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COPPER AND GOLD MINERALISATION IDENTIFIED IN ONLY HISTORICAL DRILL HOLE ON SW1-B PROSPECT AREA

Mineralisation intersected at end-of-hole 50m short of standout IP target – Southern Geoscience re-processing detailed geophysical database (VTEM and IP)

Key Points

- A single historical diamond drill-hole completed in the SW1-B Prospect area, part of the Company's 100%-owned Salobo West Copper-Gold Project in northern Brazil, encountered highly encouraging copper and gold mineralisation near the end-of-hole at 130m.
- Detailed historical VTEM (Airborne Electromagnetics) and Induced Polarisation (IP) survey data also identified by Centaurus over the SW1-B Prospect area.
- The diamond drill hole was pulled up approximately 50m short of an outstanding IP anomaly that is coincident with the magnetics and a strong copper-in-soils anomaly.
- The SW1-B Prospect is delineated by an extensive +6.5km long Cu-Au(-Co) soil anomaly that is up to 600m wide.

Centaurus Metals (ASX Code: **CTM**) is pleased to announce that it has further improved the prospectivity of the SW1-B Copper-Gold Prospect, part of its 100%-owned **Salobo Copper-Gold Project**, located in the Carajás Mineral Province ("Carajás") in northern Brazil, following a review of additional historical exploration data from the project.

The SW1-B Prospect is delineated by an **extensive +6.5km long Cu-Au(-Co) soil anomaly that is up to 600m wide** hosted in the key Carajás geological sequence, the Itacaiúnas Supergroup – which hosts all known IOCG deposits in the Carajás.

A detailed VTEM (Airborne Electromagnetics) survey and multiple Induced Polarisation (IP) survey lines were completed over the SW1-B Prospect. This geophysical dataset significantly enhances the prospectivity of the three distinct target zones previously defined by the Company and is currently being re-processed by Southern Geoscience.

Drill-hole data has been validated and, remarkably, only one drill hole was drilled into the SW1-B anomalous zone which intersected highly encouraging copper and gold mineralisation near the end-of-hole. Drill-hole DRI10-FD0010 was drilled on Section 536800 near the main convergent point of the Cruzamento zone. The Company understands that this hole was designed to target a combination of the SW1-B Cu-Au-Fe(-Co) soil anomaly and the moderate magnetic and VTEM signatures (see Figure 1).

Additionally, the hole was designed to target a strong sub-vertical IP Chargeability anomaly (Figure 2) which is coincident with the magnetic and soils anomalies. This combination of anomalies represents a classic target model combination for IOCG exploration in the Carajás.

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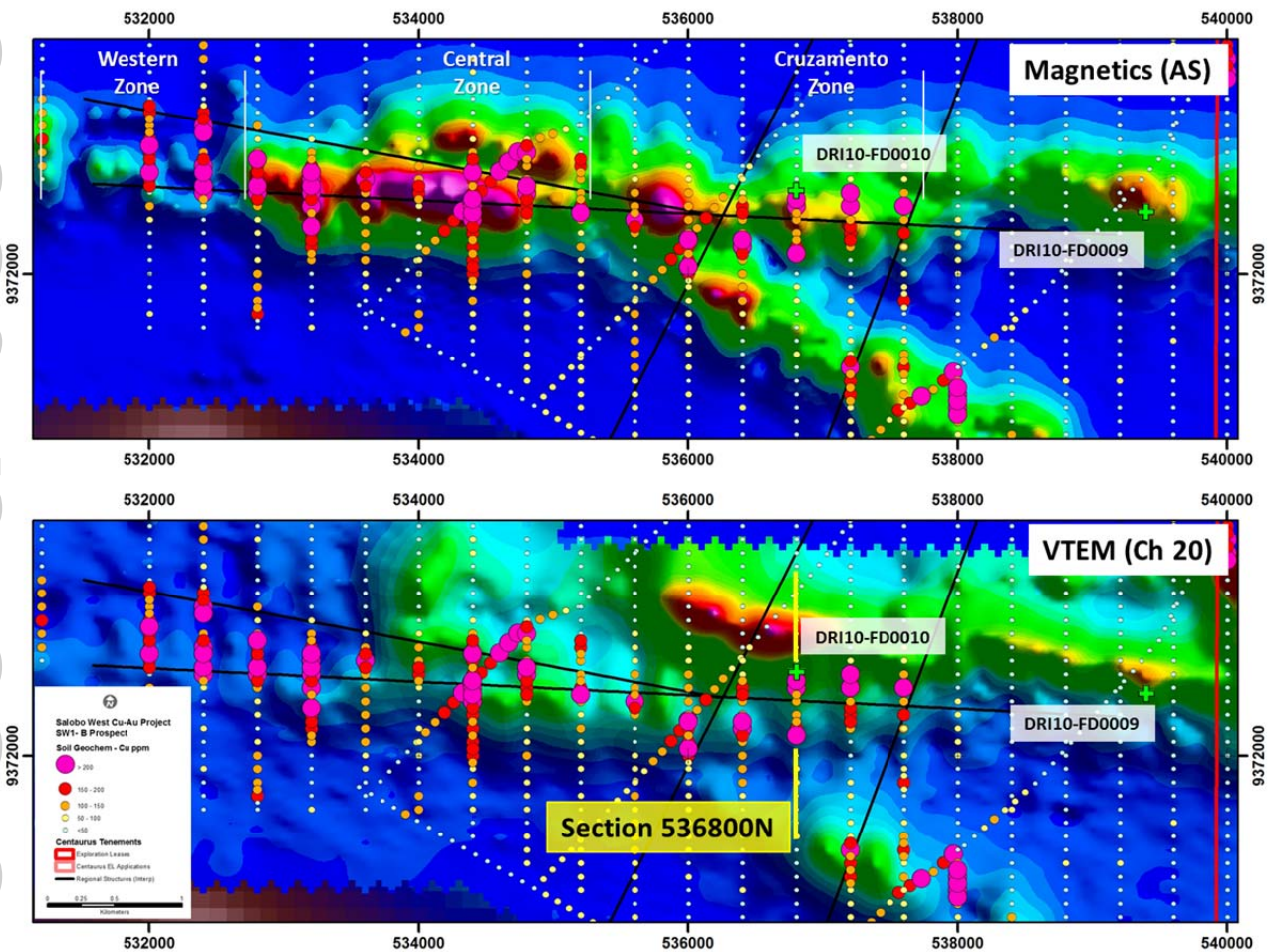
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The hole intersected **4m at 0.8 g/t Au** (including **1m @ 2.0g/t Au**) in iron formation (45-59% Fe) from 116m-120m, preceded by an interval of weathered mafic schist that returned an average **copper grade of 0.15% Cu** from 110m-114m.

For reasons unbeknown to Centaurus, the hole was **stopped at 130.8m, approximately 50m short of the strong IP target** seen in Figure 2, and this hole was the last one to be completed historically on the SW1 tenement. The drill hole was stopped before it intersected fresh rock.

Figure 1 – SW1-B Prospect Copper in soils anomaly over Magentics (AS) and VTEM (Ch20)



The results and location of drill hole DRI10-FD0010 are considered to be extremely encouraging for the Company's future exploration efforts at the Salobo West Project.

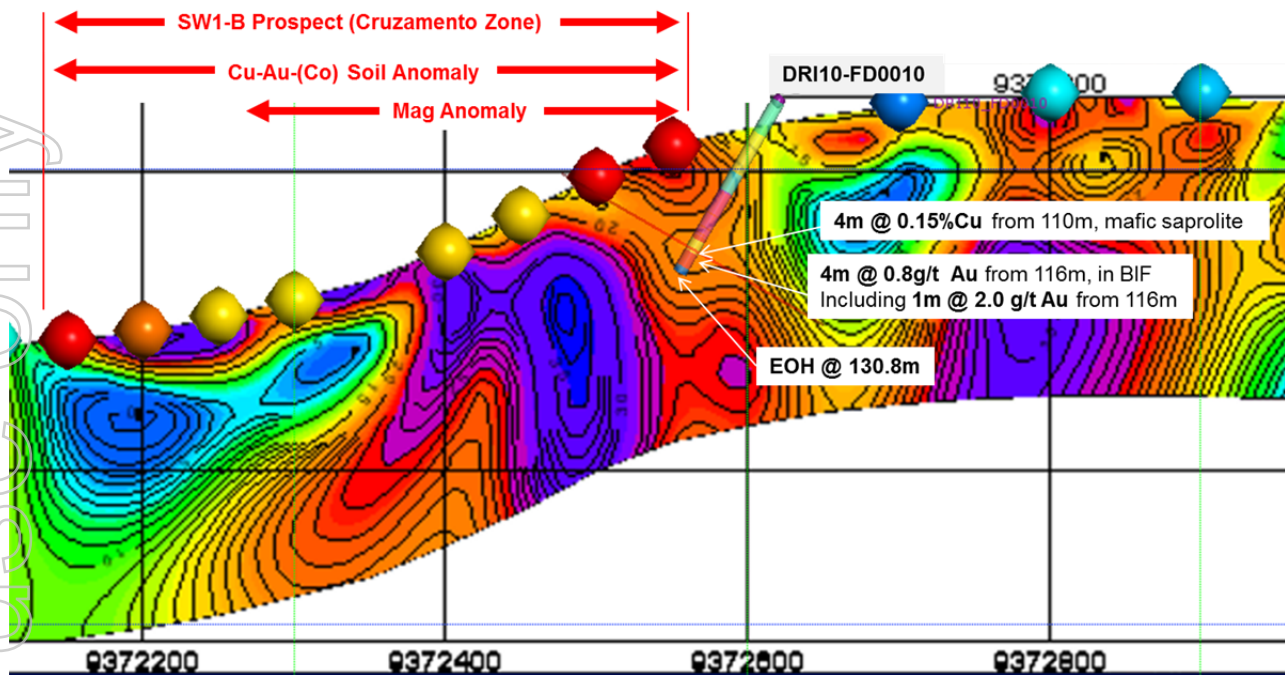
Of particular relevance is not only the fact that the hole encountered strong copper-gold mineralisation at the end-of-hole but also that it was stopped 50 metres short of an outstanding IP anomaly.

Furthermore, geological logging of the core and geochemistry demonstrates that the SW1-B Prospect is set within the highly prospective meta-volcanic sedimentary package of the Itacaiúnas Supergroup.

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Figure 2 – SW1-B Prospect (Cruzamento Zone) – Location of sole drill hole on Section 536800N which ended approximately 50 metres short of the strong IP anomaly. Circles represent Copper in soils, red is +200ppm Cu.



The Company has engaged Southern Geoscience to re-process the extensive geophysical dataset for SW1-B, which consists of airborne VTEM, Magnetics (at 200m line spacings) and 16 survey lines of ground Induced Polarization (IP). Results from this work are expected in the coming weeks.

The combination of this extensive database with the work being completed in the field recently by the Centaurus exploration team provides a robust platform for drill target planning ahead of the upcoming drill program, which is set to kick off at the end of the wet season in April 2018.

A second drill hole (DRI10-FD0009) completed near the SW1-B area was drilled 1.4km to the east of the eastern limit of the copper-gold soil anomaly of the Cruzamento Zone at SW1-B (Figure 1) and is not considered to be relevant to copper-gold exploration at SW1-B.

Management Comment

Centaurus' Managing Director, Mr Darren Gordon said the Company was continuing to make significant advances with its exploration effort by leveraging off the high-quality historical geophysical and drilling database available for key targets within the Salobo West Project.

"Identifying a quality geophysical and drill-hole database that shows copper and gold mineralisation at the end of the only hole drilled into the SW1-B prospect area is another exciting breakthrough in our continued assessment of the project," he said. "Even more tantalising is the fact that this hole probably pulled up 50m short of a standout IP target – making this a strong walk-up drilling target for next year.

"We now have multiple exploration opportunities across the Salobo West Project, including a strong IP anomaly coincident with magnetics and a copper soil signature at SW1-B – all the classic markers for an IOCG system in the Carajás. The fact that this outstanding target has not been properly tested provides a great opportunity for Centaurus to deliver some early exploration success when it kicks off its maiden drill program in 2018."

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“We look forward to continuing to add value to the various prospects at Salobo West as we find quality opportunities from the extensive database of information now available to us,” Mr Gordon said.

-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.

Table 1 – SW1-B Prospect - Significant Historical Drill Intersections

Drill Hole	Prospect	East	North	mRL	Dip	Azi	EOH	Rock Type	From	To	Interval	Cu %	Au g/t
DR110_FD0009	SW1-B	539400	9372460	656	-60	0	191.7		No Significant Intersections				
DR110_FD0010	SW1-B	536802	9372620	645	-60	180	130.8	Mafic Saprock	110	116	6	0.15	-
DR110_FD0010	SW1-B							BIF	116	120	4	-	0.77
DR110_FD0010	SW1-B							BIF	116	120	4	-	0.77
DR110_FD0010	SW1-B						including	BIF	116	117	1		1.99

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

SECTION 1 SAMPLING TECHNIQUES AND DATA

Criteria	Commentary
Sampling techniques	<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
Drilling techniques	<ul style="list-style-type: none"> • Historical drilling was carried out with a wireline hydraulic rig, drilling NQ and HQ core.
Drill sample recovery	<ul style="list-style-type: none"> • For diamond drilling, core recoveries were logged and recorded in the database for all historical diamond holes. Overall recoveries are >90% and there are no core loss issues or significant sample recovery problems were recorded.
Logging	<ul style="list-style-type: none"> • All outcrop and soil sample points were registered and logged in the Centaurus geological mapping points database; • All historical drill holes have been logged geologically. No geotechnical logs were identified • Logging for both forms of drilling is qualitative and quantitative in nature. • There is no photographic record of the historical drill core.
Sub-sampling techniques and sample preparation	<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. • Historical diamond core (HQ) was cut with a specialized sampling tool where friable or using a core saw where compact (HQ and NQ), half core was sampled.
Quality of assay data and laboratory tests	<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. • To date no QAQC samples were inserted by Centaurus for this project. • Drill core samples were prepared and analysed at multiple labs, the main being SGS Geosol Laboratories. Preparation of the sample consisted of drying, crushing to 2 mm and pulverising 300gm using a carbon steel mill until 95% of sample passes -150 mesh. The pulverised sample was then split to 50 grams. • Chemical analysis for drill core, 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. • Anglo American inserted standard samples every 20 samples (representing 5%). Results of the QAQC data are not known. • Laboratory procedures are in line with industry standards.

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Verification of sampling and assaying	<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.
Location of data points	<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.
Data spacing and distribution	<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. Drill holes reported in this announcement were surveyed using hand held GPS. No sample composting has been applied.
Orientation of data in relation to geological structure	<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.
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. The sample security process for the historical drill samples is not known.
Audits or reviews	<ul style="list-style-type: none"> The Company is not aware of any 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	<ul style="list-style-type: none"> The Salobo West project includes the two exploration leases 850.430/2016 and 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 has only recently been 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. Geological mapping and soils sampling is being used to validate historical data and independent experts are assessing the geophysical data.
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 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.

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Criteria	Commentary
	<ul style="list-style-type: none"> 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. The SW1-A and SW1-B Prosects are IOCG targets. The Serendipidade Prospect fits a copper-cobalt SedEx style mineralisation model. The main targets are the N-NNE structures that are interpreted to represent the plumbing system for the metal-rich fluids and potential host to semi-massive and massive sulphide mineralisation.
Drill hole Information	<ul style="list-style-type: none"> Refer to Figures 1 and 2 and Table 1.
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.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> The results reported in this announcement reflect individual down hole sample intervals and no mineralised widths were assumed or stated.
Diagrams	<ul style="list-style-type: none"> Refer to Figures 1 and 2.
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.