

8 January 2014

MINING LEASES GRANTED FOR JAMBREIRO IRON ORE PROJECT

Key milestone puts Centaurus on track to join the ranks of international iron ore producers

International iron ore company Centaurus Metals Ltd (ASX Code: **CTM**) is pleased to announce that it has taken a major step towards joining the ranks of iron ore producers in south-eastern Brazil after securing the grant of the three Concessão de Lavra (Mining Leases) that comprise the tenement package at its flagship **Jambreiro Iron Ore Project**.

The grant of this group of Mining Leases by the Ministry of Mines and Energy (MME) in Brazil – which have now been officially gazetted in the Diário Oficial da União (DOU) – represents a key strategic asset of the Company for future mining operations at Jambreiro. The grant of the Mining Leases will also greatly assist Centaurus to complete the funding process for the development of the Jambreiro Project.

While the grant of the Mining Leases was not required to enable construction to commence at Jambreiro, it will ensure that Centaurus is able to commence operations and generate positive cash flows on completion of the construction process.

Centaurus Managing Director, Mr Darren Gordon, said the grant of the Mining Leases represented another major milestone for the Company, putting it firmly on track to join the ranks of iron ore producers.

“While we already had the necessary approval required to start construction on site in the form of the previously granted Installation Licence (LI), the grant of the Mining Leases represents the culmination of the approval process with the Mines Department (DNPM) and the Ministry of Mines and Energy and marks a further key milestone in our development process.

“It will also greatly assist with our funding process, which in turn will clear the way for us to commence construction of a 1Mtpa project at Jambreiro in the coming months under the new development plan announced just before Christmas. From this initial production base – and with all approvals secured for up to 3Mtpa of production at Jambreiro – the Company can quickly expand production as cash flows are generated and market forces allow.

“2014 is set to be a transformational year for Centaurus and it’s great to kick off the New Year with this very important piece of news. The grant of the Mining Leases clearly demonstrates that there are no approval-related impediments to commencing operations at the Project and should further reduce the financing risk, putting us in a strong position as we enter what is shaping up as a very busy period for the Company.”

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