

23 November 2016

## GROUND IP SURVEY COMMENCES AT NEWLY-ACQUIRED SERRA MISTERIOSA GOLD PROJECT IN PARÁ, NORTHERN BRAZIL

*Maiden ground-based exploration underway to establish drill targets for Q1 2017*

### Key Points:

- Induced Polarization (IP) survey underway at the Serra Misteriosa Gold Project, which hosts a continuous 2.4km long, high-grade gold-in-soils anomaly (+50ppb Au) within a broader +5km long gold geochemical anomaly (+25ppb Au) that is up to 500m wide.
- Serra Misteriosa is part of the highly prospective Pará Exploration Package in Northern Brazil that includes +750km<sup>2</sup> of ELs and EL applications in the State of Pará, near the world-class Carajás IOCG province and the 5Moz Volta Grande gold deposit.
- The IP survey will cover the extensive gold anomaly, associated with highly altered diorites, that displays remarkably similar geological and structural characteristics to the 5Moz Volta Grande Gold Project, owned by Belo Sun Mining Ltd.
- Maiden drill program planned for Q1 2017 following the end of the regional wet season.

Centaurus Metals (ASX Code: **CTM**) is pleased to announce that it has commenced its first ground-based exploration program at the newly acquired **Serra Misteriosa Gold Project** in Northern Brazil, with an Induced Polarisation (IP) geophysical survey currently underway to help define the most prospective drill targets.

The commencement of the IP survey works follows the recent close of a heavily oversubscribed rights issue where the Company successfully raised \$2.25 million to support ongoing exploration activities on the Company's gold and copper projects in Brazil.

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 1).

The Pará EP group of tenements include prospective gold targets for both Volta Grande-style gold and Carajás-style copper-gold deposits. The most advanced project in the Pará EP, and the immediate priority for Centaurus, will be the Serra Misteriosa Gold Project where the Company will leverage off the quality preliminary exploration work already completed by its strategic partner, Terrativa, to define its preferred targets for drilling in Q1 2017.

<sup>1</sup> Refer to [ASX announcement on 5 October 2016](#) for details of Serra Misteriosa Gold Project and the Pará EP agreement terms.



### **Induced Polarization (IP) Survey**

The Serra Misteriosa tenement package covers 30km of strike extensions of a WNW-ESE trending highly altered suite of intrusive diorites and granodiorites. The primary target is delineated by a continuous 2.4km long, high-grade gold anomaly (+50ppb Au) within a broader +5km long gold geochemical anomaly (+25ppb Au) that is consistently up to 500m wide (see Figure 2).

A ground-based Induced Polarisation (IP) survey has commenced today and will initially cover the area of the continuous 2.4km long +50ppb Au anomaly with further survey work to be undertaken to cover additional satellite targets (see Figure 2).

The association of sulphides (arsenopyrite and pyrite) with the gold identified in surface samples at Serra Misteriosa makes the IP survey an important tool in targeting sulphide mineralisation at depth and enhancing the definition of drill targets for the early part of 2017. Additionally, the resistivity function of the survey will assist in identifying silica enriched zones, another important vector tool for future drill planning.

The IP and resistivity surveys are being 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 is designed to measure to a depth of 250m. The QAQC and interpretation of the IP survey will be undertaken by highly experienced US-based geophysicist, Mr Robert B. Ellis. Mr Ellis specialises in South American gold and base metals projects and has previously worked with AngloGold, Kinross, Codelco and Barrick (amongst others) and has extensive experience in Brazil working with Yamana.

### **Management Comment**

Centaurus' Managing Director, Mr Darren Gordon, said the Company was pleased to have been able to hit the ground running at Serra Misteriosa following the recent close of the highly oversubscribed rights issue.

"With the help of our strategic alliance partner in Brazil, Terrativa, we have been able to build on their excellent work at the project by commencing geophysical surveys before the start of the seasonal rains in mid-December. The data generated should enable us to refine drill targets for early next year.

"Following the recent completion of a \$2.25 million equity raise, we are now in an excellent position to move forward with exploration programs over our key gold and copper projects. Being able to secure access to such an extensive gold target in a world-class address for no upfront cash outlay was a significant coup for the Company and only possible due to our strong relationship with Terrativa. We now look forward with confidence as we commence our first-ever exploration programs over the project areas.

"We should see a steady flow of exploration results in the short term, ahead of our maiden drill program planned for commencement towards the end of the first quarter of next year."

**-ENDS-**

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Figure 1 – Location of Serra Misteriosa Gold Project and the broader Pará Exploration Package

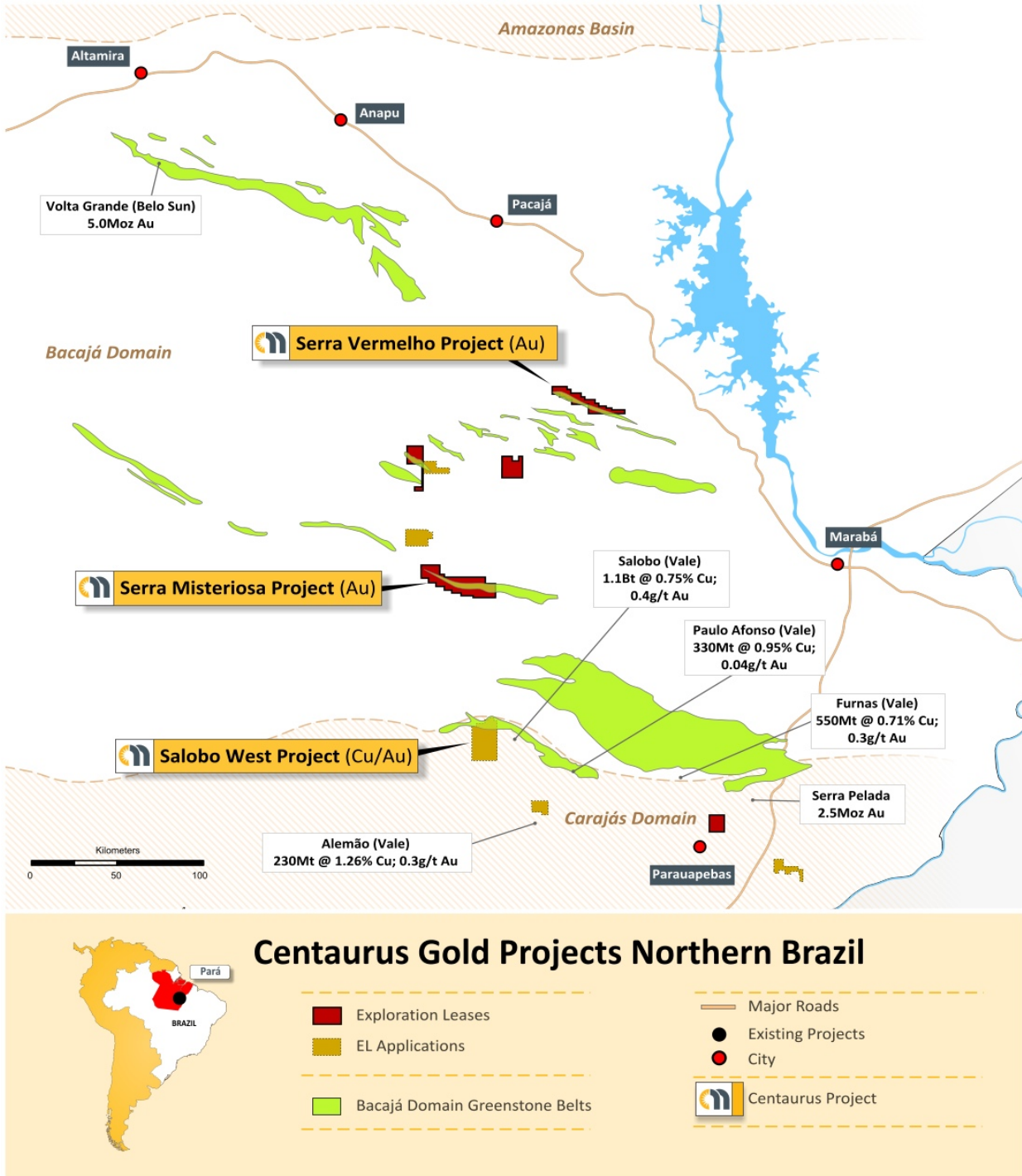
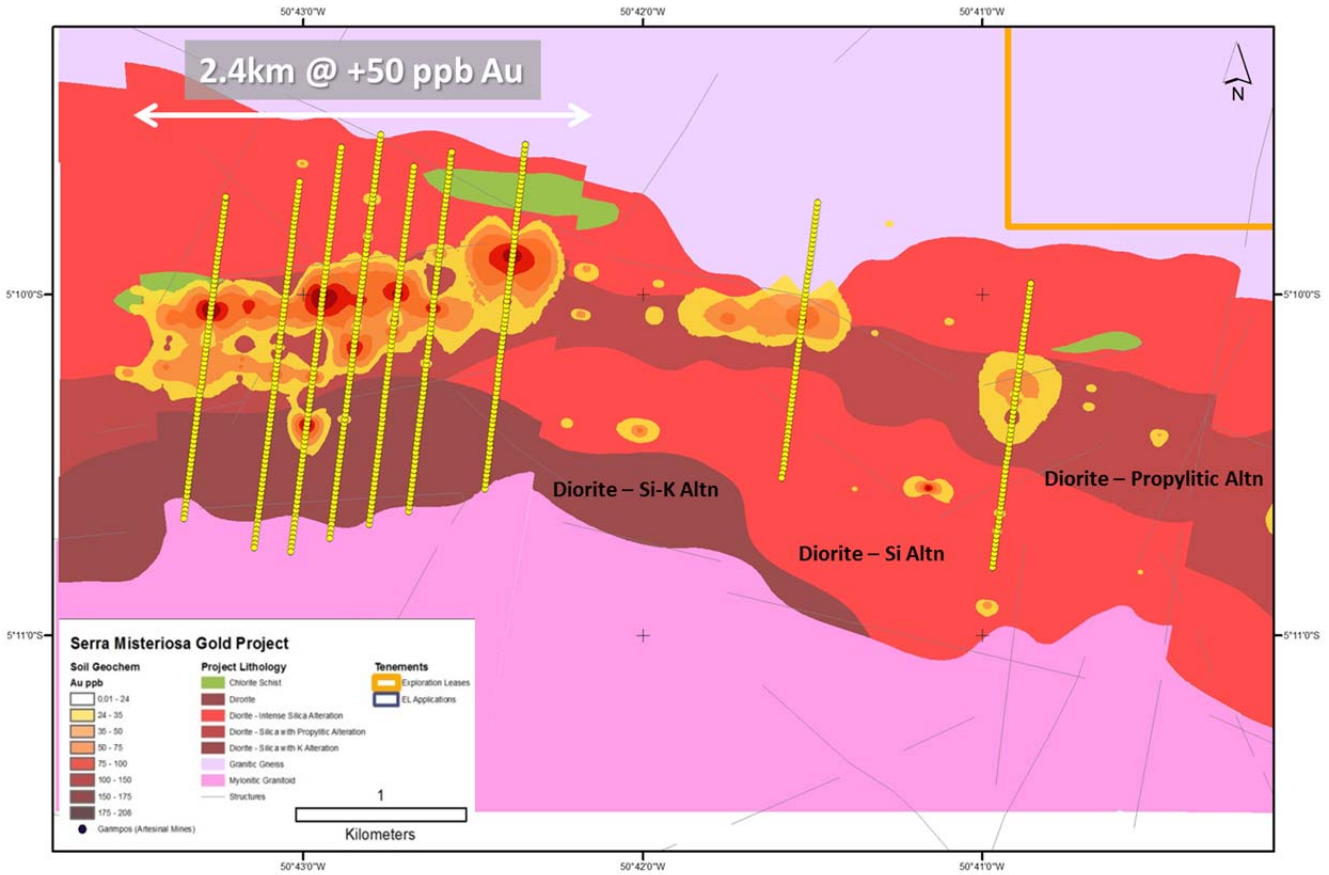




Figure 2 – Serra Misteriosa IP plan map over the project geology and gold in soils map (yellow: >25ppb Au)



### 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.



**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>• 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>• 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>• 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>• 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 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 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.</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 5km x 600m Au (+25ppb) anomaly. Within this anomaly there is a 2.4km 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 &amp; 2.</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> </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>This announcement refers to the start of the first planned geophysical studies (Induced Polarization).</li> <li>The Company continues to work to secure land access and environmental permitting for drilling in late Q1 2017. Based on targets generated from these programs, the Company will commence the maiden exploration drilling program at the start of the dry season towards the end of Q1 2017.</li> </ul>