

29 August 2019

OUTSTANDING HIGH-GRADE NICKEL SULPHIDE DRILL TARGETS CONFIRMED AT JAGUAR PROJECT

Re-modelling of existing EM data confirms large surface and down-hole EM conductors including a 600m long plate coincident with a historical intercept of 7.9m @ 5.27% Ni

- Exceptional initial results received from re-processing of existing Fixed-Loop Electromagnetic (FLEM) and Down-hole Electromagnetic (DHEM) survey data from the Jaguar Nickel Sulphide Project.
- Re-processing of the data is being undertaken by leading geophysical consulting group, Southern Geoscience, with initial results confirming:
 - A 400m long FLEM conductor, coincident with historical high-grade nickel sulphide intersections (18.0m at 2.19% Ni and 7.9m at 2.18% Ni), at the Onça-Preta Deposit – *the conductor extends >150m below the deepest drill-hole, demonstrating that the mineralisation is open at depth*; and
 - A 600m long EM conductor plate at the Onça-Rosa Target, which has been tested by only two historical diamond drill-holes – *both holes were mineralised with one returning an outstanding intercept of 7.9m @ 5.27% Ni and no other drill holes within 200m of this high-grade intercept*.
- Results to date demonstrate clearly that the EM conductors correlate extremely well with the high-grade nickel sulphide zones intersected in the historical drilling – providing exceptional walk-up drill targets, both in areas of known high-grade mineralisation and potential new high-grade zones.
- Southern Geoscience continues to work on the FLEM and DHEM survey data from the remaining Jaguar Deposit area with more results expected in the coming weeks.
- The Company's maiden diamond drilling program planned to commence towards the end of October with holes to test the newly-identified EM conductor plates.
- The Jaguar Nickel Sulphide Project, located in the world class Carajás Mineral Province, contains a foreign resource estimate of 40.4Mt at 0.78% Ni (0.5% Ni cut-off) for a total of 315,000 tonnes of contained nickel¹, based on more than 55,000m of historical diamond drilling by Vale.
- Significant opportunity exists at the Jaguar Project to establish a high-grade JORC Mineral Resource over the coming months, with multiple shallow high-grade zones delineated by previous drilling, including:
 - 34.0m at 3.31% Ni from 56m in PKS-JAGU-DH00065;
 - 42.4m at 2.20% Ni from 76m in PKS-JAGU-DH00132; and
 - 31.4m at 2.47% Ni from 15.3m in PKS-JAGU-DH00030.

¹ CTM cautions that the mineral resources for the Jaguar Project are not reported in accordance with the JORC Code. A Competent Person has not yet done sufficient work to classify the resources as mineral resources in accordance with the JORC code. It is uncertain that, following evaluation or further work, the foreign estimate will be able to be reported as Mineral Resources in accordance with the JORC Code. Refer to ASX Announcement 6 August 2019 for detail on foreign resource.

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Centaurus Metals (ASX Code: **CTM**) is pleased to advise that it has confirmed a number of priority drill targets at the **Jaguar Nickel Sulphide Project** ("Jaguar" or the "Project"), located in the world-class Carajás Mineral Province of northern Brazil, after receiving highly encouraging initial results from re-processing of historical electromagnetic (EM) survey data.

Centaurus recently reached agreement with the global mining giant, Vale S.A. ("Vale"), to acquire, subject to final Vale Board approval (which is due imminently), the advanced, large-scale Jaguar Project (see ASX Announcement 6 August 2019), giving it an outstanding exploration and growth opportunity in the highly sought-after nickel sulphide sector.

Jaguar is an at-surface nickel sulphide project with a global 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**, underpinned by more than 55,000m of diamond drilling and an extensive geological and geophysical database. Within the historical resource drilling, multiple shallow massive to semi-massive sulphide zones have been identified with outstanding **high-grade intersections such as 34.0m at 3.31% Ni from 56m** in PKS-JAGU-DH00065.

In light of its exploration focus on high-grade nickel sulphide mineralisation, Centaurus recently engaged leading Perth-based geophysical consulting group Southern Geoscience to re-process historical FLEM and DHEM survey data. Vale completed 72 EM survey lines over 68 fixed-loops and a further 34 DHEM surveys across the project area, assembling an **extensive and high-quality geophysical dataset**.

Re-processing work over the Onça-Preta Deposit and Onça-Rosa Target in the northern part of the Project is now complete. This work comprised the analysis and modelling of eight loops (Loops 69-76). **Results to date have been outstanding, demonstrating clearly that the EM conductors identified in both the FLEM and DHEM surveys correlate extremely well with the high-grade nickel sulphide zones** intersected in the historical drilling (see Figures 1-3 below and the following technical discussion).

Commenting on the results, Centaurus' Managing Director, Mr Darren Gordon, said:

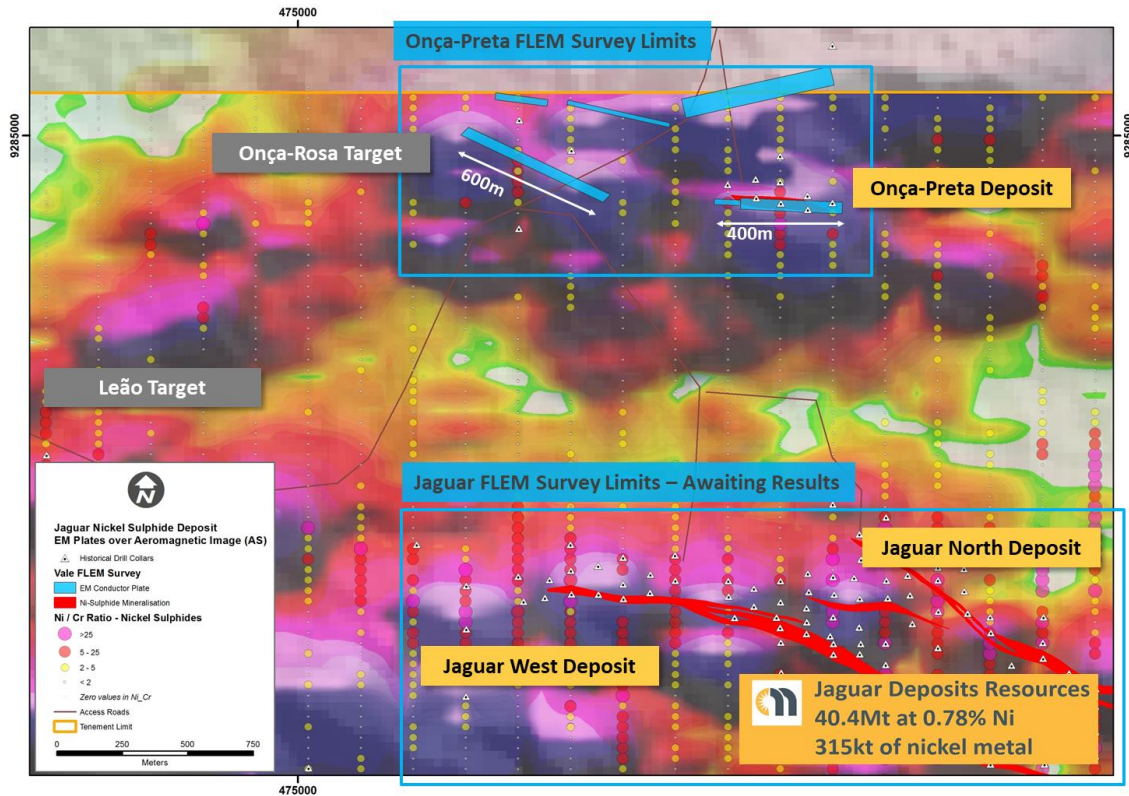
"It's great to see such positive results from this early stage of work at Jaguar. EM geophysics is the preferred methodology globally for targeting high-grade nickel sulphides, and we are very encouraged to be able to confirm at a very early stage in our exploration program that both surface and down-hole EM works well at Jaguar. This gives us confidence in the data we already have to hand and gives us significant momentum as we head towards our first drill program."

"At the Onça-Rosa Target, we have a 600m long EM conductor plate with only two historical holes into it, one of which returned 7.9m at 5.27% Ni. This is an exceptional nickel sulphide exploration target by any measure, and we are really looking forward to getting some additional holes into it as soon as we possibly can, given the outstanding potential to deliver some high-grade results in the near term."

"Jaguar has 55,000m of drilling and an extensive high-quality database that underpins a near-surface resource of 40.4Mt at 0.78% Ni for 315,000t of contained nickel. Our immediate focus will be on identifying the high-grade portions of the mineralisation – and we expect that EM will be an important tool to help us do this."

"We look forward to delivering more results from the re-processing work over the coming weeks and then from the project ground FLEM and Mag surveys that are planned to start in September. All results will support the company's maiden drill program which is planned to commence towards the end of October."

Figure 1 – The Jaguar Nickel Sulphide Project: Onça-Preta Deposit and Onça-Rosa Target FLEM Plates (Aeromagnetic Images (AS) and Ni/Cr Ratio in soils geochemistry).



Southern Geoscience continues to work on the FLEM and DHEM survey data from the Jaguar Deposit area to the south (see Figure 1 above), with results expected in the coming weeks.

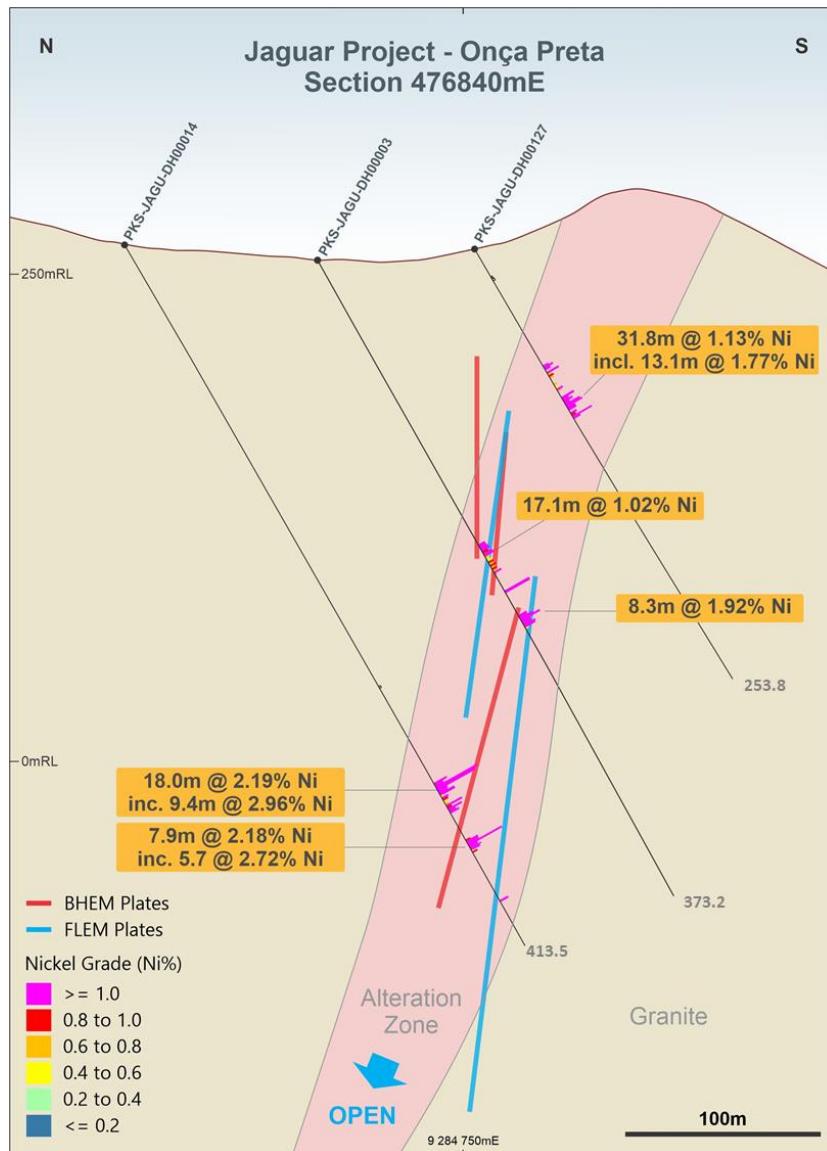
Onça-Preta Deposit

At the **Onça-Preta Deposit**, a **strong 400m long FLEM conductor** has been modelled that correlates very well with existing nickel sulphide intersections from multiple drill holes within the deposit (see Figure 2 below).

PKS-JAGU-DH00014, the deepest historical drill hole into the deposit, returned intercepts of **18.0m at 2.19% Ni** and **7.9m at 2.18% Ni**. The FLEM plates, shown below in blue, extend more than 150m below the deepest drill hole, demonstrating that the deposit remains continuous and open at depth.

The FLEM conductor plates are supported by the results from the DHEM (3Hz) survey of drill hole PKS-JAGU-DH00003, the only DHEM survey completed on the Onça-Preta Deposit. The DHEM plates, shown in red below, indicate strong edge hit anomalies (+2000 s/m) with significant off-hole extent. The plates correlate well within historical high-grade nickel sulphide intersections as well as identifying additional in-fill and extensional targets that remain to be tested.

Figure 2 – The Jaguar Nickel Sulphide Project: Onça-Preta Deposit Cross-Section showing FLEM (blue) and DHEM (red) conductor plates.



It is important to note that FLEM Loop 69 over the eastern part of the Onça-Preta Deposit is the only 3 Hz FLEM survey. All other surveys were completed using 30Hz. Significantly, Loop 69 gave the strongest conductance of 775 s/m. Use of higher frequency 30 Hz data for the FLEM identifies areas of increased conductivity which could be related to stringer and disseminated nickel sulphide mineralisation, suitable for the historical bulk tonnage targets.

It is the 3Hz data, however, where the strength of the conductors represents a more reliable indication of mineralisation and is better suited to ranking targets with respect to the probability that they consist of semi-massive and massive nickel sulphides. All future FLEM and DHEM work to be completed by Centaurus will use a lower frequency setting of 3Hz.

Onça-Rosa Target

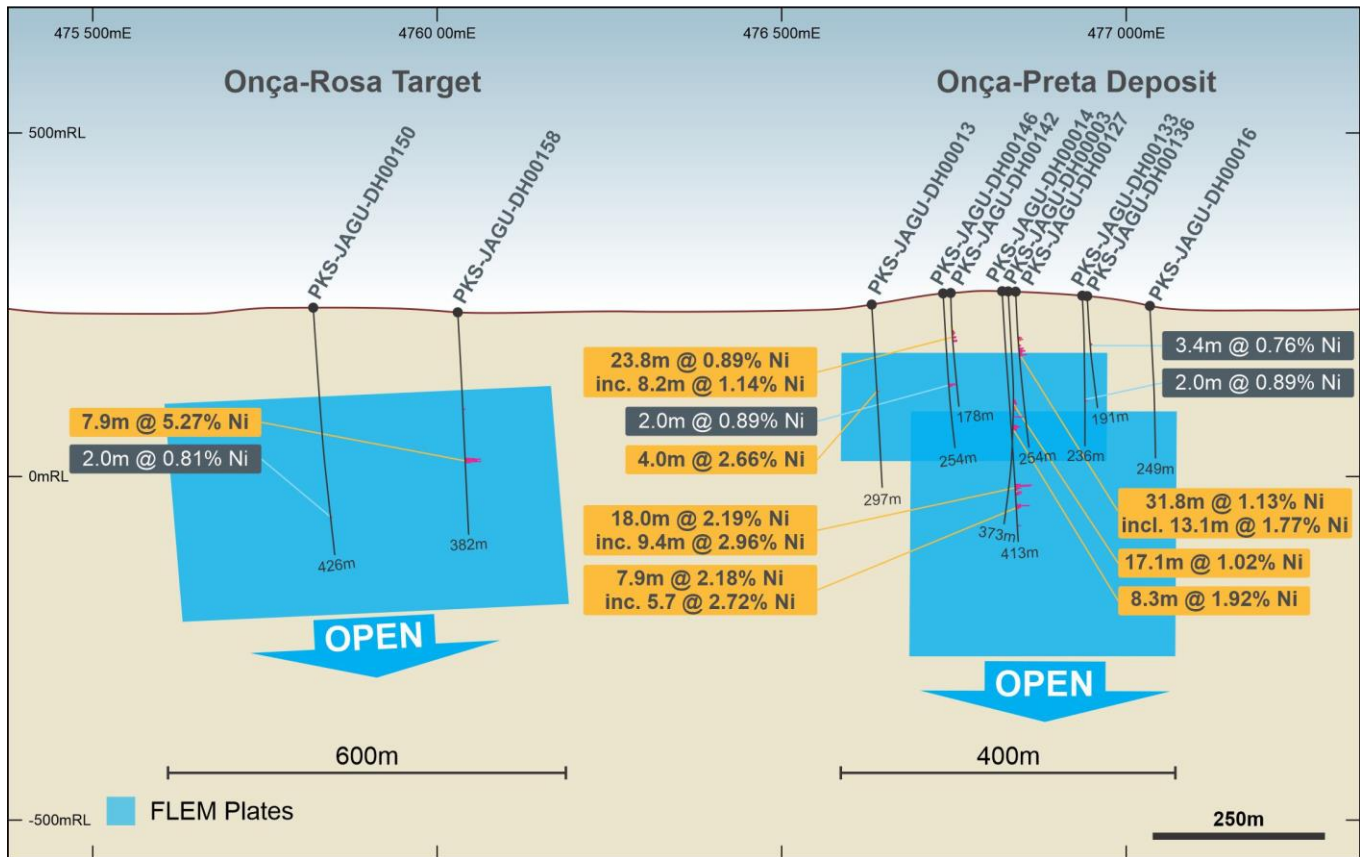
Especially exciting are the results from the Onça-Rosa Target, which is located 500m west of the Onça-Preta Deposit. Southern Geoscience has modelled a **600m long EM conductor plate, which is coincident with a magnetic anomaly and high Ni/Cr soil geochemical ratios** which are indicative of nickel sulphides.

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The Onça-Rosa Target was tested by Vale with only three drill holes. Two of the holes intersected the EM conductor plate and both returned nickel sulphide mineralisation 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 (see Figure 3 below).

Figure 3 – The Jaguar Nickel Sulphide Project: Onça-Preta Deposit and Onça-Rosa Target Long-Section.



The Onça-Rosa Target presents an outstanding walk up high-grade nickel sulphide drill target for Centaurus. The Company is confident that it can generate similar high-grade intercepts to the historical intersection of 7.9m at 5.27% Ni by targeting the 600m long continuous EM conductor plate.

Multiple new targets similar to Onça-Rosa and Onça-Preta have also been identified where discrete magnetic anomalies are coincident with high Ni/Cr soil geochemical ratios and which remain completely untested. The Leão target and un-named magnetic anomalies east of Onça-Preta are examples of this (see Figure 1).

Northern Limit Conductor Targets

At the northern limit of the project area, three moderate to weak FLEM conductors have been modelled. The conductors are between 300m to 580m long, dip steeply to the north and are coincident with discrete magnetic anomalies and moderate Ni/Cr ratios.

The conductors are located close to the Puma Ultramafic suite which makes them of significant geological interest to the Company. The Puma Ultramafic is understood to be the source of the remobilised nickel sulphides, and therefore EM targets located around it may be proximal conduits for the nickel sulphides and will require further investigation.

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Next Steps for the Jaguar Nickel Sulphide Project

Centaurus will focus initial drilling and project development efforts on near-surface high-grade targets with in-fill and extensional drilling designed to improve the understanding of the high-grade mineralisation and add additional high-grade nickel tonnes to the current foreign resource.

The near-term project milestones to be undertaken in the second half of 2019 include:

- Continue to re-process historical ground and airborne geophysical survey data (Southern Geoscience – on going);
- Re-logging and re-interpretation with a focus on the structural controls and plunge of the high-grade zones (underway);
- Ground Magnetic and Electro-Magnetic (EM) geophysical surveys (to start in September);
- Landowner agreements and drill access licensing (underway);
- In-fill and extensional drilling within the known deposits to test the continuity of high-grade zones (planned to start towards the end of October);
- Completion of a maiden JORC Resource estimate; and
- Metallurgical testwork and process route determination.

Centaurus continues to conduct an extensive review of all data and the existing foreign resource estimate. Details of the foreign resource estimate are provided in Appendix A of the ASX Announcement dated 6 August 2019. Centaurus has engaged an independent resource specialist to review and update the current resources to JORC 2012 compliance.

-ENDS-

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Competent Persons Statement

Mr Roger Fitzhardinge confirms that the information in this market announcement that relates to the Exploration Results and Mineral Resource provided under ASX Listing Rules 5.12.2 to 5.12.7 is an accurate representation of the available data and studies supplied to Centaurus as a foreign estimate. Please refer to ASX announcement of 6 August 2019 for details of the foreign resource estimate and the details required by ASX Listing Rule 5.12.2 to 5.12.7.

Roger Fitzhardinge is a permanent employee of Centaurus Metals Limited and a Member of the Australasian Institute of Mining and Metallurgy. 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.

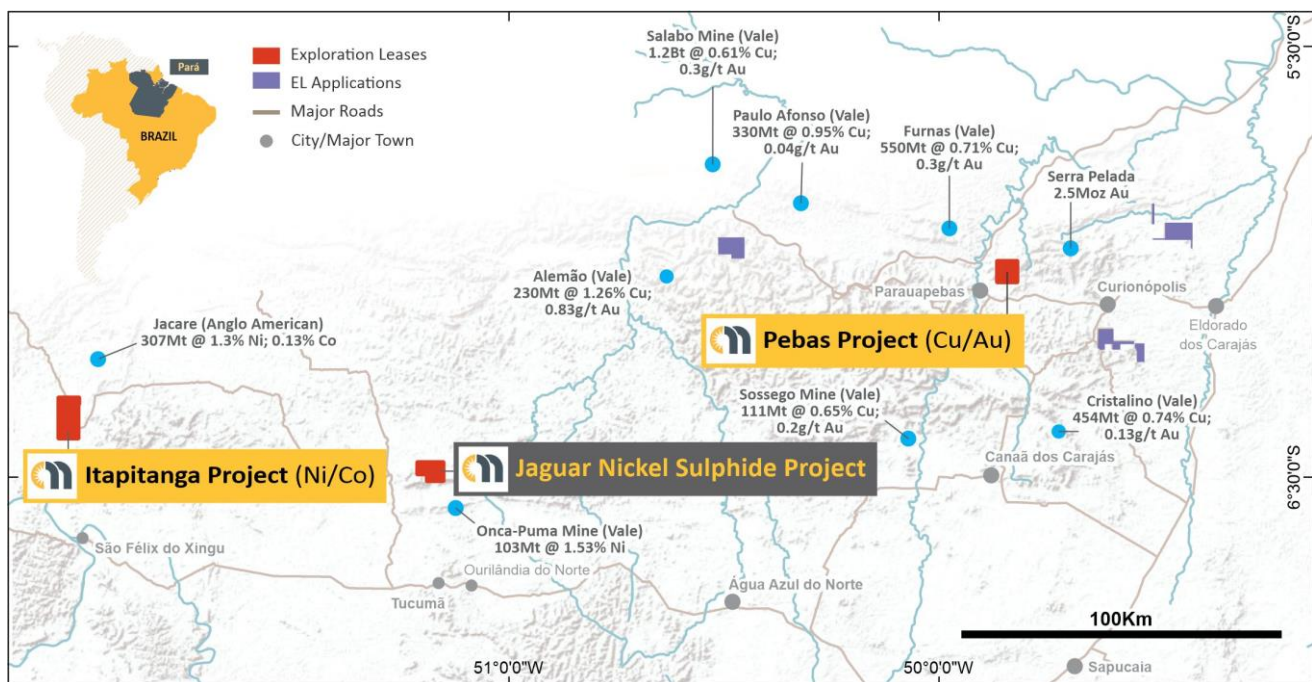


APPENDIX A - About the Jaguar Nickel Sulphide Project

The Jaguar Project hosts multiple nickel sulphide deposits and exploration targets within a 30km² land package in the western portion of the World-Class Carajás Mineral Province. Occurring from surface, the nickel sulphide mineralisation is hosted by porphyritic felsic sub-volcanic and granitic rocks located along multiple sub-vertical ductile-brittle hydrothermal alteration zones.

The Project is located just 35km north of the regional centre of Tucumã (population +50,000) with a 230kVA sub-station located 15km south-east of the Project at Vale's Onça-Puma Nickel Mine (Figure 4).

Figure 4 – The Jaguar Nickel Sulphide Project - Location Map



The historical Mineral Resource estimate completed by Vale in 2010, which was based on more than 55,000m of diamond drilling, comprised **40.4Mt at 0.78% Ni** at a 0.5% Ni cut-off for a total of **315kt of contained nickel metal** (see Table 1 below). All historical resource work was completed to the highest industry standards. Centaurus will engage an independent resource specialist to review and update the resource to JORC 2012 compliance during the initial phase of planned work programs.

Table 1 – Jaguar Nickel Sulphide Project Foreign Resource Estimate (0.5% Ni cut-off)

Classification*	Mt	Ni %	Grade		Contained Metal (Tonnes)		
			Cu %	Co ppm	Ni	Cu	Co
Measured	19.0	0.79	0.06	145	150,008	11,393	2,753
Indicated	21.4	0.77	0.07	123	164,939	14,994	2,635
Total	40.4	0.78	0.07	133	314,947	26,388	5,388

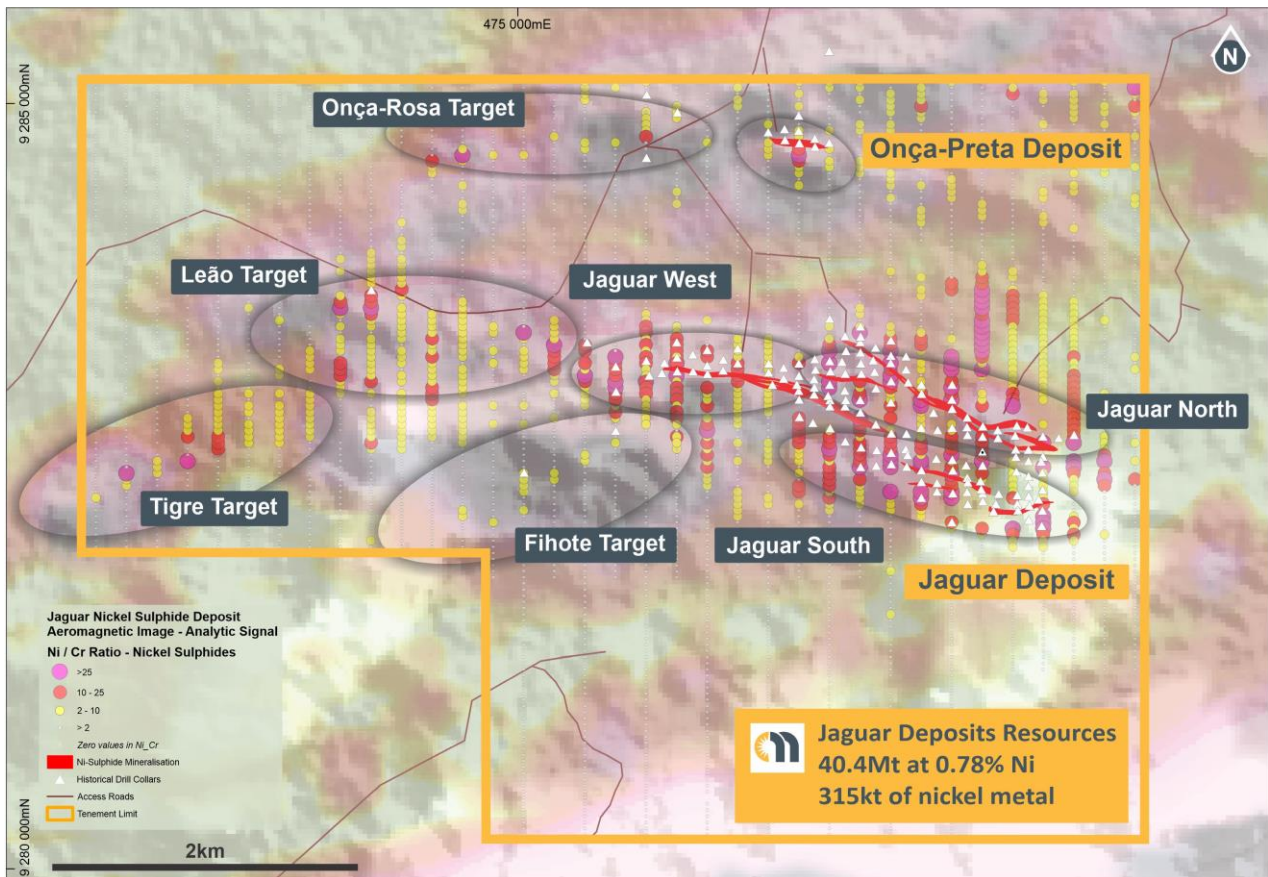
* Cut-Off 0.5% Nickel; Rounding errors may occur.

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Note: This information is reported on the basis of a Foreign Estimate and as such, is not reported in accordance with the JORC Code 2012. The Foreign Estimate reported is based on a 0.5% Nickel cut-off and no additional economic constraints were applied to the resource. An additional 17.2Mt at 0.76%Ni is reported in the Inferred Resource category of the Foreign Estimate, the Centaurus competent person considers that these Inferred Resources do not meet the requirements of the JORC Code (2012) for reporting Mineral Resources and should be used as a broad guide only. The resource is to be read in conjunction with ASX Listing Rule 5.12 (see Appendix A in the ASX Announcement dated 6 August 2019).

Figure 5 – The Jaguar Nickel Sulphide Project – Key Deposits and Exploration Targets



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APPENDIX B – Compliance Statements for the Jaguar Project

The following Tables are provided for compliance with the JORC Code (2012 Edition) requirements for the reporting of Exploration Results at the Jaguar Project.

SECTION 1 - SAMPLING TECHNIQUES AND DATA

(Criteria in this section apply to all succeeding sections).

Criteria	Commentary
Sampling techniques	- Historical soil sampling was completed by Vale, samples were taken at 50m intervals along 200m spaced north-south grid lines. - Surface material was first removed, and sample holes were dug to roughly 20cm depth. A 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. - The historical drilling is all diamond drilling. Drill sections are spaced 100m apart and generally there is 50 to 100m spacing between drill holes on sections. - Core was cut and ¼ core sampled and sent to commercial laboratories for physical preparation and chemical assay. - Sample length along core varies between 0.3 to 4.0m, with an average of 1.48m; sampling was done according to lithological contacts and generally by 1m intervals within the alteration zones and 2m intervals along waste rock. - Due to the nature of mineralisation which is sub-vertical, mineralisation is mostly oblique to drill core. - At the laboratories, samples were dried (up to 105°C), crushed to 95% less than 4mm, homogenized, split and pulverized to 0.105mm. A pulverized aliquot was separated for analytical procedure.
Drilling techniques	- Historical drilling was carried out between 2006 to 2010 by multiple drilling companies (Rede and Geosol), using wire-line hydraulic diamond rigs, drilling NQ and HQ core. - Vale drilled 173 drill holes for a total of 58,024m of drilling on the project. All drill holes were drilled at 55°-60° towards either 180° or 360°.
Drill sample recovery	- Diamond Drilling recovery rates were calculated at each drilling run. - For all diamond drilling, core recoveries were logged and recorded in the database for all historical diamond holes. Overall recoveries are >98% and there are no core loss issues or significant sample recovery problems. - To ensure adequate sample recovery and representivity a Vale geologist or field technician was present during drilling and monitored the sampling process. - No relationship between sample recovery and grade has been demonstrated. No bias to material size has been demonstrated.
Logging	- Historical outcrop and soil sample points were registered and logged in the Vale geological mapping point database. - All drill holes have been logged geologically and geotechnically by Vale geologists. - Logging for drilling is qualitative and quantitative in nature. - All historical diamond core was photographed.
Sub-sampling techniques and sample preparation	- Diamond Core (HQ) was cut using a core saw (HQ and NQ), ¼ core was sampled. Sample length along core varies between 0.3 to 4.0m, with an average of 1.48m; sampling was done according to lithological contacts and generally by 1m intervals within the alteration zones and 2m intervals along the waste rock. - There is no non-core sample within the historical drill database. - QAQC: Standards (multiple standards are used on a rotating basis) are inserted every 20 samples. Blanks have been inserted every 20 samples. Field duplicates are completed every 30 samples. Additionally, there are laboratory standards and duplicates that have been inserted. - Sample sizes are appropriate for the nature of the mineralisation. - All geological samples were received and prepared by SGS Geosol or ALS Laboratories as 0.5-5.0kg samples. They were dried at 105°C until the sample was completely dry (6-12hrs), crushed to 90% passing 4mm and reduced to 400g. The samples were pulverised to 95% passing 150µm and split further to 50g aliquots for chemical analysis. - During the preparation process grain size control was completed by the laboratories (1 per 20 samples).

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Criteria	Commentary
Quality of assay data and laboratory tests	- Chemical analysis for drill core and soil samples was completed by multi element using Inductively Coupled Plasma ICPAES (multi-acid digestion); ore grade analysis was completed with Atomic Absorption (multi-acid digestion); sulphur analysis was completed with Leco, and Au and PGEs completed via Fire Assay. - SGS Geosol and ALS Laboratories insert their own standards at set frequencies and monitor the precision of the analysis. These results reported well within the specified 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. - Vale inserted standard samples every 20 samples (representing 5%). Mean grades of the standard samples are well within the specified 2 standard deviations. - All laboratory procedures are in line with industry standards. Analysis of field duplicates and lab pulp duplicates have returned an average correlation coefficient of over 0.98 confirming that the precision of the samples is within acceptable limits. - Vale QAQC procedures and results are to industry standard and are of acceptable quality.
Verification of sampling and assaying	- All historical samples were collected by Vale field geologists. All assay results were verified by alternative Vale personnel. The Centaurus CP has verified the historical significant intersections. - No twin holes were completed. - All primary data is now stored in the Centaurus Exploration office in Brazil. - No adjustments were made to the assay data.
Location of data points	- All collars were picked up using DGPS units. Centaurus has checked multiple collars in the field and has confirmed their location. All field sample and mapping points were collected using a Garmin handheld GPS. - An aerial survey was completed by Esteio Topografia and has produced a detailed surface DTM at (1:1000 scale). - The survey grid system used is SAD-69 22S. This is in line with Brazilian Mines Department requirements.
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. - The historical drilling is all diamond drilling. Drill sections are spaced 100m apart and generally there is 50 to 100m spacing between drill holes on sections. - No sample compositing was applied to the drilling.
Orientation of data in relation to geological structure	- Historical drilling was oriented at 55°-60° to either 180° or 360°. This orientation is generally perpendicular to the main geological features sequence along which broad scale mineralisation exists. - Centaurus will investigate the higher grade, structurally controlled mineralisation which is understood to be oblique to historical drilling.
Sample security	- All historical samples were placed in pre-numbered plastic sample bags and then a sample ticket was placed within the bag as a check. Bags were sealed and then transported by courier to the SGS Geosol or ALS laboratories in Parauapebas, PA. - All remnant diamond core is stored at the Vale core shed in Parauapebas, PA and is to be transported to the Centaurus core shed.
Audits or reviews	The Company is not aware of any audit or review that has been conducted on the project to date.

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SECTION 2 - REPORTING OF EXPLORATION RESULTS

(Criteria listed in the preceding section also apply to this section).

Criteria	Commentary
Mineral tenement and land tenure status	- The Jaguar project includes one exploration licence (856392/1996) for a total of circa 30km². A Mining Lease Application has been lodged that allows for ongoing exploration and project development ahead of project implementation. - The tenement is part of a purchase agreement with Vale SA. Centaurus has committed to an upfront cash payment of US\$250,000, the transfer of the Salobo West tenements to Vale, two deferred consideration payments totalling US\$6.75M and a production royalty of 0.75%. Completion of the acquisition remains subject to final Vale S.A. Board approval as well as approval by the Brazilian National Bank for Economic and Social Development (BNDES) for the assignment of BNDES' royalty interest in the Project. - All mining projects in Brazil are subject to a CFEM royalty, a government royalty of 2% on base metal revenue. - Landowner royalty is 50% of the CFEM royalty. - The project is covered by a mix of cleared farm land and natural vegetation. - The project is not located within any environmental protection zones and exploration and mining is permitted with appropriate environmental licences.
Exploration done by other parties	Historically the Jaguar Project was explored for nickel sulphides by Vale from 2005 to 2010.
Geology	- Jaguar Nickel Sulphide is a hydrothermal nickel sulphide deposit located near Tucumã in the Carajás Mineral Province of Brazil. - The deposit setting is interpreted as an extensional fault with the Itacaiúnas Supergroup down thrust southwards over the Xingu basement resulting in the development of a ductile mylonite zone along the Canãa Fault. - Iron rich fluids were drawn up the mylonite zone causing alteration of the host felsic volcanic and granite units and generating hydrothermal ironstones. Late stage brittle-ductile conditions triggered renewed hydrothermal fluid ingress and resulted in local formation of high-grade nickel sulphide zones within the mylonite and as tabular bodies within the granite.
Drill hole Information	- Refer to Figures 1, 2, 3 and 5. - This report does not include any new drill hole results. Refer to ASX Announcement dated 6 August 2019 for all significant intersections.
Data aggregation methods	- Continuous sample intervals are calculated via weighted average using a 0.5 % Ni cut-off grade with 3m minimum intercept width. - There are no metal equivalents reported.
Relationship between mineralisation widths and intercept lengths	The results reported in this announcement and in ASX Announcement dated 6 August 2019 reflect individual down hole sample intervals and no mineralised widths were assumed or stated.
Diagrams	Refer to Figures 1-5.
Balanced reporting	All exploration results received by the Company to date are included in this report.
Other substantive exploration data	The Company has received additional geophysical data from Vale that is being processed by an independent consultant Southern Geoscience, results are in this announcement.
Further work	- The Company is undertaking re-logging and re-interpretation of the historical data with focus on the structural controls and plunge of the high-grade zones. - The Company has engaged a geophysical specialist to re-process historical ground and airborne geophysical survey data. This work has provided the results contained in this release and the work is ongoing. Additionally, that company will prepare Ground Magnetic and Electro-Magnetic (EM) geophysical surveys to be carried out over the coming months. - In-fill and extensional drilling within the known deposits to test the continuity of high-grade zones are planned to start in Q4 2019.