AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT
& MEDIA RELEASE

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CENTAURUS EXPANDS GOLD PORTFOLIO WITH DEAL TO SECURE A NUMBER OF HIGHLY PROSPECTIVE NEW PROJECTS IN NORTHERN BRAZIL

Key Points:

- **Centaurus secures the Pará Exploration Package in Northern Brazil through its existing Strategic Alliance with Terrativa Minerais SA under a farm-in and royalty arrangement with no upfront cash outlay and all expenditure to be directed into exploration.**
- **The package includes +750km^2 of ELs and EL applications in the State of Pará, near the world-class Carajás IOCG province and the 5Moz Volta Grande gold deposit[1].**
- **The lead project is the drill-ready Serra Misteriosa Gold Project, which hosts a continuous 2.5km 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.**
- **The gold anomaly is associated with highly altered dolerites intruding a greenstone and displays remarkably similar geological and structural characteristics to the 5.0Moz Volta Grande Gold Project, owned by Belo Sun Mining Corp.**
- **Centaurus will be the first company to drill test the highly prospective project that hosts a number of walk-up drill targets, with ground-based exploration activities set to commence shortly and drilling to follow within 3-6 months.**
- **The package also includes the Salobo West Copper-Gold Project, a group of EL applications that cover an area of ~150km^2 just 12km along strike from Vale's world class Salobo copper-gold mine.**
- **"The Serra Misteriosa Gold Project and the additional tenements in the Pará Package are well and truly in elephant country and will provide us with a pipeline of exploration opportunities that would normally be well beyond the reach of a junior like Centaurus." – MD Darren Gordon**

Centaurus Metals (ASX Code: **CTM**) is pleased to announce that it has entered into a binding letter agreement to secure 100% of a highly prospective and strategically located gold and copper exploration project in Northern Brazil through its existing strategic alliance with Terrativa Minerais SA ("Terrativa").

The highly prospective **Serra Misteriosa Gold Project** forms part of the +750 km^2 Pará Exploration Package ("Pará EP") of tenements located in Brazil's mineral-rich State of Pará, opening up a significant new front for gold exploration for Centaurus in Brazil in addition to the 100%-owned Mombuca Gold Project, where a review of the results from its maiden drilling program is underway.

The extensive tenement package is located between several world-class mineral deposits – the 5Moz Volta Grande Gold Project[1], owned by Belo Sun Mining Corp., to the north and the giant Carajás IOCG province to the south (see Figure 1). The tenements include prospective gold targets for both Volta Grande-style gold and Carajás-style copper-gold deposits. The Pará EP includes the Serra Misteriosa Gold Project, the Salobo West Copper-Gold Project and the Serra Vermelho Gold Project.

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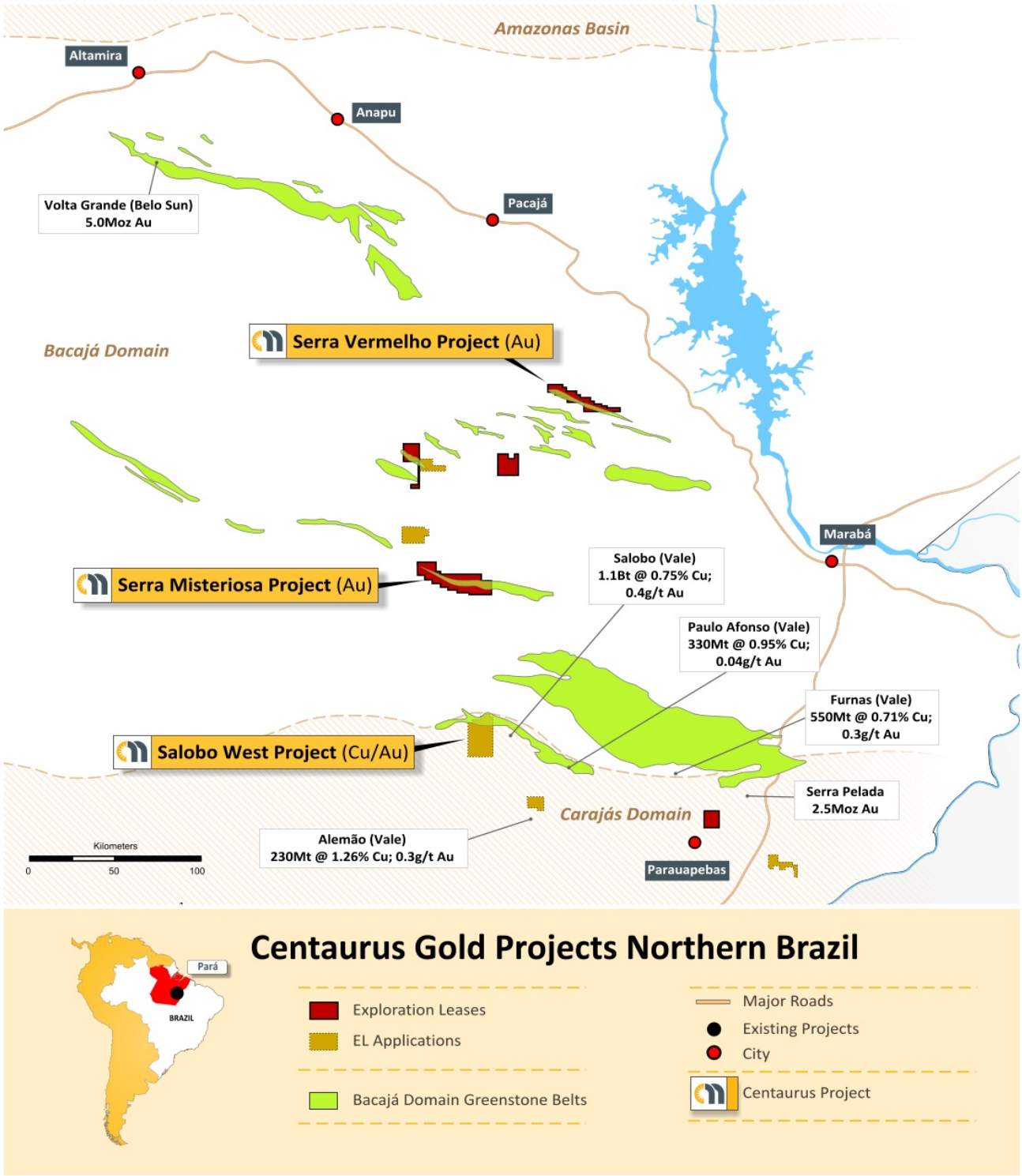
Importantly for Centaurus, the Company has been able to continue to build upon its Strategic Alliance with Terrativa by securing access to the Para EP for no upfront cost with all expenditure to be directed into planned exploration activities on the highly prospective tenure. Full details of the key projects within the exploration package and the earn-in terms are set out below.

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



The Serra Misteriosa Gold Project

- **Continuous 2.5km 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.**
- **Gold anomaly associated with highly altered dolerites intruding a greenstone that displays remarkably similar geological and structural characteristics to the 5.0Moz Volta Grande Gold Project[1] owned by Belo Sun Mining Corp.**
- **Multiple drill-ready targets based on extensive exploration work already completed by Terrativa.**

Serra Misteriosa or "*The Mysterious Hill*" is located within an extensive farming district only 180km from the regional centre of Marabá, a city with a population of 180,000 people, a domestic airport and excellent access to infrastructure and services.

Serra Misteriosa is the most advanced project in the Para EP, where Terrativa has undertaken extensive early-stage exploration work to generate numerous walk-up drill targets, none of which have yet been drill tested. The project displays a number of close geological similarities to the 5.0Moz Volta Grande Gold Project, owned by TSX-listed Belo Sun Mining Corp.

Volta Grande is a world-class gold deposit with reported NI 43-101 Mineral Reserves of 3.8Moz at 1.02 g/t gold within a total Mineral Resource (Measured and Indicated) of 5.0Moz at 0.98 g/t[1]. Belo Sun Mining Corp. completed a positive Feasibility Study in 2015 and is currently in the process of securing its construction licences.

The Serra Misteriosa tenement package covers 30km of strike extensions of a WNW-ESE trending Upper Proterozoic greenstone belt that has been intruded by multiple syntectonic diorites and granodiorites. The primary target is delineated by a continuous 2.5km long, high-grade anomaly (+50ppb Au) within a broader +5km long gold geochemical anomaly (+25ppb Au) that is consistently up to 500m wide (see Figure 2).

The target zone is mostly covered by a rich red saprolite with occasional outcrops of highly silicified diorite that often display intense sericite and propylitic alteration. The diorites host disseminated sulphides (pyrite and arsenopyrite) locally that have shown to be gold-bearing (see Figure 3).

The comparisons with the Volta Grande Project geology are important. Set in a greenstone of the same regional orientation and geological age, the Volta Grande gold mineralisation is related to a major WNW-ESE trending shear zone within a highly silicified dolerite intrusive. The same rocks and alteration assemblage is seen in an identical structural setting at Serra Misteriosa.

Furthermore, the discovery of the Volta Grande deposit was made by testing a 2.5km x 300m wide geochemical signature over a rich red saprolite that coincided with the regional trends similar to that seen at Serra Misteriosa.

[1] For additional information on the Volta Grande Mineral Reserves and Resources please refer to www.belosun.com.

Figure 2 – Serra Misteriosa geology and gold in soils map (yellow: >25ppb Au)

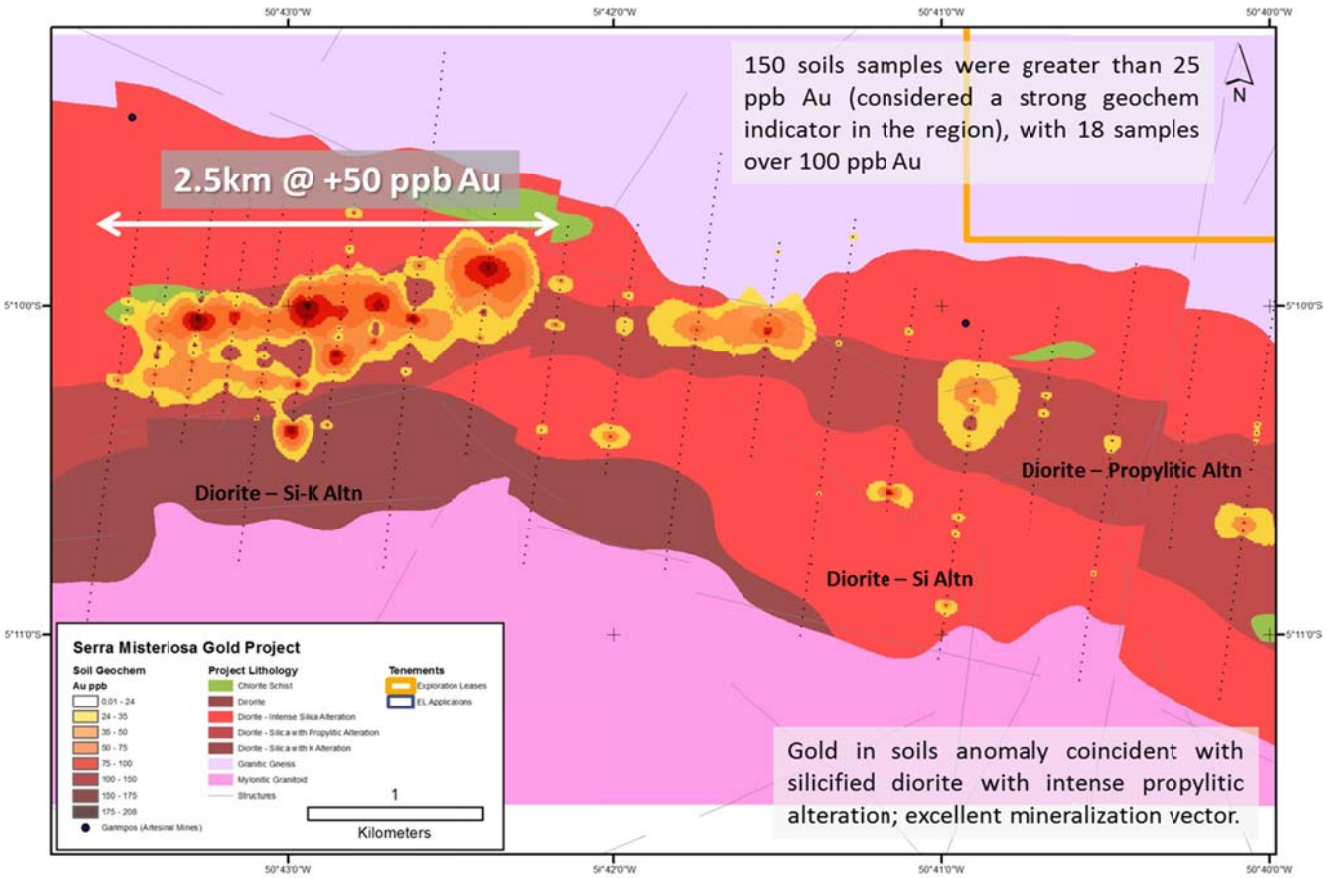
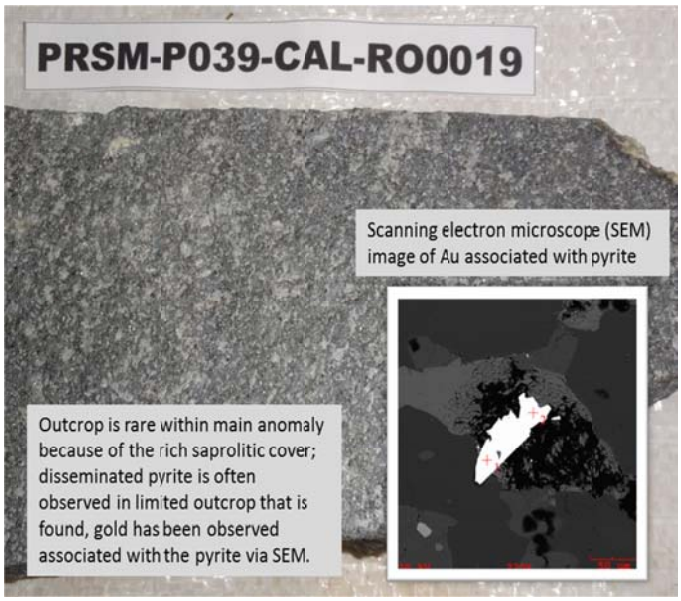


Figure 3 – Serra Misteriosa Mineralisation – Left: Gold associated with sulphides in limited outcrops; Right: Gold flakes have been observed in multiple panning samples along the 5km strike of the primary target



Centaurus will work with Terrativa's principal geologists to review the impressive package of technical work completed to date. The extensive geochemical anomaly has already highlighted multiple potential walk-up drill targets, none of which have yet been tested. This creates a significant opportunity for Centaurus given that it can leverage off the excellent work already completed and potentially advance the project to the discovery stage where significant value can be created in a relatively short space of time.

Given that landowner agreements and drilling approvals are already well advanced by Terrativa, Centaurus is confident that it can be drilling the Serra Misteriosa Project within 3-6 months. Ground-based fieldwork activities including geochemical sampling and geophysical surveys will commence in the near future, allowing Centaurus to refine key drill targets.

The Salobo West Copper-Gold Project

- **EL application 12km along strike from Vale's gigantic Salobo copper-gold mine.**
- **Covers more than 20km of strike extension of the highly prospective Cinzento Shear Zone.**

The Salobo West Project comprises a group of EL applications that cover 150 km^2 of highly prospective ground located in the heart of the world-class Carajás IOCG province. The project is located just 12km along strike from Vale's massive Salobo copper-gold mine which hosts mineral resources of over 1.1 billion tonnes at 0.7% Cu and 0.4g/t Au[2].

One of the tenement applications, located along strike from the Salobo mine, covers a 10km extension of the Cinzento Shear Zone that hosts the world-class copper-gold deposit. The Cinzento shear zone is a well mapped zone that is highlighted by a regional magnetic anomaly as well as variations in topography (Figure 4). As these areas are still applications no ground work has been completed to date. Centaurus will work with the Pará Department of Mines (DNPM) to get these tenements granted as soon as possible.

The Serra Vermelho Gold Project

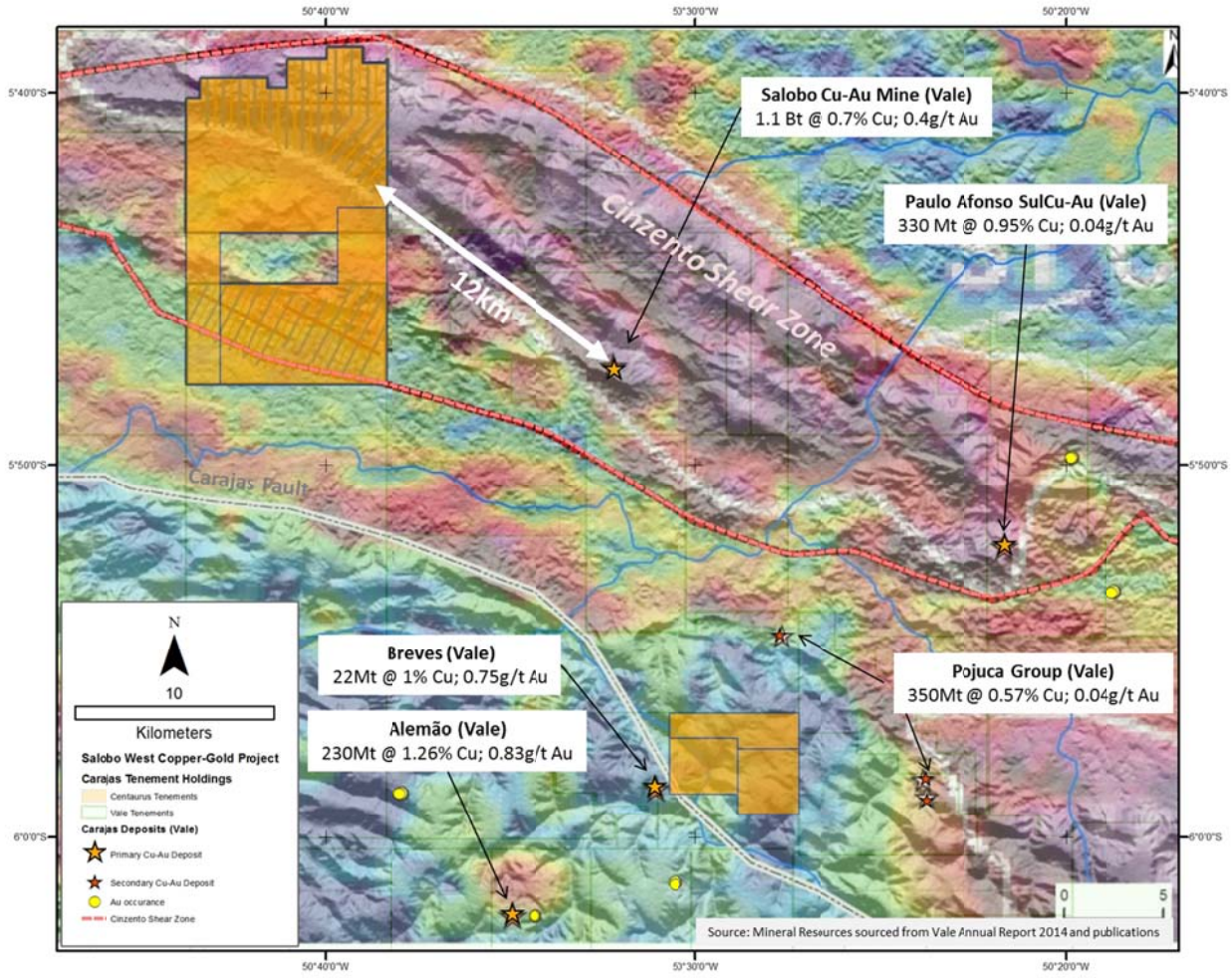
The Serra Vermelho Project is in a similar setting to Serra Misteriosa where a number of diorites have intruded a greenstone unit that displays strong hydrothermal alteration. The project displays excellent regional geophysical characteristics with a potassium anomaly indicating alteration coincident with a magnetic low lineament within a magnetic high area.

Only very early stage exploration has been completed on this project to date. This work included some stream sediment sampling that has returned multiple anomalous gold readings around the project area. Centaurus will plan to start work on Serra Vermelho after the initial round of drilling is complete at Serra Misteriosa.

The Pará EP brings a large area of high quality exploration targets and the Company will work with a number of technical experts, including Terrativa's principal geologists, to prioritize these targets for future exploration.

[2] For additional information on the Salobo Mineral Reserves and Resources please refer to www.vale.com.

Figure 4 – Salobo West Project, location of Centaurus EL applications relative to world-class Vale Cu-Au Mines and Deposits with aeromagnetics image (ASA).



Key Commercial Terms

The Para EP has been secured under the existing Strategic Alliance with Terrativa Minerais S.A. Under the binding letter agreement, Centaurus will earn the right to acquire 100% of the project by undertaking R$2.5 million (~A$1 million) of expenditure within two years of execution of the Agreement.

Once Centaurus has met the minimum expenditure commitment, it will have the right to acquire 100% of the Project Tenements through the issue of 30 million CTM shares and a 2% production royalty over future gold production from any of the project tenements. Concurrently with the issue of the ordinary shares, Centaurus will issue Terrativa three (3) tranches of Performance Shares as follows:

- Tranche A – 30 million Shares in CTM should a JORC Inferred Mineral Resource of 500,000oz of gold or gold equivalent be defined on the Project Tenements within six years of executing the Agreement;
- Tranche B – 30 million Shares in CTM should a JORC Inferred Mineral Resource of 1,000,000oz gold or gold equivalent be defined on the Project Tenements within six years of executing the Agreement; and
- Tranche C – 30 million Shares in CTM should a JORC Inferred Mineral Resource of 1,500,000oz of gold or gold equivalent be defined on the Project Tenements within six years of executing the Agreement.

The future issue of both ordinary and performance shares to Terrativa will be subject to shareholder approval.

In the event that Centaurus disposes of any of the Projects that form part of the Pará EP then Terrativa will be entitled to 25% of the sale proceeds. The value of any Performance Shares issued will be deducted from the first Sale Proceeds of any of the Project Tenements.

Management Comment

Centaurus' Managing Director, Mr Darren Gordon, said the Company was pleased to have secured such an outstanding exploration opportunity, leveraging off its long-standing relationship with Terrativa.

"The Serra Misteriosa Gold Project and the additional tenements in the Pará Package are well and truly in elephant country and will provide us with a pipeline of exploration opportunities that would normally be well beyond the reach of a junior like Centaurus," Mr Gordon said.

"Serra Misteriosa itself is located in the heart of a world-class mineral province, just 100km from the prolific Carajás IOCG region of Brazil and 200km from the multi-million ounce gold deposit at Volta Grande. The Serra Misteriosa geology and geochemistry is strongly analogous to Volta Grande and represents a compelling exploration opportunity.

"The opportunity to secure such a large package of high quality ground for no up-front cost is a great outcome for shareholders and is clearly a reflection of the strong relationship that has been fostered with Terrativa, our Strategic Alliance partner in Brazil, over many years.

"This opens up an exciting new front for gold exploration for Centaurus in Brazil in addition to our existing Mombuca Gold Project, where we have recently completed our maiden drilling program," he continued. "We look forward to fast tracking the exploration effort in the near term with ground-based exploration commencing shortly and drilling planned within 3-6 months."

-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 – TECHNICAL DETAILS OF THE SERRA MISTERIOSA GOLD PROJECT, JORC CODE, 2012 EDITION – TABLE 1

SECTION 1 SAMPLING TECHNIQUES AND DATA

Criteria	Commentary
Sampling techniques	• All historical sampling was completed by Terrativa. • 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. • 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. • 60 surface rock chip/soil samples were collected from in situ outcrops and rolled boulders for chemical analysis.
Drilling techniques	• There is no historical drilling on the Serra Misteriosa Project.
Drill sample recovery	• No drilling was conducted.
Logging	• All outcrop, stream sediment and soil sample points were registered and logged in the Terrativa geological mapping point database.
Sub-sampling techniques and sample preparation	• All rock chip and soil samples were sent to the laboratory without any field preparation. • Stream sediment samples were sieved down to 1.0-1.5kg using a 100 mesh sieve.
Quality of assay data and laboratory tests	• Stream sediment samples are first dried in an oven at 60^{o}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. • Analysis of the soil samples was completed at SGS Geosol Laboratories. Samples are dried at 100^{o}C and crushed and screened to 80 mesh. The pulp is quartered and an aliquot of 50g is sent for chemical analysis. • 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. • 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. • Laboratory procedures are in line with industry standards. • To date no QAQC samples have been inserted by Terrativa for this project.
Verification of sampling and assaying	• All historical samples were collected by Terrativa field geologists. All assay results were verified by alternative Terrativa personnel.
Location of data points	• 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.

Data spacing and distribution	• Soil samples were collected with a section spacing of 400m and 200m x 50m. • Stream sediment samples were collected at sample points planned by Terrativa geologists to represent catchment areas of between 500-1,000ha. • Sample spacing was deemed appropriate for geochemical studies but should not be considered for Mineral Resource estimations. • No sample composting has been applied.
Orientation of data in relation to geological structure	• 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.
Sample security	• All samples were placed in pre-numbered plastic samples 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.
Audits or reviews	• No audit or review has been conducted on the project to date.

SECTION 2 REPORTING OF EXPLORATION RESULTS

Criteria	Commentary
Mineral tenement and land tenure status	• The Serra Misteriosa project includes two exploration leases (851548/2011 and 850258/2013) for a total of circa 180km^2. Granted Exploration Leases have three years of exploration rights that may be extended for a further three years. • 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 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 1% on gold revenue (less taxes). • Landowner royalty is 50% of the CFEM royalty. • 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.
Exploration done by other parties	• Historically the Serra Misteriosa tenement area was explored for gold by Terrativa. All data from this exploration has been passed to Centaurus. • 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.
Geology	• 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; • 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; • The main gold in soils geochem target is 5km x 600m Au (+25ppb) anomaly. Within this anomaly there is a 2.5km 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.
Drill hole Information	• No drilling has been conducted on the project.

Criteria	Commentary
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 was conducted.
Diagrams	• Refer to Figures 1-4.
Balanced reporting	• All Exploration Results received by the Company to date are included in this report.
Other substantive exploration data	• Historical geological mapping was carried out by Terrativa geologists.
Further work	• The Company plans to complete a detailed data review ahead of further detailed geological and structural mapping, soil sample programs and carry out ground geophysical studies (Induced Polarization). • During this time the Company will secure land access and environmental permitting. 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.