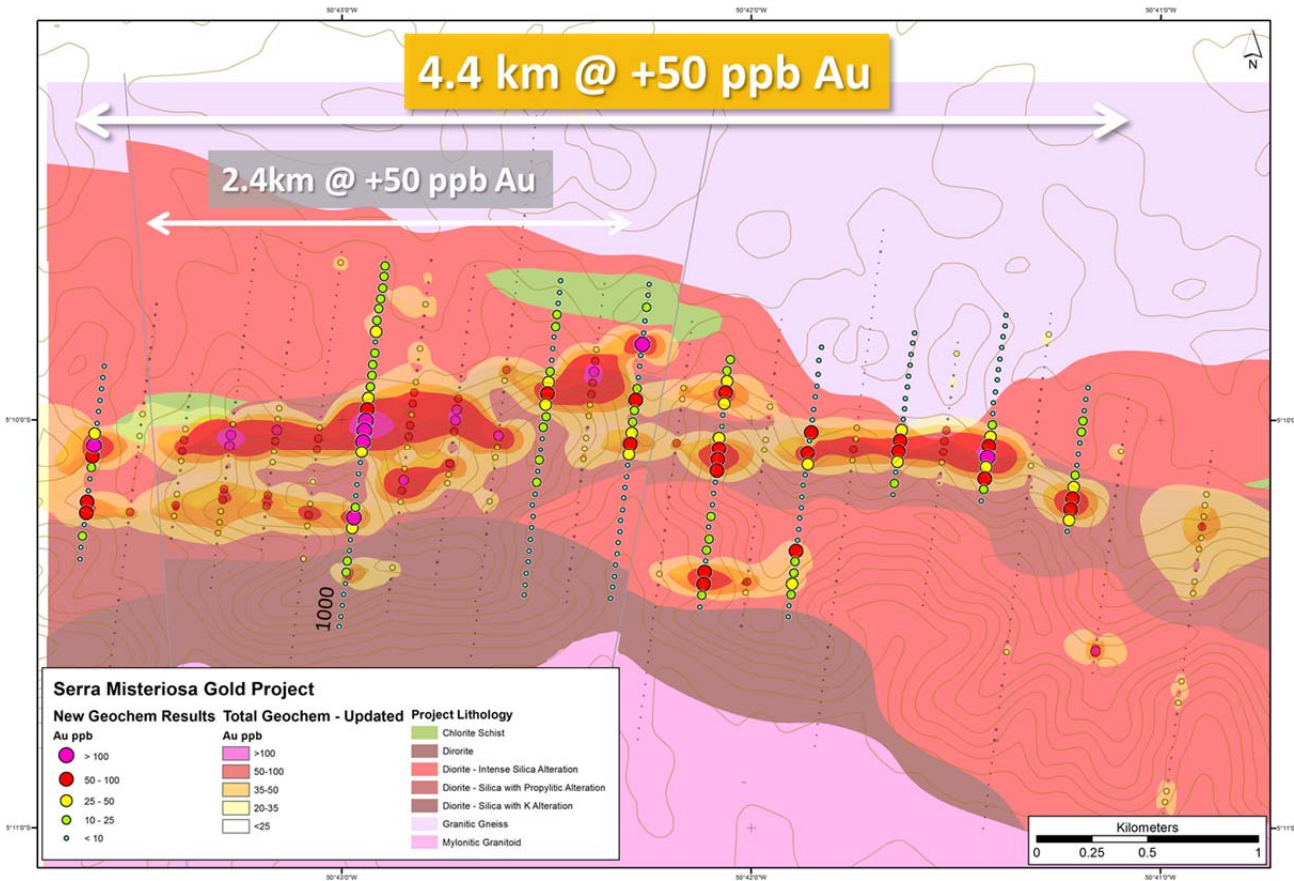
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Initial assays from the ongoing soil sampling program have extended the strike extent of the previously defined 2.4km long +50ppb gold anomaly to a continuous **4.4 km high-grade gold-in-soils anomaly** (see Figure 1). This anomaly sits within a broader +25 ppb Au anomaly which has a total strike length of ~10km along the Serra Misteriosa ridge.

Importantly, there are multiple well-defined IP chargeability anomalies (+40mV/V) that correlate very well with these gold-in-soils anomalies, confirming the walk-up drill targets already identified by the Company.

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



The map in Figure 1 above shows the new results (lines of bold and larger circles), together with the historical data over the interpolated gold-in-soils anomaly and project lithology. The new soil sampling results are from lines that have tightened the central zone sample grid to 200m spacing and extended it in both directions. The main geochemical signature is now 4.4km long with significant potential to further extend the strike length of the +50ppb Au anomaly with additional sampling lines. Sampling of these lines is already underway.

The robust geochemical anomaly demonstrates excellent correlation with a number of chargeability anomalies seen in the recently completed IP survey. The fact that there are gold and arsenic anomalies directly above these high chargeability zones indicates the potential for gold bearing disseminated sulphides at depth. This is very encouraging. Section 1000 in Figure 2 below is an example of this relationship.

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.

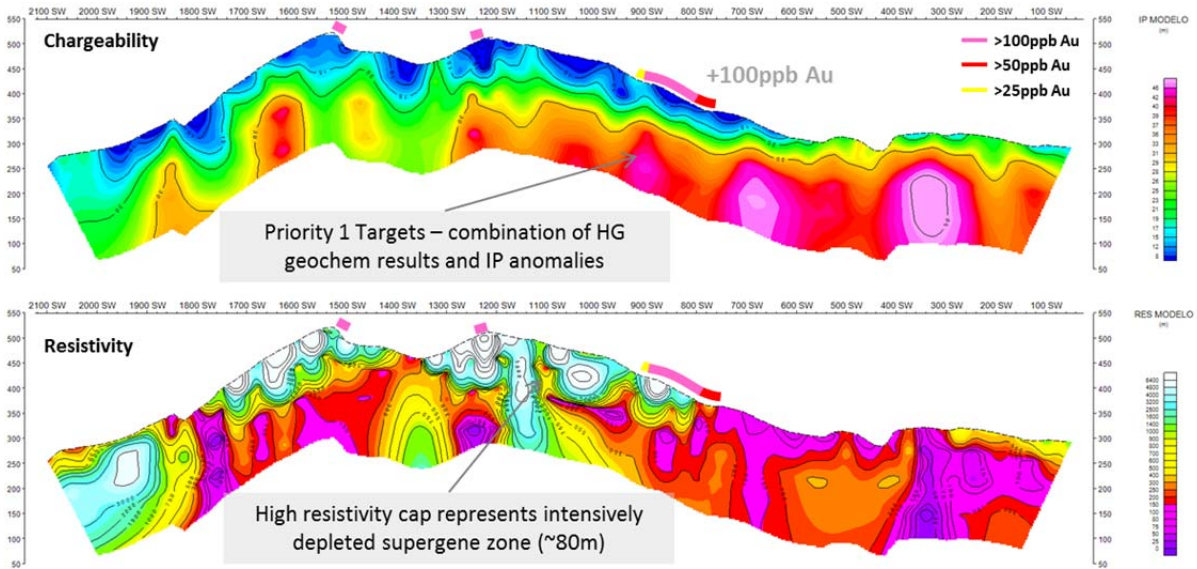
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Mr Osborne’s independent review concluded that the Serra Misteriosa Gold Project represents a very robust geological, geochemical and geophysical target for Intrusion-related gold mineralisation hosted within a shear zone. This is supported by a consistent 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).

Mr Osborne has recommended that the project be drilled and has highlighted a number of high priority drill hole locations to be included in the Company’s maiden drill program set to get underway in April.

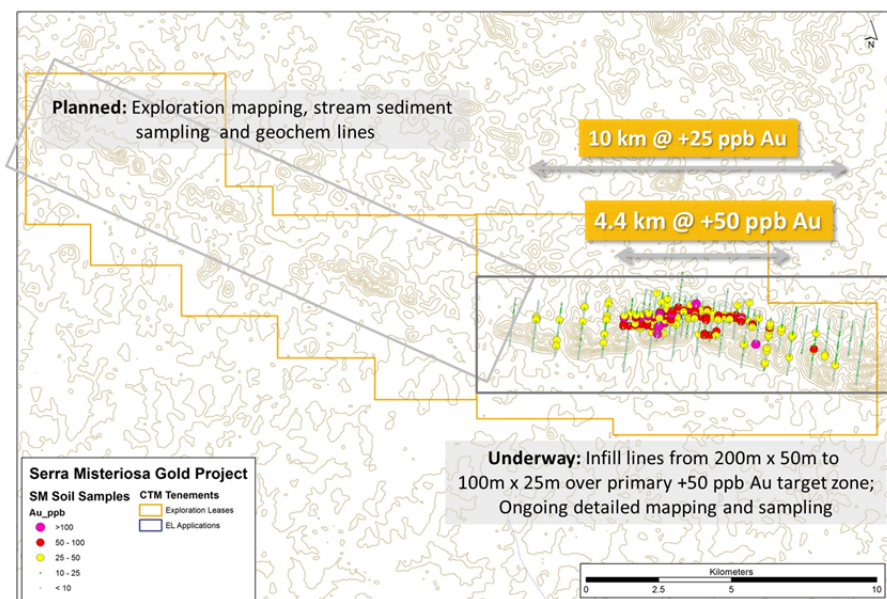
**Figure 2 – Serra Misteriosa, IP Section 1000 with projected soil geochemistry (Au)**



New drill and laboratory contracts are being finalised and will be in place by the end of March. Drilling is expected to start at Serra Misteriosa in the second half of April due to high rainfall levels at this time of year.

In the meantime, the field team continues to work on the in-fill and extensional soil geochemistry programs and further detailed mapping. The Company plans to undertake additional mapping, stream sediment and soils sampling over the strike extent of the Serra Misteriosa ridge (see Figure 3), until drilling commences.

**Figure 3 – Serra Misteriosa – Exploration work fronts**



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Centaurus' Managing Director, Mr Darren Gordon, said the first round of geochemical results had both validated historical results and increased confidence in the validity of the drill targets defined from recent geophysical surveys.

"To have almost doubled the size of the high grade core of this extremely robust gold anomaly is very encouraging," he said. The soil sampling programs have also validated the excellent work that our strategic partner Terrativa completed before we acquired the project, giving us confidence in the overall prospectivity of the Project.

"The geological, geochemical and geophysical work is really lining up well and helping to improve our overall understanding of the project. We have some outstanding walk-up drill targets now firmly in place and we are looking forward to putting the first drill holes into these targets by the end of April," 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.*



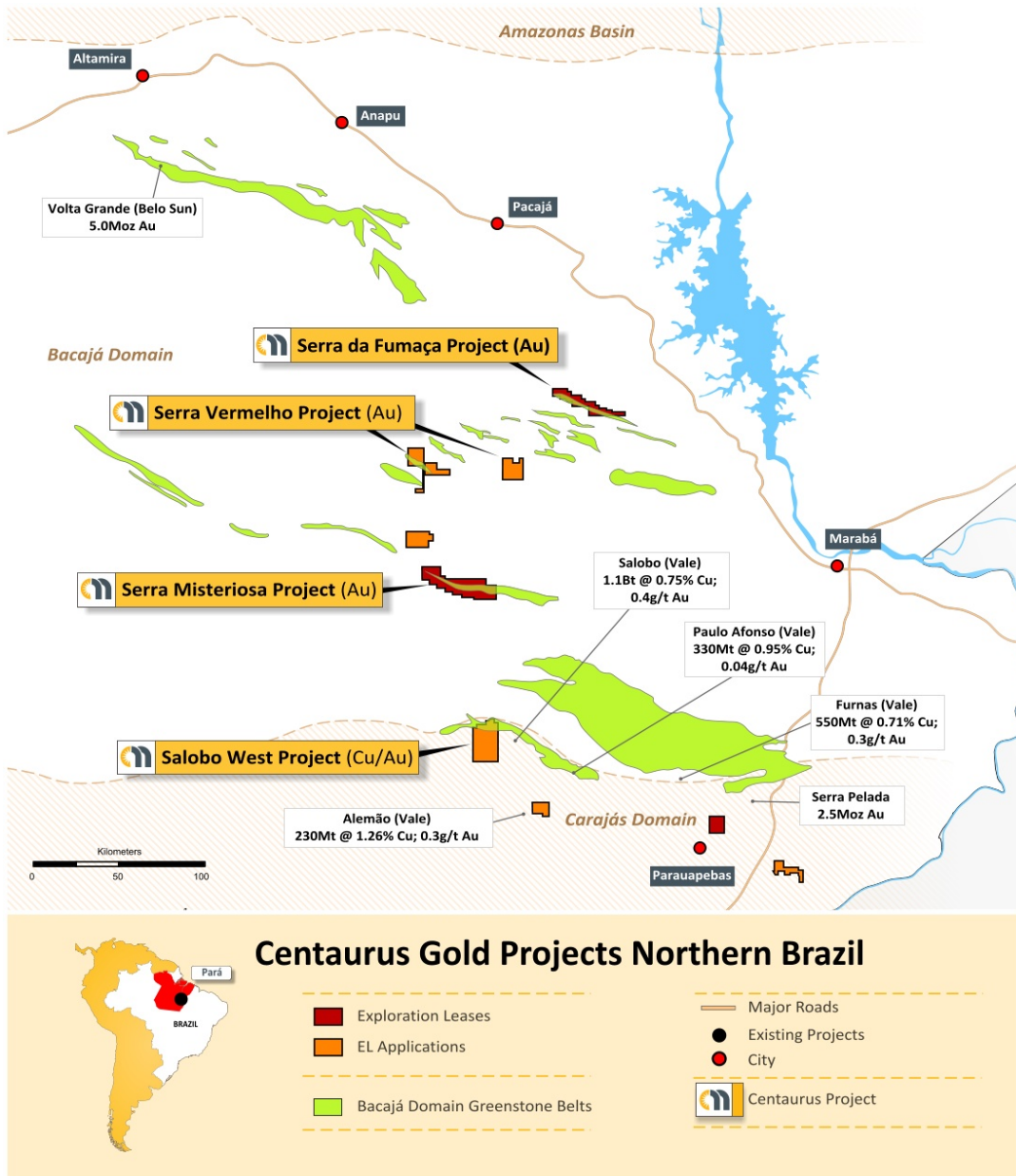


**The Pará Exploration Package**

The Serra Misteriosa Gold Project forms part of the +750 km<sup>2</sup> Pará Exploration Package (“Pará EP”) of tenements located in Brazil’s mineral-rich State of Pará<sup>1</sup>. 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 4).

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 April 2017.

**Figure 4 – Location of Serra Misteriosa Gold Project and the Broader Pará Exploration Package**



<sup>1</sup> 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
<b><i>Sampling techniques</i></b>	<ul style="list-style-type: none"> <li>• Soil samples were collected at 50m intervals along 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.</li> <li>• All historical sampling was completed by Terrativa.</li> <li>• 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.</li> <li>• Soil samples were collected at 50m intervals along 200m or 400m 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. 994 soil samples were collected.</li> <li>• 60 surface rock chip/soil samples were collected from in situ outcrops and rolled boulders for chemical analysis.</li> </ul>
<b><i>Drilling techniques</i></b>	<ul style="list-style-type: none"> <li>• There is no historical drilling on the Serra Misteriosa Project.</li> </ul>
<b><i>Drill sample recovery</i></b>	<ul style="list-style-type: none"> <li>• No drilling was conducted.</li> </ul>
<b><i>Logging</i></b>	<ul style="list-style-type: none"> <li>• All outcrop, stream sediment and soil sample points were registered and logged in the Terrativa geological mapping point database.</li> </ul>
<b><i>Sub-sampling techniques and sample preparation</i></b>	<ul style="list-style-type: none"> <li>• All rock chip and soil samples were sent to the laboratory without any field preparation.</li> <li>• Stream sediment samples were sieved down to 1.0-1.5kg using a 100 mesh sieve.</li> </ul>
<b><i>Quality of assay data and laboratory tests</i></b>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> <li>• Laboratory procedures are in line with industry standards.</li> <li>• To date no QAQC samples have been inserted by Terrativa for this project.</li> </ul>
<b><i>Verification of sampling and assaying</i></b>	<ul style="list-style-type: none"> <li>• All samples were collected by Centaurus field geologists. All assay results were verified by alternative Company personnel and the Competent Person before release.</li> <li>• All historical samples were collected by Terrativa field geologists. All assay results were verified by alternative Terrativa personnel.</li> </ul>
<b><i>Location of data points</i></b>	<ul style="list-style-type: none"> <li>• 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.</li> </ul>

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<b>Data spacing and distribution</b>	<ul style="list-style-type: none"> <li>• Soil samples were collected with a section spacing of 400m and 200m x 50m.</li> <li>• Stream sediment samples were collected at sample points planned by Terrativa geologists to represent catchment areas of between 500-1,000ha.</li> <li>• Sample spacing was deemed appropriate for geochemical studies but should not be considered for Mineral Resource estimations.</li> <li>• No sample composting has been applied.</li> </ul>
<b>Orientation of data in relation to geological structure</b>	<ul style="list-style-type: none"> <li>• 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.</li> </ul>
<b>Sample security</b>	<ul style="list-style-type: none"> <li>• 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.</li> </ul>
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li>• No audit or review has been conducted on the project to date.</li> </ul>

## SECTION 2 REPORTING OF EXPLORATION RESULTS

Criteria	Commentary
<b>Mineral tenement and land tenure status</b>	<ul style="list-style-type: none"> <li>• The Serra Misteriosa project includes two exploration leases (851548/2011 and 850258/2013) for a total of circa 180km<sup>2</sup>. Granted Exploration Leases have three years of exploration rights that may be extended for a further three years.</li> <li>• 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.</li> <li>• All mining projects in Brazil are subject to a CFEM royalty, a government royalty of 1% on gold revenue (less taxes).</li> <li>• Landowner royalty is 50% of the CFEM royalty.</li> <li>• 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.</li> </ul>
<b>Exploration done by other parties</b>	<ul style="list-style-type: none"> <li>• Historically the Serra Misteriosa tenement area was explored for gold by Terrativa. All data from this exploration has been passed to Centaurus.</li> <li>• 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.</li> </ul>
<b>Geology</b>	<ul style="list-style-type: none"> <li>• 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;</li> <li>• 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;</li> <li>• The main gold in soils geochem target is a 10km x 600m Au (+25ppb) anomaly. The zone is also anomalous for As, Sb and magnetic soils. Within this anomaly there is a 4.4km 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.</li> </ul>

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Criteria	Commentary
<b><i>Drill hole Information</i></b>	<ul style="list-style-type: none"> <li>No drilling has been conducted on the project.</li> </ul>
<b><i>Data aggregation methods</i></b>	<ul style="list-style-type: none"> <li>No cut-offs have been applied in reporting of the exploration results.</li> <li>No aggregate intercepts have been applied in reporting of the exploration results.</li> </ul>
<b><i>Relationship between mineralisation widths and intercept lengths</i></b>	<ul style="list-style-type: none"> <li>No drilling was conducted.</li> </ul>
<b><i>Diagrams</i></b>	<ul style="list-style-type: none"> <li>Refer to Figures 1 -3.</li> </ul>
<b><i>Balanced reporting</i></b>	<ul style="list-style-type: none"> <li>All Exploration Results received by the Company to date are included in this report.</li> </ul>
<b><i>Other substantive exploration data</i></b>	<ul style="list-style-type: none"> <li>Historical geological mapping was carried out by Terrativa geologists.</li> <li>The IP and resistivity surveys were undertaken by WSL/Geomag. The survey includes +20km of survey lines and will utilise 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.</li> </ul>
<b><i>Further work</i></b>	<ul style="list-style-type: none"> <li>The Company is in the process of completing a detailed data review ahead of further detailed geological and structural mapping and soil sample programs.</li> <li>The Company continues to work to secure land access and environmental permitting for drilling in Q2 2017. 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 late April 2017.</li> </ul>