

AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT
& MEDIA RELEASE



27 July 2020

**\$25.5M INSTITUTIONAL PLACEMENT TO ACCELERATE RESOURCE
GROWTH AND DEVELOPMENT AT JAGUAR NICKEL PROJECT**

Drilling capacity to be increased, exploration to be stepped-up and development and mining studies to be fast-tracked to unlock full potential of major new global nickel sulphide project

HIGHLIGHTS:

- Firm commitments received to raise \$25.5 million at \$0.42 per share from major institutional and sophisticated investors.
- Includes \$7.0 million cornerstone investment from highly experienced Canadian-based resource investor, Dundee Goodman Merchant Partners.
- Proceeds to be used to accelerate drilling activities at the 100%-owned Jaguar Nickel Sulphide Project in northern Brazil, where the Company recently announced a maiden JORC Resource of 48.0Mt at 1.08% Ni for 517,500 tonnes of contained nickel metal.¹
- Double-shift drilling operations set to resume in the coming weeks.
- Third diamond rig, already on site, to be reactivated in August and Reverse Circulation (RC) rig to follow in September, with drilling activities to focus on:
 - In-fill and extensional resource drilling at the known deposit areas;
 - Deeper step-out drilling of the known deposits with the aim of further extending the already globally significant Mineral Resource;
 - Regional exploration drilling of new priority targets on the western portion of the tenement package aimed at making new discoveries.
- Funds will also be used to advance Scoping Study and Pre-Feasibility Study work on the Jaguar Project.
- Following completion, Centaurus will have cash reserves of approximately \$30 million.

¹ Refer ASX Release 29 June 2020

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Centaurus Metals (ASX Code: CTM) is pleased to announce it has received firm commitments from investors to raise **\$25.5 million** under an institutional capital raising to underpin an aggressive exploration and resource expansion drill program at its 100%-owned **Jaguar Nickel Sulphide Project** in Brazil and fast-track studies aimed at advancing the globally significant nickel project towards development as rapidly as possible.

There was very strong demand for the institutional share placement **from a number of Australian and international institutional investors, including the highly experienced Canadian-based resource investor Dundee Goodman Merchant Partners, which invested \$7.0 million on behalf of its parent company in the placement.** Institutional bidding under the placement significantly exceeded the \$25.5 million placement amount and bids were scaled to accommodate the strong demand.

The proceeds of the capital raising will increase the Company's cash balance to approximately A\$30 million, putting it in a strong position to accelerate drilling activity on site while also simultaneously funding ongoing Scoping Study and Pre-Feasibility Study work in order to maintain and increase the significant exploration and development momentum built up in recent months.

The Company recently delivered a globally significant JORC Mineral Resource of **48.0Mt at 1.08% Ni for 517,500 tonnes of contained nickel metal** for the Jaguar Project, including a high-grade Mineral Resource of **20.6Mt at 1.56% Ni for 321,400 tonnes of contained nickel metal.**

The Company anticipates that the Scoping Study planned for completion in Q4 2020 will demonstrate strong economics given that over 70% of the high-grade Mineral Resource is located within 200m of the surface and amenable to extraction via open pit mining.

A third diamond drill rig will be reactivated in the next couple of weeks with all three diamond rigs re-commencing double-shift operations to in-fill and potentially extend the exceptional near-surface high-grade mineralisation.

Drilling will also start on a number of high-quality deeper targets where strong down-hole EM conductors (which have proven to be an excellent tool for defining massive sulphides) remain untested and open at depth, beyond the current Mineral Resource limits.

An RC rig will be mobilised to site in September and will be used to drill pre-collars for the step-out diamond drilling while also undertaking high-impact greenfields exploration drilling.

The Company has implemented a comprehensive COVID-19 management plan that has successfully protected the health and safety of our team to-date. A number of additional measures (expansion of field accommodation and additional test kits and PPE) are being implemented to further enhance the safety of our staff as we ramp up our drilling activity.

Centaurus' Managing Director, Darren Gordon, said:

"The exceptional response to this raising both in Australia and internationally reflects the quality, scale and potential of the Jaguar Project as a possible Tier-1 nickel sulphide asset in the global landscape. We are absolutely delighted to welcome number of new significant institutional investors to our register, including the highly experienced team at Dundee Goodman Merchant Partners (DGMP), who share our view that this is a rare exploration and development opportunity in the nickel sulphide sector globally.

"Following the raise, the Company will emerge with a very strong balance sheet with approximately \$30 million in cash reserves and no debt. We will be able to pursue a twin-pronged strategy of aggressive resource growth and exploration at Jaguar in parallel with development, permitting and mining studies on the already globally significant Mineral Resource.

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“Tesla’s founder and CEO Elon Musk recently put out a call to the miners of the world to step up nickel production, arguing that the EV revolution requires more of the metal because of its important role in nickel-dense battery chemistries that provide longer range and load capacity. He called for increased production of environmentally friendly nickel mining at high volume.

“Centaurus, is ideally placed to contribute to Tesla’s, and other companies’, massive demand for nickel. We have a phenomenal shallow high-grade nickel sulphide project that we believe is going to grow significantly over the next six months. We’re located in a world-class, infrastructure rich, mining district in the Carajás Mineral Province of northern Brazil. And, because we are planning to mine high-grade open pits efficiently, supported by hydro-generated grid power in the district, we believe we will become an environmentally friendly source of high-quality nickel concentrate for global markets over the next 3-4 years. Tesla and others, here we come!”

About Dundee Goodman Merchant Partners (DGMP)

DGMP is a highly experienced Canadian-based resource investor which undertakes rigorous due diligence before making any new investment. They utilise a disciplined approach to deploy long term capital, with each opportunity assessed in detail prior to investment by a team of world class in-house experts with experience in capital markets, technical services, business and corporate governance.

With this approach DGMP are able to strategically align themselves to be a long-term investor and support the Company through the development process, drawing upon their extensive technical and mine building experience.

A large part of DGMP’s overall assessment process revolves around risk management and a deep understanding of the importance of having a social licence to operate. To that end, DGMP integrates all of the social issues (which have been defined by the industry as Environmental, Social and Governance issues), into their overall investment analysis and risk management strategy as part of their due diligence process.

DGMP is a signatory to the United Nations supported Principles of Responsible Investment (PRI) initiative.

Use of Funds

The funds raised via the placement will be used on the Jaguar Nickel Sulphide Project, for:

- In-fill and extensional resource drilling;
- Regional exploration drilling of new priority targets;
- Ongoing Scoping Study and Pre-Feasibility Study work;
- Deferred acquisition costs; and
- General working capital purposes.

Details of the Equity Raise

The Offer Price of \$0.42 per share represents a discount of;

- 10.6% to the Company’s last closing price of \$0.47 per share on 21 July 2020; and
- 11.0% to the 5-day volume weighted average price of \$0.472 per share.

Under the placement, the Company will issue a total of 60,714,286 shares at \$0.42 under one tranche. The shares will be issued under the Company’s current placement capacity under ASX Listing Rule 7.1 (34,559,292 shares) and 7.1A (26,154,994 shares).

Sprott Capital Partners and Euroz Securities were the Joint Lead Managers and Bookrunners to the Placement.

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The Placement shares to be issued are expected to be allotted on Friday 31 July 2020. The Placement shares will rank equally with the Company's existing fully-paid ordinary shares.

Trading Halt

This announcement brings to an end the Company's current trading halt.

-ENDS-

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Competent Person Statements

The information in this report that relates to Exploration Results is based on information compiled by Mr Roger Fitzhardinge who is a Member of the Australasia Institute of Mining and Metallurgy. Mr Fitzhardinge is a permanent employee and shareholder of Centaurus Metals Limited. Mr 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'. Mr Fitzhardinge consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to the new June 2020 Jaguar Mineral Resources is based on information compiled by Mr Lauritz Barnes (consultant with Trepanier Pty Ltd) and Mr Roger Fitzhardinge (a permanent employee and shareholder of Centaurus Metals Limited). Mr Barnes and Mr Fitzhardinge are both members of the Australasian Institute of Mining and Metallurgy. Mr Barnes and Mr Fitzhardinge have sufficient experience of relevance to the styles of mineralisation and types of deposits under consideration, and to the activities undertaken to qualify as Competent Persons as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Specifically, Mr Fitzhardinge is the Competent Person for the database (including all drilling information), the geological and mineralisation models plus completed the site visits. Mr Barnes is the Competent Person for the construction of the 3-D geology / mineralisation model plus the estimation. Mr Barnes and Mr Fitzhardinge consent to the inclusion in this report of the matters based on their information in the form and context in which they appear.

Forward-Looking Statements

This announcement may include forward-looking statements. These forward-looking statements are based on Centaurus Metals' expectations and beliefs concerning future events. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of Centaurus Metals, which could cause actual results to differ materially from such statements. Centaurus Metals makes no undertaking to subsequently update or revise the forward-looking statements made in this announcement, to reflect the circumstances or events after the date of this announcement.

Not for release to US wire services or distribution in the United States

This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act of 1933 and applicable US state securities laws.