

Goldletter INTERNATIONAL

the international independent information and advice bulletin for gold and related investments

Special Situation - October 2011 Update

www.centurionminerals.com



Centurion Minerals Ltd. (Cdn\$ 0.42)

TSX.V	: CTN
H+L prices (12 months)	: \$ 1.75 – 0.31
Net shares issued	: 32.5 million shares
Fully diluted	: 40.4 million shares
Market Capitalization	: \$ 13.7 million

Next price target: Cdn\$ 1.20

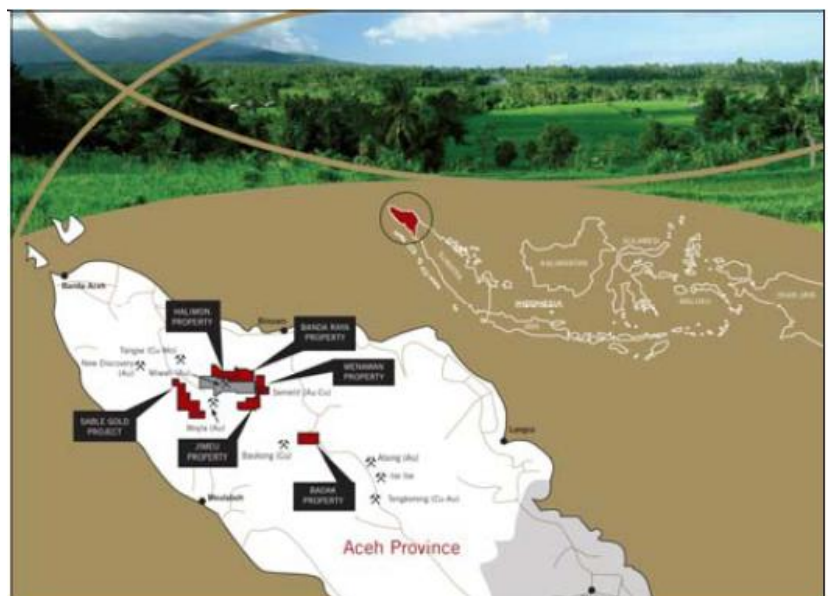
Company profile

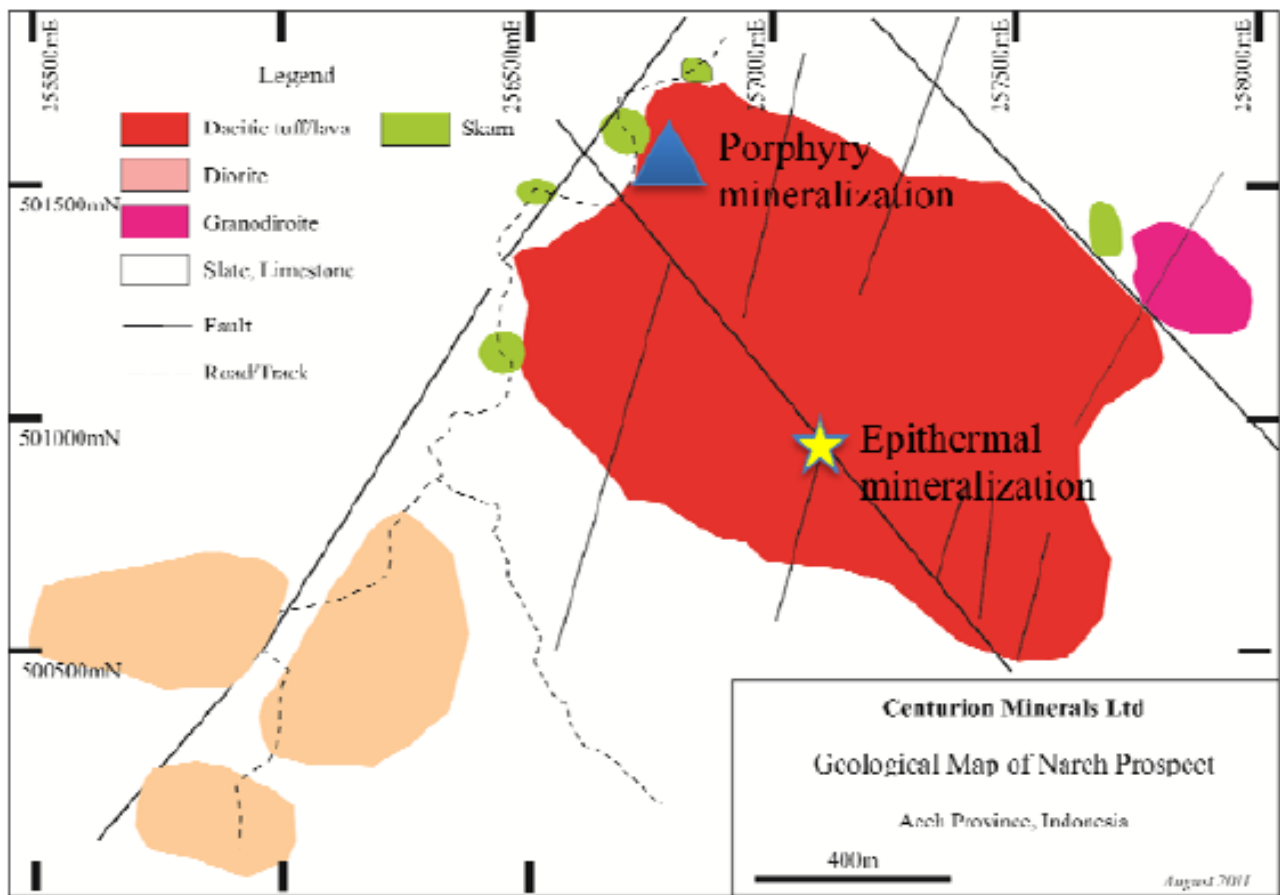
Centurion Minerals (“Centurion”) is a Canadian-headquartered company focused on the procurement, exploration and development of gold and other precious metal projects in **Indonesia**.

The Company has assembled 6 projects in the **Aceh Province** in **northern Sumatra** where potential for mineable gold mineralization has been demonstrated, but with exploration inactivity over an extended period of over 10 years, prior discoveries remain to be fully explored and elevated in light of current favorable metal prices.

Centurion also has the right to a 10.8% interest in East Asia Minerals’ expanding 3.2 million ounces gold Miwah Deposit.

Aceh province is known to be a geologically favourable setting for shallow porphyry and epithermal copper-gold mineralization.





Centurion is currently securing a second, bigger drill rig, capable of drilling to a depth of 1,000 metres in order to continue DDH-01 to a greater depth. Complete assay results from these four drill holes have not yet been received due to delayed analysis turn-around time from the laboratory. Assay results of these drill holes will be reported when received.

Upon the completion of NA DDH04, the rig was re-located to drill the epithermal gold target area- which has widespread gold anomalies on the surface, including rock channel samples assaying up to 11 g/t gold.

Geology of the Nareh Epithermal Gold Prospect

The Nareh epithermal gold mineralization occurs in a sequence of dacite and rhyolite and subordinately of andesite and diorite, all of which are confined within the Nareh volcanic-intrusive complex surrounded by older granodiorite, marl, skarn and hornfels. Those magmatic rocks were variably altered to silica and clay minerals, and brecciated in various places. The silicified rocks appear to form topographically resistant lithocaps that underlie the postulated porphyry mineralization on the basis of the occurrence of Cu-Au-Mo-bearing outcrops at the foothill. In addition, partial oxidation is apparent in the upper part of the rocks, where some of the highest gold grades are located. The complex is cut by a series of NNE and NNW-trending faults, which control the epithermal mineralization.

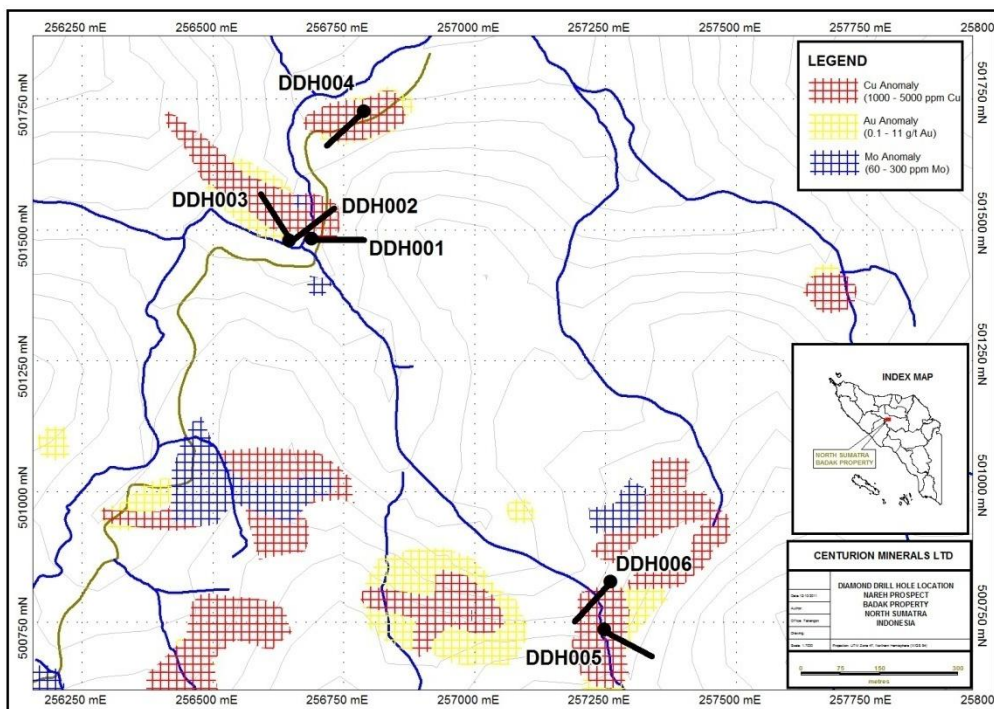
The current exploration program consists of ground magnetic and soil geochemical surveys over the entire complex area (both the epithermal and porphyry copper prospects), and a minimum of 4,000 metres of reconnaissance diamond drilling.

Highlights of the Nareh Epithermal Gold target results to date

Several high gold anomalies in rock and soil samples have been delineated within the surveyed area, enabling Centurion to generate drill hole locations aimed at discovering economically viable gold mineralization.

The most significant anomalies are as follows:

- Assays from a total of 92 rock chip and 1-m channel samples within a 400 x 600 m geochemical anomalous area indicate:
 - Continuous channel samples returned 11m of 2.83 g/t gold, with the highest gold grade of 11 g/t over one metre.
 - 21 of the rock samples contain greater than 0.1 gram/ton (g/t) gold, including 6 rock chip samples collected at 1m spacing ranging from 1.97 to 9.44 g/t gold.
- Assays from a total of 200 soil samples taken from an expanded 500 x 1,400 m gold anomalous area indicate:
 - 20 samples registering between 0.05 and 0.7 g/t gold.
 - 130 out of 200 soil samples contain greater than 0.01 g/t gold, (the background/baseline value is 0.005 g/t gold), and gold is correlated positively with pathfinder elements Cu and As.
- The first diamond drill hole (NA DDH--005) on the Nareh gold prospect, collared at the gold anomaly, ended at a depth of 200 m, the maximum capacity of the drill rig. Assays of NA DDH--005 core samples are pending.
- The second hole, (NA DDH--006) located approximately 120 m north of the first hole and directed toward the southwest, is in progress. This hole is designed to test the continuity of the mineralization to the north and northwest.
- Centurion is currently securing a second (and bigger) drill rig, capable of drilling to a depth of 1,000 metres in order to continue DDH-01 to a greater depth.



Phase I Drilling on Badak's Nareh Prospect Area
 DDH 001-004 (Porphyry Copper Target) DDH 005/006 (Epithermal Gold Target)

The Company has held a number of community engagement sessions within the project area that have included teams from the departments of mining, local legislative representatives, village heads and staff, and other community stakeholders. Villagers and stakeholders have been highly participatory and cooperative with respect to road access, construction, and exploration programs in the region.

➤ **Banda Raya and Halimon properties**

Centurion Minerals holds an 80% joint venture interest in the Banda Raya and Halimon properties in the Aceh region of Sumatra. The two 10,000 hectare properties are located adjacent to and directly to the north of the East Asia Minerals (EAS – TSX.V) Miwah discovery. IUP exploration permits have been issued pursuant to Indonesian law, which secure the project’s tenure and enable firmer exploration activities to commence.

On the **Banda Raya Property**, regional geochemical reconnaissance by a previous explorer (Highland Pacific) in the 1990s identified multiple anomalies within the claim area including the Leuping and Simpang Tiga epithermal gold prospects.

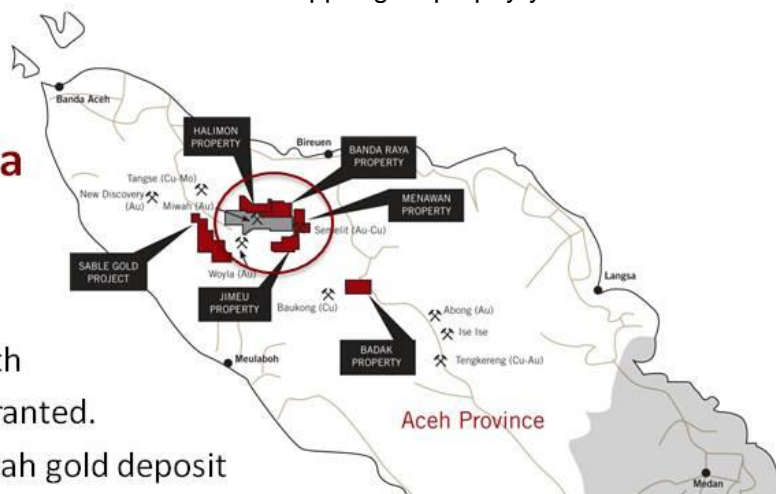
The previous explorer recorded sample assays taken from outcropping quartz veins ranging from < 0,01 to 15.35 g/t gold and up to 2,000 ppm copper.

Additionally, results from mapping confirmed the presence of locally hydrothermally brecciated and high sulphidation altered volcanic units inferred to correlate with the Leuping Volcanic formation which hosts the neighboring Miwah discovery and Banda Raya epithermal prospects.

Geological crews were mobilized in summer/fall 2010 and base camps have been established at multiple priority target areas in the Miwah-Menawan lineament, including Leuping, Simpang, Tiga, Geudob, Tiger Ridge and Menawan.

Preliminary reconnaissance at the prospects has confirmed the presence of widespread high-sulphidation style epithermal alteration localized copper sulfides minerals and copper/gold porphyry mineralization.

Halimon & Banda Raya Properties
80% JV Interest



- 2 x 10,000 ha land claims with exploration permits (IUPs) granted.
- Located adjacent to the Miwah gold deposit
- Geological crews mobilized and base camps established at multiple priority target areas in the **Miwah – Menawan lineament** including: **Leuping, Simpang Tiga, Geudob, Tiger Ridge and Menawan**. Preliminary reconnaissance at these prospects has confirmed the presence of widespread high-sulphidation style epithermal alteration, localized copper sulfide minerals and copper-gold porphyry mineralization.
- Exploration and sampling continues with drilling (minimum 2,000 m) commencing in late 2011

The **Halimon Property** - results from historic ground exploration work within this IUP licence area in the 1990s identified four widespread geochemical target areas in and around the Peut Sague volcano region. The area is a clear focus for exploration as it represents a potentially favorable host rock or hydrothermal feeder for local gold mineralization.

Additionally, results from this work have outlined a structural corridor prospective for epithermal/porphyry style mineralization located between the main Miwah gold deposit (approximately 2.5 km south of the Halimon border and the Peut Sague Volcano located 8 km in the south of Miwah).

Centurion intends to commence a first-phase drilling program by year end.

Results of geological and geochemical survey have delineated a 5-kilometre radius gold-copper prospect complex, which hosts high-sulphidation epithermal gold, porphyry gold-copper, and quartz vein types of mineralization.

Analysis of rock-chip samples from the Geudob prospect returned as high as 0.96 g/t gold with several oxidized, malachite-bearing samples grading up to 0.1% copper. In addition, a suite of metalliferous samples distributed over a 1 km strike length contained up to 0.46 g/t gold and 0.1% copper. Samples from a previously delineated prominent hill interpreted to be underlain by intrusions assayed up to 1.3 g/t gold and 0.27% copper. Assays of grab samples and boulders believed to originate from the nearby mineralised outcrops reported gold values up to 4.46 g/t gold as well as copper values up to 1.38%.

Centurion has also re-established the location of a major vein system at the Keladi prospect, on which a previous explorer reported a vein having a strike length of at least 250 metres and section assays up to 15.35 g/t gold, 986 g/t silver, 3.35% copper, 14.2% lead and 15.6% zinc. The setting of this vein is within a large circular structure that the Company has identified as a primary location target.

➤ **Miwah Gold Deposit – right of first refusal to earn a 10.8% interest**

In October 2010, Centurion entered into a Financial Partnership with PT Bayu Kamona Karya (“Kamona”), the company that has been issued the IUP Exploration Permit on the Property which hosts the Miwah epithermal gold discovery in Aceh. Kamona maintains a 15% interest in the Miwah Project.

East Asia Minerals recently announced an estimated resource estimate of 103.9 million tonnes averaging 0.94 g/t gold and 2.68 g/t silver for 31.4 million ounces of gold and 8.95 million ounces of silver in near and surface mineralization using a 0.20 g/t cut-off.

Centurion has the right to receive 72% of any income that Kamona receives: equivalent to a 10.8% interest.

➤ **Sable Gold Property**

Centurion holds a 77% interest in PT Tambang Mas Sable, a private Indonesian company which holds a contract of work (“COW”) on the Sable Gold Property in Aceh province.

The Sable Property is approximately 23,500 hectares in size and is located approximately 15 kilometres west of the Miwah epithermal gold deposit and has been subject to previous historical exploration consisting of rock chip and soil geochemical sampling, as well as drilling of 19 holes ranging from 150 to 250 metres in depth.

Upon reactivation of the COW, Centurion intends to commence an active exploration program on the Sable Project.

➤ Menawan Property

Centurion holds an 80% joint venture interest in the 10,000 ha Menawan Property in Aceh Province. The Property has been granted an exploration-stage Mining Business Permit (IUP), lies along the Miwah gold-mineralized lineament and contains at least two anomalous mineralized areas identified by previous operators referred to as the Menawan prospect and the Semelit Prospect.

The Menawan prospect is located in the easternmost part of the 25 km long Miwah lineament, an east-north-east trending mineralized structural corridor passing through the Miwah epithermal gold deposit situated about 18 km west of Menawan. It is one of at least 6 gold and copper-gold showings composing the Menawan anomaly. All the occurrences were delineated in the mid 1990s by PT Miwah Tambang Emas (Highlands Gold) on the basis of confirmation of the metaliferous outcrops.

The Semelit prospect was discovered by PT Kruen Peusangan Takengon (Minorca Resources) in 1997 through an integrated exploration approach. Stream sediment samples around the prospect area were anomalous in gold and base metals. Disseminated copper-gold mineralization in silicified and brecciated limestone (skarn-like) outcrops occur within the periphery of litho-magnetic domains and magnetic lineaments, which had been interpreted to indicate the presence of buried intrusion beneath the underlying limestone formation. Assays reported by Minorca from a suite of samples returned up to 1 ppm gold and 1,240 ppm copper.

Management

David Tafel, President, CEO & Director, contributes over 20 years of corporate structuring, strategic planning, financing and management experience to the Centurion Minerals team. Previously he has managed private investment funds as an investment advisor for a major Canadian investment firm. Mr. Tafel is also a director of MBMI Resources.

Thomas Mulja, Ph. D., P.Geo, Chief Operating Officer, has approximately 20 years of experience in both technical and high-level administrative functions and is responsible for overseeing the Company's exploration programs as well as contributing to the Company's project acquisition plans, permitting and strategic planning. Previous experience includes work with East Asia Minerals, where he was responsible for the acquisition and renewal of the exploration permits of all projects in Indonesia (including the project that hosts the Miwah gold deposit in Aceh), liaising with the local stakeholders and Indonesian authorities, and managing the general operations for EAS in Indonesia.

Mr. Mulja also worked in various capacities as a geologist exploring for epithermal gold and porphyry copper-gold prospects for several international mining and exploration companies including Minorca Resources and Barrick Gold in Indonesia.

Mr. Mulja was born in Indonesia and earned a Ph.D. degree in economic geology from McGill University in Montreal.

Alfred Lenarciak, Chairman & Director, has an engineering background and possesses more than 20 years experience in the financing and strategic development of natural resource companies. He is the former chairman of Minorca Resources, and is a former director of Unigold.

Adrian Rothwell, Chief Financial Officer, has been providing financial consulting, management and controllership services to the mining industry since 1995. He has previously acted as a financial consultant to a number of other publicly-traded companies. As a Chartered Accountant he offers many years of professional accounting, public practice, and industry specific expertise. Mr. Rothwell is a member of the Institute of Chartered Accountants of British Columbia, Canada and the Institute of Chartered Accountants of Australia. He is also the CFO for Kiska Metals and MBMI Resources.

Thomas Dott, B.Sc., Project Manager, has recently been appointed to oversee all exploration and drilling work on the Banda Raya project. His career, which spans 16 years, has been primarily spent on porphyry copper-gold and epithermal gold deposits including those at Frieda, Porgera, and Tolukoma in Papua New Guinea. Most recently he designed and managed the drilling program of porphyry copper-gold prospects in Aceh Province, Indonesia for East Asia Minerals. Mr. Dott received a B.Sc. in Geology from the University of Papua New Guinea.

Ken Cawkell, Director, has over 25 years of experience in both public and private venture capital markets. He co-founded Cawkell Brodie Glaister LLP Business Lawyers in 1987, where he acts as a managing partner and has been extensively involved in all aspects of corporate structuring, finance and securities law. He is an investor and founder of a number of private companies where he has held executive management positions, and currently sits on the board of a number of private and public companies.

Joseph Del Campo, Director, is a Certified Management Accountant (CMA) and is the Chief Financial Officer of First Nickel. He began his career with Falconbridge and spent over 19 years working within the Falconbridge group of companies at progressive financial positions, including Controller and Treasurer of Falconbridge Dominicana and Falconbridge Gold. Over the past 15 years Mr. Del Campo has been a director and Vice-President Finance and CFO of a number of junior exploration companies listed on the TSX and the TSX Venture Exchange.

Fred Tumbuan, Director, is the Senior Managing Partner of Jakarta-based legal firm Tumbuan Pane, and specializes in banking, corporate restructuring, and capital market transactions. He was instrumental in the development of the Indonesian natural resource laws. In addition to being an arbitrator of BANI (Indonesian National Board of Arbitration), he is also an arbitrator with the Singapore International Arbitration Center and the International Chamber of Commerce. Mr. Tumbuan studied philosophy at the Pontifical Athenaeum, India; theology at the Jesuit Theological College, Australia; and law at Universitas, Jakarta

Koiti Mel, B.Sc., Chief Geologist, is responsible for leading field exploration activities. His 17 years of experience covers early exploration prospects to feasibility stage activities on epithermal gold and porphyry copper-gold projects, including the Porgera gold mine in Papua New Guinea. Mr. Mel holds a Bachelor of Science degree majoring in Geology from the University of Papua New Guinea.

Simon Meldrum, B.Sc., P. Geo, Consulting Exploration Geologist, his career spans over twenty years in as many countries, including (but not limited to) Australia, Papua New Guinea, Indonesia, Chile, Ecuador, Peru, Argentina, Brazil and Columbia. He has held a vast array of positions including project manager at Newmont Pty (Aus) and played an instrumental role in the exploration, co-discovery and modeling of the Batu Hijau Mine in Indonesia with Newmont Exploration. He has also worked with Teckcominco, Xstrata, and has most recently consulted for East Asia Minerals on the Miwah Project in Indonesia. Mr. Meldrum holds a Bachelor of Science and an Honours degree from the University of New England, NSW Australia.

Finance

In January 2011, Centurion closed a non/brokered private placement and issued 1.12 million shares of the Company priced at Cdn\$ 1.55 per share for total gross proceeds of Cdn\$ 1.74 million.

This placement is a component of the strategic alliance made with PT Titan Metals ("Titan"), a private Indonesian company engaged in the acquisition and development of mineral resource projects in Indonesia.

The agreement provides Centurion with the first right of refusal to participate in any of the projects in which Titan is seeking a partner in exchange for centurion's technical, legal and financial expertise.

Centurion is well funded with approximately Cdn\$ 1million in its treasury.

Investment recommendation:

Centurion has assembled 6 projects in the **Aceh Province** in **northern Sumatra** where potential for mineable gold mineralization has been demonstrated, but with exploration inactivity over an extended period for more than 10 years. Prior discoveries remain to be fully explored and elevated in light of current favorable metal prices.

Exploration opportunities offer a high probability that jungle cover conceals mineralized zones in close proximity to known zones of mineralization identified by previous explorers Highlands Pacific and Barrick Gold in the 1990s with an expenditure estimate of more than \$ 6 million.

Centurion's 80% joint venture interest in the 10,000 hectare **Badak tenement** is located within the renowned Neogene mineralization magmatic belt of Sumatra. This belt contains many gold and base-metal deposits making it one of the most productive among the Indonesian metallogenic zones.

On the **Banda Raya** and **Halimon** properties, preliminary reconnaissance at multiple priority target areas have confirmed the presence of widespread high-sulphidation style epithermal alteration localized copper sulphide minerals and copper-gold porphyry mineralization. Exploration and sampling continues with drilling anticipated prior to year end.

Based on its strong presence in the prolific Aceh Province and some of its projects showing the same gold structure as East Asia's Miwah gold discovery, at a current market capitalization of just Cdn\$ 13.7 million, including Cdn\$ 1 million cash and the Company's 10.8% interest in the Miwah Gold Deposit valued at approximately Cdn\$ 5 million, we view the shares of Centurion strongly undervalued.

Our next price objective is Cdn\$ 1.20.