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CENTAURUS TO FAST-TRACK MAIDEN EXPLORATION PROGRAM AT SALOBO WEST AFTER SECURING KEY PERMIT

Grant of environmental licence clears the way for non-ground disturbing exploration activity to commence at high-potential copper-gold exploration project

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Key Points

- **Key environmental licence granted for the Salobo West Copper-Gold Project in Brazil, allowing non-ground disturbing exploration activities to be fast-tracked.**
- **Maiden exploration program planned to commence before the end of September after the project exploration team is assembled and project-specific training is undertaken.**
- **Salobo West covers 120km^2 of highly prospective ground in the Carajás Mineral Province ("CMP") – the world's premier iron oxide-copper-gold ("IOCG") address.**
- **Located just 12km along strike from Vale's world-class Salobo Copper-Gold Mine (Reserves of 1.2Bt at 0.63% Cu and 0.4g/t Au; production of ~176kt Cu and 317kt Au in CY2016) and positioned in the Cinzento Shear Zone that hosts three of the top five known IOCG deposits in the Carajás (all with resources of +300Mt copper-gold ore) along with multiple exploration targets.**
- **Centaurus is now only one of two companies that have significant tenement holdings within the main Cinzento Shear Zone – the other being leading global miner Vale.**
- **The combination of intersecting regional structures and large-scale distinct magnetic anomalies hosted within the most prospective geological unit in the CMP (the Itacaiúnas Supergroup) provides for compelling IOCG targets within the Salobo West Project.**

Centaurus Metals (ASX Code: **CTM**) is pleased to advise that it is set to fast-track its maiden exploration program at the recently secured **Salobo West Copper-Gold Project** in the world-class **Carajás Mineral Province** in the north of Brazil after receiving the crucial initial environmental licence for the project which allows non-ground disturbing exploration activities to begin on site.

As a result, site fieldwork including mapping, stream sediment sampling, soil sampling and ground-based geophysics can be undertaken in the Tapirape-aquiri National Forest where the Salobo West Project is located.

With the receipt of this licence much earlier than expected, the Company is now in a position to commence a detailed program of non-ground disturbing field activities prior to the onset of the regional wet season, which commences around the end of the year. Project logistics are currently being planned, with the Company's exploration team also undertaking specialised training in fire prevention while planning for the maiden exploration program is finalised.

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Ground-based field activities are scheduled to commence at the Salobo West SW1 tenement before the end of September. With these activities now being able to commence much earlier than anticipated, Centaurus will complete this work concurrently with a detailed airborne geophysical survey.

The regional magnetic signatures generated from the reprocessing of CPRM (Brazilian Geological Survey) data by Southern Geoscience and analysed by the Company's expert geophysical consultant, Mr Alan King, provides the Company with a strong targeting base from which it can commence the ground-based field activities while further more detailed geophysics are completed.

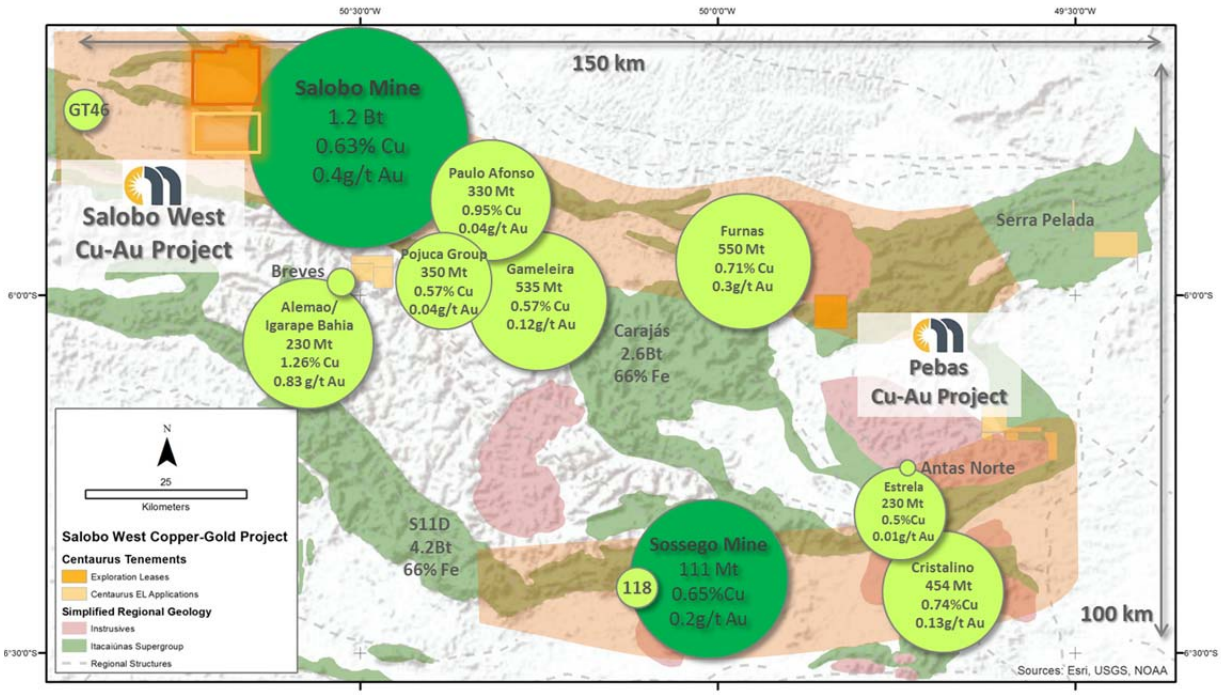
The Carajás Mineral Province

The Carajás Mineral Province ("CMP") is considered one of the world's premier mining addresses and hosts a total of fifteen (15) world-class mineral deposits within an area of just 150 x 100km, including nine IOCG deposits with resources of +100 million tonnes of copper-gold ore. The resources and reserves of these (predominantly Vale-owned) IOCG deposits – in addition to several other IOCG prospects that are under exploration – collectively contain resources of more than 4.0 billion tonnes of copper-gold ore (see Figure 1 below and Table 1 in Annexure A).

Vale's giant Salobo Copper-Gold Mine is one of these deposits, and is arguably the second-biggest IOCG in the world behind BHP's Olympic Dam Mine. Salobo 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 2016[1].

Centaurus' Salobo West IOCG project includes multiple distinct targets that display similar geophysical characteristics and are located in the same geological context as the Salobo mine, just 12km along strike. Salobo West is located in the northern Carajás domain within the highly prospective Cinzento Shear Zone (Figures 1 and 2).

Figure 1 – The Carajas Mineral Province with Schematic of Reserve Estimates (dark green) and Resource Estimates (light green) of the Nine Largest IOCG Deposits.



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

The Cinzento Shear Zone

Three of the top five known IOCG deposits in the Carajás (all with resources +300Mt Cu-Au ore), as well as multiple exploration targets, are located along the Cinzento Shear Zone (see Figure 2). These deposits are structurally controlled by regional-scale W-NW striking, brittle-ductile shear 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 magnetic, radiometric and gravity surveys.

Figure 2 – Tier-1 IOCG deposits in the Cinzento Shear Zone over the Regional Magnetics (AS).

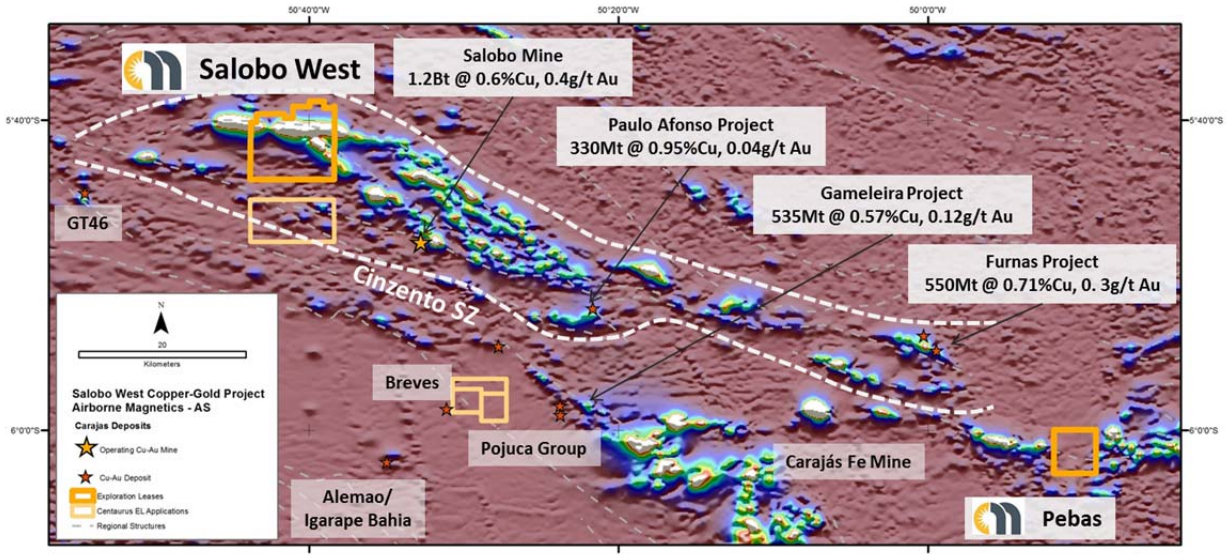


Figure 2 shows the Tier-1 deposits, which are located along regionally significant structures positioned within the Cinzento Shear Zone and coincident with large scale distinct magnetic anomalies (Analytical Signal). Certain deposits are also identifiable using the airborne radiometric data.

Mr King, who was the former Chief Geophysicist for Global Exploration at both Inco and Vale and was based in Brazil from 2007-2011, has studied multiple IOCG camps across the globe including the Carajás and Olympic Dam IOCG Provinces and more recently completed a review of the geophysical data over the Salobo West Project.

Mr King's work identified multiple outstanding exploration targets and recognised that mapping of regional scale structural lineaments via both magnetics and radiometrics correlated well and highlighted a number of locations where structural shears or faults intersected coincidently with large-scale magnetic anomalies.

Furthermore several of the geophysical target locations, including SW1-A, are located within the most prospective geological unit in the Carajás (the Itacaiúnas Supergroup). This combination of targeting criteria makes Salobo West an outstanding exploration opportunity in the Carajás Mineral Province.

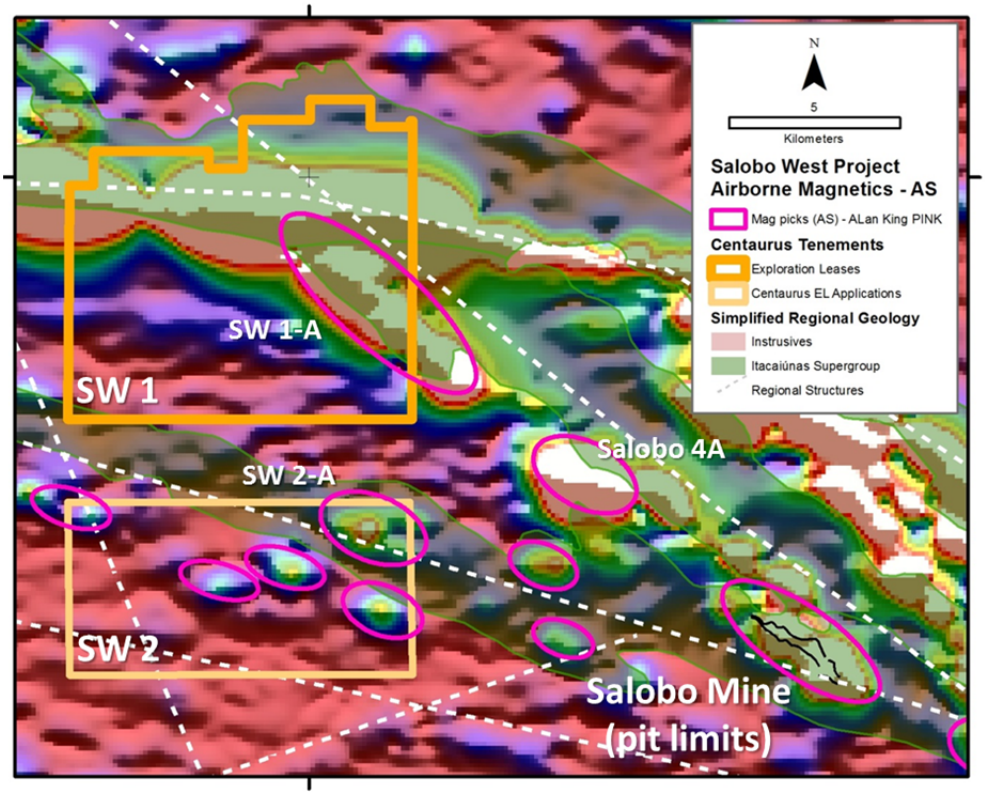
The Salobo West Copper-Gold Project

The Salobo West Copper-Gold Project consists of two tenements, SW1 and SW2, covering a combined total area of 120km^2 of highly prospective ground only 12km along strike from Vale's giant Salobo Cu-Au Mine.

The recently granted Exploration License SW1 is the northernmost tenement and covers an area of 78km^2. **A distinct 4.5km long magnetic anomaly (the SW1-A target) is the primary target at this early stage (see Figure 3)**. Importantly, the SW1-A magnetic anomaly is coincident with a ridge that has been mapped as part of the Igarapé Salobo Group of the Itacaiúnas Supergroup, which hosts all known IOCG deposits in the Carajás.

The north-west striking ridge that hosts the SW1-A target intersects a larger mountain range that is associated with a regional scale east-west striking magnetic anomaly which is understood to be a BIF unit of the northern Igarapé Salobo Group. It is also the location of the intersection of two regional scale structures (see Figure 3 below).

Figure 3 – Salobo West Copper Gold Project, Itacaiúnas Supergroup (green) Overlaying the Regional Magnetics (AS).



Salobo West – Non-Ground Disturbing Work Program

Initial ground-based field activities will focus on the SW1-A anomaly, with the field team undertaking survey line clearing, geochemical sampling, geological mapping and stream sediment sampling.

In addition, the Company will continue to work with Alan King to determine the most cost effective geophysical survey program to enhance the known targets as well as identify new ones. Both airborne and ground surveys are being considered that could include gravity, magnetics, EM, IP and radiometrics. Many of these can be undertaken in combination.

The Company has contacted a number of Brazilian and international groups for quotes on this geophysical survey work and it is expected that any award of work will be made in the coming weeks such that mobilisation can occur before the end of September to ensure the survey work can be completed in 2017.

Management Comment

Centaurus' Managing Director, Mr Darren Gordon, said the Company was pleased to have been able to secure the early grant of the key environmental licence required to commence its maiden ground-based exploration program at Salobo West.

"This gives us the ability to begin ground-based exploration in the next four weeks, opening up a critical window which will allow us to make substantial progress at this exciting new project before the start of the wet season at the end of this year," he said.

"Having targets of this scale and quality is an exceptional opportunity for a junior company in a world-class mineral province such as this, which historically has been dominated by much larger companies.

"The Carajás Mineral Province hosts the world's biggest concentration of IOCG deposits, and we believe we have an outstanding exploration opportunity right on the doorstep of one of the world's biggest copper-gold deposits. We are looking forward to the start of exploration and to seeing what sort of targets this will generate for us."

-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

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 B – TECHNICAL DETAILS OF THE SALOBO WEST COPPER/GOLD 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.
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. 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. • 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.

Criteria	Commentary
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.
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 in 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 CPRM geological and geophysical regional data sets.
Further work	• Target generation and aerial geophysical survey planning is underway for the Salobo West project.