AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT
& MEDIA RELEASE

3 October 2017

CENTAURUS IDENTIFIES EXTENSIVE HIGH-GRADE IRON ORE TARGET DURING INITIAL RECONNAISSANCE VISIT TO SALOBO WEST PROJECT

+800m long by 150m wide outcrop of high-grade DSO iron ore identified within a broader continuous 7km long magnetic anomaly

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Key Points

- **High-grade "canga" (ferruginous duricrust) outcrop identified by the Centaurus exploration team during its first reconnaissance field visit to the Salobo West Project area in advance of the upcoming IOCG exploration program.**
- **The outcrop has a strike length of more than 800m, is up to 150m wide, and has returned multiple sample readings from the Company's hand-held XRF of +70% Fe.**
- **The canga outcrop is located at the eastern end of a regional magnetic anomaly that runs east-west across the granted Salobo West tenement (SW1) for a total continuous strike length of some 7km. This will now be referred to as the Canga Prospect.**
- **Canga material in the Carajás Mineral Province can be up to 20m thick and is the common geological marker that sits directly over all of Vale's world-class high-grade iron ore deposits in the Carajás. The canga seen at Centaurus' Canga Prospect has the same geological characteristics as those seen over the known multi-billion tonne iron ore deposits in the Carajás.**
- **Southern Geoscience has been engaged to carry out high level processing of the CPBM (Brazilian Geological Survey) airborne magnetic and gravity data to compare the magnetic and gravitational responses over known deposits (both Fe and IOCG) in the Carajás with the Canga Prospect.**
- **Centaurus' maiden IOCG exploration program at Salobo West is rapidly gathering momentum with a further reconnaissance visit and specialised field training to commence this week and the field camp to be established in the next couple of weeks.**

Centaurus Metals (ASX Code: **CTM**) is pleased to announce that it has identified a significant occurrence of high-grade DSO iron ore at its 100%-owned **Salobo West Project** in the world-class **Carajás Mineral Province** in Northern Brazil during an initial reconnaissance site visit ahead of the imminent commencement of full-scale copper-gold exploration activities.

Centaurus' exploration team recently completed its first site visit to the granted Salobo West tenement (SW1) to help plan project logistics for the upcoming IOCG exploration program. During the visit, a significant outcrop of lateratized iron ore (known in Brazil as "Canga") was identified.

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The canga outcrop was mapped along an east-west strike of more than 800m and is up to 150m wide. Sample readings from the Company's hand-held Olympus Delta XRF recorded multiple readings of more than 70% Fe (see Figure 3 in Appendix A). Samples have been submitted for assay and results (which are expected to confirm the XRF readings) are expected within 20 days.

Canga in the Carajás can be up to 20m in thickness. The canga material consists of detrital fragments of partially leached BIF and rubble of older canga, which are cemented by multiple generations of goethite, hematite and gibbsite.

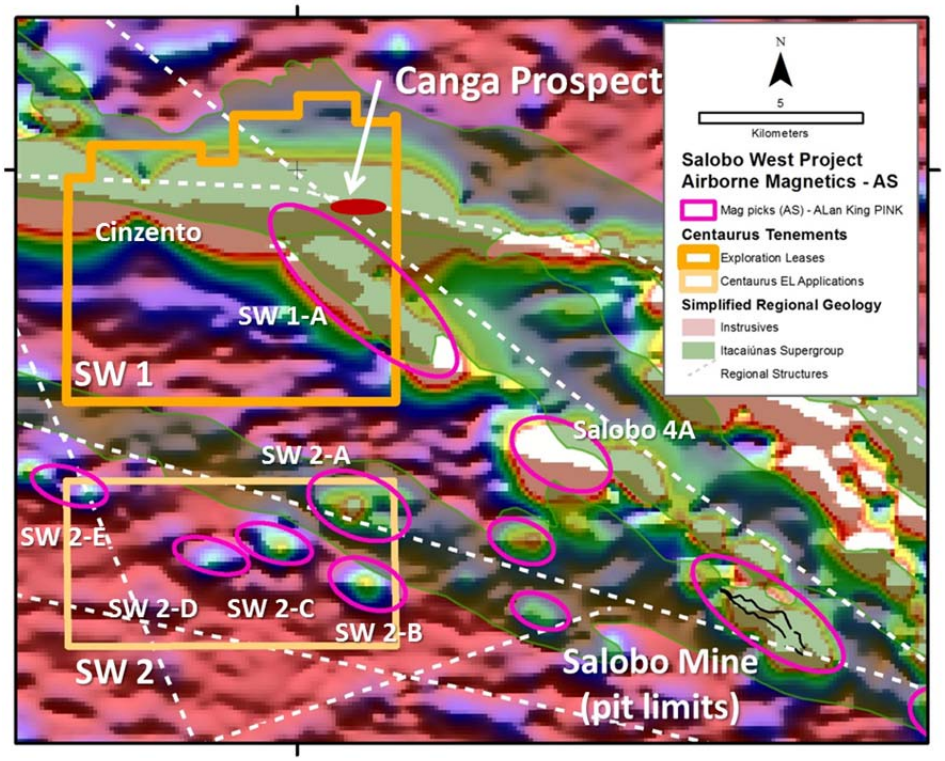
At Vale's massive Serra Sul (S11D) and Serra Norte iron ore mines, the canga overlays up to 300m of very high-grade iron ore (66% Fe). This high grade ore is "soft" disaggregated hematite-goethite rock with minor magnetite relics. This rock represents pervasively leached (supergene) BIF, with occasional remnants of hard hematite ore.

The canga seen at Salobo West has the same geological characteristics as those seen over the known iron ore deposits in the Carajás.

Figure 1 – Canga Prospect (clockwise from top left: aerial view of Canga Prospect from ENE; Centaurus Senior Geologist Gaudius Montresor inspects the outcrop; small fold shows original bedding; massive hematite zones within the lateratized iron formation

The canga outcrop at Salobo West is located at the eastern end of the regional magnetic anomaly that runs east-west across the tenement areas for a continuous strike length of some 7km (see Figure 2 below). The total strike length of 10km is cut by a valley (interpreted fault) towards the western portion of the anomaly. This anomaly runs along the southern edge of the Cinzento ridge and is now known as the Canga Prospect.

Figure 2 – Salobo West Project, Location of the Canga Prospect over Regional Magnetics (AS).



Centaurus has engaged Southern Geoscience to carry out high level processing work on the CPBM (Brazilian Geological Survey) airborne magnetic and gravity data to compare the magnetic and gravitational responses over known deposits (both Fe and IOCG) in the Carajás to the Canga Prospect and other prospects at Salobo West.

Results from this study are due within the next week and will assist in determining an initial DSO Iron Ore Exploration Target estimate for the Canga Prospect.

The recent reconnaissance visit was also successful in other important respects in that the Company's exploration team was able to identify a number of camp site options for the remote exploration camp site as well as some existing access tracks around the project area that may be utilised to gain access to the key target areas. A local service provider has been engaged to carry out the camp logistics and the appropriate training is underway for all Centaurus staff and contractors.

The Company expects the exploration team to be set up in the camp site within the next two weeks.

Management Comment

Centaurus's Managing Director, Mr Darren Gordon, said the discovery of an extensive DSO target during the very first reconnaissance exploration visit to Salobo West demonstrated the rich mineral endowment of the area.

"We secured this ground for its IOCG copper-gold potential, and that remains our key focus with exploration activities about to begin in earnest over the coming weeks," he said. "However, we were also well aware of the potential for world-class iron ore discoveries – particularly given the geological pedigree of this mineral province.

"Remarkably, we have identified a very large high-grade outcropping iron ore prospect on our very first visit to site. With assistance from Southern Geoscience, we will further evaluate the potential of this opportunity over the coming weeks as we gear up to commence our IOCG exploration activities.

"And, importantly we are now on the ground and only a few weeks away from having a fully functional remote exploration camp that will allow us to quickly ramp up exploration at Salobo West."

-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.

APPENDIX A

Figure 3 – Rock chip samples taken from Canga Outcrop (Fe grade from hand held Olympus Delta XRF)

APPENDIX B

Table 1 – Deposits of the Carajás Mineral Province (includes Cu-Au, Ni, Mn and iron ore)

Company	Deposits	Mineral Reserves	Mineral Resources	Annual Production	Historical Production	Distance from CTM EL's / EL applications (Km)
Vale	Igarape Bahia				3.1 Moz Au	12
Garimpeiros	Serra Pelada				2.5 Moz Au	20
Vale	Salobo	1,178Mt @ 0.63% Cu, 0.4 g/t Au	1,556Mt @ 0.64% Cu, 0.4g/t Au	176kt Cu & 317koz Au		12
Vale	Sossego	111Mt @ 0.65% Cu, 0.20 g/t Au	355Mt @1.0% Cu, 0.28 g/t Au	93kt Cu & 67koz Au		70
Vale	Breves		50Mt @ 1.22% Cu, 0.75 g/t Au			2
Vale	Pojuca Group		350Mt @ 0.57% Cu, 0.04 g/t Au			4
Vale	Alemao		230Mt @ 1.26% Cu, 0.83 g/t Au			12
Vale	Paulo Afonso		330Mt @ 0.95% Cu, 0.04 g/t Au			35
Vale	Furnas		550Mt @ 0.71% Cu; 0.3 g/t Au			70
Vale	Gameleira		535Mt @ 0.57% Cu, 0.12 g/t Au			70
Vale	Cristalino		454Mt @ 0.74% Cu, 0.13 g/t Au			90
Vale	Estrela		230Mt @ 0.50% Cu, 0.01 g/t Au			80
Vale	118		51Mt @ 1.30% Cu, 0.2 g/t Au			75
Avanco	Antas Norte		6.4Mt @ 2.38% Cu, 0.48 g/t Au	12kt Cu & 7.8koz Au		30
Avanco	Pedra Branco		18.6Mt @ 2.45% Cu, 0.61 g/t Au			50
Caraiba Metais	Boa Esperanca		100Mt @ 1.00% Cu			140
Vale	Carajas	2.6Bt @ 66% Fe		148Mtpa Fe		30
Vale	S11D	4.2Bt @ 66% Fe		40-90Mtpa Fe		45
Vale	Onca Puma	108Mt @ 1.53% Ni		24kt Ni		80
Vale	Azul	38Mt @ 28.4% Mn		1.7Mtpa Mn		22

*Vale Data sourced from "Vale Production in 4Q16" Report, 20-F Annual Report and other reports; Other Company data sourced from respective web pages and presentations

APPENDIX C – TECHNICAL DETAILS OF THE SALOBO WEST PROJECT, JORC CODE, 2012 EDITION – TABLE 1

SECTION 1 SAMPLING TECHNIQUES AND DATA

Criteria	Commentary
Sampling techniques	• There is no historical sampling for the Salobo West Project mentioned in this report. • Rock chip samples for iron ore have been taken and have been submitted to SGS Geosol laboratory in Parauapebas, Brazil.
Drilling techniques	• There is no historical drilling on the Salobo West Project mentioned in this report.
Drill sample recovery	• No drill results are included in the release.
Logging	• There is no historical logging on the Salobo West Project mentioned in this report.
Sub-sampling techniques and sample preparation	• There is no historical sampling on the Salobo West Project mentioned in this report.
Quality of assay data and laboratory tests	• There is no historical sampling on the Salobo West Project mentioned in this report.
Verification of sampling and assaying	• There is no historical sampling on the Salobo West Project mentioned in this report.
Location of data points	• The survey grid system used is SAD-69 22S. This is in line with Brazilian Mines Department requirements.
Data spacing and distribution	• There is no historical sampling on the Salobo West Project mentioned in this report.
Orientation of data in relation to geological structure	• There is no historical sampling on the Salobo West Project mentioned in this report.
Sample security	• There is no historical sampling on the Salobo West Project mentioned in this report.
Audits or reviews	• 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	• The Salobo West project includes the exploration lease (850.430/2016) and an exploration lease application (850.429/2016) for a total of circa 120km^2. • The tenements are part of an earn-in agreement with Terrativa Minerais 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. • 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	• Historically the Salobo West tenements have been held by Vale and although it is understood that exploration was carried out, no public exploration data has been found on the tenements to date.
Geology	• 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.
Drill hole Information	• No drilling has been conducted on the Salobo West project.
Data aggregation methods	• No cut-offs have been applied in reporting of the exploration results. • No aggregate intercepts have been applied in reporting of the exploration results.
Relationship between mineralisation widths and intercept lengths	• No drilling has been conducted on the Salobo West Project.
Diagrams	• Refer to Figures 1-3.
Balanced reporting	• All 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	• The Company is working with the CPRM geological and geophysical regional data sets.
Further work	• The Company has engaged Southern Geoscience Consultants to carry out comparative work on the regional magnetics data. Target generation and aerial geophysical survey planning is also underway for the Salobo West project. • The Company has started mobilisation of its field team to the Salobo West project to carry out survey line clearing, geological mapping and soils geochemical sampling.