

11 December 2018

## CENTAURUS CONTINUES TO EXPAND ITS PIPELINE OF QUALITY IOCG COPPER-GOLD TARGETS AT SALOBO WEST

Soils program at SW2 Prospect outlines an additional two high priority copper-gold anomalies covering +4.5km and +2.0km – Salobo West now boasts five distinct large-scale copper prospects

### Highlights:

- Two extensive new IOCG anomalies delineated by recently re-commenced mapping and soil sampling on the SW2 tenement at Salobo West. The anomalies have a geochemical signature comparable to other known world-class IOCG deposits in the Carajás Mineral Province (“Carajás”).
- The Dom Prospect is an extensive +4.5km long copper-gold soils anomaly that is up to 800m wide locally with soil values of up to 650ppm Cu and 137ppb Au. The Cu-Au soil anomaly is coincident with a discrete 3.0km long magnetic anomaly, indicative of the Itacaiúnas Supergroup (host to all known IOCG deposits in the Carajás).
- The Gov Prospect is delineated by a +2.0km long copper-in-soils anomaly that is up to 400m wide with soil values of up to 502ppm Cu.
- EM conductors occur on both Prospects which represent excellent targets for the potential identification of semi-massive to massive sulphides.
- The SW2 tenement covers a regional shear zone that runs WNW from Vale’s giant Salobo Copper-Gold Mine, arguably the second-biggest IOCG in the world, located just 12km away. This shear is thought to be one of the controlling events of the Salobo mineralisation.

Centaurus Metals (ASX Code: CTM) is pleased to announce that it has further expanded its pipeline of outstanding copper-gold exploration targets at the 100%-owned **Salobo West Project** in the world-class Carajás Mineral Province (“Carajás”) of northern Brazil, with results from a recently completed program of soil sampling and field mapping on the SW2 tenement generating further large IOCG targets.

Three prospects have already been delineated on the SW1 tenement (SW1-A, SW1-B and Serendipidade) with the recently completed soil sampling and mapping on the SW2 tenement identifying two additional large-scale, and highly prospective, prospects – the **Dom** and **Gov** Prospects (see Figure 1 below).

Centaurus’ Salobo West Project is located just 12km along strike from Vale’s giant Salobo Copper-Gold Mine, arguably the second-biggest IOCG in the world behind BHP’s Olympic Dam. Salobo has Reserves of 1.2 billion tonnes at 0.61% Cu and 0.3g/t Au and produced 193kt of copper and 346koz<sup>1</sup> in calendar year 2017. In recent days Vale announced a US\$1.1 billion expansion of its Salobo mine to 250ktpa (Salobo III)<sup>2</sup>.

<sup>1</sup> Vale Data sourced from “Vale Production in 4Q17” Report, its 20-F Annual Report for 2017 and other public reports.

<sup>2</sup> Refer the Vale’s Vale Day 2018 - Presentation, 4 December 2018

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Centaurus Managing Director, Mr Darren Gordon, said that the quality of new targets being generated at the Salobo West Project highlighted the opportunity for the Company to make a significant discovery once drilling commences.

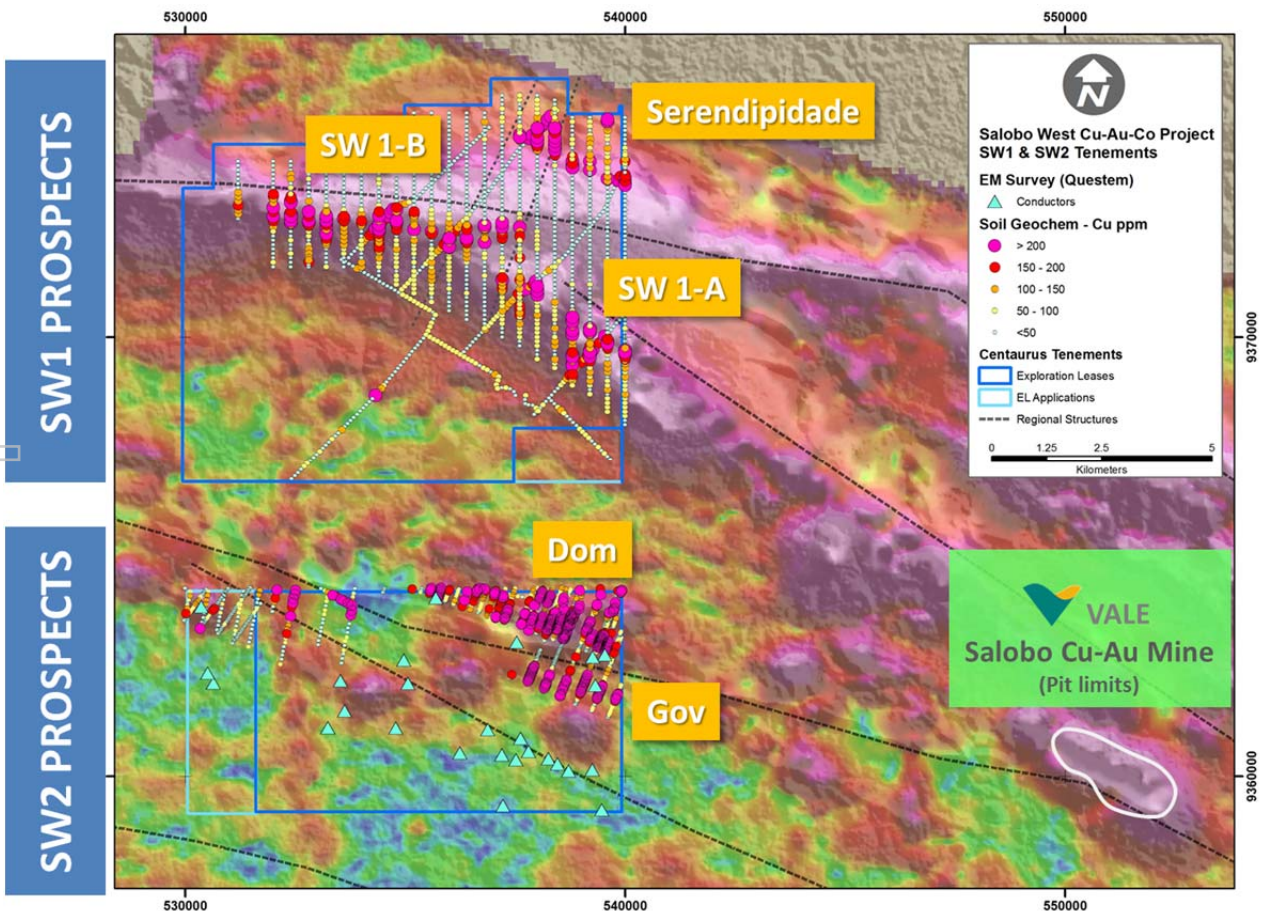
“Vale has just announced a commitment to spend US\$1.1 billion on the Salobo III mine expansion and this continuous investment in their world-class mine demonstrates the quality of the IOCG deposits and ore that are found in the Carajás region,” he said. “The recently announced Salobo expansion will result in the addition of a third Concentrator (Salobo III), lifting the mine’s capacity to around 250ktpa of copper.

“Just 15km along strike from this world-class mining operation, we now have five large-scale, high-quality prospects over the SW1 and SW2 tenements, with each prospect hosting multiple walk-up drill targets. This is a huge opportunity for a junior company like Centaurus, and we are very much looking forward to being able to commence drilling at Salobo West next year.

“We are continuing to work with the relevant authorities to expedite the drilling licences in line with the end of the regional wet season so that we can have rigs on the ground at the earliest possible time in 2019” he said.

The Salobo West Project (comprising the SW1 and SW2 tenements) covers an area of approximately 120km<sup>2</sup> and, importantly, comprises more than 70km<sup>2</sup> of tenements covering the Itacaiúnas Supergroup, which hosts all known IOCG deposits in the Carajás. IOCG deposits usually occur along fault splays off crustal scale extension faults and the Salobo West Project hosts multiple prospects that fit precisely this scenario within the favourable geological context of the Itacaiúnas Supergroup.

**Figure 1 – Salobo West (SW1 and SW2 Prospects) copper-in-soils geochemistry anomaly over Regional Aeromagnetics (AS) image in the background, pink circles represent +200 ppm Cu.**



SW1 PROSPECTS

SW2 PROSPECTS



Structural control is particularly important with IOCG mineralisation in the Carajás, with most deposits – especially those in the Cinzento Shear Zone – being associated with fault splays/shear zones and intersections of major W-NW and SW-trending lineaments.

The SW2 tenement covers, what is regionally described as a sliver of the Itacaiúnas Supergroup, associated with a major regional shear zone that runs WNW from the Salobo Cu-Au Mine and through the northern portion of the SW2 tenement. This shear zone is identified in regional radiometric data as well as in the field by a small ridge that separates the Dom and Gov Prospects.

**The Dom Prospect**

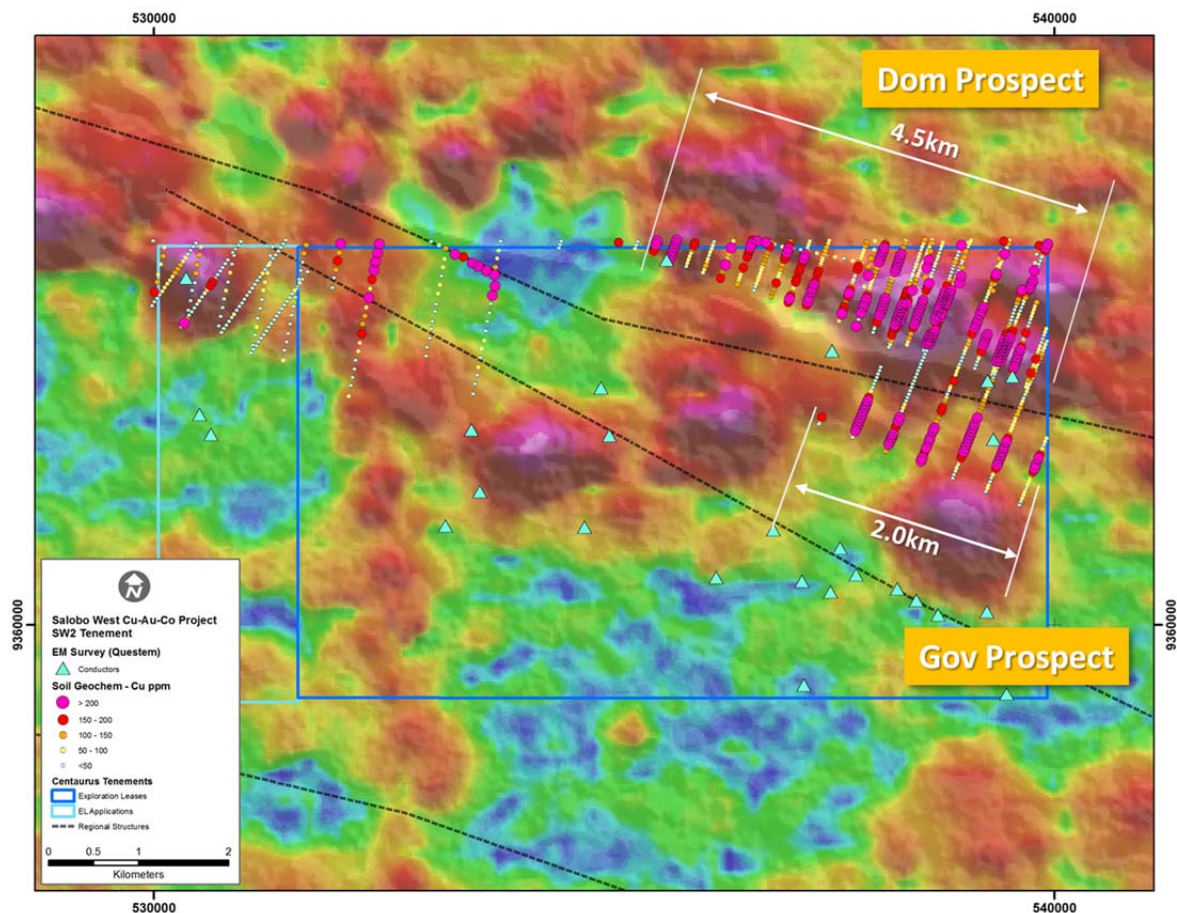
The Dom Prospect is delineated by an extensive +4.5km long Cu-Au-in-soils anomaly that is up to 800m wide locally with soil values of up to 650ppm Cu and 137ppb Au. The soil signature for the Dom Prospect is comparable to a number of the known IOCG deposits in the Carajás.

The prospect sits on the northern side of the ridge that represents a highly siliceous regional shear zone that is understood to be an important structural feature in the mineralisation of Vale’s Salobo deposit (see Figure 2).

Importantly, the Cu-Au soil anomaly is coincident with a discrete 3.0km magnetic anomaly, indicative of the iron-rich metavolcanic-sedimentary rocks of the Itacaiúnas Supergroup.

Multiple EM conductors occur on the southern limits of the Dom Prospect that may indicate the presence of semi-massive to massive sulphides. The Dom Prospect hosts numerous walk-up priority one drill targets and these target areas were included in the recently completed vegetation survey for the drill permitting process.

**Figure 2 – SW2 Prospects copper-in-soils geochemistry anomaly over Regional Aeromagnetics (AS) image in the background, pink circles represent +200 ppm Cu and blue triangles represent EM conductors.**



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The Company plans to drill the Dom Prospect as part of its maiden drill program in 2019.

## The Gov Prospect

The Gov Prospect is delineated by a **2.0km long copper-in-soils anomaly that is up to 400m wide** with soil values of up to 502ppm Cu. The Gov Prospect sits on the southern side of the regional shear zone which, as noted above, is understood to be an important structural feature in the mineralisation of Vale's Salobo deposit.

Although the copper-in-soil anomaly is not coincident with any magnetic anomalies, it is located between the magnetic anomaly associated with the Dom Prospect and a 1.0km long magnetic anomaly immediately to the south. An EM conductor occurs in the centre of the Gov Prospect and, when considered with the other exploration data in the immediate vicinity, this represents an outstanding drill target for potential semi-massive to massive sulphides.

Mapping by Centaurus geologists has identified the ferruginous soils of meta-sedimentary rocks intercalated within granitic soils, consistent with the regional interpretation. This mapping is consistent with information that was observed by the Vale geologists in their historical work programs.

The following are comments on the SW2 tenement geology that was translated from Vale's historical exploration report for the tenement:

***"From a geological point of view, the regional structures that cross the area are interesting, as it seems to coincide with the Salobo trend, with strong silicification (felsic-breccia), bordered by granitoids with iron formations and hydrothermally-altered schists intercalations and cataclastic rocks with quartz-magnetite-chlorite alteration ± chalcopyrite"*** – translated from DNPM 850.399/95 Partial Exploration Report dated December 2000.

Importantly, the Vale geologists identified lithologies and alteration styles similar to those seen at the Salobo Mine on the SW2 prospect area. Below is an additional extract from the report:

***"This anomalous belt represents an association of several EM anomalies with distinct magnetic anomalies and a geological environment favourable to mineralisation, with many characteristics that resemble those observed in the Salobo Cu-Au deposit."*** – translated from DNPM 850.399/95 Partial Exploration Report dated December 2000.

The southern 70% of the SW2 tenement remains un-sampled (see Figure 2). Multiple EM conductors (digitized from Vale's historical exploration reports to the DNPM) and discrete magnetic anomalies are present throughout this area, and this highlights the potential for additional quality exploration targets to be generated in the future. The Company is currently operating under a non-ground disturbing exploration licence and, as such, additional soil sampling and mapping over these southern targets can be undertaken in upcoming field campaigns.

Drilling of the SW1 and SW2 Prospects will only be undertaken with an ICMBio approved clearing and drilling licence. The Company is working to expedite this for Q2 2019 in line with the end of the regional wet season.

-ENDS-

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**Competent Person Statement**

The information in this report that relates to Exploration Results and Exploration Targets 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.

**SALOBO WEST - COPPER IN THE CARAJÁS**

The Carajás contains one of the world's largest known concentrations of large tonnage iron oxide copper-gold (IOCG) deposits. More than 20 world-class mineral deposits lie within an area of just 300 x 100km; including 10 Iron Oxide Copper Gold ("IOCG") deposits with resources of +100 million tonnes of copper-gold ore.

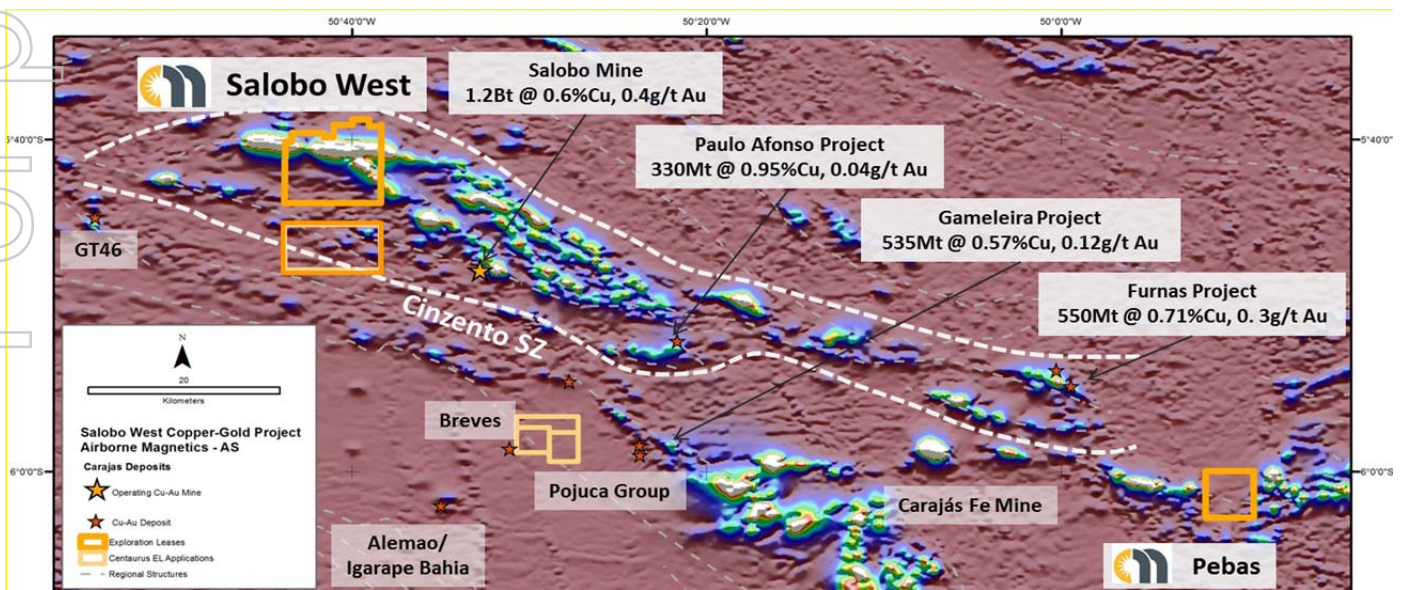
These IOCG mines and deposits – in addition to several other IOCG prospects that are under exploration – collectively contain resources of more than 4.0 billion tonnes of copper-gold ore. Table 2 below outlines a number of these world class deposits with geologically analogous Australian counterparts (IOCG and nickel-cobalt laterite deposits) for resource and reserves comparison.

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 3). 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.

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 0.61% Cu and 0.3g/t Au and produced approximately 193kt of copper and 346koz of gold in calendar year 2017. More recently it announced a US\$1.1 billion expansion of its Salobo mine to 250ktpa (Salobo III).

The prospectivity of the Carajás Mineral Province, and Brazil as a favourable mining jurisdiction, was also recognised earlier in 2018 when Oz Minerals acquired Avanco Resources in a \$418 million takeover.

**Figure 3 – Tier-1 IOCG deposits in the Cinzento Shear Zone over the Regional Magnetics (AS).**



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Centaurus' Salobo West Copper-Gold Project includes multiple distinct targets that display similar geochemical and geophysical characteristics and are located in the same geological and structural context as the Salobo mine, just 12km along strike. Table 1 below highlights the key discovery metrics for world-class IOCG deposits within the Carajás and particularly along the Cinzento Shear Zone.

**Table 1 – Key discovery metrics for world-class IOCG deposits within the Cinzento Shear Zone**

Vale - IOCG Deposits in the Cinzento Shear Zone (NW)	Centaurus - Salobo West tenements
Vale tenure +1,100km <sup>2</sup> - <b>No other company holds significant tenure</b>	CTM granted tenure circa 120km <sup>2</sup>
All deposits at surface and hosted by the Itacaiúnas Supergroup	Covers 70km <sup>2</sup> of the Itacaiúnas Supergroup
Associated with regional structures (W to NW and SW-trending lineaments)	Multiple regional structures present (W to NW and SW-trending lineaments)
Associated with regional scale magnetic and radiometric anomalies	Regional scale magnetic and radiometric features present; multiple project scale EM anomalies
Discoveries made in 70-80s via conventional exploration (mapping/soils)	Comprehensive geological, geochemical and geophysical data set, multiple drill ready targets
Three Tier 1 deposits (+300Mt Cu-Au resources), multiple exploration targets	TBD

**Table 2 – World Class Mineral Projects of the Carajás Mineral Province  
(Analogous Australian projects included in yellow for comparison – ranked by metal content).**

Company	Deposits	Commodity	Mineral Reserves	Mineral Resources	Annual Production	Distance from CTM Projects (Km)
BHP <sup>1</sup>	Olympic Dam	Copper-Gold	505Mt @ 1.99% Cu, 0.72 g/t Au	6.0Bt @ 0.93% Cu, 0.34 g/t Au	166kt Cu cathode & 100koz Au	Australia
Vale <sup>2</sup>	Salobo	Copper-Gold	1,193Mt @ 0.61% Cu, 0.3 g/t Au	1,556Mt @ 0.64% Cu, 0.4g/t Au	176kt Cu & 317koz Au	12
Vale	Sossego	Copper-Gold	120Mt @ 0.68% Cu, 0.20 g/t Au	355Mt @ 1.0% Cu, 0.28 g/t Au	93kt Cu & 67koz Au	70
Vale	Furnas	Copper-Gold		550Mt @ 0.71% Cu; 0.3 g/t Au		70
Vale	Alemao	Copper-Gold		230Mt @ 1.26% Cu, 0.83 g/t Au		12
Vale	Cristalino	Copper-Gold		454Mt @ 0.74% Cu, 0.13 g/t Au		90
Vale	Gameleira	Copper-Gold		535Mt @ 0.57% Cu, 0.12 g/t Au		70
Vale	Paulo Afonso	Copper-Gold		330Mt @ 0.95% Cu, 0.04 g/t Au		35
Oz Minerals <sup>3</sup>	Prominent Hill	Copper-Gold	74Mt @ 1.0% cu, 0.6 g/t Au	140Mt @ 1.2% Cu, 0.5 g/t Au	100kt Cu & 120koz Au	Australia
Vale	Pojuca Group	Copper-Gold		350Mt @ 0.57% Cu, 0.04 g/t Au		4
Oz Minerals	Carrapateena	Copper-Gold	79Mt @ 1.8% Cu, 0.7 g/t Au	134Mt @ 1.5% Cu, 0.6 g/t Au		Australia
Vale	Estrela	Copper-Gold		230Mt @ 0.50% Cu, 0.01 g/t Au		80
Glencore <sup>4</sup>	Ernest Henery	Copper-Gold	51.4Mt @ 1.1%Cu, 0.54 g/t Au	95.3Mt @ 1.2%cu, 0.63 g/t Au	70kt Cu & 100koz Au	Australia
Vale	Breves	Copper-Gold		50Mt @ 1.22% Cu, 0.75 g/t Au		2
Vale	118	Copper-Gold		51Mt @ 1.30% Cu, 0.2 g/t Au		75
Ero Copper <sup>5</sup>	Boa Esperanca	Copper-Gold	19.5Mt @ 0.95% Cu	67Mt @ 0.73%Cu,		80
Oz Minerals (Avanco) <sup>6</sup>	Antas Norte	Copper-Gold	2.8Mt @ 2.4% Cu, 0.55 g/t Au	19Mt @ 1.1% Cu, 0.2 g/t Au	14kt Cu & 11koz Au	30
Oz Minerals (Avanco)	Pedra Branco	Copper-Gold		17.7Mt @ 2.4% Cu, 0.6 g/t Au		50
Vale	Onca Puma	Nickel	106.5Mt @ 1.53% Ni	235Mt @ 1.5% Ni	24kt Ni	80
Anglo American <sup>7</sup>	Jacaré	Nickel-Cobalt		307Mt @ 1.3% Ni, 0.13% Co		15
Glencore	Murrin Murrin	Nickel-Cobalt	104Mt @ 1.05%Ni, 0.08% Co	218Mt @ 1.0% Ni, 0.08% Co	34kt Ni & 3kt Co	Australia
Clean Teq <sup>8</sup>	Sunrise	Nickel-Cobalt	96Mt @ 0.65% Ni, 0.10% Co	109Mt @ .65% Ni, 0.10% Co		Australia
Vale	Carajas	Iron Ore	2.4Bt @ 66% Fe		150 Mtpa Fe	30
Vale	S11D	Iron Ore	4.2Bt @ 66% Fe		40-90Mtpa Fe	45

1 – Mineral Resource, Reserve and Production figures from BHP 2017 Operations and Annual Reports;

2 – Reserve and Production figures from Vale 2017 Annual Report (20-F); Resource estimates from multiple sources (mainly technical reports and presentations)

3 – Mineral Resource, Reserve and Production figures from Oz Minerals 2017 Annual Report and Resource and Reserves statements;

4 – Mineral Resource, Reserve and Production figures from Glencore 2017 Results and Annual Reports;

5 – Mineral Resource and Reserve figures from Ero Copper website;

6 – Mineral Resource, Reserve and Production figures from Avanco website

7 – Mineral Resource from Anglo American 2016 Mineral Resources Report

8 – Mineral Resource and Reserve from Clean Teq website

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**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
<b>Sampling techniques</b>	<ul style="list-style-type: none"> <li>• Soil samples from the SW2 tenement were collected at 50m intervals along 200m spaced grid lines along the strike of the project.</li> <li>• Soil samples from the SW1 tenement were collected at 50m intervals along 200m or 400m spaced grid lines along the strike of the project.</li> <li>• 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.</li> <li>• Surface rock chip/soil samples were collected from in situ outcrops and rolled boulders and submitted for chemical analysis.</li> <li>• Historical sampling at SW1 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 &lt;6mm fraction sent for assay.</li> <li>• Historical sampling at SW2 was completed by Vale. Soil samples were collected in multiple phases on SE-NW lines 200m and 400m apart with samples every 40m. A 3-5kg sample was taken from the B horizon.</li> <li>• Centaurus twinned multiple historical soil sample lines on both the SW1 and SW2 tenements to validate the historical work. The results of the comparison studies were to the satisfaction of Centaurus.</li> <li>• Questem EM conductors shown in the SW2 project maps (Figures 1 &amp; 2) were digitised from the historical data that was obtained from the Mines Department (DNPM) Partial Exploration Report submitted by DoceGeo (Vale) in December 2000.</li> </ul>
<b>Drilling techniques</b>	<ul style="list-style-type: none"> <li>• Historical drilling on the SW1 tenement was carried out with a wireline hydraulic rig, drilling NQ and HQ core.</li> <li>• There is no known historical drilling on the SW2 tenement.</li> </ul>
<b>Drill sample recovery</b>	<ul style="list-style-type: none"> <li>• For diamond drilling, core recoveries were logged and recorded in the database for all historical diamond holes. Overall recoveries are &gt;90% and there were no core loss issues or significant sample recovery problems recorded.</li> </ul>
<b>Logging</b>	<ul style="list-style-type: none"> <li>• All outcrop and soil sample points were registered and logged in the Centaurus geological mapping points database.</li> <li>• All historical drill holes have been logged geologically. No geotechnical logs were identified.</li> <li>• Logging for both forms of drilling is qualitative and quantitative in nature.</li> <li>• There is no photographic record of the historical drill core.</li> </ul>
<b>Sub-sampling techniques and sample preparation</b>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> </ul>
<b>Quality of assay data and laboratory tests</b>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> <li>• Laboratory procedures are in line with industry standards.</li> <li>• To date no QAQC samples were inserted by Centaurus for this project.</li> </ul>

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	<ul style="list-style-type: none"> <li>• 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 2mm and pulverising to 300gm using a carbon steel mill until 95% of sample passes -150 mesh. The pulverised sample was then split to 50 grams.</li> <li>• 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.</li> <li>• Anglo American inserted standard samples every 20 samples (representing 5%). Results of the QAQC data are not known.</li> <li>• QAQC procedures are not known for the Vale samples.</li> <li>• Laboratory procedures are in line with industry standards.</li> </ul>
<b>Verification of sampling and assaying</b>	<ul style="list-style-type: none"> <li>• All recent samples were collected by Centaurus field geologists. All assay results were verified by alternative Company personnel and the Competent Person before release.</li> <li>• All historical samples were collected by Anglo American or Vale field geologists/technicians.</li> </ul>
<b>Location of data points</b>	<ul style="list-style-type: none"> <li>• 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.</li> </ul>
<b>Data spacing and distribution</b>	<ul style="list-style-type: none"> <li>• Soil samples were collected on 50m spacing on section with distance between sections of 200m and 400m depending on location.</li> <li>• Sample spacing was deemed appropriate for geochemical studies but should not be considered for Mineral Resource estimations.</li> <li>• Drill holes reported in this announcement were surveyed using hand held GPS.</li> <li>• No sample compositing has been applied.</li> </ul>
<b>Orientation of data in relation to geological structure</b>	<ul style="list-style-type: none"> <li>• 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.</li> </ul>
<b>Sample security</b>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• The sample security process for the historical drill samples is not known.</li> </ul>
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li>• The Company is not aware of any audit or review that has been conducted on the project to date.</li> </ul>

## SECTION 2 REPORTING OF EXPLORATION RESULTS

Criteria	Commentary
<b>Mineral tenement and land tenure status</b>	<ul style="list-style-type: none"> <li>• The Salobo West project includes the two exploration leases 850.430/2016 (SW1) and 850.429/2016 (SW2), for a total of circa 120km<sup>2</sup>.</li> <li>• The tenements were part of an earn-in agreement on the Para Exploration Package with Terrativa Minerai SA. Centaurus met the minimum earn-in obligations in 2017 under the Agreement and perfected 100% title to the Salobo West tenements at this time. 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.</li> <li>• 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.</li> <li>• Landowner royalty is 50% of the CFEM royalty.</li> <li>• The project is covered by the Tapirape-aquiri National Forest. Exploration and mining are allowed in the forest with the correct licences. The Company has received the key environmental licences for non-ground disturbing exploration activities and is currently completing activities to secure the drill and clearing licence for the initial planned drill program.</li> </ul>



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Criteria	Commentary
<b>Exploration done by other parties</b>	<ul style="list-style-type: none"> <li>Historically the Salobo West I (SW1) tenement has been held by Anglo American and before that Vale. Reports recovered from the Department of Mines (DNPM) demonstrate that Anglo American completed extensive mapping, soils sampling and local geophysical surveys.</li> <li>Historically the Salobo West II (SW2) tenement was been held by Vale. Reports recovered from the Department of Mine demonstrate that Vale completed extensive mapping, soils sampling and geophysical surveys.</li> <li>The Company retrieved historical data sets that includes, geological mapping, soils geochemistry, geophysical data and an incomplete drill hole database.</li> <li>Geological mapping and soil sampling carried out by Centaurus is being used to validate historical data and independent experts have analysed the geophysical data.</li> </ul>
<b>Geology</b>	<ul style="list-style-type: none"> <li>The Salobo West tenements are located in the Carajás Mineral Province, 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 in contact with Xingu basement rock.</li> <li>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.</li> <li>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.</li> <li>The SW1 and SW2 tenements host multiple IOCG targets.</li> <li>The Serendipidade Prospect (SW1) 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.</li> </ul>
<b>Drill hole Information</b>	<ul style="list-style-type: none"> <li>Refer to Figures 1–3 and ASX announcement dated 5 December 2017.</li> </ul>
<b>Data aggregation methods</b>	<ul style="list-style-type: none"> <li>No aggregate intercepts have been applied in reporting of the exploration results.</li> </ul>
<b>Relationship between mineralisation widths and intercept lengths</b>	<ul style="list-style-type: none"> <li>The results reported in this announcement reflect individual down hole sample intervals and no mineralised widths were assumed or stated.</li> </ul>
<b>Diagrams</b>	<ul style="list-style-type: none"> <li>Refer to Figures 1-3.</li> </ul>
<b>Balanced reporting</b>	<ul style="list-style-type: none"> <li>All validated exploration results received by the Company to date are included in this report or can be referenced in previous ASX announcements.</li> </ul>
<b>Other substantive exploration data</b>	<ul style="list-style-type: none"> <li>The Company is working with the CPRM geological and geophysical regional data sets.</li> <li>The Company has recovered historical Mines Department reports and data and is in the process of validating the historical data from the project area.</li> </ul>
<b>Further work</b>	<ul style="list-style-type: none"> <li>The company plans to drill the SW1 and SW2 Projects once the environmental licenses are in place and the seasonal wet season has finished, expected Q2 2019.</li> <li>The Company plans to undertaking further non-ground disturbing exploration in Q4 2018 and Q1 2019. This includes geological mapping, ground-based geophysics and soils geochemical sampling.</li> </ul>