

20 November 2017

3.2km LONG COPPER-GOLD SOIL SIGNATURE DEFINED FOR SW1-A PROSPECT AT SALOBO WEST PROJECT, BRAZIL

SW1-A Prospect is just 15km along strike from the second-biggest IOCG deposit in the world

Key Points

- Results from soil geochemistry for the SW1-A Prospect area at Salobo West, which lies within the world-class Carajás Mineral Province in northern Brazil, have delineated an extensive +3.2km long copper-gold anomaly, which is up to 800m wide locally.
 - The extensive Cu-Au(-Co) soil anomaly represents an outstanding IOCG target, hosted in the same stratigraphic sequence and just 15km along strike from Vale's giant Salobo Copper-Gold Mine, arguably the second-biggest IOCG in the world.
 - Both the SW1-A and SW1-B Prospects host multiple IOCG drill targets, as well as displaying geological, structural, geochemical and geophysical characteristics similar to other known IOCG deposits in the Carajás.
 - Centaurus has been able to retrieve an extensive database of historical information on the Salobo West Project which it is currently validating, analysing and re-processing where necessary, with results to be released in the coming weeks.
 - Licencing for drilling is being advanced with the environmental agency responsible for the region (ICMBio), with the relevant approvals anticipated to be available early in 2018 to facilitate the commencement of drilling following the end of the regional wet season.
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Centaurus Metals (ASX Code: **CTM**) is pleased to announce that it has identified additional IOCG-style copper-gold targets at its 100%-owned **Salobo West Project** in the world-class Carajás Mineral Province ("Carajás") in northern Brazil, with soil geochemistry assays for the SW1-A Prospect area delineating an **extensive +3.2km long Cu-Au(-Co) anomaly that is locally up to 800m wide** (see Figure 1).

The Cu-Au(-Co) soil anomaly defined at SW1-A represents an outstanding IOCG target, hosted in the same stratigraphic sequence as, and just 15km along strike from, Vale's giant Salobo Copper-Gold Mine, arguably the second-biggest IOCG in the world behind BHP's Olympic Dam Mine.

The soil geochemistry results included soil values of up to 491ppm Cu, 108ppb Au and 109ppm Co.

With the delineation of the SW1-A and SW1-B Prospects areas, the Company now has multiple drill targets located in the world-class Carajás Mineral Province that require drill testing in the New Year. Both prospect areas display geological, structural, geochemical and geophysical characteristics similar to other known IOCG deposits of the region.

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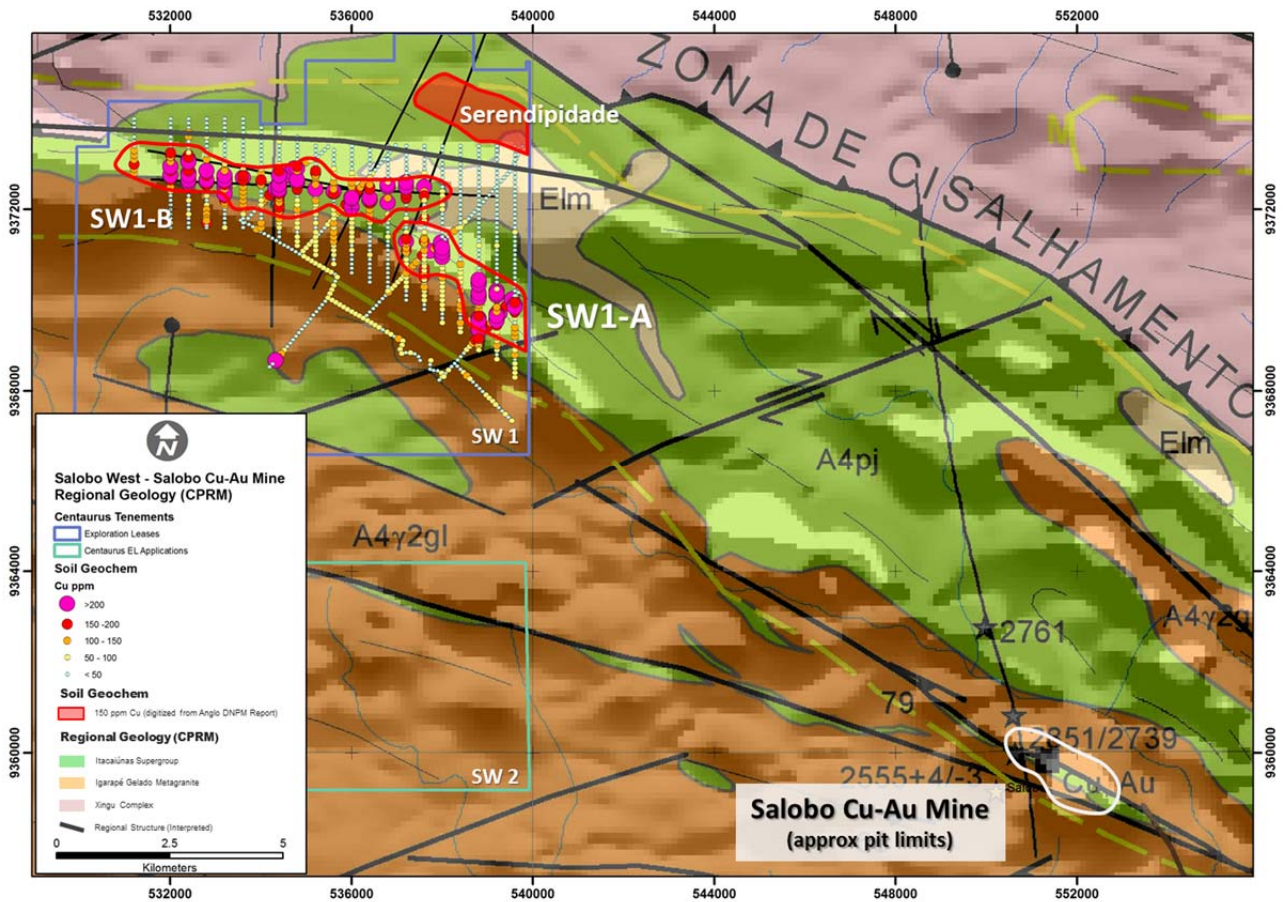
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The Carajás is considered to be one of the world’s premier mining addresses and hosts nine IOCG deposits with resources of +100 million tonnes of copper-gold ore. **The Salobo West Project is located approximately 15km along strike from Vale’s giant Salobo Copper-Gold Mine** (Figure 1), which has Reserves of 1.2 billion tonnes at 0.63% Cu and 0.4g/t Au and produced approximately 176kt of copper and 317koz of gold in calendar year 2016¹.

Figure 1 – SW1-A and SW1-B copper in soils geochemistry anomaly over CPRM Regional geology with Regional Aeromagnetics image in the background, pink circles represent +200 ppm Cu.



In an additional boost to its exploration efforts, Centaurus has been able to retrieve historical data which it is currently validating, analysing and re-processing where necessary. Twinning of soil sample lines has already been completed, demonstrating the reliability of the historical data.

The Company will release further historical information once the data collation, assessment and validation has been completed.

The Company also continues to work with the Federal Environmental Agency (ICMbio) responsible for the Carajás region to secure drilling permits early next year, to facilitate the commencement of drilling following the end of the regional wet season.

In the meantime, additional non-ground disturbing exploration will be undertaken to further refine these targets ahead of drilling.

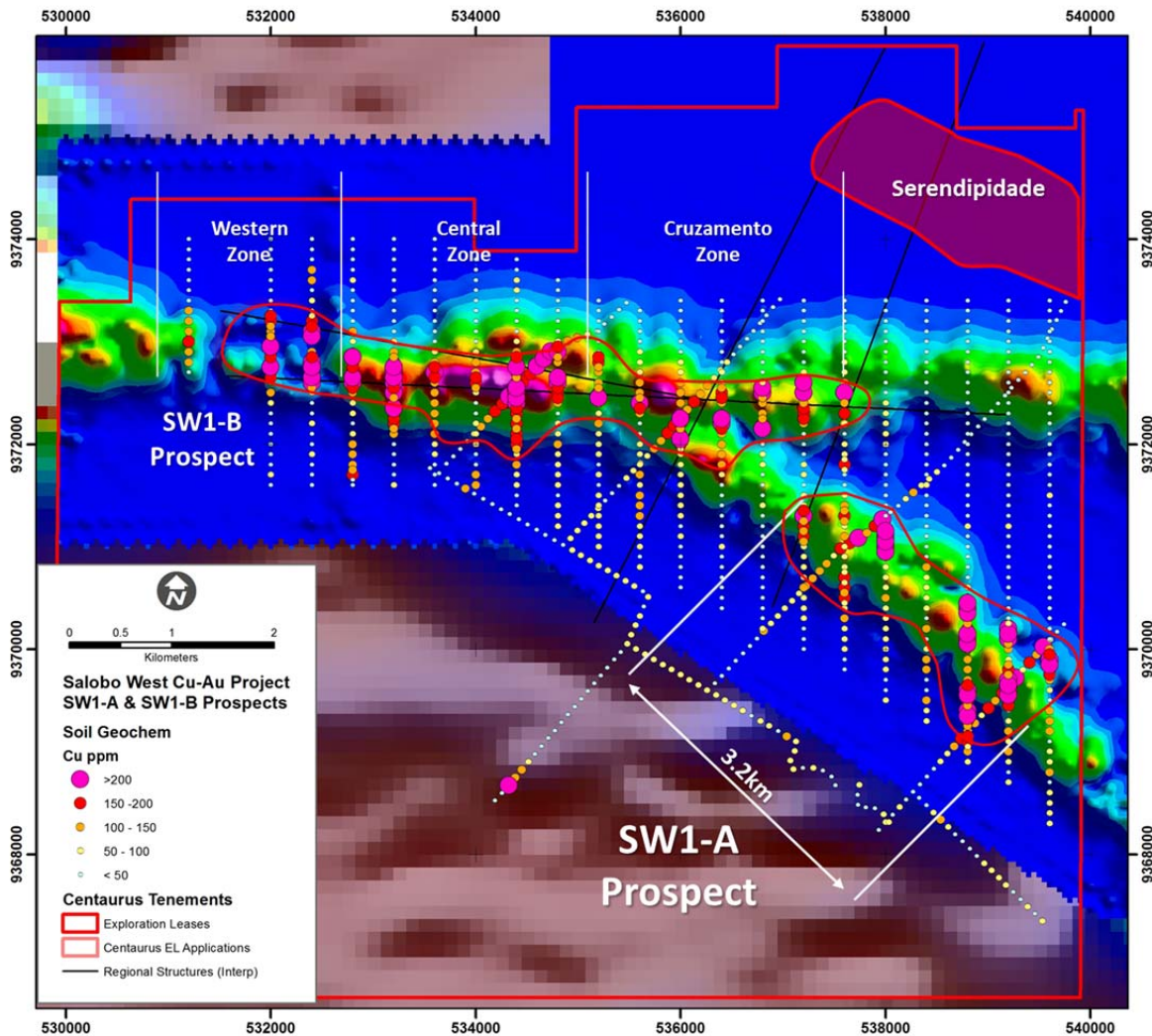
¹ Vale Data sourced from “Vale Production in 4Q16” Report, its 20-F Annual Report for 2016 and other public reports



SW1-A Prospect

Analysis previously completed by Southern Geoscience on regional magnetic data secured over the Salobo West area demonstrates that the SW1-A Prospect has a magnetic susceptibility of 0.65 SI, which compares very favourably with the Salobo Cu-Au Mine (0.66 SI), in addition to having a similar geometry².

Figure 2 – SW1-A and SW1-B Prospects, copper in soils geochemistry anomaly over detailed Aeromagnetics (AS-1VD) image



The magnetic susceptibility levels indicate the magnetite content of the rock. Given that the SW1-A Prospect is hosted in the same stratigraphic sequence as the Salobo mine, it is reasonable to consider that the SW1-A Prospect features the same host rocks and potentially similar mineralisation, although this will obviously need to be tested with drilling.

Structural control is particularly important with IOCG mineralisation in the Carajás, with most deposits associated with shear zones and intersections of major W-NW- and SW-trending lineaments. The SW1-A Prospect is situated in a favourable structural corridor and associated with a number of oblique regional structures.

² Refer to [ASX announcement on 30 October 2017](#) for detail on the Salobo West 2D Magnetic Modelling of Aeromagnetic Data.



Furthermore, the area also features a distinct phosphorous anomaly – which is an important pathfinder element often used to identify copper mineralisation in the Carajás.

This combination of geological, structural, geochemical and geophysical characteristics bodes particularly well for the SW1-A IOCG Prospect. Multiple high priority walk-up copper-gold drill targets have now been defined at the SW1-A Prospect.

SW1-B Prospect

In addition to the new targets identified at the SW1-A Prospect area, the Company has previously reported that it has defined a number of strong drill targets at the SW1-B Prospect (see Centaurus ASX Announcement of 8 November 2017).

The SW1-B Prospect is a 6.5km long Cu-Au(-Co) anomaly that features three distinct target zones, all of which display similar geological, structural, geochemical and geophysical characteristics to known IOCG resources in the Carajás. Some high level characteristics of the three zones are outlined below:

Cruzamento Zone:

- Located exactly where the east-west Banded Iron Formation (BIF) is intersected by the north-west trending BIF unit of the SW1-A Prospect (Figure 2);
- The Cu-Au(-Co) geochem signature is continuous across the Cruzamento Zone, where convergent structural trends are clear; and
- The highest gold and sulphur values are located at the convergence point, representing an excellent target for future drilling.

Central Zone

- A continuous +2.5km distinct magnetic signature that is coincident with the strongest and most consistent Cu-Au(-Co) geochemical signature of the SW1-B Prospect.

Western Zone

- This zone is delineated by the continuation of the Cu-Au(-Co) geochemical signature beyond the western end of the magnetic signature;
- The magnetic low response is likely due to the demagnetisation of the BIF host, either via the formation of hematite or sulphides; and
- The Western Zone hosts the highest grade copper (412ppm) and cobalt (299 ppm) soil sampling values from the SW1-B Prospect.

Serendipidade Prospect

The Serendipidade Prospect is highlighted by a broad 2.5km long and up to 700m wide Cu-Au-Ag-Co geochemical signature (Figure 2). The Prospect displays no magnetic signature, which may indicate that it is a hematite-rich zone. The Company's view is that this prospect area is not an IOCG target but rather another deposit-type (possibly a SEDEX or VMS).

Much of the recently retrieved historical information focused on the Serendipidade Prospect area and this information will be released in the coming weeks once it has been validated.

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Management Comment

Centaurus Metals Managing Director, Mr Darren Gordon, said the sheer scale and quality of the copper-gold targets identified at Salobo West was remarkable.

“It is quite rare that a junior company can access exploration projects of this quality in the heart of one of the world’s best mining provinces, in close proximity to Tier-1 deposits and world-class operating copper-gold and iron ore mines.

“We are fortunate to have been able to source a wealth of historical data that will allow the Company to fast-track its exploration efforts. As this historical data is reviewed and validated and as our exploration advances, the significant value we see in the project should quickly become evident to our shareholders and the broader investment community.

“The more time we spend exploring in the Carajás the more we see first-hand the huge potential of this mineral province.”

-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 Australasian 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 B – TECHNICAL DETAILS OF THE SALOBO WEST IOCG 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 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 20-30cm 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. • Surface rock chip/soil samples were collected from in situ outcrops and rolled boulders for and submitted for chemical analysis. • Historical sampling was completed by Anglo American. Soil samples were collected in two phases; initially on SE-NW lines 2.5km apart with samples every 100m, then on N-S lines 400m apart with samples every 50m. A 3-5kg sample was taken from the B horizon with the <6mm fraction sent for assay
<i>Drilling techniques</i>	<ul style="list-style-type: none"> • There is no historical drilling on the Salobo West Project mentioned in this report.
<i>Drill sample recovery</i>	<ul style="list-style-type: none"> • No drill results are included in the release.
<i>Logging</i>	<ul style="list-style-type: none"> • All outcrop and soil sample points were registered and logged in the Centaurus geological mapping points database
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> • All geological samples were received and prepared by SGS Geosol Laboratories in Parauapebas, Brazil as 0.5-5kg samples. They were dried at 105°C until the sample was completely dry (6-12hrs), crushed to 90% passing 3mm and reduced to 200-300g. The samples were pulverised to 95% passing 150µm and split further to 50g aliquots for chemical analysis.
<i>Quality of assay data and laboratory tests</i>	<ul style="list-style-type: none"> • Chemical analysis for soil samples was completed for gold by fire assay and ICP for limit of 0.001ppm as well as multi element using ICP. • Chemical analysis for metal oxides is determined using XRF analysis (XRF79C). Fusion disks are made with pulped sample and the addition of a borate based flux. Analysis at ALS is for a 10 element suite. FeO is determined using titration and LOI using loss determination by thermo-gravimetric analysis at 1000°C. • 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 and are appropriate for iron ore. • To date no QAQC samples were inserted by Centaurus for this project.
<i>Verification of sampling and assaying</i>	<ul style="list-style-type: none"> • All recent samples 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 Anglo American field geologists/technicians.
<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.
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> • Soil samples were collected on 50m spacing on section with distance between sections of 200m and 400m depending on location. • Sample spacing was deemed appropriate for geochemical studies but should not be considered for Mineral Resource estimations. • No sample composting has been applied.
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> • The extent and orientation of the mineralisation was interpreted based on field mapping and review of regional geological and geophysical data. Sample orientation is perpendicular to the main geological features sequence along which mineralisation exists.

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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 projects to date.

SECTION 2 REPORTING OF EXPLORATION RESULTS

Criteria	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> The Salobo West project includes the exploration lease (850.430/2016) and an exploration lease application (850.429/2016) for a total of circa 120km². The tenements are part of an earn-in agreement with Terrativa Minerai SA. Centaurus has now met the minimum earn in obligations under the Agreement and perfected 100% title to the Salobo West tenements. Only the SW1 tenement has been transferred at this stage as the SW2 tenement is yet to be granted. Terrativa retain a production royalty of 2% over any minerals extracted from the tenements. 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 2% on copper and gold revenues and 2-4% on iron ore revenues. Landowner royalty is 50% of the CFEM royalty. The project is covered by the Tapirape-aquiri National Forest. Exploration and mining is allowed in the forest with the correct licences. The Company has received the key environmental licences for non-ground disturbing exploration activities.
Exploration done by other parties	<ul style="list-style-type: none"> Historically the Salobo West tenements have been held by Anglo American and before that Vale. Reports recovered from the Department of Mine demonstrate that Anglo American completed extensive mapping, soils sampling and local geophysical surveys. The Company recently retrieved a historical data set that includes, geological mapping, soils geochemistry, geophysical data and an incomplete drill hole database. The Company is in the process of validating the data. Geological mapping and soils sampling is being used to validate historical data and independent experts are assessing the geophysical data. The Company will release the historical data once it has been validated.
Geology	<ul style="list-style-type: none"> The Salobo West tenements are located in the Carajás Mineral Province, located in the south-eastern part of the Amazon craton in northern Brazil. The CMP represents an Archean block divided into two distinct tectonic domains. Salobo West is located in the northern Carajás domain within the Cinzento Shear Zone. The Salobo West tenements cover a portion of the Itacaiúnas Supergroup where it is contact with Xingu basement rock. The Company is targeting IOCG deposits. These deposits are generally structurally controlled, brittle-ductile shears zones hosted within the highly prospective volcanic and sedimentary rocks of the Itacaiúnas Supergroup. IOCG deposits in the Carajás are generally massive replacement bodies, associated with the magnetite-rich rocks that are the product of intense Fe-K hydrothermal alteration at high temperatures. This style of mineralisation is highly amenable to modern geophysical exploration techniques, especially EM, radiometric and gravity surveys
Drill hole Information	<ul style="list-style-type: none"> The Company has retrieved a historical drill hole database and is working on validating the data. No drill results are included in this release.
Data aggregation methods	<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.

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Criteria	Commentary
Diagrams	<ul style="list-style-type: none"> Refer to Figures 1-2.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> No drill results are included in this release.
Balanced reporting	<ul style="list-style-type: none"> All validated exploration results received by the Company to date are included in this report or can be referenced in previous ASX announcements.
Other substantive exploration data	<ul style="list-style-type: none"> The Company is working with the CPRM geological and geophysical regional data sets. The Company has recovered historical Mines Department reports and data and is in the process of validating the historical data from the project area.
Further work	<ul style="list-style-type: none"> The Company has engaged Grant “Rocky” Osborne and Southern Geoscience Consultancy to carry out additional work on the historical data. The Company mobilized its field team to the Salobo West project to carry out survey line clearing, geological mapping and soils geochemical sampling.