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MULTIPLE NEW HIGH-PRIORITY COPPER-GOLD GEOPHYSICAL TARGETS IDENTIFIED AT SALOBO WEST, NORTHERN BRAZIL

Strong EM conductor plates represent outstanding targets for high-grade copper-gold mineralisation as Centaurus continues to make strong progress with licencing for drilling and clearing

Highlights:

- **3D VTEM modelling by geophysical specialist consulting group, Southern Geoscience, has generated multiple EM conductor plates that represent outstanding targets for the discovery of high-grade copper-gold mineralisation.**
- **Distinct EM conductors set within broad magnetic and IP chargeability anomalies are excellent vectors towards high-grade breccia zones where interconnected semi-massive to massive sulphides are commonly found within Carajás IOCG deposits.**
- **The EM conductor plates are located in the SW1-B Prospect (+6.5km long Cu-Au(-Co) soil anomaly) and SW1-A Prospect (+3.5km long Cu-Au(-Co) soil anomaly). Both prospects are hosted in the Itacaiúnas Supergroup – which hosts all known IOCG deposits in the Carajás.**
- **The vegetation inventory survey field work required as part of the environmental licensing process to drill and clear at Salobo West was completed in November and the survey report has now been lodged with ICMBio.**
- **Based on the results of the vegetation inventory, Centaurus believes that there should be no impediment to ICMBio granting the required environmental licence for clearing and drilling, with the Company planning for the licence to be secured before the end of the regional wet season.**
- **Non-ground disturbing exploration has also resumed at the Salobo West Project in the form of a detailed soil sampling and mapping program on the southern tenement (SW2) with first results imminent.**

Centaurus Metals (ASX Code: CTM) is pleased to announce that it has identified multiple new high-priority iron oxide copper-gold (IOCG) exploration targets at its **Salobo West Copper-Gold Project** in Northern Brazil following the processing of historical Versatile Time Domain Electromagnetic (VTEM) data over the project area.

The Salobo West Copper-Gold 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 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[1] in calendar year 2017.

[1] Vale Data sourced from "Vale Production in 4Q17" Report, its 20-F Annual Report for 2017 and other public reports

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Centaurus Managing Director, Mr Darren Gordon, said the Company had made excellent recent progress at the Salobo West Project, both with preliminary exploration activities and the licensing and permitting process.

"Notwithstanding the licensing delay encountered earlier this year, our team has done an excellent job in advancing our understanding of the potential of the project by re-processing historical geophysical data while at the same time resuming and successfully advancing the licensing process in a relatively short timeframe.

"There is now a clear path forward with our planned work activities to unlock the huge potential of the Project and we are pleased that non-ground disturbing exploration activities are also well underway at Salobo West with first results imminent," Mr Gordon said.

"Salobo West is a world-class exploration project with multiple large-scale discovery opportunities. We will continue to work closely with the relevant authorities to expedite the drilling licenses so that we can be ready to drill at the end of the regional wet season in Q2 2019. Until then we will continue with our non-ground disturbing exploration activities, where rainfall conditions permit, to work up further priority drill targets on the Project.

"Given the quantity, scale and quality of the drill targets we have defined so far at Salobo West, this Project is shaping up as a genuine game-changer for Centaurus, and we are really looking forward to being able to get on the ground next year to drill it."

Salobo West Overview

The Salobo West Copper-Gold Project is located in the same geological and structural context as the Salobo mine and field work to date has demonstrated that the project hosts multiple targets that display similar geochemical and geophysical characteristics to the world-class Salobo mine.

Because the overburden cover in the Carajás makes exposure of the bedrock limited, geophysics plays a fundamental role in exploration.

Traditionally, Induced Polarisation (IP) has been the geophysical survey of choice for targeting of IOCG deposits in the Carajás as it responds well to the broad disseminated sulphide mineralisation styles. However, the Carajás IOCG deposits often have high-grade breccia zones within the deposits, consisting of interconnected semi-massive to massive sulphides. These zones are conductive and return discrete EM anomalies within the broader IP anomaly.

Furthermore, smaller high-grade deposits such as Oz Minerals' Antas Norte mine and Pedra Branca deposit have also been discovered by targeting discrete EM anomalies.

With this knowledge, the Company engaged highly-experienced geophysical consultants, Southern Geoscience, to carry out 3D modelling on a selection of profiles from the VTEM survey that was flown by Anglo American in 2009. The survey covered 322 line-kilometres and was run on 200m-spaced profiles with a base frequency of 30Hz.

Preliminary work has been carried out on four select sections that cover the SW1-A and SW1-B Prospects on the SW1 tenement (see Figures 1 and 2 below). In some cases, the sections are coincident with IP survey lines (also completed by Anglo American in 2009). Given the outstanding results achieved from the analysis to date, the Company intends to process additional EM profiles over the coming months.

The results of the first four sections have highlighted a number of outstanding potential high-grade drill targets where the magnetic and EM conductor plates are coincident with IP chargeability anomalies and previously defined Cu-Au(-Co) soil anomalies.

The results of the 3D plate modelling across the SW1-A and SW1-B Prospects are discussed in more detail below.

Figure 1 – Salobo West Project (SW1-A and SW1-B Prospects on the SW1 Tenement)
Analytical signal from project aeromagnetic survey with modelled EM plates (Yellow).

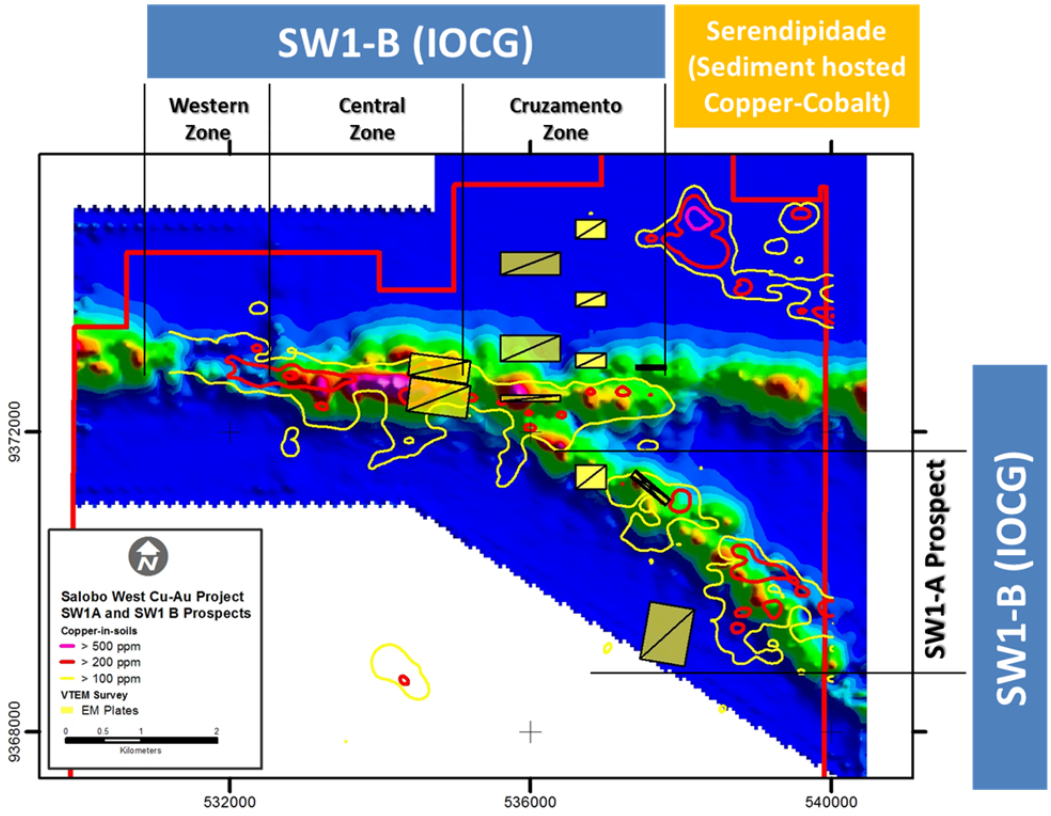
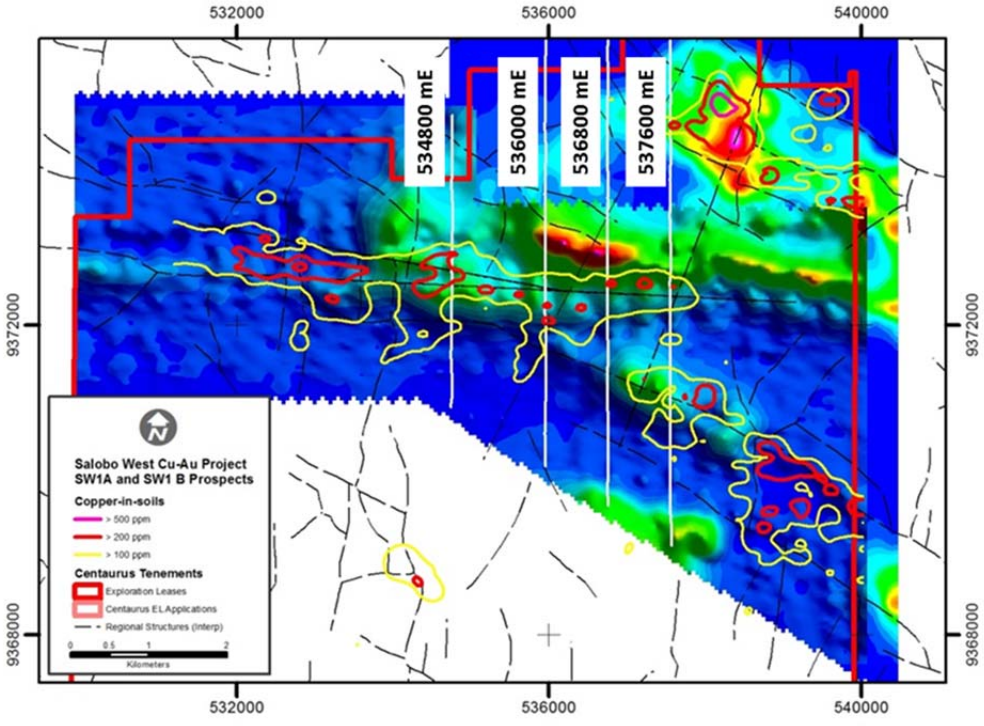


Figure 2 – Salobo West 1 Project (SW1-A and SW1-B Prospects)
VTEM (Channel 20), white profile line shows selected sections that were processed



SW1-B Prospect

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

Within the SW1-B Prospect there are multiple targets: the Cruzamento Zone, the Central Zone and the Western Zone (see Figure 1). The EM modelling work was carried out on the following north-south VTEM sections:

Section 534800mE

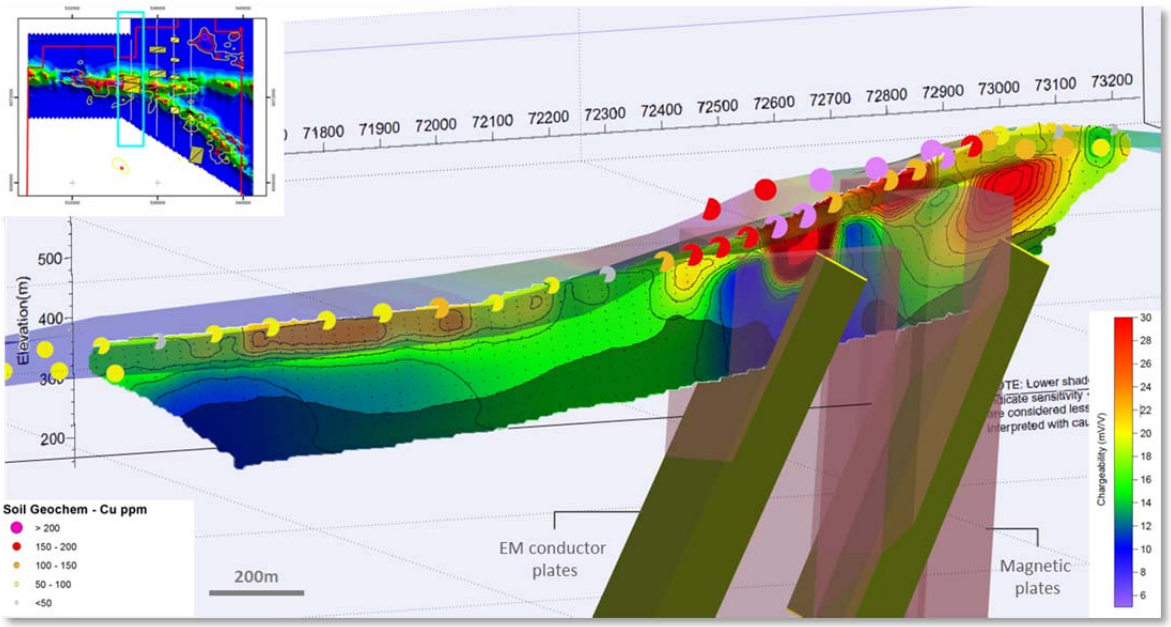
Section 534800mE is located on the eastern limit of the Central Zone of the SW1-B Prospect. The section demonstrates a clear relationship between the modelled magnetic and EM conductor plates that dip sub-vertically to the south. The magnetic plates represent the response from the magnetite, which can be from either the magmatically sourced iron-oxide mineralisation that is associated with the copper-sulphides or from an iron-oxide rich host rock.

The occurrence of two discrete EM conductor plates within the broader magnetic and IP anomalies creates a very strong exploration target for the Company. In IOCG deposits, the copper sulphide mineralisation (chalcopyrite and/or bornite) is commonly zoned, with the disseminated and veinlet zones trending towards a stockwork zone and eventually a high-grade breccia zone.

Interconnected semi-massive to massive sulphides are common in the breccia zone and, as such, the breccia zone is expected to be the most conductive region and most likely to return an EM response.

Furthermore, the EM plates are coincident with some of the best copper-gold soil anomalies from the Prospect area (see Figure 3 below). The EM plates are oblique to the magnetic plates, which suggests that the response is not from the host stratigraphy but more likely from the copper-gold sulphide mineralisation.

Figure 3 – Section 534800mE looking towards the west-northwest
EM plates (Dark Yellow); Magnetic plates (red); IP-Chargeability section.



Section 536000mE

Section 536000mE is located in the Cruzamento Zone of the SW1-B Prospect. The Cruzamento zone is structurally very interesting. IOCG deposits usually occur along fault splays off crustal-scale extension faults and the Cruzamento zone represents precisely this scenario.

The Cruzamento zone is located exactly where the east-west Banded Iron Formation (BIF) unit is intersected by the north-west trending BIF unit of the SW1-A Prospect (Figure 1), which is interpreted to be part of the north-west extension of the same Itacaiúnas Supergroup that hosts the massive Salobo Mine.

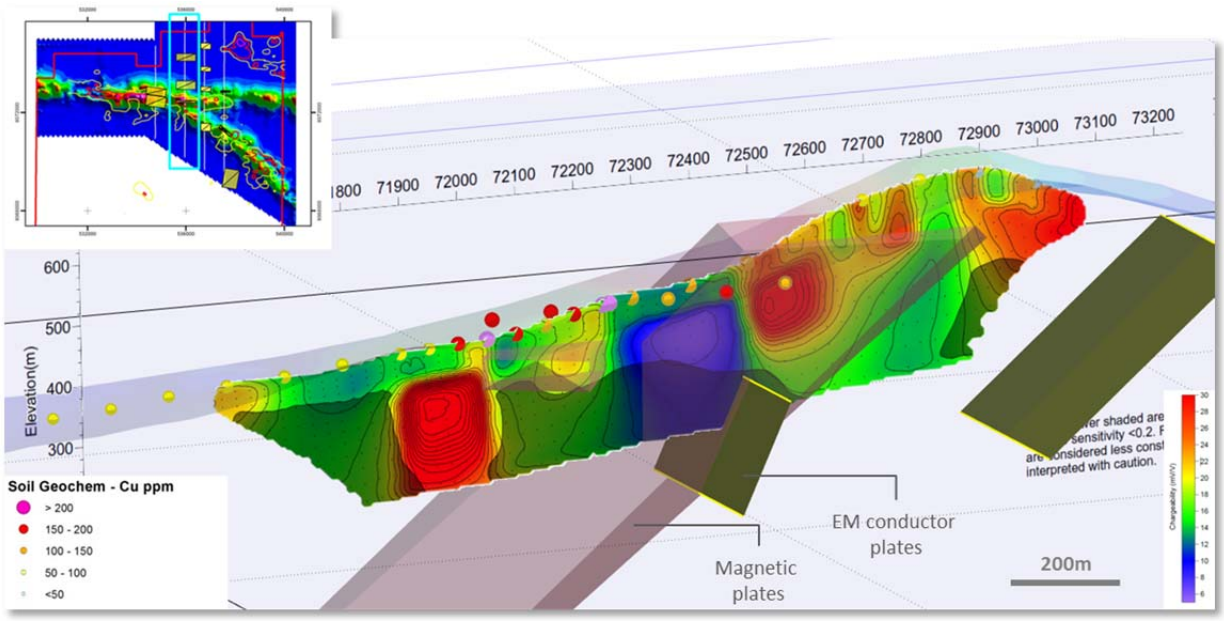
A discrete EM conductor plate has been modelled coincidently with the IP chargeability anomaly, magnetic plates and Cu-Au(-Co) soil geochemistry anomaly (see Figure 4 below).

This represents an excellent first priority drill target for the Company.

Interestingly, there is a strong IP chargeability anomaly that is associated with the copper-in-soils anomaly but not the EM or magnetic anomalies. This target will also require drill testing.

The EM plate to the north is interpreted to be part of the graphite-pyrite rich sedimentary sequence that has been identified in historical drilling at the Serendipidade copper-cobalt sedimentary-style target. It should be noted there is no magnetic signature or geochemical anomalies associated with these EM plates and hence they are not considered an IOCG target priority.

Figure 4 – Section 536000mE looking towards the west-northwest
EM plates (Dark Yellow); Magnetic plates (red); IP-Chargeability section.



Section 536800mE

Section 536800mE, also located in the Cruzamento Zone at SW1-B, is host to the only historical drill hole on the SW1-B Prospect. Drill-hole DRI10-FD0010 was drilled on Section 536800mE 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 strong sub-vertical IP Chargeability anomaly coincident with a magnetic anomaly. The hole was stopped at 130.8m, approximately 50m short of the strong IP target (see Figure 5).

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

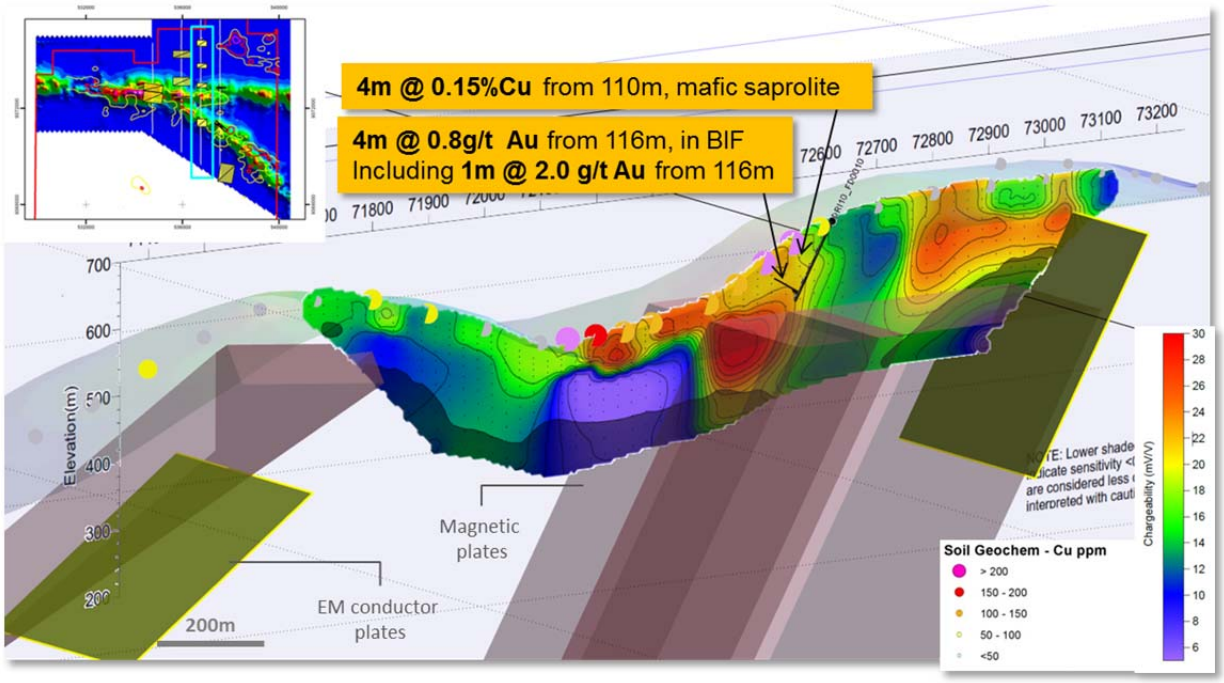
Importantly, historical logging and geochemistry of diamond drill hole DRI10-FD0010 demonstrates that the SW1-B Prospect is set within the highly prospective meta-volcanic sedimentary package of the Itacaiúnas Supergroup.

Although there is no EM plate associated with the strong sub-vertical IP Chargeability anomaly, the magnetic plates are coincident with the IP and Cu-Au(-Co) soil anomaly. This may represent a more disseminated zone of the IOCG mineralisation.

The EM plate modelled to the south is associated with the SW1-A Prospect. The plate is slightly oblique to the magnetic anomaly, which represents the iron formations of the Itacaiúnas Supergroup that extend north-west from the Salobo mine.

This can be an indicator that the conductor plate is associated with magmatic sulphides and not the iron formation.

Figure 5 – Section 536800mE looking towards the west-northwest
EM plates (Dark Yellow); Magnetic plates (red); IP-Chargeability section.



SW1-A Prospect

The SW1-A Prospect is delineated by a +3.5km long Cu-Au(-Co) soil anomaly hosted in the same stratigraphic sequence with similar magnetic susceptibility to the Salobo mine and has a favourable structural orientation with the NW extent of the Prospect being truncated by the E-W trending BIF unit of the SW1-B Prospect.

Section 537600mE

Section 537600mE traverses both the eastern limit of SW1-B Prospect to the north and the central zone of SW1-A Prospect. Both present excellent drill targets. The southern part of the section intersects the main zone of the SW1-A Prospect target.

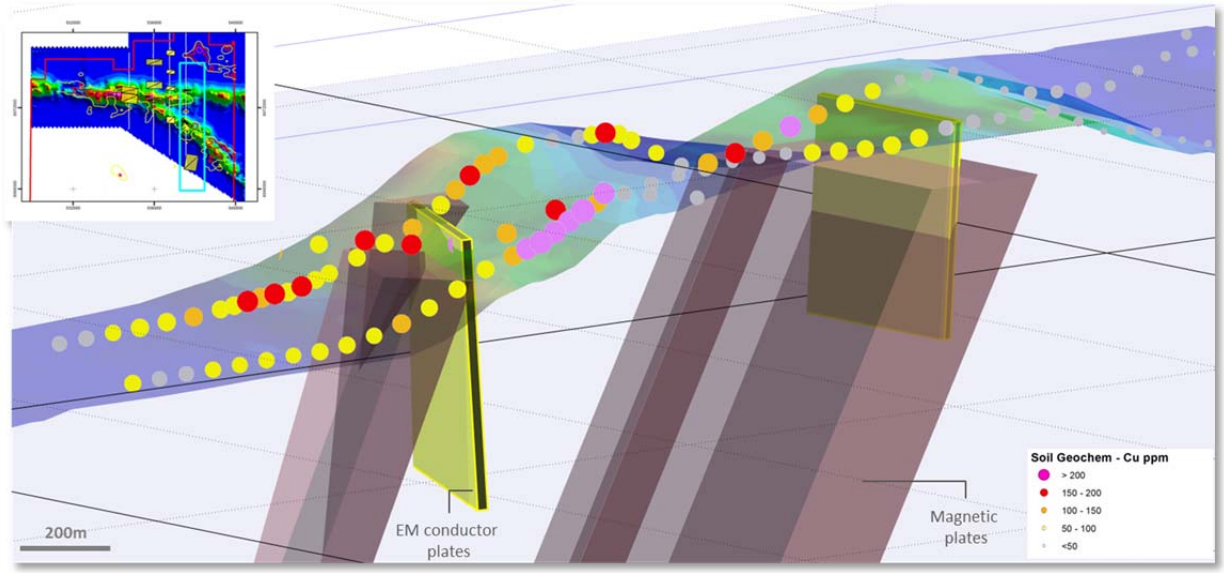
Although the soils anomaly is stronger in the south-east of the SW1-A Prospect there is little or no VTEM response (see Figure 6). This is due to a late stage mafic dyke that cuts the Itacaiúnas stratigraphy that was observed in the only two historical diamond drill holes completed on the SW1-A prospect.

The north-western zone of SW1-A hosts a distinct 2.0km long VTEM anomaly that is coincident with magnetics and Cu-Au(-Co) soil anomalies. This VTEM anomaly has generated an EM conductor plate that sits oblique to the magnetic anomaly and coincident with the Cu-Au soil anomaly (see Figure 6 below).

Drilling has been planned along the 2.0km strike of the VTEM anomaly.

The northern target, which is part of the SW1-B Prospect, again hosts an oblique EM conductor plate within a magnetic anomaly coincident with the Cu-Au soil anomaly and is another excellent drill target that is planned to be tested in the 2019 with drilling.

Figure 6 – Section 537600mE looking towards the west-northwest
EM plates (Yellow); Magnetic plates (red).



Summary of VTEM Data Review

The results from the 3D VTEM modelling are very encouraging and have provided an excellent platform to allow the exploration team to vector in on the potential high-grade copper-gold mineralisation. The Company will carry out additional modelling work on selected sections ahead of the Company's maiden drill program, which is currently planned for Q2 2019.

Salobo West Licensing

The vegetation inventory survey field work covering the areas where clearing and the initial 36-hole drill program is proposed was completed in early November. This was a comprehensive survey covering more than 50km over both tenements at Salobo West. The survey report has also now been completed and lodged with ICMBio for review and approval. This report is an integral part of the site access clearing and drill licence application process for the Project.

Based on the results of the vegetation inventory, Centaurus believes that there should be no impediment to ICMBio granting the required environmental licence required for clearing and drilling, with the Company planning for the licence to be secured before the end of the regional wet season.

With the environmental licensing process back on track, the Company has re-commenced non-ground disturbing exploration activities on the Salobo West Project with a new soil sampling and mapping program completed over the southern tenement (SW2). First results from the new soils program are expected shortly.

-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.

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
Sampling techniques	• Soil samples from the SW1 tenement 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 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. • Technical information provided for the SW2 project is in reference to the historical data that was obtained from the Mines Department (DNPM) Partial Exploration Report submitted by DoceGeo (Vale) in December 2000. • DoceGeo collected 137 soil samples, samples were taken from the B horizon (20-50cm below surface).
Drilling techniques	• Historical drilling on the SW1 tenement was carried out with a wireline hydraulic rig, drilling NQ and HQ core. • There is no historical drilling on the SW2 tenement
Drill sample recovery	• 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 recorded.
Logging	• 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	• 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	• 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 to 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.
Verification of sampling and assaying	• 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	• 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	• 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 compositing has been applied.
Orientation of data in relation to geological structure	• 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	• 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	• 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	• The Salobo West project includes the two exploration leases 850.430/2016 (SW1) and 850.429/2016 (SW2), for a total of circa 120km^2. • The tenements were part of an earn-in agreement on the Para Exploration Portfolio with Terrativa Minerais SA. Centaurus met the minimum earn in obligations in 2017 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. • 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 and is currently completing activities to secure the drill and clearing licence for the initial planned drill program.
Exploration done by other parties	• Historically the Salobo West tenements have been held by Anglo American and before that Vale. Reports recovered from the Department of Mines 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	• 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

Criteria	Commentary
	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. • The Company is targeting IOCG deposits. These deposits are generally structurally controlled, brittle-ductile shear 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 and SW2 tenements host multiple IOCG targets. • 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.
Drill hole Information	• Refer to ASX announcement on 5 December 2017.
Data aggregation methods	• 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	• The results reported in this announcement reflect individual down hole sample intervals and no mineralised widths were assumed or stated.
Diagrams	• Refer to Figures 1-6.
Balanced reporting	• 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	• 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	• 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. • The Company is undertaking further non-ground disturbing exploration in Q4 2018. This includes survey line clearing, geological mapping, ground-based geophysics and soils geochemical sampling.