AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT
& MEDIA RELEASE

9 July 2015

EXTENSIVE GOLD-IN-SOILS TARGET IDENTIFIED AT MOMBUCA GOLD PROJECT, SE BRAZIL

Open-ended target zone up to 1.5km long identified

Key Points

- **Prospectivity of Centaurus' recently secured Mombuca Project in SE Brazil significantly upgraded by recent geochemical sampling program.**
- **Gold values in soils up to 0.8g/t Au returned over an extensive, open-ended zone 1.5km long and varying in width from 50-150m.**
- **Rock chip samples from mineralised quartz veins in the target area returned grades of up to 9.3g/t Au with historical face sampling of adits in the area returning intercepts of up to 6m @ 5.3g/t Au.**
- **The newly defined zone is coincident with a prominent magnetic low structure within a broader regional magnetic anomaly which has dimensions of 4.8km by 3.5km.**
- **Several drill targets are already evident from the soil results received to date, coupled with detailed geological mapping and the identification of auriferous quartz veins.**

Centaurus Metals (ASX Code: **CTM**) is pleased to announce that it has significantly enhanced the gold exploration potential of its recently secured **Mombuca Gold Project** in the State of Minas Gerais, south-eastern Brazil after receiving highly encouraging results from an initial low-cost soil sampling program.

Assay results from the sampling returned **gold values in soils up to 0.8 g/t Au**, with the program successfully defining an open-ended zone extending over a strike length of **1,500m and with widths varying from 50m to 150m**.

The results demonstrate continuity across the main target units and correlate well with the mapping of the alteration zones completed to date. Locally, the soils results are a good indicator of the potential widths of the mineralized system. Rock chip samples from mineralized quartz veins in the target area returned results of **up to 9.3g/t Au** and historical face sampling of the adits located in the area has returned gold intercepts of up to **6m at 5.3g/t Au** (see Figure 1).

Although the adits are located in the south-western zone of the sampled area, it is the north-eastern target zone that is proving to be quite exciting at this early stage of exploration. Gold anomalies in soils are stronger in this zone, and are coincident primarily with strong sericite-carbonate alteration of the mafic schists as well as the talc-chlorite hydrothermal alteration present in the ultra-mafic schist and auriferous quartz veins.

In the north-east zone multiple quartz veins up to 20m wide and striking over 50m have been identified at surface. The quartz veins often host limonite, iron oxides, boxworks after weathered sulphides and occasional fresh sulphides (mainly pyrite). Visible gold has been identified in some of the veins.

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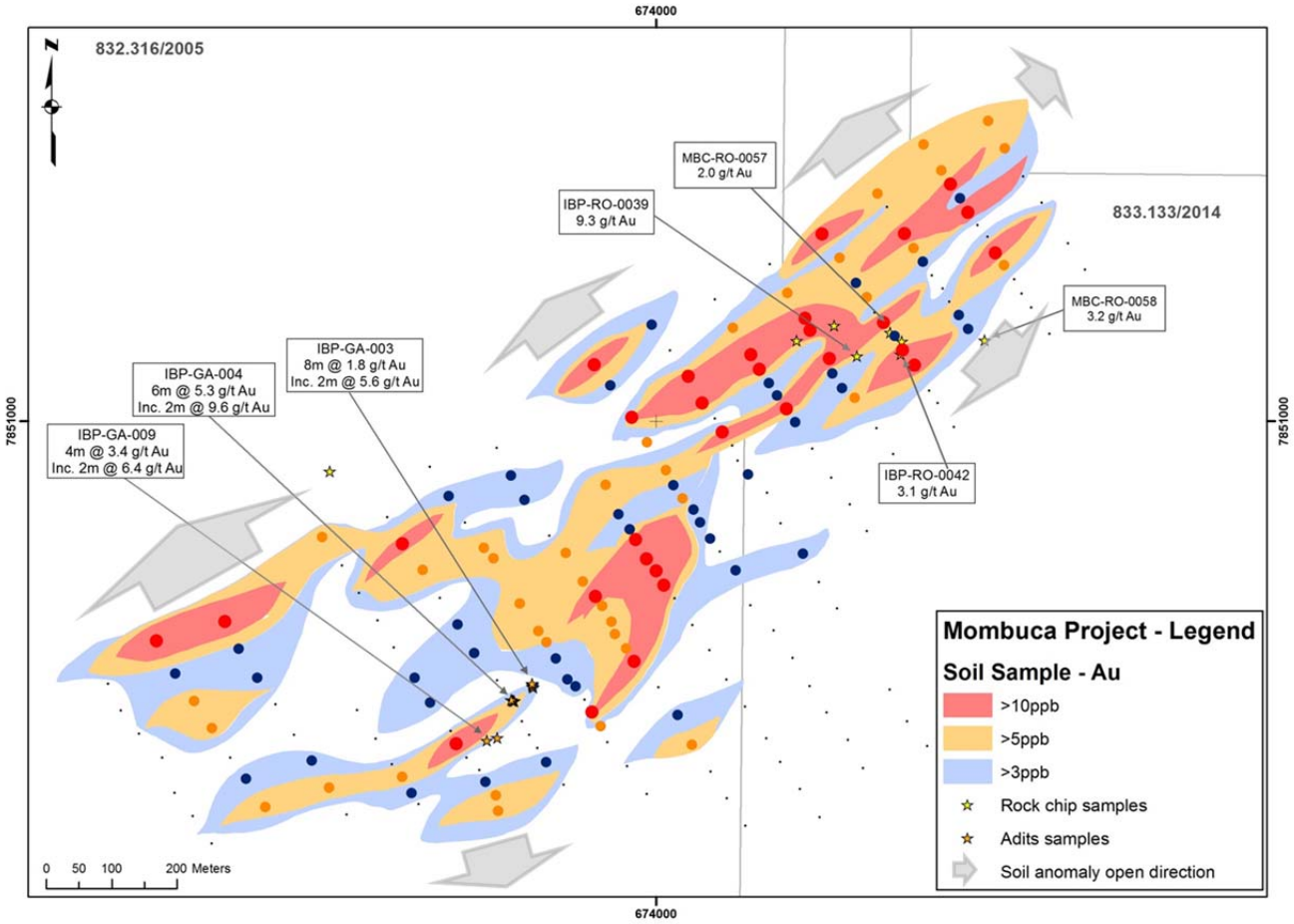
To date rock chip samples taken from these veins identified at surface have included assay results of **9.30g/t Au**, **3.16g/t Au**, **3.10g/t Au** and **1.98 g/t Au** (all results are presented in Table 2).

The soils program consisted of 206 soil sample assays and covered the preliminary exploration target zone, which is a metavolcanic-sedimentary sequence consisting of quartzites, iron formations (itabirite), mafic and ultra-mafic schists. The sequence dips shallowly to the east-southeast, in the direction of the untested regional magnetic anomaly (Figure 2).

Figure 1: Mombuca Soil Sample Results

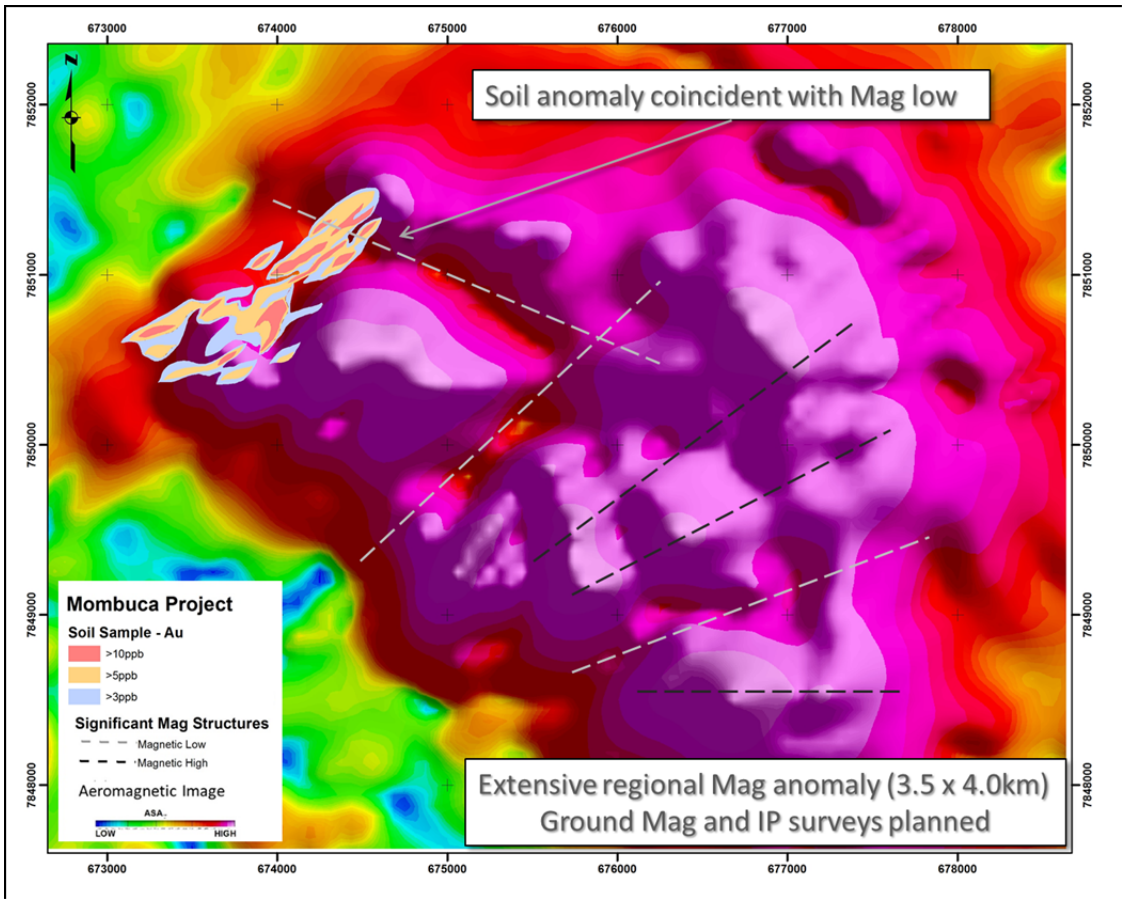


Interestingly, the anomalous soil zone identified from the current soils program is coincident with a prominent magnetic low structure within the broader regional magnetic anomaly (Figure 2). The magnetic low response may be associated with either hematite-rich zones caused by hydrothermal upgrade of the itabirite or iron oxide depleted zones due to sulfidation of the itabirite. Both are key target features for future gold exploration.

The Mombuca Project is located in the southern segment of an extensive gold-palladium belt roughly 100km north-east of the State capital of Belo Horizonte and is located immediately to the east of the Company's 100%-owned Itambé tenement.

This belt is roughly defined by a series of north-south trending lineaments of thrust faults of Brasiliano orogeny (~0.6 Ga), coincident with occurrences of gold-palladium-platinum mineralisation, artisanal workings and, in some cases, iron ore and gold mines (Itabira, Gongo Soco). The Mombuca tenement hosts a regionally significant magnetic anomaly as shown in Figure 3.

Figure 2: Mombuca Project Gold Occurrences on Regional Aeromagnetic Image



The Mombuca Exploration Program

Based on these the soil results, coupled with detailed geological mapping and the identification of the auriferous quartz veins, several drill targets are already evident. The Company is continuing to progress its low-cost exploration activities on the Mombuca Project, underpinned by funding secured via a recently completed share placement and the sale of the Candonga DSO Project to a private Brazilian group (see ASX Announcement – 8 July 2015).

This low cost work includes continued detailed geological surface mapping of the target sequence and the previously unmapped areas of the Mombuca tenement. An extension of the soil geochemical sampling program is already underway and a trench program across the auriferous quartz veins has been planned. A stream sediment sample and pan-concentrate gold colour count program is planned for the larger area.

Ground magnetics and IP survey work programs are also planned as they will be important in improving the Company's geological understanding of the regional-scale structures within the project area. The magnetic anomaly on the newly acquired Mombuca tenement is regionally significant. It has dimensions of 4.8km by 3.5km and is one of the strongest anomalies in the region. It is of a similar scale to, and located just 20km north of, the world-class Itabira Iron Ore mine (Figure 3), which has been operating for over 60 years.

Centaurus' Managing Director, Darren Gordon, said the Mombuca Project was shaping up as an exciting early stage gold exploration opportunity for the Company, with initial soil sample and rock chip assay results from the newly identified surface veining providing significant encouragement.

"These are very good results for early-stage gold exploration with grades of up to 0.8g/t from geochemical sampling in soils coinciding with high-grade rock chip results and historical face sampling results," he said.

"All the indications are that this is a large mineralised system which coincides with an important regional magnetic feature. By any measure this is an exciting early-stage exploration opportunity and with the small equity raise completed earlier in the week together with the sale of the Candonga Project, we intend to pursue further gold exploration activities as soon as we can."

-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 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 3: Mombuca Project Au-Pd Belt of Minas Gerais; Mombuca and Itabira Regional Aeromagnetics Image

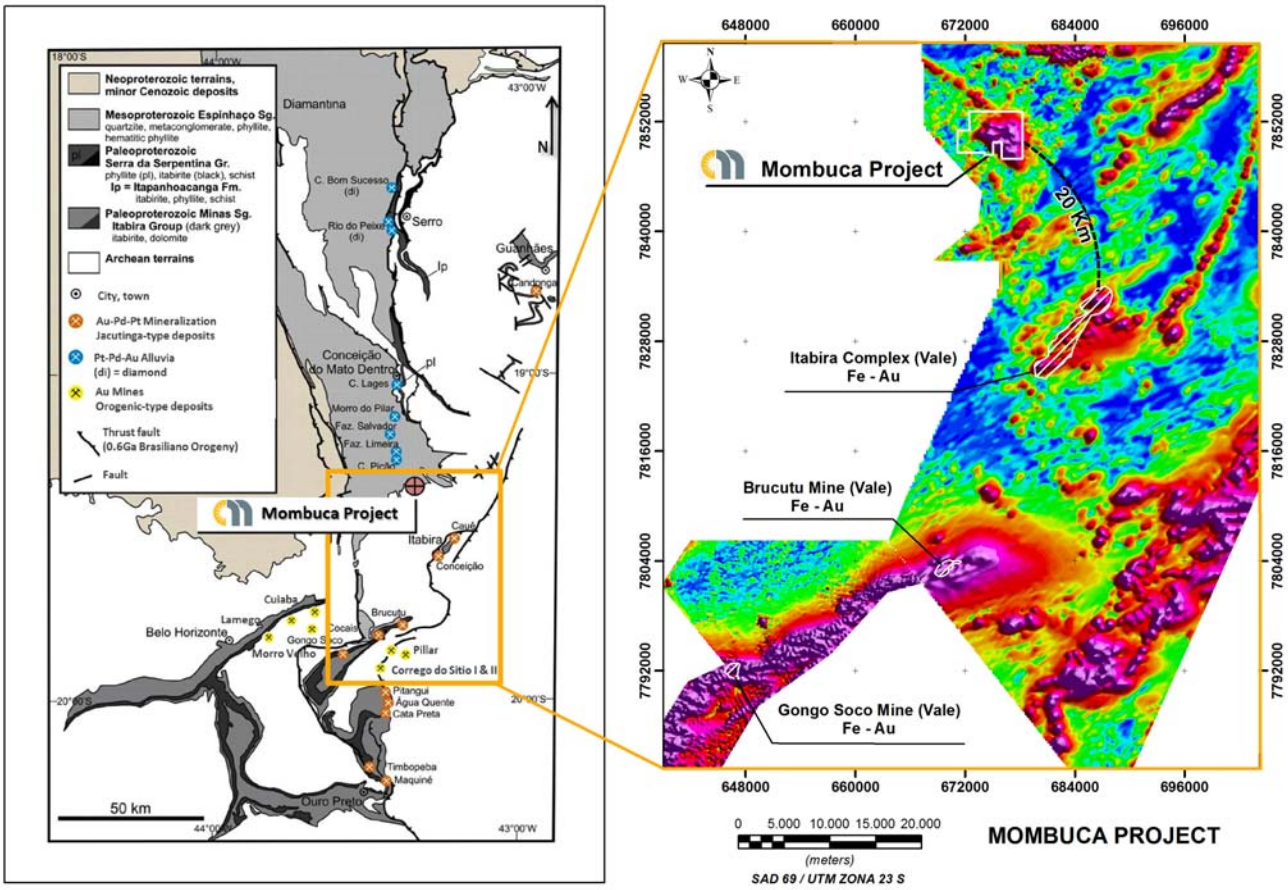

Figure 4 – Quartz vein with Limonite pseudomorphs after pyrite with boxworks (674377mE, 7851107mN).

Table 1: Mombuca Project – Historical Face Sampling of Adits

Adit Number	East	North	RL	Dip	Azimuth	Intersection
IBP-GA-0003	673807	7850604	975	0	160	8m @ 1.8 g/t Au
						incl. 2m @ 5.6 g/t Au
IBP-GA-0004	673770	7850578	987	0	110	6m @ 5.3 g/t Au
						incl. 2m @ 9.6 g/t Au
IBP-GA-0009	673717	7850501	935	0	125	4m @ 3.4 g/t Au
						incl. 2m @ 6.4 g/t Au

Table 2: Mombuca Project – Rock Chip samples

Field Sample*	East	North	RL	Sample Description	Au (ppb)
IBP-RO-0038	674292	7851099	877	Quartz vein within iron oxides	40
IBP-RO-0039	674308	7851100	870	Quartz vein with pyrite and iron oxides	9300
IBP-RO-0040	674419	7851120	829	Low grade Itabirite	< 5
IBP-RO-0041	674419	7851120	829	Low grade Itabirite	< 5
IBP-RO-0042	674504	7851124	803	Quartz vein with iron oxides	3195
IBP-RO-0043	675275	7851164	858	Soil	< 5
IBP-RO-0044	671730	7849169	751	Soil	20
2400052	675189	7849112	857	Quartz vein within iron oxides	6
2400053	673500	7850924	921	Recrystallized quartz vein with fuchsite	<5
2400054	674215	7851124	886	Mafic schist with sericite, carbonate, pyrite and limonite	9
2400055	674273	7851147	883	Talc-Chlorite schist with boxworks (magnetite)	5
2400056	674359	7851136	860	Talc- Chlorite schist with boxworks (magnetite) and sericite	6
2400057	674377	7851122	859	Quartz vein with pyrite and limonite	1980
2400058	674375	7851103	865	Quartz vein with pyrite, limonite and visible gold	3160

**Only samples analysed for Au are shown*

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

SECTION 1 SAMPLING TECHNIQUES AND DATA

Criteria	Commentary
Sampling techniques	• Soil samples were collected at 25m intervals along 100m spaced grid lines. • Surface material was first removed and sample holes were dug to roughly 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. • The adits were sampled by continuous channel sampling along the mineralised quartz vein (15-30cm width). Chips were taken from the quartz vein and host rock approximately 20cm either side of the vein, results are shown in Table 1. • 14 surface rock chip / soil samples were collected from in situ outcrops and rolled boulders for chemical analysis. Results are shown in Table 2. • Additional samples have recently been taken by the Company and are awaiting assay results.
Drilling techniques	• There is historical drilling on one of the Mombuca tenements for iron ore. These drill results are not referred to in this announcement. No drilling of the gold targets has been conducted.
Drill sample recovery	• No drilling was conducted.
Logging	• All outcrop and soil sample points were registered and logged in the Centaurus geological mapping point database.
Sub-sampling techniques and sample preparation	• All rock chip and soil samples were sent to the laboratory without any field preparation.
Quality of assay data and laboratory tests	• Analysis of the soil samples was completed at ALS Laboratories. Samples are dried at 100^{o}C and crushed and screened to 80 mesh. The pulp is quartered and an aliquot of 50g is sent for chemical analysis. • Chemical analysis was completed for gold by fire assay and ICP for limit of 0.001ppm as well as multi element using ICP. • For the historical adit sample an ore-grade sample metallic screen fire assay was applied. • ALS and SGS laboratories insert their 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 have been inserted by Centaurus for this project.
Verification of sampling and assaying	• All samples were collected by Centaurus field geologists. All assay results were verified by alternative Company personnel and the Competent Person before release.
Location of data points	• The survey grid system used is SAD-69 23S. This is in line with Brazilian Mines Department requirements. All sample and mapping points are collected using a Garmin hand held GPS.
Data spacing and distribution	• Soil samples were collected with a spacing of 100m x 25m. • Sample spacing was deemed appropriate for geochemical studies but should not be considered for Mineral Resource estimations.
Orientation of data in relation to geological structure	• The extent and orientation of the mineralisation was interpreted based on field mapping and historical workings. Sample orientation is perpendicular to the main stratigraphic sequence along which mineralisation exists.

Sample security	• All samples are placed in pre-numbered plastic samples 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 ALS or SGS laboratories in Belo Horizonte. 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.
Audits or reviews	• No audit or review has been conducted on the project to date.

SECTION 2 REPORTING OF EXPLORATION RESULTS

Criteria	Commentary
Mineral tenement and land tenure status	• The Mombuca Project consists of the tenements DNPM 832.316/2005 (application for Mining Lease), 833.133/2014 (Exploration Licence) and 830.668/2015 (Exploration Licence Application). Granted Exploration Leases have three years of exploration rights that may be extended for a further three years. • The tenement 833.133/2014 is part of the Terrativa Option Agreement. Centaurus will pay a production bonus royalty of US$1.5 million to the Vendor on first product sold from this or any tenement included in the Agreement. • All mining projects in Brazil are subject to a CFEM royalty, a government royalty of 2% on iron ore revenue (less taxes) and 1% on gold revenue (less taxes). • Landowner royalty is 50% of the CFEM royalty. • The project is located circa 15km from the federal wilderness park of the Serra do Cipo. The project is outside the buffer zone and exploration and mining is permitted with appropriate environmental licences as held by Centaurus.
Exploration done by other parties	• Historically the 832.316/2005 tenement area was explored for iron ore by Centaurus. • Exploration for gold on the 832.316/2005 tenement was originally restricted to the adits that were worked by grimpeiros in the 1800s. Centaurus conducted some follow up mapping and sampling of the gold adits in 2009 that are reported in this announcement. • There is no known evidence of exploration for gold or iron ore done by other parties on the 833.133/2014 tenement.
Geology	• The Mombuca Project is located within the Espinhaço Super Group (Mesoproterozoic). • The target units are part of a metavolcanic-sedimentary sequence of quartzite, ferruginous quartzite, itabirite, mafic and ultramafic schists. This sequence has not been identified in the Brazilian Geological Survey (CPRM) regional mapping and as such it is not fully understood if the sequence is in fact part of the Espinhaço Super Group. The sequence is emplaced in Archean gneissic basement. • The sequence generally dips shallowly to the south-east and has been affected by multiple phases of folding. Some late-stage thrust faulting is apparent throughout the project area. • Later stage mafic intrusives (gabbro and dolerite) are also present throughout the project area. • The auriferous quartz veins identified in the adits are generally hosted by the mafic schists and run parallel to the foliation. Iron oxide and sericite alteration is present within the host rock. • The host rocks have undergone intense weathering locally. Sericite, carbonate and talc-chlorite alteration is present in the mafic and ultra-mafic schists. The host rocks have been further softened through intense weathering process which has further concentrated the iron oxides through the weathering of sulphides. The vein orientation varies slightly across the three gold adits but is generally orientated SW-NE with varying plunge orientations to the ESE. • The itabirite is fine-medium grained and composed of quartz, hematite, magnetite, goethite with minor mica and clay minerals. Itabirite thickness varies from 5 to 20 metres and is more compact at depth. Itabirite grade is between 35-50% Fe. No high grade lenses have been identified to date.

Criteria	Commentary
Drill hole Information	• There is historical drilling on one of the Mombuca tenements for iron ore. These drill results are not referred to in this announcement. No drilling of the gold targets has been conducted.
Data aggregation methods	• No cut-offs have been applied in reporting of the soil sampling exploration results. • No aggregate intercepts have been applied in reporting of the soil sampling exploration results.
Relationship between mineralisation widths and intercept lengths	• No drilling was conducted.
Diagrams	• Refer to Figures 1-4.
Balanced reporting	• All Exploration Results received by the Company to date are included in this report.
Other substantive exploration data	• Historical geological mapping was carried out by Centaurus geologists. • Interpretation of Regional Aeromagnetic data that was collected by state agency CODEMIG was completed by geophysics from Intergeo.
Further work	• The Company plans to complete further detailed geological mapping, stream sediment sample and pan-concentrate gold colour count program and a ground magnetics survey on 200m N-S line spacings with measurements every 10m. Based on targets generated from these programs, the Company will consider an initial exploration drilling program.