

2 February 2018

CENTAURUS SECURES EXCEPTIONAL NICKEL-COBALT PROJECT ADJACENT TO WORLD-CLASS BRAZILIAN Ni-Co DEPOSIT

Opens up exciting new exploration front alongside existing IOCG copper-gold projects in the Carajás

- Acquisition of 100% of the Itapitanga Nickel-Cobalt Project, in the Carajás Mineral Province.
- Project located at the southern strike extent of Anglo American's world-class Jacaré Nickel-Cobalt Project – Mineral Resource: 307Mt at 1.3% Ni and 0.13% Co, including a high-grade cobalt resource of 185Mt at 1.2% Ni and 0.18% Co¹.
- Presence of the same nickel-cobalt mineralisation as Jacaré and an adjoining large-scale nickel-cobalt project owned by Vale confirmed at multiple locations over a 4.5km strike length by recent field exploration due diligence conducted by Centaurus geologists.
- Aggressive exploration to commence immediately, including comprehensive soil sampling and auger drilling to confirm the widths and grade of the mineralisation seen at surface – to be followed immediately by RC drilling.
- Heavily oversubscribed share placement raises \$2.65 million to fund ongoing exploration activities on the Company's highly prospective and growing copper, gold, nickel and cobalt tenement footprint in the Carajás Mineral Province.

Centaurus Metals (ASX Code: **CTM**) is pleased to announce that it has secured a 100% interest in the **Itapitanga Nickel-Cobalt Project**, a highly prospective nickel-cobalt exploration project in the Carajás Mineral Province of northern Brazil located immediately along strike from world-class nickel-cobalt deposits owned by global majors Anglo American and Vale.

The strategic acquisition further expands and strengthens Centaurus' existing mineral portfolio in the Carajás Mineral Province, opening up an exciting new front for its exploration activities in 2018 alongside its existing Salobo West IOCG Copper-Gold-Cobalt Project and Pebas Copper Gold Project (see Figure 1).

The Itapitanga Project is located at the southern strike extent of Anglo American's world-class Jacaré Ni-Co Project (Figure 2) which has reported a global Mineral Resource of 307Mt at 1.3% Ni and 0.13% Co that includes a **high-grade cobalt resource of 185Mt at 1.2% Ni and 0.18% Co¹**.

Centaurus geologists have recently confirmed the presence of the same nickel-cobalt mineralisation at surface on the Itapitanga Project at multiple locations over a 4.5km strike length.

¹ Resource data sourced from Anglo American Presentations "O Depósito de Níquel Laterítico do Jacaré (PA), Brasil" – Simexmin 2010 and Ore Reserves and Mineral Resources Report 2016

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Figure 1 – Regional location map of the Carajás Mineral Province, showing the location of Centaurus' key projects.

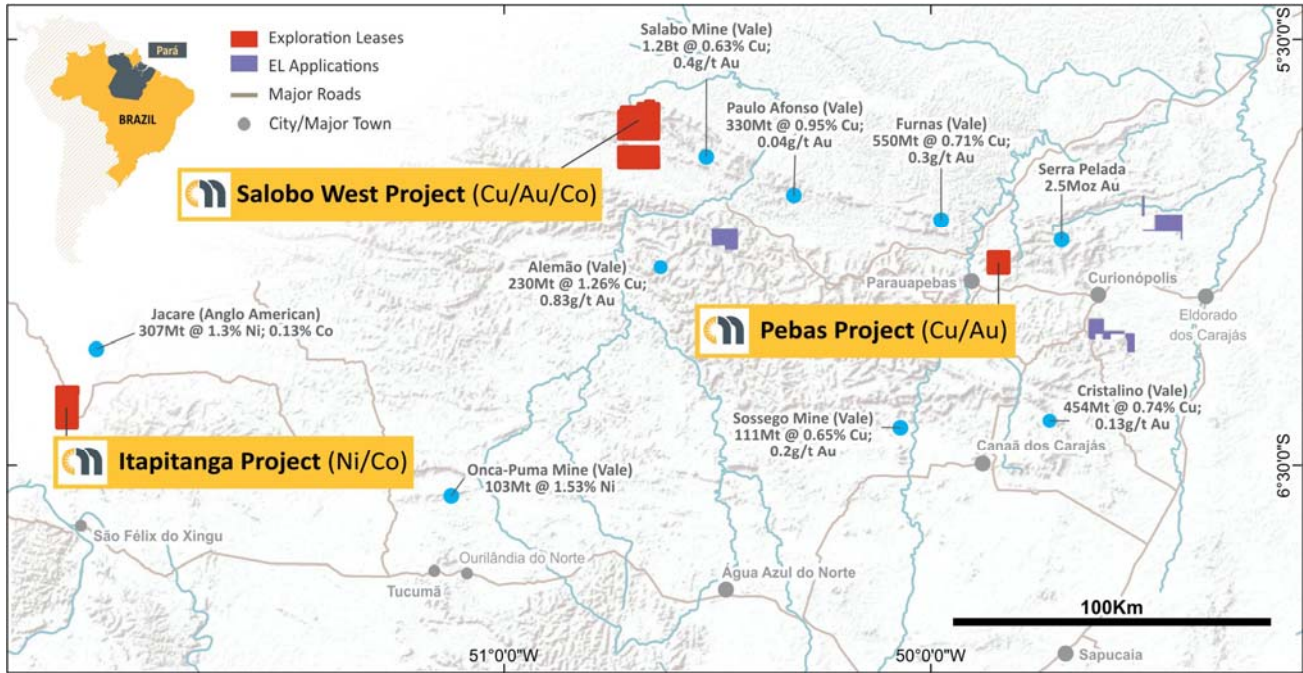
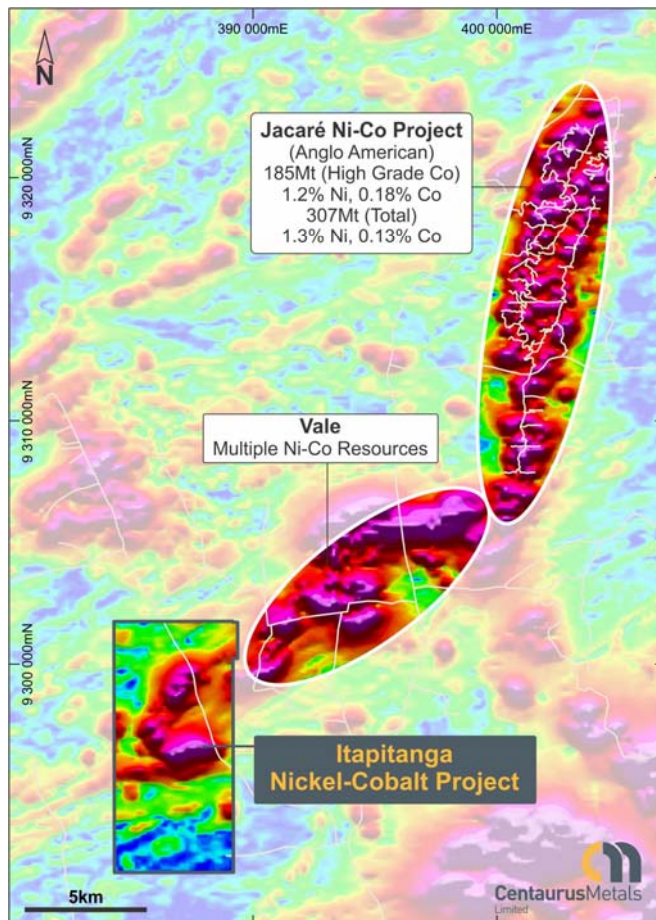


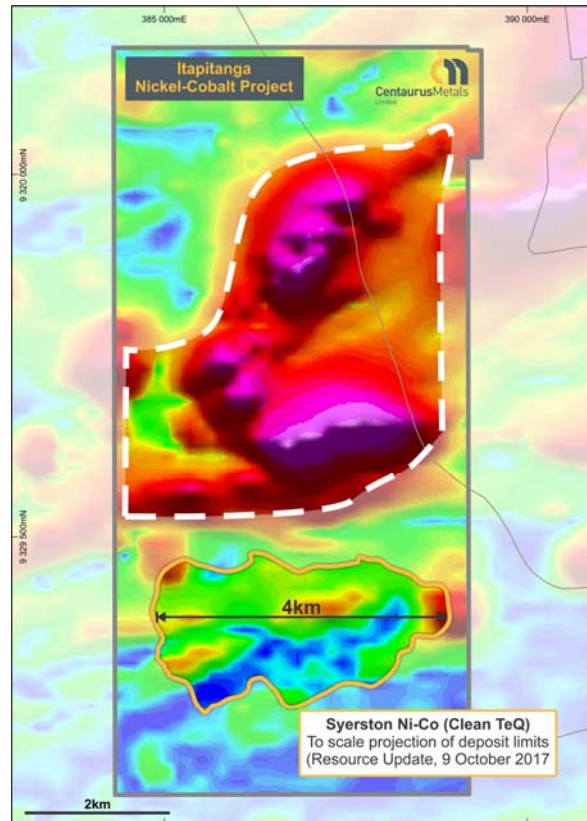
Figure 2 – Location of the newly-acquired Itapitanga Ni-Co Project. The regional magnetic signature (AS) is coincident with the ultramafic intrusive that hosts the nickel-cobalt mineralisation.





Anglo American's nickel-cobalt resource at Jacaré is nearly three times the size of the Syerston resource in Australia owned by CleanTeQ, and has a nickel grade 100% higher than Syerston with an equivalent average cobalt grade². This bodes well for Centaurus given that the Itapitanga Project has the same laterite mineralisation at surface as Jacaré, albeit with less strike extent.

Figure 3 – The Itapitanga Target area (over regional magnetic image) comparison with the Syerston Project deposit limits.



The Itapitanga Project tenement area covers 50 km² of highly prospective ground at the southern extension of the same ultramafic-mafic intrusive complex that hosts the high-grade nickel-cobalt mineralisation of Anglo's and Vale's Ni-Co Projects. Rich red limonitic soils and lateritic outcrops (see photos in Figure 4) cover the target area, which is well defined by coincident regional magnetic and radiometric signatures.

Centaurus plans to commence a comprehensive soil sampling and auger drill program at the Itapitanga Project to confirm the widths and grade of the mineralisation seen at surface. With exploration set to commence immediately, first results from soil sampling and auger drilling are expected before the end of February.

Importantly, the exploration work required at the Project can be undertaken straight away with access not likely to be impacted by the heavy rainfall season currently upon the region.

Relatively low relief and multiple farm access tracks are favourable for RC drilling, which is expected to start soon after the initial auger drilling results are received. Given its location, exploration at Itapitanga will be inexpensive relative to the potential value the project can create for the Company's shareholders.

² As per CleanTeQ's Syerston Project Updated Mineral Resource, 9 October 2017



Figure 4 – Photos of lateritic outcrop and limonitic soils at the Itapitanga Ni-Co Project.



Project Logistics

The Itapitanga Project area is 50km north-east of the town of São Felix de Xingu with year-round access to the Project from the township provided by unpaved roads. São Felix de Xingu is accessible via paved highway, some 370km from the regional centre Parauapebas. Rail hubs are located at Parauapebas and the Sossego Copper Gold mine (270km from São Felix de Xingu). A 230kVA substation is located 120km east of the project near Vale's Onça Puma nickel operation.

The Itapitanga Project area is predominantly located on pastoral land or previously disturbed areas and exploration access agreements with the land-owners are already in place. Water is readily available all year around. The main targets are located on small topographic rises associated with limonitic soils and ferruginous laterites.

Key Commercial Terms

Centaurus has secured a 100% interest in the title of the Itapitanga tenement. Under the Agreement, Centaurus will pay the private Brazilian vendor up to R\$150,000 (~A\$60,000) over a period of six months and commit to undertake R\$150,000 of exploration work on the ground over this same 6-month period. At the end of the option period and on the basis that Centaurus wishes to continue with the project, it will pay the vendor R\$500,000 (~A\$200,000). If it decides not to continue with the project it will transfer title back to the vendor with any exploration data collected over the 6-month period.

Further, assuming Centaurus elects to continue with the project, it will make milestone payments to the vendor of R\$1 million (~A\$400,000) on definition of a JORC Resource and R\$1.5 million (A~\$600,000) on the grant of a Mining Lease by the Brazilian Mines Department (DNPM).



Salobo West's Serendipidade Prospect Cobalt Potential

The Itapitanga Project builds on the Company's already solid cobalt exposure at the Serendipidade Prospect, which forms part of its outstanding Salobo West IOCG Project. Serendipidade is a +2.5km long x 700m wide Cu-Co-Au-Ag-Mo soil anomaly that is coincident with a strong electromagnetic (VTEM) response. Significant drill intersections from the project include (see ASX release 29 November 2017 for full details):

- **10m @ 0.09% cobalt³ and 0.14% copper from 18m** in DRI10-FD0004;
 - **including 3m @ 0.18% cobalt and 0.31% copper**
- **4m @ 0.16% cobalt and 0.94% copper from 13m** in DRI10-FD0005
- **6m @ 0.07% cobalt and 0.30% copper from 23m** in DRI10-FD0005; and
- **124m @ 0.021% cobalt from 53m** in DRI10-FD0005 (sulphide)

The Company considers that the Serendipidade Prospect has the potential for near surface cobalt-copper oxide mineralisation as well as structural/stratigraphically controlled and potentially high-grade copper-cobalt sedimentary sulphide style targets.

Capital Raise

Concurrent with the acquisition of the Itapitanga Nickel-Cobalt Project, the Company is pleased to advise that it has closed a heavily oversubscribed share placement to raise \$2.65 million, before costs, which will provide funding for ongoing exploration of the Company's highly prospective and growing copper, gold, nickel and cobalt tenement package in the Carajás Mineral Province.

Under the placement, the Company will issue 295 million shares at \$0.009 and 147.5 million unlisted options with an exercise price of \$0.015 and an expiry date of 31 January 2020 to sophisticated and professional investors. The securities will be issued in one tranche under the Company's existing placement capacity under Listing Rules 7.1 and 7.1A. A total of 117,272,777 shares and 147,500,000 unlisted options will be issued under the Listing Rule 7.1 and 177,727,223 shares under Listing Rule 7.1A.

Peloton Capital Ltd were the Lead Manager to the Placement. As part of their fee, Peloton will receive 20 million options on the same terms as the options issued as part of the placement, subject to shareholder approval.

Management Comment

Centaurus' Managing Director, Mr Darren Gordon, said the acquisition of the Itapitanga Project represented an exceptional opportunity to explore for nickel-cobalt mineralisation along strike from one of the biggest high-grade nickel-cobalt deposits in the world, significantly expanding the Company's exposure to the strongly performing battery metals sector.

"Once again, our team in Brazil has been able to identify and secure a strategic and potentially large-scale mineral asset right next to a world-class deposit – an exact repeat of what we achieved at Salobo West.

"The Itapitanga Nickel-Cobalt Project is located just 10km south of Anglo American's massive Jacaré Nickel-Cobalt Project and hosts what appears to be the same style of mineralisation," he said. "Anglo's Jacaré resource as currently defined is three times as large as CleanTeQ's Syerston Project in New South Wales, but with a significantly higher grade of nickel and an equivalent average cobalt grade.

³ The upper detection limit for cobalt in the historical data was 0.20%. Five (5) 1 metre intervals recorded cobalt assays above the upper detection limit though a grade of only 0.20% cobalt was applied when reporting these intervals.

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“We have seen the value that is being applied to cobalt assets in Australia and globally, and this gives us the confidence to press ahead with an aggressive exploration program aimed at confirming the presence of nickel-cobalt mineralisation on our tenements and potentially establishing a Mineral Resource in the near term.”

“Importantly, the project is well-located from an infrastructure and access perspective, which means we can get on the ground quickly to start sampling and shallow drilling programs. Shareholders can look forward to strong news-flow from this project in the coming weeks, complementing our existing high-quality assets at Salobo West and Pebas.

“This is a great opportunity for Centaurus to become a significant player in the emerging cobalt space on the ASX, and we are looking forward to what our maiden exploration campaign can deliver.”

Trading Halt

This announcement brings to an end the Company’s current voluntary suspension.

-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.

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APPENDIX A – TECHNICAL DETAILS OF THE ITAPITANGA PROJECT, JORC CODE, 2012 EDITION – TABLE 1

SECTION 1 SAMPLING TECHNIQUES AND DATA

Criteria	Commentary
<i>Sampling techniques</i>	<ul style="list-style-type: none"> • No sampling has been completed.
<i>Drilling techniques</i>	<ul style="list-style-type: none"> • No drilling has been completed.
<i>Drill sample recovery</i>	<ul style="list-style-type: none"> • Not applicable.
<i>Logging</i>	<ul style="list-style-type: none"> • Not applicable.
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> • No sampling has been completed.
<i>Quality of assay data and laboratory tests</i>	<ul style="list-style-type: none"> • Not applicable.
<i>Verification of sampling and assaying</i>	<ul style="list-style-type: none"> • Not applicable.
<i>Location of data points</i>	<ul style="list-style-type: none"> • The survey grid system used is SAD-69 22S. This is in line with Brazilian Mines Department requirements. No mapping points are reported.
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> • Not applicable.
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> • Not applicable.
<i>Sample security</i>	<ul style="list-style-type: none"> • Not applicable.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> • The Company is not aware of any audit or review that 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 Itapitanga project includes one exploration lease 850.475/2016, for a total of circa 50km². • The tenements are part of an option agreement whereby Centaurus will pay the vendor up to A\$60,000 over six months and commit to undertake A\$60,000 of exploration work. At the end of the option period, the Company will pay the vendor A\$200,000 if it wishes to continue with the project. Further, it will make milestone payments to the vendor of A\$400,000 on definition of a JORC Resource and A\$600,000 on the grant of a Mining Lease by the Brazilian Mines Department (DNPM). • All mining projects in Brazil are subject to a CFEM royalty, a government royalty of 2% on base metals and gold revenues and 2-4% on iron ore revenues. • Landowner royalty is 50% of the CFEM royalty. • The project is located primarily in farming land. 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"> • The Company is not aware of any historical exploration.
Geology	<ul style="list-style-type: none"> • The Itapitanga Project forms part of the southern extension of the ultramafic-mafic intrusive complex (2.8Ga) that intrudes the Archean Xingu basement granites in the western region of the Carajás Mineral Province. • Nickel-cobalt laterite mineralisation generally occurs from surface and is associated with the ferruginous laterite of the ultramafic protore. Nickel mineralisation is associated with the saprolite that underlies the ferruginous laterite.
Drill hole information	<ul style="list-style-type: none"> • Not applicable.
Data aggregation methods	<ul style="list-style-type: none"> • Not applicable.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> • Not applicable.
Diagrams	<ul style="list-style-type: none"> • Refer to Figures 1-3.
Balanced reporting	<ul style="list-style-type: none"> • Not applicable.
Other substantive exploration data	<ul style="list-style-type: none"> • The Company is working with the CPRM geological and geophysical regional data set (Carajás – Área I (1047)).
Further work	<ul style="list-style-type: none"> • The Company mobilized its field team to the Itapitanga project to carry out survey line clearing, geological mapping, soils geochemical sampling and auger drilling.