

12 October 2016

CENTAURUS ANNOUNCES \$2 MILLION RIGHTS ISSUE TO ADVANCE KEY BRAZILIAN GOLD PROJECTS

*Proceeds of partially underwritten issue to be used to launch maiden exploration program at newly acquired
Serra Misteriosa Gold Project in Northern Brazil*

KEY POINTS

- **3-for-5 Renounceable Rights Issue to raise up to \$2 million at \$0.005 per share.**
- **The issue has been attractively priced for the benefit of existing shareholders at a discount of 45% to the last closing price of \$0.009.**
- **For every 2 new shares, shareholders will receive one free option with an exercise price of \$0.01 and an expiry date of 30 April 2018. The Company intends to seek quotation for the options.**
- **All Centaurus Directors to take up their entitlement in the Rights Issue.**
- **The issue is partially underwritten by CPS Capital to \$1.0 million.**
- **Funds to be used predominantly to advance exploration of the Company's key gold and copper projects in Brazil, including:**
 - ***The drill-ready Serra Misteriosa Gold Project, which forms part of the recently acquired and highly prospective +750km² Pará Exploration Package in northern Brazil¹, located near the world-class Carajás IOCG province and the 5Moz Volta Grande gold deposit;***
 - ***The Mombuca Gold Project where ongoing evaluation of the maiden drill program is being undertaken to fully explain the significant anomalies on the Project area.***

Centaurus Metals (ASX Code: **CTM**) is pleased to announce a partially underwritten renounceable rights issue to raise up to \$2.0 million (before costs) to advance exploration of its portfolio of gold and copper projects in Brazil, including a maiden exploration program at the recently acquired **Serra Misteriosa Gold Project** in northern Brazil.

The capital raising has been designed to provide existing shareholders with the opportunity to participate in this pivotal capital raising on attractive terms. The ex-date for the issue is 19 October 2016 and any shares bought prior to this date will be entitled to participate. The issue is renounceable and new investors will be able to trade their rights from 19 October 2016.

¹ See ASX Announcement dated 5 October 2016 for full details of the details of the Pará Exploration Project acquisition

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Under the offer, eligible shareholders will be able to subscribe for 3 new shares for every 5 existing shares they hold at an issue price of \$0.005 per share, together with one free attaching option for every 2 new shares subscribed for with an exercise price of \$0.01 and an expiry date of 30 April 2018.

The issue is partially underwritten to \$1 million by CPS Capital, who will act as Lead Manager and Underwriter to the issue. Shareholders on the record date with a registered address in Australia and New Zealand will be eligible to participate in the rights issue.

Use of Funds

The funds to be raised from the Rights Issue will be used to:

- Commence an active exploration program, including the first-ever drill program, on the recently acquired and highly prospective Serra Misteriosa Gold Project that forms part of the broader Pará Exploration Package in northern Brazil;
- Continuation of exploration and evaluation activities on the Mombuca Gold Project in south-east Brazil with a view to fully testing and explaining the significant anomalies on the project area;
- Contribute to the ongoing expenditure of Nova Potash, the Company's 50/50 joint venture vehicle in Australia, which is searching for a low-cost potash fertilizer solution for key markets in Australia and south-east Asia;
- Provide general working capital, including the costs of concluding a divestment of the Conquista DSO Iron Ore Project, negotiations for which are at an advanced stage with a domestic mining group in Brazil; and
- Meet the costs of the rights issue.

The Serra Misteriosa Gold Project hosts a continuous 2.5km long, high-grade gold-in-soils anomaly (+50ppb Au) within a broader +5km long gold geochemical anomaly that is up to 500m wide. Ground-based exploration will commence shortly with drilling planned in 3-6 months.

The Pará Exploration Package also contains the Salobo West Copper-Gold Project, a group of EL applications that cover a total area of ~150km², with the Salobo West project area located ~12km along strike from Vale's giant Salobo copper-gold mine (1.1Bt @ 0.7% Cu and 0.4g/t Au)²

Management Comment

Centaurus' Managing Director, Mr Darren Gordon, said the Company was pleased to offer shareholders the opportunity to participate in this milestone capital raising on attractive terms as it geared up for a pivotal phase of exploration across its recently expanded gold and copper portfolio in Brazil.

"The Company has been fortunate, through its alliance with Terrativa, to secure the Serra Misteriosa Project as part of the Pará Exploration Package," he said. "This portfolio contains numerous drill-ready targets and provides Centaurus with a full pipeline of exploration opportunities which we plan to systematically test over the coming year – beginning with the Serra Misteriosa Project itself.

"Shareholders will have the opportunity to maintain or potentially increase their investment at an attractive price through this rights issue, which is being partially underwritten by CPS Capital. The successful completion of this raise will put Centaurus in a strong position, with the capacity to pursue active and focused exploration programs across a very prospective project portfolio in northern and south-eastern Brazil.

² For additional information on the Salobo Ore Reserves and Mineral Resources please refer to www.vale.com

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“The funds raised will also allow us to revisit the preliminary work we have undertaken at the Mombuca Project, where we have yet to explain the very strong and large geophysical targets generated by exploration work earlier this year. We are currently reviewing the results of our maiden drill program, and we look forward to providing further updates on this project, and our other upcoming exploration activities, in due course.”

Prospectus

The Company is expecting to lodge a Prospectus with the Australian Securities and Investment Commission on 14 October 2016, which sets out the material information relating to the Rights Issue. A copy of the Prospectus and an Appendix 3B in respect of the Rights Issue will be released to ASX. The Prospectus, together with an entitlement and acceptance form will be despatched to eligible shareholders in accordance with the timetable.

Timetable

It is proposed that the Rights Issue run to the following indicative timetable:

Announce Rights Issue	12 October 2016
Lodgement of the Prospectus with ASIC and ASX and lodgement of Appendix 3B with ASX	14 October 2016
Notice of Rights Issue sent to Option-holders	14 October 2016
Notice of Rights Issue sent to Shareholders	17 October 2016
Ex-Date for Rights Issue	19 October 2016
Rights trading commences	19 October 2016
Record Date	20 October 2016
Prospectus despatched to Shareholders	24 October 2016
Rights trading ends	31 October 2016
Deferred settlement trading commences	2 November 2016
Closing Date	8 November 2016
Notify ASX of Shortfall and Residual Securities	11 November 2016
Issue date – Deferred settlement trading ends	15 November 2016
Commencement of trading of New Shares	16 November 2016
Last date to issue Residual Securities	8 February 2017

The timetable is indicative only and subject to change. The Company reserves the right, in conjunction with CPS Capital, the Corporations Act 2001 (Cth) and the ASX Listing Rules, to amend this indicative timetable.

-ENDS-

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