

10 November 2015

Centaurus Secures Additional Copper Project in NE Brazil under Strategic Alliance with Terrativa

Field work already underway on exciting new Aurora Project as diversification strategy advances

Key Points

- Centaurus adds the **Parambu Copper Project** to its growing land-holding in the State of Ceará in NE Brazil under its Strategic Alliance with private Brazilian exploration group Terrativa.
- The **Parambu tenements** cover a highly prospective 23km strike length along pull-apart basin contacts where copper oxide mineralisation is present at surface at a number of locations.
- Field work is currently underway at the recently acquired and highly prospective **Aurora Copper Project** (the first copper asset to be secured under the Strategic Alliance), which has historical high-grade copper intersections including 12.5m at 2.4% Cu and 9.5m at 1.6% Cu.
- **Equity Raising of \$550,000** underway comprising \$200,000 private Share Placement to President of Terrativa and \$350,000 fully underwritten SPP, to advance exploration activity at the **Aurora Copper Project**.

Centaurus Metals (ASX Code: **CTM**) is pleased to announce that it has added the **Parambu Copper Project** ("Parambu") to its land-holding in north-eastern Brazil as part of its recently formed Strategic Alliance with privately owned Brazilian group Terrativa ("TA") as its diversification strategy advances.

Centaurus recently announced the acquisition of the highly prospective **Aurora Copper Project** ("Aurora") as part of this Strategic Alliance¹ in line with the company's broader diversification plan. The addition of the Parambu Project comes at no additional cost to Centaurus and brings a further exciting growth option to the Company's base metal exploration portfolio in NE Brazil.

Like Aurora, Parambu has good logistical and infrastructure characteristics, being located 150km via sealed highways from the open-access Transnordestina Rail (which is currently under construction and scheduled for completion in 2016) and 380km from Ceará's State capital, Fortaleza (see Figure 1). The Transnordestina Rail will link into the new bulk cargo port of Pecém, which is located some 40km north-west of Fortaleza and is currently under-utilized.

¹ Refer to [ASX announcement on 4 November 2015](#) for further information on the Aurora Copper Project acquisition and Strategic Alliance with Terrativa.

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The Parambu Project includes two Exploration Licences and two applications for Exploration Licences covering an area of approximately 6,550 ha. The tenements cover the north and south limits of a pull-apart sedimentary basin where multiple occurrences of copper oxide mineralisation (malachite) have been identified at surface (see Figure 2).

The tenements cover a combined 23km strike length of the basin contact with the Proterozoic granite which is delineated by east-west faults. Mineralisation is found within the sediments as well as the granites and is thought to be concentrated where there are cross-cutting northeast-southwest faults.

Exploration programs have previously been conducted in the region by Terrativa and other local and international mining companies. Centaurus will work to collate and integrate the datasets from these programs before undertaking any field work on the Parambu Project.

The Company's priority over the next six months will remain the exploration of the more advanced Aurora Copper Project, where historical drilling has returned the following significant intersections²:

- **12.5m at 2.4% Cu** from 101.5m in Hole 3BA-14-CE (CPRM);
- **9.5m at 1.6% Cu** from 46.0m in Hole 3BA-09-CE (CPRM);
- **6.9m at 0.93% Cu** from 47m in Hole PJCA-PSED-SD0002 (Terrativa);
- **1.3m at 5.28% Cu** from 32m in Hole PJCA-PTAV-SD0010 (Terrativa); and
- **12.0m at 0.79% Cu** from surface in Holes PJCA-PTAV-SD0007 (Terrativa).

New Targets Identified at Aurora

Recent geophysical work (ground magnetics and gravity surveys) by Terrativa, integrated with soil geochemistry and IP images obtained from Vale public reports, have revealed a number of previously untested priority targets.

Copper anomalies in soils are coincident with a strong IP anomaly north of the Diamante target (see Figures 3 and 4). Small quartz-hematite breccias have been identified in the area and Centaurus will prioritize mapping of these new targets.

Initial work at Aurora will focus on integrating the significant amount of historical geological data along with a reinterpretation of historical geophysical data (which includes ground magnetics, gravity and IP data). From this new integrated database Centaurus will select the most suitable geophysical surveys, likely to be ground-based (surface) and down-hole electromagnetics (EM) and/or additional IP, to better define the best locations for initial drilling by the Company.

Surface EM survey work has never been completed on the Aurora ground but is a proven exploration tool for identifying copper sulphide mineralisation similar to that seen in the Aurora core. The geophysical surveys are expected to start before the end of the year with drilling planned for Q1 2016.

² Refer to [ASX announcement on 4 November 2015](#) for further information on the Aurora Copper Project historical results.

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Strategic Alliance with Terrativa

In addition to the Aurora and Parambu Copper Projects secured under the new Strategic Alliance with Terrativa, the establishment of the Alliance has also resulted in a favourable restructure of the existing Option Agreement between Centaurus and Terrativa over the Conquista DSO Project. This will enhance the Company's ability to unlock the value of its existing iron ore portfolio in south-eastern Brazil to support its broader growth and diversification strategy.

Centaurus believes that the Conquista DSO Iron Ore Project is a very attractive project for local operators with access to the domestic market. The Company continues to receive ongoing interest in the project due to its high grade ore and likely product mix.

Management Comment

Centaurus' Managing Director, Mr Darren Gordon, said he was delighted to see the Strategic Alliance working as planned right from the start, immediately opening up new opportunities for the Company to grow its base metals portfolio in north-eastern Brazil through the acquisition of prospective new ground positions.

"We're off to a great start under our alliance with Terrativa with the inclusion of the prospective Parambu Copper Project under the current arrangement at no additional cost. This provides an interesting new growth option to pursue in due course, although our priority for now remains exploration on the Aurora Copper Project.

"We are already working in the field with senior geologists from Terrativa to better understand the upside potential of the Aurora Copper Project. Historical data has been collated and is under evaluation by our geology team and an experienced geophysicist. We already have identified some walk-up targets and look forward to validating them in the coming weeks.

"Funds from the recently announced private placement to the President of Terrativa and from our current underwritten SPP will underpin the initial stages of exploration at Aurora, including a highly anticipated drilling program commencing in the first quarter of 2016," Mr Gordon added.

"The additional funding will also strengthen our working capital position, giving us time to pursue divestment options for our iron ore projects which we anticipate will provide longer term funding to advance our diversification strategy."

-ENDS-

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Competent Person's 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 mineralization and type of deposit under consideration and to the activity which they are 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 Reserve'. Roger Fitzhardinge consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.



Figure 1 - Aurora and Parambu Copper Projects Location Map



Figure 2 – Parambu Project – Surface Copper Oxide Samples (from Terrativa files)





Figure 3 – Aurora Project - Historical Ground Magnetics and Gravity Survey (Terrativa)

100m spaced lines over main targets (lines approx. 500m). Anomalies outside blue rectangles should NOT be considered;

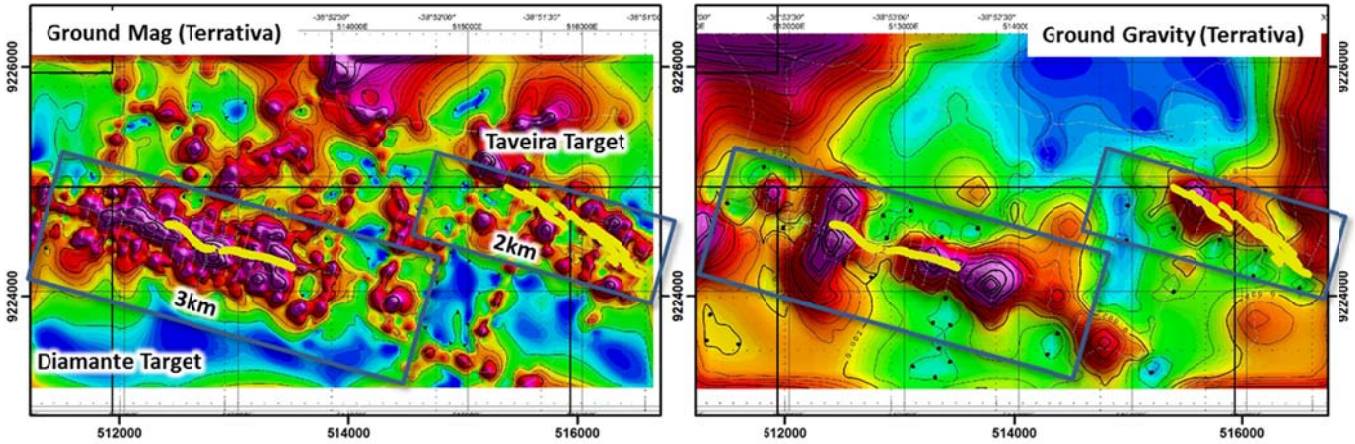


Figure 4 – Aurora Project - Historical IP chargeability survey (Vale)

400m spaced lines over entire project area. Anomalies outside blue target areas MAY BE considered.

