

DECEMBER 2019 QUARTERLY ACTIVITIES REPORT

Outstanding results from maiden 10,000m diamond drilling program at the recently acquired Jaguar Nickel Project as Centaurus embarks on a transformational year of project development and high-impact exploration

30 January 2020



DECEMBER QUARTER HIGHLIGHTS

JAGUAR NICKEL SULPHIDE PROJECT

- ▶ 10,000m maiden diamond program commenced, initially focused on the cornerstone Jaguar South and Onça-Preta deposits, with thick, high-grade nickel sulphide mineralisation intersected in the first three holes.
- ▶ At the Jaguar South Deposit, the Company's first drill hole, JAG-DD-19-002, intersected:
 - ▶ **12.4m at 1.95% Ni, 0.10% Cu and 0.03% Co from 71.0m, incl.**
 - 5.1m at 2.86% Ni, 0.16% Cu and 0.05% Co from 71.9m;
 - ▶ **9.0m at 1.38% Ni, 0.04% Cu and 0.02% Co from 112.0m, incl.**
 - 2.5m at 3.38% Ni, 0.11% Cu and 0.06% Co from 113.3m;
 - ▶ **40.9m at 1.41% Ni, 0.04% Cu and 0.03% Co from 131.5m, incl.**
 - 6.0m at 3.19% Ni, 0.08% Cu and 0.06% Co from 152.0m; and
 - 4.4m at 2.21% Ni, 0.06% Cu and 0.04% Co from 161.1m.
- ▶ Results confirm the consistency and grade of historical high-grade intersections on this section such as 34.0m at 3.31% Ni in JAGU-DH00065, adding 50m of down-dip extension.
- ▶ At the Onça-Preta Deposit, the first two drill holes, JAG-DD-19-001 and JAG-DD-19-003, intersected:
 - ▶ **6.2m at 1.90% Ni, 0.10% Cu and 0.07% Co from 107.0m in JAG-DD-19-001;**
 - ▶ **7.9m at 1.58% Ni, 0.11% Cu and 0.11% Co from 126.1m in JAG-DD-19-001, incl.**
 - 2.9m at 3.80% Ni, 0.27% Cu and 0.26% Co from 126.1m;
 - ▶ **5.0m at 1.88% Ni, 0.18% Cu and 0.14% Co from 141.5m in JAG-DD-19-001, incl.**
 - 3.8m at 2.28% Ni, 0.22% Cu and 0.12% Co from 142.1m;
 - ▶ **10.2m at 1.20% Ni, 0.06% Cu and 0.04% Co from 83.7m in JAG-DD-19-003, incl.**
 - 3.5m at 2.44% Ni, 0.10% Cu and 0.09% Co from 90.3m; and
 - 2.5m at 1.44% Ni, 0.04% Cu and 0.21% Co from 100.0m
- ▶ Ongoing re-processing of historical geophysical survey data delivers a further 31 new DHEM conductor plates at the Jaguar North-east, Jaguar North, Jaguar Central and Jaguar Central South Deposits.
- ▶ Third diamond rig mobilised to site in early 2020 with all three rigs now operating on double-shift.



CORPORATE

- ▶ New senior management personnel and specialist consultants appointed to help drive the Company’s nickel exploration and development strategy, with John Westdorp appointed as Chief Financial Officer; Roger Fitzhardinge appointed as Operations Manager – Nickel; John Knoblauch engaged as Principal Metallurgist; and Grant “Rocky” Osborne engaged as Principal Geoscientist.
- ▶ Cash at 31 December 2019 of A\$9.7 million.

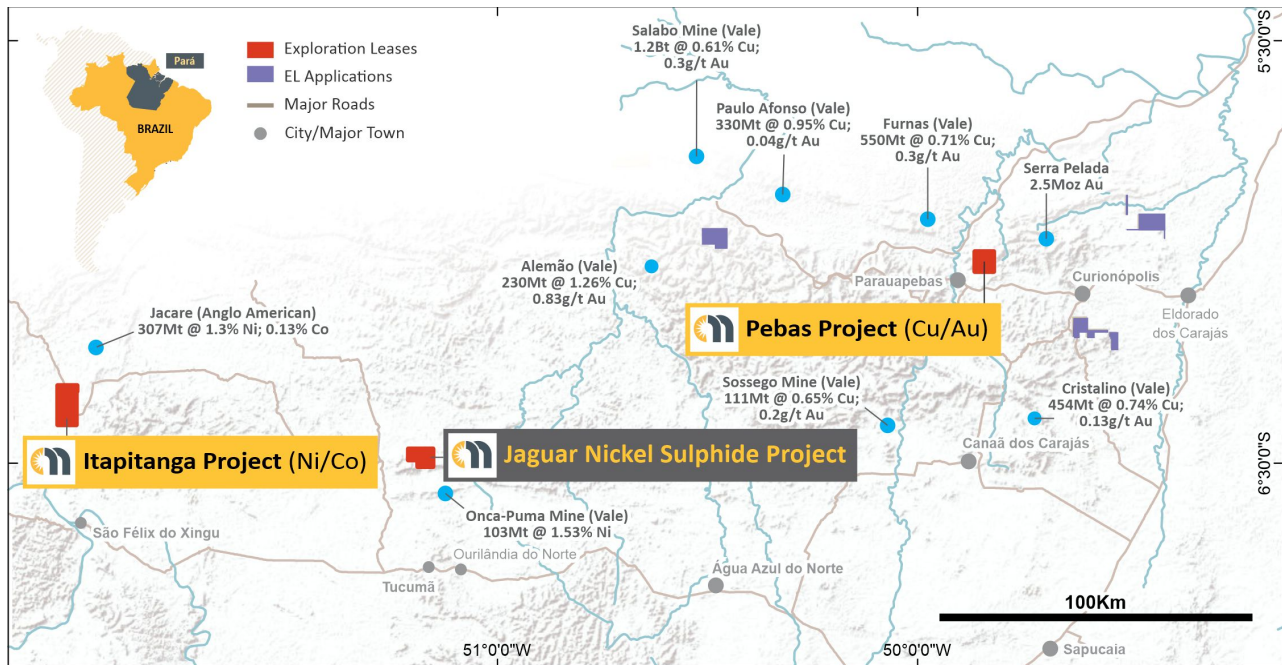
JAGUAR NICKEL PROJECT

In August 2019, Centaurus secured an exceptional exploration, growth and development opportunity in the international nickel sulphide sector after executing a formal Sale & Purchase Agreement with global mining giant, Vale S.A. (“Vale”) to acquire the advanced, large-scale Jaguar Nickel Sulphide Project, located in the world-class Carajás Mineral Province of northern Brazil (Figure 1).

The settlement of the acquisition remains subject to approval by the Brazilian National Bank for Economic and Social Development (BNDES) for the assignment of BNDES’ royalty interest in the Project. BNDES have confirmed that all is in order with the process and that they continue to work through their internal procedures to complete the approval process with the formal approval now anticipated in Q1 2020.

Jaguar is an at-surface nickel sulphide project with a non-JORC compliant resource of **40.4Mt at 0.78% Ni (at a 0.5% Ni cut-off) for a total of 315kt of contained nickel metal** that is underpinned by more than 55,000m of historical diamond drilling by Vale and an extensive geological and geophysical database. Within the historical resource drilling, multiple shallow massive to semi-massive sulphide zones have been identified with some outstanding high-grade intersections such as **34.0m at 3.31% Ni from 56m** in PKS-JAGU-DH00065.

Figure 1: Jaguar Nickel Sulphide Project Location Map





Maiden Diamond Drilling Program

Centaurus commenced a maiden drilling program at the Jaguar project in early November, initially comprising 55 planned drill-holes for a total of 10,000m.

Centaurus has two clear objectives with its maiden drill campaign – firstly to extend the known high-grade nickel sulphide intersections and, secondly, to identify new high-grade nickel sulphide zones. The first holes targeted extensions to known high-grade nickel sulphide zones and the identification of new high-grade zones within the **Onça-Preta** and **Jaguar South** Deposits.

Assay results from the first three diamond drill holes all returned thick intersections of high-grade nickel sulphide mineralisation.

The zones of mineralisation intersected at both the Jaguar South and Onça-Preta deposits have correlated particularly well with historical high-grade intersections and, importantly, with the Down-hole Electromagnetic (DHEM) and Fixed Loop Electromagnetic (FLEM) conductor plates. This bodes well for all current and future in-fill and extensional drilling of the high-grade nickel sulphide targets at Jaguar.

Historical drilling by Vale S.A. at Jaguar targeted a bulk tonnage, medium-low grade nickel sulphide resource and, as such, the project has been pattern drilled on broad 100m x 50m spacing, with little or no follow-up drilling of the historical high-grade intersections.

Jaguar South Deposit

The **Jaguar South Deposit** extends over a strike length of +1.2km with continuous sub-vertical mineralised semi-massive and massive breccia zones up to 30m wide (within broader discontinuous mylonite zones up to 200m wide).

These zones have been delineated in historical drilling and by multiple DHEM conductor plates that indicate the presence of semi-massive and massive sulphides. The high-grade zones remain open at depth and to the east. Located on Section 477940mE (see Figure 2), drill hole JAG-DD-19-002 was designed to test the down-dip extension of historical drill hole PKS-JAGU-DH00065, which returned an intercept of **34.0m at 3.31% Ni**.

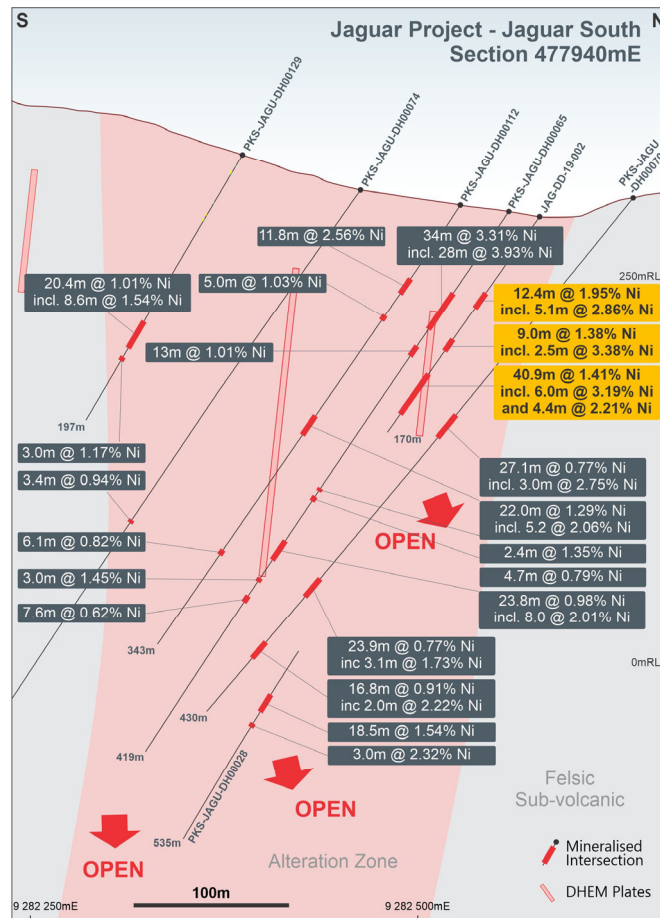
JAG-DD-19-002 intersected similar lithologies to PKS-JAGU-DH00065, with a series of highly altered felsic volcanic mylonite zones hosting moderate to intense magnetite mineralisation as well as intersecting multiple broad zones of high-grade semi-massive and massive sulphide breccia zones both oblique and sub-parallel to the drill core.

Highlights of the new assay results from the Jaguar South Deposit include the following intersections. Intersections were estimated using a 0.50% nickel cut-off and 3m maximum internal waste (see Figure 2, with a full list of significant assay results provided in the Company's ASX Announcement dated 3 December 2019):

- 12.4m at 1.95% Ni, 0.10% Cu and 0.03% Co from 71.0m, including:
 - 5.1m at 2.86% Ni, 0.16% Cu and 0.05% Co from 71.9m;
- 9.0m at 1.38% Ni, 0.04% Cu and 0.02% Co from 112.0m, including:
 - 2.5m at 3.38% Ni, 0.11% Cu and 0.06% Co from 113.3m;
- 40.9m at 1.41% Ni, 0.04% Cu and 0.03% Co from 131.5m, including:
 - 6.0m at 3.19% Ni, 0.08% Cu and 0.06% Co from 152.0m; and
 - 4.4m at 2.21% Ni, 0.06% Cu and 0.04% Co from 161.1m.



Figure 2 – The Jaguar South Deposit: Cross-Sections 477940mE showing the new drill intersections (yellow), historical intersection (grey) and DHEM conductor plates (red).



By quarter end a further five diamond drill holes were completed at Jaguar South with the core from the zones of mineralisation sent for assay.

The Jaguar South Deposit area is the most logistically challenging area on the tenement due to its local topography and the Company is prioritising holes in this area before the full onset of the wet season. During the wet season, accessing Jaguar South may become too challenging and, if this proves to be the case, the Company will focus the work of the Jaguar South rig on the other known zones of high-grade mineralisation and EM conductor plates at the Jaguar North, Jaguar Central and Jaguar West Deposit areas.

Onça-Preta Deposit

The Onça-Preta Deposit hosts a strong 100m long Down-hole Electromagnetic (DHEM) conductor plate sitting within a broader 400m long Fixed-Loop Electromagnetic (FLEM) conductor that correlates very well with historical nickel sulphide intersections from multiple drill holes within the deposit. The deposit remains open at depth and along strike in both directions.



Highlights of the new assay results from the Onça-Preta Deposit include the following intersections. Intersections were estimated using a 0.50% nickel cut-off and 3m maximum internal waste (see Figure 3, with a full list of significant assay results provided in the Company's ASX Announcement dated 3 December 2019):

- 6.2m at 1.90% Ni, 0.10% Cu and 0.07% Co from 107.0m in JAG-DD-19-001;
- 7.9m at 1.58% Ni, 0.11% Cu and 0.11% Co from 126.1m in JAG-DD-19-001, including:
 - 2.9m at 3.80% Ni, 0.27% Cu and 0.26% Co from 126.1m;
- 5.0m at 1.88% Ni, 0.18% Cu and 0.14% Co from 141.5m in JAG-DD-19-001, including:
 - 3.8m at 2.28% Ni, 0.22% Cu and 0.12% Co from 142.1m;
- 10.2m at 1.20% Ni, 0.06% Cu and 0.04% Co from 83.7m in JAG-DD-19-003, including:
 - 3.5m at 2.44% Ni, 0.10% Cu and 0.09% Co from 90.3m;
- 2.5m at 1.44% Ni, 0.04% Cu and 0.21% Co from 100.0m in JAG-DD-19-003;

Diamond drill hole, JAG-DD-19-001, was drilled on section 476840mE (Figure 3) to confirm the continuity of high-grade mineralisation at the Onça-Preta Deposit, as seen in historical drill hole PKS-JAGU-DH00127 (**7.8m at 1.11% Ni** and **13.1m at 1.77% Ni**) located 50m up-dip and PKS-JAGU-DH00003 (**17.1m at 1.02% Ni** and **8.3m at 1.91% Ni**) located 50m down-dip.

As expected, JAG-DD-19-001 intersected intense magnetite and sulphide mineralised tabular zones within the competent granite host rock. Interestingly, the hole returned the highest-grade intersection seen on the project to-date with **1.0m at 9.06% Ni, 0.55% Cu and 0.40% Co**.

JAG-DD-19-003 was drilled on a previously un-tested section, 50m along strike to the west from JAG-DD-19-001. Intense magnetite and semi-massive nickel sulphide mineralisation was also intersected in this hole coincident with the projected DHEM and FLEM conductor plates.

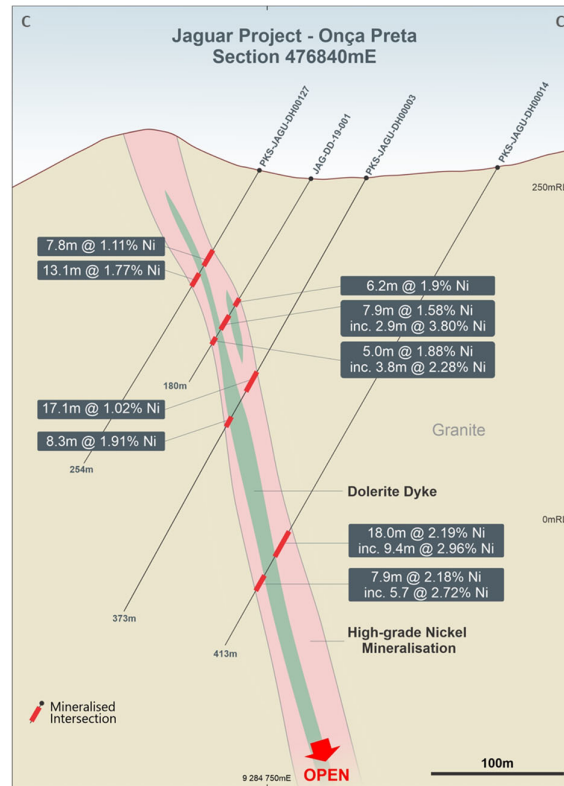
Drilling continued at the Onça-Preta Deposit with drill hole JAG-DD-19-004 completed towards the end of the quarter. This hole is also on section 476790mE (Figure 3) and steps out on the current section testing the down-dip extension of the mineralisation encountered in JAG-DD-19-003. The section remains open at depth.

Interestingly, at Onça-Preta the grade and width of the mineralisation is increasing with depth. The deepest drill hole, PKS-JAGU-DH00014, returned the best intersection of **18.0m @ 2.19% Ni including 9.4m @ 2.96% Ni** from 318m depth as well as **7.9m @ 2.18% Ni including 5.7m @ 2.72% Ni** from 352m depth. In a significant positive for the potential to extend the Deposit at depth, the DHEM conductor plates continue down-dip below these intersections.

Step-out drilling is planned to test these down-dip extensions along with further drilling to the west along the 400m FLEM conductor plate with the objective of extending the high-grade nickel mineralisation in that direction.



Figure 3 – Onça-Preta Deposit: Section 476840mE, showing all drill intersections, both Vale historical holes and recent CTM holes



Processing of Historical EM Data

During the quarter, Centaurus identified several new priority walk-up high-grade nickel sulphide drill targets at the Jaguar Project after receiving more outstanding results from ongoing re-processing of historical geophysical survey data obtained as part of the project acquisition from Vale.

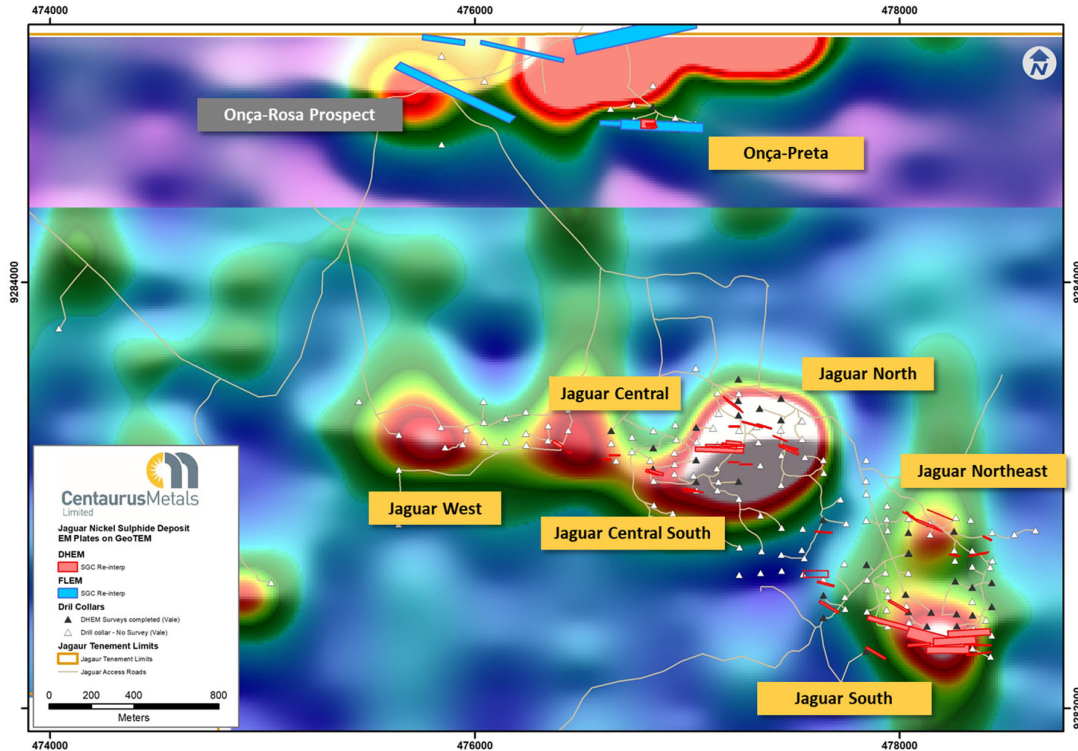
As outlined above, results received to date from the Company’s maiden drill program have already demonstrated that the high-grade zones of semi-massive to massive nickel sulphide mineralisation intersected at both the Jaguar South and Onça-Preta deposits correlate well with the DHEM and FLEM conductor plates modelled by Southern Geoscience as part of the new processing work on Vale’s historical EM survey data.

A further **thirty-one (31) new conductor plates** have now been modelled from DHEM surveys that correlate with existing high-grade semi-massive to massive nickel sulphide intersections at the **Jaguar North-east, Jaguar North, Jaguar Central and Jaguar Central South Deposits** (see Figures 4 and 5 below).

The Company has also now received and processed Vale’s **airborne GeoTEM** survey data. GeoTEM is an airborne Electromagnetic survey technique that collects high data density per line and is a very effective first- pass exploration tool – as demonstrated by the presence of **strong GeoTEM anomalies over the known high-grade nickel occurrences** at the Jaguar Deposits (see Figure 4 below).



Figure 4 – The Jaguar Nickel Sulphide Project: showing the Jaguar and Onça-Preta Deposits and Onça-Rosa Prospect with DHEM (red) and FLEM Plates (blue) overlaid on the GeoTEM Survey (CH16); DHEM survey hole collars are shown as black triangles.



Down-hole Electromagnetic (DHEM) Processing

Conductors modelled from the low-frequency (3Hz) DHEM data over the **Jaguar North, Jaguar Central and Jaguar Central South Deposits** shows the conductor plates aligning into three trends (Figure 4). As with Jaguar South, modelling has indicated that the newly identified conductor plates dip almost vertical with a slight bias to north.

The plates are generally around 200m in dimension, which is related to the detection limit of DHEM under the ground conditions and mineralisation conductance observed at the Jaguar deposit. Often there are multiple plates that may represent continuous semi-massive to massive mineralised zones over longer strike lengths.

The **Jaguar North-east** area is interpreted to consist of moderate conductors, consisting of at least two parallel trends striking approximately WNW (Figure 4). Modelling has indicated that conductors in this area dip close to vertical. The newly modelled conductor plates at all of the Jaguar Deposit areas have correlated extremely well with the high-grade nickel sulphide zones intersected in historical drilling. This provides an outstanding data platform for the Company to continue to extend the known high-grade nickel sulphide intersections and, furthermore, to identify new high-grade nickel sulphide zones.

Airborne GeoTEM Processing

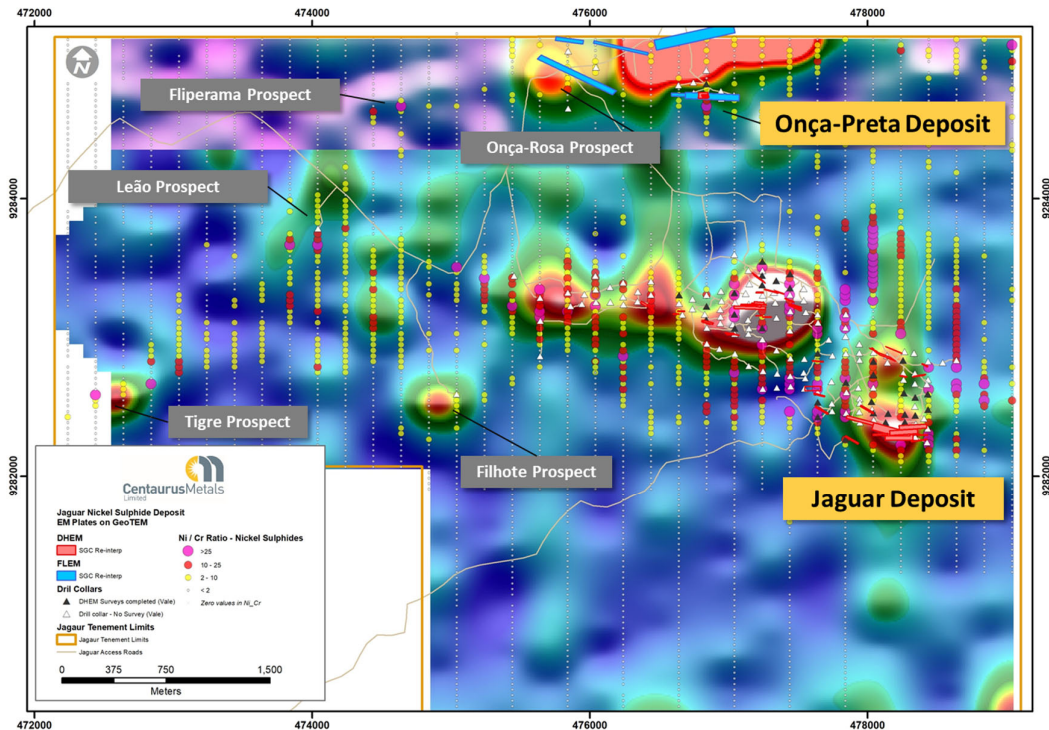
Airborne electromagnetic (EM) methods (GeoTEM, HeliTEM, VTEM) have been successfully applied in Brazil when exploring for sulphide deposits in the Carajás Mineral Province using relatively high operating frequencies (25Hz - 30Hz). The high frequency nature of the airborne systems such as GeoTEM does not provide detailed depth resolution of the anomalies and, as such, follow-up ground EM surveys are usually undertaken to support the GeoTEM work.



Importantly, the first results from the re-processing of the high-frequency airborne GeoTEM survey data (400m line spacing) is showing the good correlation between the GeoTEM results and the high-frequency (30Hz) FLEM, as well as the low-frequency (3Hz) DHEM conductor plates where there is known high-grade nickel sulphide mineralisation (see Figures 4 and 5).

The GeoTEM results shows the prospectivity of the Jaguar and Onça-Preta Deposits but more importantly has identified multiple new greenfields prospects along with confirming the scale of known Prospects (Onça-Rosa). Following is a brief discussion of the greenfields prospects identified with the GeoTEM results (see Figures 4-5):

Figure 5 – The Jaguar Nickel Sulphide Project: showing all the Deposits and Prospects with DHEM (red) and FLEM Plates (blue) overlaid on the GeoTEM Survey (CH16); and the Ni/Cr Geochem (Nickel Sulphide indicator)



Onça-Rosa Prospect

The Onça-Rosa Prospect, located 500m west of the Onça-Preta Deposit, is one of the strongest GeoTEM conductors on the project. Southern Geoscience has also modelled a 600m long FLEM conductor plate, which is coincident with a magnetic anomaly and high Ni/Cr soil geochemical ratios (indicative of nickel sulphides).

The Onça-Rosa Prospect was tested by Vale with the best result coming from PKS-JAGU-DH00158, which returned an outstanding intercept of **7.9m at 5.27% Ni, 0.26% Cu and 1,096ppm Co** from 247m down-hole.

When the Southern Geoscience EM Equipment arrives on site in early February, the Company will start its new ground EM (DHEM and FLEM) survey work at the Onça-Rosa Prospect. Drilling of the Onça-Rosa Prospect is a high priority for the Company given the high-grade nature of the mineralisation seen in PKS-JAGU-DH00158.

Tigre Prospect

Located at the south-western limit of the tenement area, the Tigre Prospect sits on a Ni/Cr and copper-in-soil anomaly coincident with a 1.1km long GeoTEM conductor and a Ground Magnetic anomaly. The Tigre GeoTEM anomaly is as strong as those seen at the Onça-Rosa Prospect and Jaguar Deposits.



The structural and geological setting at Tigre are also very favourable as it is set on a regional structural feature at the contact of the felsic sub-volcanic and the granite, similar to the setting of the Jaguar Deposits.

The Company plans to carry out FLEM surveys over the area ahead of drilling at the Tigre Prospect in H1 2020.

Leão Prospect

The Leão Prospect hosts a 3.5km long Ni/Cr and copper-in-soil anomaly coincident with multiple Ground Magnetics anomalies and a moderate GeoTEM conductor. The Leão Prospect is located along the same prospective structural corridor as the Jaguar Deposits at the contact of the felsic sub-volcanic and the granite.

Only one historical drill hole was completed in the 3.5km long Prospect area. In-fill ground magnetics and FLEM surveys will be conducted over the area ahead of drilling.

Fliperama Prospect

The Fliperama Prospect hosts a 500m long Ni/Cr and copper-in-soil anomaly coincident with a discrete moderate-weak GeoTEM conductor set in a broader ground magnetics anomaly. The geological setting is the same as what is seen at the Onça-Rosa Prospect and Onça-Preta Deposit, where a magnetite body has been mapped within the granite basement.

In-fill ground magnetics and FLEM surveys will be conducted over the area ahead of drilling.

Filhote Prospect

The Filhote Prospect is a 2km long PGE soil anomaly that is coincident with a discrete strong 400m GeoTEM conductor set within a broader ground magnetic anomaly. Two drill holes are located within the area which returned intersections up to 1.1g/t PGEs, but did not intersect the main GeoTEM anomaly (see Figure 5),

The Company plans to carry out FLEM surveys over the area ahead of drilling at the Filhote Prospect.

It should be noted that the extremely strong GeoTEM conductor immediately north of the Onça-Preta Deposit (Figure 4) is associated with the Puma Ultramafic Intrusion. This anomaly is not thought to be associated with massive sulphides and is not considered a priority, although it will be investigated in time.

New Ground Magnetics and Electromagnetic (EM) Surveys

An in-fill ground magnetics survey was being worked on at quarter end. The historical ground magnetics survey was completed on 200m lines spacing but, given the importance of iron oxides (magnetite) in the mineralisation assemblage, a tighter ground magnetic survey will greatly assist with drill-hole planning.

The survey is being completed by a local geophysical consultancy with Southern Geoscience completing QA/QC of the survey data and undertaking all of the required processing work. Around 90km of lines have been completed to date with the results of the survey work expected in Q1 2020.

The Company is also working with Southern Geoscience on the temporary import of ground EM equipment, both Down-hole (DHEM) and Fixed Loop (FLEM). The equipment has arrived in Brazil and is expected to clear Brazilian customs in early February 2020.



A Southern Geoscience geophysicist will be on site as soon as the EM gear arrives at the Project completing DHEM and FLEM surveys for the Company and also attending to operator training of the equipment by the Centaurus EM team. Centaurus will have a dedicated EM survey team that will carry out DHEM surveys of new and historical drill holes as well as greenfields FLEM surveys.

Forward Steps: Major New Work Programs Underway

Subsequent to quarter-end, Centaurus announced the commencement of major exploration, resource definition and project development programs for 2020 (see ASX announcement, 15 January 2020). The Company has embarked on a multi-pronged strategy aimed at delivering a maiden high-grade JORC Mineral Resource at Jaguar by mid-2020, making new massive sulphide nickel discoveries and putting in place the foundations for a rapid pathway to project development and licensing.

Third Diamond Rig

A third diamond rig arrived on site at Jaguar in early 2020 with all rigs now operating on double-shift. The Company has improved site access conditions significantly since acquiring the Project, particularly over the last six weeks of the quarter, to allow for drilling throughout the wet season, which continues from now through to the end of April.

Diamond drilling is ongoing at the Jaguar South and Onça-Preta Deposits focused on extending known mineralisation and identifying new high-grade zones. Results to date¹ from the Company’s maiden drill program have already demonstrated that the high-grade zones of semi-massive to massive nickel sulphide mineralisation intersected at both the Jaguar South and Onça-Preta Deposits correlate well with existing drill intersections as well as the DHEM and FLEM conductor plates.

Drilling on the other Jaguar Deposits as well as the Onça-Rosa Prospect will start this quarter once the drill accesses and pads have been prepared and in conjunction with the results coming from the Company’s first Down-hole (DHEM) and Fixed Loop (FLEM) Electromagnetic (EM) survey work.

EM Surveys and New Ground Magnetics

Following the reprocessing of Vale DHEM and FLEM data reported above, the Company has now identified over 50 EM conductor plates on the tenement package to date, with a number of the conductor plates being up to 500 metres long. In most situations the historical high-grade drill intersections correlate very well with the conductor plates.

The Company sees EM survey work as a very powerful tool in identifying massive sulphides and high-grade nickel mineralisation at the Project. As a result, the Company is working with Southern Geoscience on the temporary import of ground Electromagnetic (EM) equipment, both Down-hole EM (DHEM) and Fixed Loop EM (FLEM) so that it can undertake its own survey work without relying on access to EM equipment from the only service provider in Brazil. The equipment has arrived in Brazil and is now awaiting customs clearance which is expected by early February.

¹ Refer to ASX Announcement – “High-Grade Nickel Sulphides Intersected at Jaguar” on 3 December 2019 for maiden drill results.



Metallurgy & Engineering

The Company’s Principal Metallurgist has now completed a comprehensive review of historical metallurgical data and has identified several value-adding processing and project risk reduction opportunities that are now to be investigated.

Historically, the testwork was completed based on consideration of a bulk tonnage, low-grade project with the testwork starting with a coarse primary grind followed by a rougher concentrate fine regrind.

This process is more like a copper-gold flotation circuit not a conventional nickel flotation circuit. Consequently, the Company now believes that there are a number of value-adding process optimisation opportunities immediately available to enhance nickel recoveries and reduce operating costs.

Process Mineralogy

Centaurus has commenced process mineralogy studies that amalgamate geological and metallurgical studies to create a “Geomet” understanding of how each respective ore type will treat and what is metallurgically significant in the ore in order to guide geological assessment and analysis..

This work will be carried out by McArthur Ore Deposit Assessments Pty Ltd (MODA) in Tasmania. MODA is an industry leader and exceptionally experienced in base metal flotation performance. The Geomet studies are key to efficiently carrying out the metallurgical testwork.

Metallurgical Testwork

More than 75kg of sample has arrived in Perth and composites of the Jaguar South and Onça-Preta ore have been completed for the process mineralogy assessment and metallurgical testwork. Two master composites are being constructed – a “Jaguar Composite” and an “Onça Composite”, which reflect the current knowledge of the mineralogical variation within the deposits.

Metallurgical testwork will be carried out at ALS Metallurgy in Perth, with testwork to start by the end of January 2020.

Project Engineering

Project engineering work considering a conventional nickel flotation processing plant project is already underway with the preliminary water balance, waste storage requirements and project layout studies well advanced.

Particular attention is being paid to the Project’s Tailings Storage Facilities (TSF) given the importance of this piece in the project licensing. Centaurus has considerable experience with TSF’s in Brazil, where it successfully licensed the Company’s Jambreiro Iron Ore Project. Jambreiro’s license approval includes a TSF that is considerably bigger than what is expected at Jaguar. The Company will also investigate dry-stacking and using tails as paste-fill to minimise TSF requirements.

A preliminary project layout that formed the basis of the Environmental Impact Assessment (EIA/RIMA) terms of reference application has been completed.



Project Licensing

The terms of reference for the EIA/RIMA, which is the main study required to apply for the key project environmental licence (Preliminary Licence or LP), has been issued by the Pará Environmental Agency (SEMAS). The scope issued by SEMAS is in line with the Company's expectations for the Jaguar Project.

A considerable amount of baseline data is already at hand for use in the EIA/RIMA given the historical work completed by Vale, and this has given the Company a strong head-start on the licensing process. While further wet and dry season data is required, the collection of wet season data is already well underway. Dry season data will need to be collected from June 2020.

The Company is confident that it can lodge the Jaguar Project EIA/RIMA before the end of 2020.

JAMBREIRO IRON ORE PROJECT

The Company's 100%-owned Jambreiro Project, located in south-east Brazil (Figure 6), is a shovel-ready development project that is licensed for 3Mtpa of production and represents a strategic asset in the Brazilian domestic iron ore and steel sector, particularly with the premium pricing that exists in the market for high-grade ore (+65% Fe) such as that which could be produced at Jambreiro.

Centaurus completed the Pre-Feasibility Study (PFS) in July 2019, with the key financial and technical outcomes announced to the market on 5 July 2019. The PFS outlined a robust 1Mtpa start-up project capable of generating life-of-mine revenues of **A\$1.05 billion and EBITDA of A\$533 million over its initial 18-year life**.

The PFS has been based on the new JORC 2012 Proven and Probable Ore Reserves estimate of 43.3Mt grading 29.1% Fe, which was also released to the market on 5 July 2019. The Ore Reserve delivers 17.9Mt of high-grade (65% Fe), low-impurity (4.3% SiO₂, 0.8% Al₂O₃ & 0.01% P) sinter product to support the initial 18-year mine life once operations commence. Underpinning the PFS results are low forecast mine gate cash operating costs of A\$25.1, which when combined with government and landowner royalties, amount to a total mine gate cash cost (C1 + Royalties) of A\$29.0/tonne.

The strong economics of the proposed **A\$59.8 million development – including a A\$114.9 million post-tax NPV₈ and IRR of 32%** for a 1Mtpa operation – provide a robust foundation for the Company to advance the project should a suitable offtake arrangement be put in place.

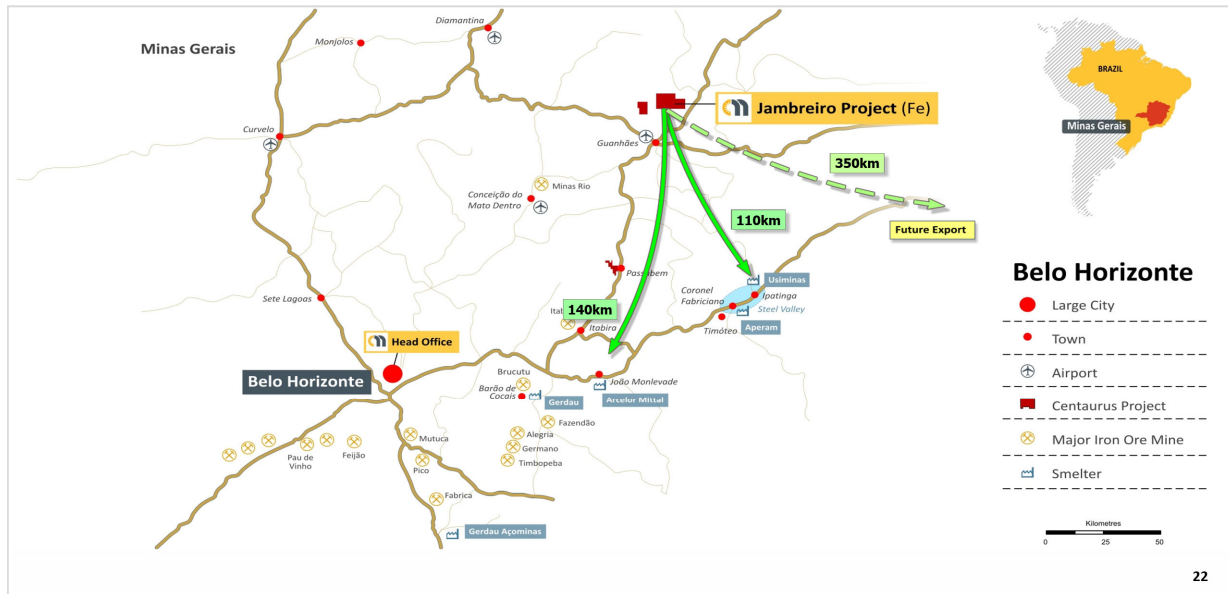
During the Quarter, the Company continued to explore offtake opportunities for the high quality Jambreiro product with a number of end user and trading groups with CDE Global also continuing their engineering and detailed design work on a modular turn key plant solution for the Project.

CDE global made good progress on their engineering and design work during the quarter and will provide updated feasibility study level capital costs for the modular plant design in the March quarter.

The completion of a suitable offtake is required in order for the Company to advance financing discussions for the Project. Consequently, until offtake is advanced to a satisfactory stage to support financing, any development decision in respect to the Project will continue to be deferred.



Figure 6: Jambreiro Iron Ore Project Location



ITAPITANGA NICKEL-COBALT PROJECT

No work has been undertaken by joint venture partner, Simulus, under their earn in agreement during the Quarter. The status of the joint venture earn is under review and Centaurus will advise the outcome of the review during the March quarter.

CORPORATE

Senior Management Appointments

During the Quarter, Centaurus announced a series of new senior appointments to lead the Company’s nickel exploration and development strategy centred on the Jaguar Nickel Sulphide Project.

Experienced senior executive **John Westdorp** has been appointed as **Chief Financial Officer (CFO)** and also recently transitioned to the role of Company Secretary in January 2020.

Mr Westdorp has a strong depth of experience in the resource sector, stretching across 25 years, with previous senior finance roles with Murchison Metals, Burrup Fertilisers, Normandy Mining/Newmont and multiple North Limited operating entities in Australia and overseas. Mr Westdorp has deep experience in project financing, development and operations, as well as commercial transactions, including significant international experience.

Roger Fitzhardinge has been appointed as **Operations Manager – Nickel**. Mr Fitzhardinge is a geologist with 20 years’ experience in the exploration and mining industry, including almost 10 years with Centaurus, where he was originally appointed as Senior Geologist and subsequently as Exploration Manager. Mr Fitzhardinge has extensive nickel sulphide experience in Brazil, having previously worked on the exploration, implementation and operation of Mirabela Nickel’s Santa Rita nickel sulphide mine. Mr Fitzhardinge has worked in Brazil since 2005 and is bilingual in Portuguese and English.

John Knoblauch has been engaged as **Principal Metallurgist**. Mr Knoblauch has considerable experience in the management of metallurgical test work programs and process flow sheet development, including most recently almost 10 years with mid-tier copper producer Sandfire Resources, where he held the roles of Senior Project/Process Engineer and subsequently Principal Metallurgist.



Mr Knoblauch has a strong understanding of both nickel sulphides and the Brazil operating environment, with previous roles as the in-country Project Superintendent at Mirabela Nickel's Santa Rita Project in Brazil and Group Process Engineer at Sally Malay Mining's (Panoramic) nickel mining operations.

Grant "Rocky" Osborne has been engaged as **Principal Geoscientist**. Mr Osborne is a highly respected mining professional with over 40 years' experience in international mineral exploration and underground mining, with particular expertise in nickel and gold. While working for BP Minerals in Australia and Brazil in the 1980s, he was responsible for the discovery of the Rocky's Reward nickel mine (WA).

In 1989, he joined WMC in Brazil as senior geologist, rising to the rank of Principal Geologist, where he headed the teams responsible for the discovery of the Boa Vista nickel deposit and Sertão gold mines in Brazil, and was involved in global nickel sulphide targeting in Africa, Canada, China and South America. Mr Osborne has worked with the Mitchell River Group as Chief Geologist for affiliated companies Albidon Limited and Mirabela Nickel Limited. He is fluent in both Portuguese and English.

Cash Position

At 31 December 2019, the Company held cash reserves of A\$9.7 million.

Shareholder Information

At the end of the reporting period, the Company had 3,790,971,362 shares on issue with the Top 20 holding 44.3% of the total issued capital. Directors and Senior Management held approximately 4.5% of the total issued capital.

The Company's capital structure is as follows:

Quoted Securities

Security	Number
Fully paid ordinary shares (CTM)	3,790,971,362
Listed options, exercise price \$0.012, expiry date 31 May 2021 (CTMOC)	434,100,000

Unquoted Options

Expiry date	Exercise price	Employee Options		Options	Total number of shares under option
		Vested	Unvested		
10/06/2020	\$0.0082	8,500,000	-	-	8,500,000
31/05/2020	\$0.0130	18,500,000	-	-	18,500,000
31/05/2021	\$0.0140	18,500,000	-	-	18,500,000
31/05/2022	\$0.0150	33,500,000	-	-	33,500,000
31/01/2020	\$0.0150	-	-	167,500,000	167,500,000
31/05/2022	\$0.0120	1,750,000	-	-	1,750,000
31/05/2023	\$0.0120	-	1,750,000	-	1,750,000
31/05/2024	\$0.0120	-	3,500,000	-	3,500,000
Total		80,750,000	5,250,000	167,500,000	253,500,000

Unquoted Performance Rights

The following Performance Rights were issued on 5 September 2017 and are held by Terrativa Minerais SA under the terms of the Company's Agreement with Terrativa signed in December 2016 in relation to the acquisition of 100% of the Para Exploration Package in Brazil.



Each tranche of Performance Rights will be converted into Ordinary Shares upon the achievement in full of the following vesting conditions:

- Tranche A – 30,000,000 Performance Rights will be converted into 30,000,000 Ordinary Shares if, within a period of 5 years after the date of issue of the Performance Rights, a JORC-compliant Inferred Resource of 500,000oz of gold or gold equivalent is defined on the Pará Exploration Package Project tenements;
- Tranche B – 30,000,000 Performance Rights will be converted into 30,000,000 Ordinary Shares if, within a period of 5 years after the date of issue of the Performance Rights, a JORC-compliant Inferred Resource of 1,000,000oz of gold or gold equivalent is defined on the Pará Exploration Package Project tenements;
- Tranche C – 30,000,000 Performance Rights will be converted into 30,000,000 Ordinary Shares if, within a period of 5 years after the date of issue of the Performance Rights, a JORC-compliant Inferred Resource of 1,500,000oz of gold or gold equivalent is defined on the Pará Exploration Package Project tenements.

During the Quarter none of the Performance Rights were converted or cancelled and no vesting conditions were met.

This Quarterly Activities Report is authorised for release by the Managing Director, Mr Darren Gordon.

DARREN GORDON
MANAGING DIRECTOR

Competent Person's Statement

The information in this report that relates to new Exploration Results is based on information compiled by Roger Fitzhardinge who is a Member of the Australasia Institute of Mining and Metallurgy. Mr Roger Fitzhardinge confirms that the historical information in this report that relates to the Exploration Results and Mineral Resource provided under ASX Listing Rules 5.12.2 to 5.12.7 for the Jaguar Nickel Sulphide Project is an accurate representation of the available data and studies supplied to Centaurus as a foreign estimate.

The information in this report that relates to Jambreiro Mineral Resources is based on information compiled by Roger Fitzhardinge who is a Member of the Australasian Institute of Mining and Metallurgy and Volodymyr Myadzel who is a Member of Australian Institute of Geoscientists.

Roger Fitzhardinge is a permanent employee of Centaurus Metals Limited and Volodymyr Myadzel was the Senior Resource Geologist of BNA Mining Solutions, independent resource consultants engaged by Centaurus Metals, at the time when the Mineral Resource estimate was first completed.

Roger Fitzhardinge and Volodymyr Myadzel have sufficient experience which is relevant to the style of mineralisation 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 Reserves'. Roger Fitzhardinge and Volodymyr Myadzel consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

The information in this report that relates to Ore Reserves is based on information compiled by Beck Nader who is a professional Mining Engineer and a Member of the Australian Institute of Geoscientists. Beck Nader is the Managing Director of BNA Mining Solutions and is a consultant to Centaurus.

Beck Nader 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'. Beck Nader consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.